

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report and financial statements

for the year ended 31 December 2023

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Contents

	Page
Reference and administrative details of the Trust, its Trustees and advisers	1
Trustees' report	2 - 5
Independent auditors' report on the financial statements	6 - 9
Consolidated statement of financial activities	10
Consolidated balance sheet	11
Trust balance sheet	12
Consolidated statement of cash flows	13
Notes to the financial statements	14 - 33

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Reference and administrative details of the Trust, its Trustees and advisers for the year ended 31 December 2023

Trustees	S Woolley, Chair B Richards (Resigned December 2023) S Parkinson E Nicholson N Rae A Pratten S Orchard J Westerman CBE A Prochaska M Sanders M Bennett G Little (Appointed May 2023)
Company registered number	313439
Registered office	86 Wood Lane Quorn Leicestershire LE12 8DB
Company secretary	G Little
Independent auditors	PKF Smith Cooper Audit Limited Statutory Auditors 2 Lace Market Square Nottingham NG1 1PB

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report for the year ended 31 December 2023

The Trustees present their report with the financial statements of the charity for the year ended 31 December 2023.

Objectives and activities

a. Policies and objectives

The principal objective of the Trust is to provide educational courses and seminars for the individual members of the trade unions that are affiliated trade unions. It also produces publications and carries out project work in support of these activities and for the wider benefit of the community.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

Strategic report

Achievements and performance

a. Main achievements of the Trust and review of activities

This has been an exciting year for the Trust, during which we have significantly expanded our educational provision. We have continued to offer our bitesize and train the trainer courses, and our popular Young Member Development Weekend, designed and run by young members for young members. In addition, we have put on new Workplace Reps Stage 1 and 2 courses, Health & Safety Stage 1 & 2 courses, a relaunched Trade Union & Working Class History course, along with new courses on challenging sexual harassment and on economics. New courses on the Roots of Racism and Digital Strategy have also proved popular, along with the relaunch of our Trade Union Leadership and Innovation Programme. Taken together, this is the biggest expansion in our activities in at least a decade.

We have retained our Institute for Leadership and Management status and remain in partnership with the National Open College Network to deliver the End Point Assessment for the new trade union officials' apprenticeship.

The appointment of a new Secretary and a new Head of Education, Campaigns and Organising have been a significant developments for the Trust and we marked the retirement of our previous Secretary with a cultural event, which served as an opportunity to highlight the work of the Trust.

The Trust has welcomed many unions to Quorn Grange Hotel to deliver their own programmes and is involved in discussions with some affiliated unions about closer working relationships in the future in terms of education delivery.

The management of our subsidiary trading arm is the responsibility of the Secretary and the hotel directors and regular reports have been received.

All Trustees have undergone regular training at Trustee meetings and a full programme of induction has been undertaken by the new Secretary.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report (continued) for the year ended 31 December 2023

Strategic report (continued)

Financial review

a. Financial review

The results of the year are set out in the consolidated Statement of Financial Activities on page 11 and show a deficit of £380,126 (2022: £99,240 surplus). The group had net assets of £488,729 (2022: £868,855) as shown on the Balance Sheet on page 12, represented by a restricted fund surplus of £1,351,379 (2022: £1,415,604) and an unrestricted fund deficit of £862,650 (2022: £546,749).

The trust continues to be, in part, financially supported by the Federation, which maintains adequate resources to fund the Trust's operations through the payment of a management charge. The Federation has assured the Trustees that it expects to maintain these payments to the Trust at a sufficient level to enable the Trust to continue its current activities.

In 2023 the General Federation of Trade Unions had a deficit of £1,573,408 (2022: £171,536) and showed a deficit before the payment of management charges to the Trust of £1,373,408 (2022: £78,464 surplus).

b. Reserves policy

The Trust has two funds, the General Reserve Fund, which the Trustees are free to use in accordance with the charitable objectives set out in the Trust Deed and the Restricted Reserve fund, which can only be used to fund the specific projects undertaken by the Trust. There is no governing requirement to hold a specific level of General Reserves, due to the financial support of the Trust by the General Federation of Trade Unions. At present the General Reserve stands at £862,650 deficit (2022: £546,749). The Trust's policy is to achieve positive general reserves over the medium term.

c. Going concern

As described in Note 1.2 to the Financial Statements, each year the Trustees assess whether the use of going concern is appropriate. The Trust has made a consolidated loss in the year to 31 December 2023 and is forecast to report a consolidated loss in the year to 31 December 2024. As at 31 December 2023, the Trust owed £4,847,614 to its related undertaking the General Federation of Trade Unions (GFTU). No specific terms and conditions are attached regarding repayment or interest in respect of balances due, but the GFTU has agreed not to seek repayment of the amounts for a minimum of 12 months from the date of approval of the financial statements. Whilst the Trust continues to receive operational and financial support from the GFTU, which it has done for many years, the GFTU cannot continue to fund the Trust indefinitely, and the extent of any support will, in part, be dependent on the performance of the GFTU Trading Company and the ability of the Trust to secure further independent funding.

In the absence of other funding, which the Trust is endeavouring to obtain, the Trust is dependent upon the continued support of the GFTU to meet its liabilities as they fall due. Following a review of cashflow forecasts the Trustees have concluded that there will be sufficient funds available for the Trust to continue as going concern for a minimum of 12 months from the date of approval of the financial statements.

d. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust is exposed, in particular those related to the financing of the Trust and its dependence on payments from the Federation. The Trustees are satisfied that all possible steps have been taken to mitigate those risks. The risks and opportunities facing the trust in this sector have been under constant review.

Structure, governance and management

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report (continued) for the year ended 31 December 2023

Structure, governance and management (continued)

a. Constitution

The Trust, an unincorporated organisation, charity number 313439, is a recognised charity, operated under the rules of its Trust Deed dated 29 October 1970. The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust Deed (as amended). The General Federation of Trade Unions has the power to appoint the Trustees, subject to there not being a majority of Trustees who are also officers, employees or Trustees of the Federation. The Trustees have reviewed the application and relevance of the Trust deed and made no amendments. Developments in legislation and guidance from the Charity Commissioners have been considered.

b. Methods of appointment or election of Trustees

The Trust Deed provides that the General Federation of Trade Unions may appoint trustees, subject to there being a majority of independent trustees. Should a vacancy for an independent trustee occur, the Trustees seek nominations for the individuals having regard to any specific skills needed.

c. Organisational structure and decision-making policies

The board of trustees meet regularly to discuss the development of the Trust along with finance and issues relevant to the running of the Trust. The day to day operations of the charity are managed by the Secretary who has delegated authority, within the terms of delegation approved by the trustees, for all operational matters.

d. Policies adopted for the induction and training of Trustees

New trustees are fully briefed by the Secretary with regard to their legal obligations under the charities legislation, the content of the Trust Deed, the decision making processes and recent financial performance. Trustees are encouraged to attend appropriate external training events where they will facilitate the undertaking of their role.

e. Related party relationships

The Trust continues to maintain its close relationship with the General Federation of Trade Unions whose principal activity is to provide services to members of affiliated trade unions. The Federation has confirmed its continuing support in order that the Trust can carry out its charitable objectives.

f. Financial risk management

The Trustees have assessed the major risks to which the Group and the Trust are exposed, in particular those related to the operations and finances of the Group and the Trust, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Trustees' report (continued) for the year ended 31 December 2023

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

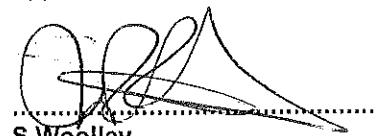
The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:



S Woolley
Chair of Trustees

Date: 11/12/24

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Independent auditors' report to the Members of General Federation of Trade Unions Educational Trust

Opinion

We have audited the financial statements of General Federation of Trade Unions Educational Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Trust balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 31 December 2023 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw your attention to note 1.2 which describes events or conditions which cast doubt on the ability of the Trust to obtain repayment of amounts due from its subsidiary undertaking of £853k, which impacts the Trust's Statement of Financial Position but not on a Consolidated basis. No provision has been made against amounts due, albeit there is no likely repayment, in full or substantially in part, for a least one year from the date of approval of the financial statements.

Furthermore, we draw your attention to note 28 which describes a significant adjusting post balance sheet event due to the impairment of the Trust's most significant asset and the resultant debt foregone by the General Federations of Trade Unions.

Our opinion is not modified in respect of these matters.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that there are conditions identified that may cast significant doubt on the Trust's ability to continue as a going concern. The Trust has net current liabilities and has reported a consolidated loss in the year to 31 December 2023 and if forecast to do so in the year ended 31 December 2024. The Trust is reliant on the support of the General Federation of Trade Unions to meet its liabilities as they fall due. As stated in note 1.2, these events or conditions, along with the other matters as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the Trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Independent auditors' report to the Members of General Federation of Trade Unions Educational Trust (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept sufficient accounting records; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Independent auditors' report to the Members of General Federation of Trade Unions Educational Trust (continued)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and industry, we identify the key laws and regulations affecting the charity. We identified that the principal risk of fraud or non-compliance with laws and regulations related to:

- management bias in respect of accounting estimates and judgements made;
- management override of control;
- posting of unusual journals or transactions.

We focussed on those areas that could give rise to a material misstatement in the charity's financial statements. Our procedures included, but were not limited to:

- enquiry of management and those charged with governance around actual and potential litigation and claims, including instances of non-compliance with laws and regulations and fraud;
- reviewing minutes of meetings of those charged with governance where available;
- reviewing legal expenditure in the year to identify instances of non-compliance with laws and regulations and fraud;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias. In particular the assumptions used in relation to the defined benefit pension scheme, investment property valuations and impairment of tangible fixed assets.

It is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Independent auditors' report to the Members of General Federation of Trade Unions Educational Trust (continued)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Smith Cooper Audit Limited

PKF Smith Cooper Audit Limited

Statutory Auditors
2 Lace Market Square
Nottingham
NG1 1PB

Date: 11 December 2024

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Consolidated Statement of financial activities (incorporating income and expenditure account)
for the year ended 31 December 2023**

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Income received from GFTU		-	200,000	200,000	250,000
Donations		-	216	216	-
Trading activities:					
Hotel		1,583,273	-	1,583,273	1,657,186
HMRC Covid-19 grants received		-	-	-	6,000
Investment income		-	262	262	66
Other income	3	-	124,790	124,790	114,190
Total income		1,583,273	325,268	1,908,541	2,027,442
Expenditure on:					
Trading activities					
Hotel		1,609,498	-	1,609,498	1,550,975
Charitable activities:					
Education Trust expenditure	4	-	576,169	576,169	426,727
Impairment of tangible fixed assets (note 28)		1,400,000	-	1,400,000	-
Amounts due to GFTU foregone (note 28)		(1,400,000)	-	(1,400,000)	-
Total expenditure		1,609,498	576,169	2,185,667	1,977,702
Net (expenditure)/income before net (losses)/gains on investments		(26,225)	(250,901)	(277,126)	49,740
Gain on revaluation of investment property		-	(65,000)	(65,000)	49,500
Net (expenditure)/income before taxation		(26,225)	(315,901)	(342,126)	99,240
Taxation		(38,000)	-	(38,000)	-
Net movement in funds		(64,225)	(315,901)	(380,126)	99,240
Reconciliation of funds:					
Total funds brought forward		1,415,604	(546,749)	868,855	769,615
Net movement in funds		(64,225)	(315,901)	(380,126)	99,240
Total funds carried forward		1,351,379	(862,650)	488,729	868,855

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST
Registered number: 313439

Consolidated balance sheet
as at 31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	3,188,830	4,674,430
Investment property	12	2,345,000	2,410,000
		5,533,830	7,084,430
Current assets			
Stocks		9,154	10,866
Debtors	14	104,458	141,983
Cash at bank and in hand		72,823	178,408
		186,435	331,257
Creditors: amounts falling due within one year	15	(5,231,536)	(6,546,832)
		(5,045,101)	(6,215,575)
Net current liabilities		(5,045,101)	(6,215,575)
Total assets less current liabilities		488,729	868,855
Total net assets		488,729	868,855
Charity funds			
Restricted funds	17	1,351,379	1,415,604
Unrestricted funds	17	(862,650)	(546,749)
		488,729	868,855
Total funds		488,729	868,855

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



S Woolley
Chair of Trustees

Date: 11-12-24

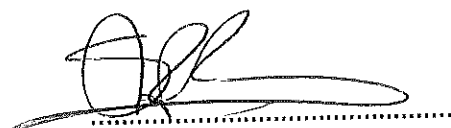
GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST
Registered number: 313439

**Trust balance sheet
as at 31 December 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	2,986,236	4,437,203
Investments	13	2	2
Investment property	12	2,345,000	2,410,000
		5,331,238	6,847,205
Current assets			
Debtors	14	894,500	894,266
Cash at bank and in hand		9,708	96,885
		904,208	991,151
Creditors: amounts falling due within one year	15	(4,883,657)	(6,177,864)
		(3,979,449)	(5,186,713)
Net current liabilities			(5,186,713)
Total assets less current liabilities		1,351,789	1,660,492
Total net assets		1,351,789	1,660,492
Charity funds			
Restricted funds	17	2,052,351	2,052,351
Unrestricted funds	17	(700,562)	(391,859)
		1,351,789	1,660,492
Total funds		1,351,789	1,660,492

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



S Woolley
Chair of Trustees

Date: 11-12-24

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Consolidated statement of cash flows
for the year ended 31 December 2023**

	2023 £	2022 £
Cash flows from operating activities		
Net cash used in operating activities	<u>(191,677)</u>	<u>(137,031)</u>
Cash flows from investing activities		
Rents from investment property	103,647	106,883
Purchase of tangible fixed assets	(17,555)	(63,563)
Purchase of investment property	-	(500)
Net cash provided by investing activities	<u>86,092</u>	<u>42,820</u>
Cash flows from financing activities		
Net cash provided by financing activities	<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the year	(105,585)	(94,211)
Cash and cash equivalents at the beginning of the year	<u>178,408</u>	<u>272,619</u>
Cash and cash equivalents at the end of the year	<u>72,823</u>	<u>178,408</u>

The notes on pages 14 to 33 form part of these financial statements

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2023

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and applicable regulations

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Trust and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis. No separate statement of financial activities is presented for the parent undertaking in accordance with UK GAAP.

The financial statements are presented in sterling which is the functional currency of the Group and are rounded to the nearest £1.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern for a period of at least one year from the date of approval of the financial statements.

The Trust has made a consolidated loss in the year to 31 December 2023 and is forecast to report a consolidated loss in the year to 31 December 2024.

As at 31 December 2023, the Trust owed £4,847,614 to its related undertaking the General Federation of Trade Unions (GFTU). No specific terms and conditions are attached regarding repayment or interest in respect of balances due, but the GFTU has agreed not to seek repayment of the amounts for a minimum of 12 months from the date of approval of the financial statements.

Furthermore, the Trust continues to receive operational and financial support from the GFTU, which it has done for many years, and the members of the GFTU have confirmed that this will continue to be the case. However, the GFTU cannot continue to fund the Trust indefinitely, and the extent of any support will, in part, be dependent on the performance of the GFTU Trading Company and the ability of the Trust to secure further independent funding.

The GFTU Trading Company has made losses in the year 31 December 2023 and is forecast to do so in the year-ended 31 December 2024. Furthermore, the Trust was owed £853k by the GFTU Trading Company at the 31 December 2023 and the debt will not be settled in full or in part in the foreseeable future. No provision has been made against debts due, as it is the opinion of the Trustees, that the GFTU Trading Company will be in position to repay the debt in due course. This opinion is based on information provided by the Trading Company, which forecasts a return to profitability in the year ended 31 December 2025, following a review of the Company's operations and remedial action being taken.

In the absence of other funding, which the Trust is endeavouring to obtain, the Trust is dependent upon the continued support of the GFTU to meet its liabilities as they fall due.

Notwithstanding the above, the Trustees are satisfied that following a review of cashflow forecasts there will be sufficient funds available for the Trust to continue as going concern for a minimum of 12 months from the date of approval of the financial statements.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2023

1. Accounting policies (continued)

1.3 Income

Donations and similar is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Management charges is recognised in the year it is receivable.

Income from hotel trading activities represents fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue from the sale of food and drink is recognised at point of sale. Revenue from accommodation, events and room hire is recognised over the period to which the services relate.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. No expenditure is netted off incoming resources. All costs have been attributed to the functional categories of resources expended in the Statement of Financial Activities.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Governance costs comprise all costs involving the accountability of the Group and its compliance with regulation and good practice. These costs include costs relating to statutory audit and professional fees together with an apportionment of overheads and support costs.

Costs of hotel and training company trading activities comprise cost of sales, establishment, employment, administration, depreciation and financial costs of generating the income from hotel trading activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Subsidiary undertakings are liable to Corporation and Capital Gains Tax.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2023

1. Accounting policies (continued)

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Land and buildings	- 2% straight line
Improvements to property	- 15% reducing balance
Fixtures, fittings and equipment	- 15% reducing balance or 33% straight line

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of financial activities.

1.7 Investment property

Investment properties are initially measured at cost and subsequently remeasured to fair value at each reporting date. Changes in fair value are recognised in the SOFA.

1.8 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Financial Activities.

1.10 Debtors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Financial Activities.

1.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2023

1. Accounting policies (continued)

1.12 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

1.13 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

1.15 Pensions

Defined contribution scheme

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

Defined benefit scheme

Certain members of staff have joint contracts of employment with this entity and the General Federations of Trade Unions (GFTU) and have participated in the Defined Benefit Pension Scheme (DBPS) operated by the GFTU. However, the GFTU is the only admitted body to the DBPS and no financial commitments exist in respect of ongoing contributions to be made by the Trust to the scheme, these are solely the responsibility of the GFTU. Therefore, the actuarial impact of the DBPS is reflected in the financial statements of the GFTU only.

The pension costs of the staff who work for the Trust are charged to the income and expenditure account as they become payable.

1.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2023

2. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Tangible Fixed Assets

Management judgement is required in assessing the fair value of tangible fixed assets, including the future economic benefit expected to be generated by those assets. Specifically, the investment made in the purchase and refurbishment of the hotel, operated by the Trust's subsidiary undertaking. The assessment of the useful economic life and method of depreciating those assets also requires judgement.

Depreciation is charged to the SoFA based on the useful economic life selected of 50 years, which is the period over which the Trust expects to consume the economic benefits of the hotel. Depreciation is charged based on the difference between the cost and residual value of the asset. The residual value of the asset is based on a professional third party valuation.

Following an impairment review, the trustees concluded that the carrying value of the asset as at 31 December 2023 was in excess of residual value. This has resulted in an impairment charge of £1,400,000. The carrying value of the hotel at the balance sheet date is £2,482,587.

Investment Properties

The Trust carries its investment properties at fair value, with changes in fair value being recognised in the SoFA. The Trust engages a local independent estate agent to determine the fair value of the properties, due to the availability of comparable market data.

3. Other incoming resources

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
MEWS housing rent	103,647	103,647	106,883
Other income	21,143	21,143	7,307
	124,790	124,790	114,190
	114,190	114,190	
<i>Total 2022</i>			

In the Consolidated statement of financial activities, all other material income headings relate to one item and therefore no separate income note has been disclosed.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Notes to the financial statements
for the year ended 31 December 2023**

4. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Total 2023 £	Total 2022 £
Education	576,169	576,169	426,727
<i>Total 2022</i>	<u>426,727</u>	<u>426,727</u>	

5. Analysis of expenditure by activities

	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Education	576,169	576,169	426,727
<i>Total 2022</i>	<u>426,727</u>	<u>426,727</u>	

Analysis of support costs

	Total funds 2023 £	Total funds 2022 £
Staff costs	341,109	235,708
Depreciation	67,546	68,092
Occupancy costs	14,700	30,640
Other costs	144,774	84,137
Governance costs	8,040	8,150
	<u>576,169</u>	<u>426,727</u>

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Notes to the financial statements
for the year ended 31 December 2023**

6. Educational Trust statement of financial activities

	Restricted Funds 2023 £	Unrestricted Funds 2023 £	Total Funds 2023 £	<i>Total Funds 2022 £</i>
Income				
Income received from GFTU	-	200,000	200,000	250,000
Donation	-	216	216	-
Quorn Grange Hotel rent	-	54,000	54,000	54,000
MEWS housing rent	-	103,647	103,647	106,883
Other rent	-	8,152	8,152	5,056
Other income	-	20,135	20,135	20,607
	<u>-</u>	<u>386,150</u>	<u>386,150</u>	<u>436,546</u>
Expenditure				
Staff costs	-	341,109	341,109	235,708
Depreciation	-	67,546	67,546	68,092
Occupancy costs	-	35,291	35,291	30,640
Other costs	-	177,867	177,867	114,035
Governance costs	-	8,040	8,040	8,150
Impairment of fixed assets	-	1,400,000	1,400,000	-
Amounts due to GFTU written off	-	- 1,400,000	- 1,400,000	-
	<u>-</u>	<u>629,853</u>	<u>629,853</u>	<u>456,625</u>
Net income before net gains on investments	-	- 243,703	- 243,703	(20,079)
Gain / (Loss) on revaluation of investment property	-	- 65,000	- 65,000	49,500
Net movement in funds	<u>-</u>	<u>- 308,703</u>	<u>- 308,703</u>	<u>29,421</u>
Reconciliation of funds:				
Total funds brought forward	2,052,351	(391,859)	1,660,492	1,630,411
Net movement in funds	-	- 308,703	- 308,703	660
Total funds carried forward	<u>2,052,351</u>	<u>(700,562)</u>	<u>1,351,789</u>	<u>1,631,071</u>

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Notes to the financial statements
for the year ended 31 December 2023**

7. Auditors' remuneration

	2023 £	2022 £
Fees payable to the Trust's auditor for the audit of the Trust's annual accounts	<u>8,040</u>	<u>8,150</u>

8. Staff costs

	Group 2023 £	Group 2022 £	Trust 2023 £	Trust 2022 £
Wages and salaries	1,175,855	999,640	288,465	193,671
Social security costs	27,430	20,039	27,430	20,039
Pension costs	25,214	21,998	25,214	21,998
	<u>1,228,499</u>	<u>1,041,677</u>	<u>341,109</u>	<u>235,708</u>

The average number of persons employed by the Trust during the year was as follows:

	Group 2023 No.	Group 2022 No.	Trust 2023 No.	Trust 2022 No.
Research and Campaign	1	1	1	1
Administration	7	7	7	7
Education	2	-	-	-
Fundraising	2	-	-	-
Hotel Staff	46	46	-	-
	<u>58</u>	<u>54</u>	<u>8</u>	<u>8</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2023 No.	Group 2022 No.
In the band £60,001 - £70,000	-	1

Key management personnel remuneration during the year totalled £165,032 (2022: £72,563) for short-term employment benefits and £18,016 (2022: £13,460) for post-employment benefits.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Notes to the financial statements
for the year ended 31 December 2023**

9. Trustees' remuneration and expenses

During the year, 1 Trustee received remuneration for services provided as an employee of the Charity.

No remuneration was paid in relation to their role as a Trustee.

During the year ended 31 December 2023, expenses totalling £2,380 were reimbursed or paid directly to 3 Trustees (2022 - £NIL).

10. Intangible assets

Group and Trust

	Goodwill £
Cost	
At 1 January 2023	1
	<hr/>
At 31 December 2023	1
	<hr/>
Amortisation	
At 1 January 2023	1
	<hr/>
At 31 December 2023	1
	<hr/>
Net book value	
At 31 December 2023	-
	<hr/> <hr/>
At 31 December 2022	-
	<hr/> <hr/>

The goodwill arose on the purchase of the Quorn Grange Hotel investment property in 2012.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Notes to the financial statements
for the year ended 31 December 2023**

11. Tangible fixed assets

Group

	Land and buildings £	Property improvements £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 January 2023	4,318,120	397,797	677,614	5,393,531
Additions	-	1,631	15,924	17,555
At 31 December 2023	<u>4,318,120</u>	<u>399,428</u>	<u>693,538</u>	<u>5,411,086</u>
Depreciation				
At 1 January 2023	51,754	279,983	387,364	719,101
Charge for the year	36,662	17,673	48,820	103,155
Impairment charge	1,400,000	-	-	1,400,000
At 31 December 2023	<u>1,488,416</u>	<u>297,656</u>	<u>436,184</u>	<u>2,222,256</u>
Net book value				
At 31 December 2023	<u>2,829,704</u>	<u>101,772</u>	<u>257,354</u>	<u>3,188,830</u>
At 1 January 2023	<u>4,266,366</u>	<u>117,814</u>	<u>290,250</u>	<u>4,674,430</u>

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Notes to the financial statements
for the year ended 31 December 2023**

11. Tangible fixed assets (continued)

Trust

	Freehold property £	Property improvements £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 January 2023	4,318,120	6,811	377,619	4,702,550
Additions	-	1,631	14,948	16,579
At 31 December 2023	<u>4,318,120</u>	<u>8,442</u>	<u>392,567</u>	<u>4,719,129</u>
Depreciation				
At 1 January 2023	51,754	5,228	208,365	265,347
Charge for the year	36,662	238	30,646	67,546
Impairment charge	1,400,000	-	-	1,400,000
At 31 December 2023	<u>1,488,416</u>	<u>5,466</u>	<u>239,011</u>	<u>1,732,893</u>
Net book value				
At 31 December 2023	<u>2,829,704</u>	<u>2,976</u>	<u>153,556</u>	<u>2,986,236</u>
At 1 January 2023	<u>4,266,366</u>	<u>1,583</u>	<u>169,254</u>	<u>4,437,203</u>

12. Investment property

Group and Trust

	Freehold investment property £
Valuation	
At 1 January 2022	2,410,000
Surplus on revaluation	(65,000)
At 31 December 2023	<u>2,345,000</u>

The investment property was revalued on 31 December 2022 by Berkley Estates, based on market value.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Notes to the financial statements
for the year ended 31 December 2023**

13. Fixed asset investments

	Investments in subsidiary companies £
Trust	
Cost and net book value	
At 1 January 2023	2
At 31 December 2023	2

Principal subsidiaries

The following was a subsidiary undertaking of the Trust:

Name	Company number	Principal activity	Class of shares	Holding
GFTUET Trading Company Limited	08282681	Quorn Grange Hotel	Ordinary	100%

Included in consolidation

Yes

The financial results of the subsidiaries for the year were:

Names	Profit/(Loss) for the year £	Net assets £
GFTUET Trading Company Limited	(32,139)	(825,056)

The registered office of the subsidiary undertaking is the same as that of the parent charity.

The subscribers to the shares of GFTUET Trading Company Limited are G Little and S Woolley, trustees to the Trust and the Trust is the beneficial owner of those shares.

Albion Education and Training Ltd, a wholly owned subsidiary of GFTUET Trading Company Limited, was dissolved in June 2023.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Notes to the financial statements
for the year ended 31 December 2023**

14. Debtors

	Group 2023 £	<i>Group 2022 £</i>	Trust 2023 £	<i>Trust 2022 £</i>
Due within one year				
Trade debtors	32,179	52,851	5,185	945
Amounts owed by group undertakings	-	-	853,109	856,787
Other debtors	67,190	43,888	31,117	29,290
Prepayments and accrued income	5,089	7,244	5,089	7,244
Deferred taxation	-	38,000	-	-
	<u>104,458</u>	<u>141,983</u>	<u>894,500</u>	<u>894,266</u>

15. Creditors: Amounts falling due within one year

	Group 2023 £	<i>Group 2022 £</i>	Trust 2023 £	<i>Trust 2022 £</i>
Amounts due to GFTU	4,847,614	6,225,459	4,847,614	6,161,661
Trade creditors	155,582	115,631	9,393	6,356
Other taxation and social security	108,271	66,710	-	-
Accruals and deferred income	120,069	139,032	26,650	9,847
	<u>5,231,536</u>	<u>6,546,832</u>	<u>4,883,657</u>	<u>6,177,864</u>

Amounts due to the GFTU are classified within one year in absence of a formal loan agreement between the two parties and is therefore technically repayable on demand. However, the GFTU have confirmed that there is no expectation that amounts would need to be repaid in the foreseeable future.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Notes to the financial statements
for the year ended 31 December 2023**

16. Financial instruments

	Group 2023 £	<i>Group 2022 £</i>	Trust 2023 £	<i>Trust 2022 £</i>
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>99,369</u>	<u>96,739</u>	<u>889,411</u>	<u>887,022</u>
	Group 2023 £	<i>Group 2022 £</i>	Trust 2023 £	<i>Trust 2022 £</i>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>6,403,196</u>	<u>6,341,090</u>	<u>6,257,007</u>	<u>6,168,017</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors and amounts due to GFTU.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements
for the year ended 31 December 2023

17. Statement of funds

Statement of funds - current year

	Balance at 1 January 2022 £	Income £	Expenditure £	Taxation £	Gains/ (Losses) £	Balance at 31 December 2023 £
Unrestricted funds						
General reserve fund	(1,010,696)	325,268	(576,169)	-	-	(1,261,597)
Revaluation reserve	463,947	-	-	-	(65,000)	398,947
	<u>(546,749)</u>	<u>325,268</u>	<u>(576,169)</u>	<u>-</u>	<u>(65,000)</u>	<u>(862,650)</u>
Restricted funds						
Restricted Funds - all funds	<u>1,415,604</u>	<u>1,583,273</u>	<u>(1,609,498)</u>	<u>(38,000)</u>	<u>-</u>	<u>1,351,379</u>
Total of funds	<u><u>868,855</u></u>	<u><u>1,908,541</u></u>	<u><u>(2,185,667)</u></u>	<u><u>(38,000)</u></u>	<u><u>(65,000)</u></u>	<u><u>488,729</u></u>

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Notes to the financial statements
for the year ended 31 December 2023**

17. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2022 £</i>
Unrestricted funds					
General reserve fund	(948,225)	364,256	(426,727)	-	(1,010,696)
Revaluation reserve	414,447	-	-	49,500	463,947
	<u>(533,778)</u>	<u>364,256</u>	<u>(426,727)</u>	<u>49,500</u>	<u>(546,749)</u>
Restricted funds					
Restricted reserve fund - investment	<u>1,303,393</u>	<u>1,663,186</u>	<u>(1,550,975)</u>	<u>-</u>	<u>1,415,604</u>
Total of funds	<u><u>769,615</u></u>	<u><u>2,027,442</u></u>	<u><u>(1,977,702)</u></u>	<u><u>49,500</u></u>	<u><u>868,855</u></u>

Restricted reserve fund - investment

The Trustees consider the capital element of the exceptional Gift Aid received in 2005 amounting to £3,000,000 should be treated as a restricted fund on the grounds that whilst the income from this capital fund can be used in accordance with charitable objectives set out in the trust deed, the capital fund itself cannot be expended. Accordingly the Statement of Financial Activities has been presented to separately disclose the restricted funds is made each year to maintain the capital element of the 2005 exceptional Gift Aid at its market value.

During 2012 the Trust disposed of its managed investments portfolio and used the realised proceeds to purchase a hotel property and a limited company to operate the hotel business. As such, the income and expenditure from the hotel trading activities, and any realised or unrealised gain/(loss) on revaluation is treated as restricted funds in the Consolidated Statement of Financial Activities. During 2014 a training company was incorporated as a subsidiary of the hotel trading company and, as such, the income and expenditure from the training company trading activities is treated in the same manner.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Notes to the financial statements
for the year ended 31 December 2023**

18. Summary of funds

Summary of funds - current year

	Balance at 1 January 2023 £	Income £	Expenditure £	Taxation £	Gains/ (Losses) £	Balance at 31 December 2023 £
General funds	(546,749)	325,268	(576,169)	-	(65,000)	(862,650)
Restricted funds	1,415,604	1,583,273	(1,609,498)	(38,000)	-	1,351,379
	<u>868,855</u>	<u>1,908,541</u>	<u>(2,185,667)</u>	<u>(38,000)</u>	<u>(65,000)</u>	<u>488,729</u>

Summary of funds - prior year

	<i>Balance at 1 January 2022 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2022 £</i>
General funds	(533,778)	364,256	(426,727)	49,500	(546,749)
Restricted funds	1,303,393	1,663,186	(1,550,975)	-	1,415,604
	<u>769,615</u>	<u>2,027,442</u>	<u>(1,977,702)</u>	<u>49,500</u>	<u>868,855</u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	1,567,182	1,621,648	3,188,830
Investment property	-	2,345,000	2,345,000
Current assets	135,076	51,359	186,435
Creditors due within one year	(350,879)	(4,880,657)	(5,231,536)
Total	<u>1,351,379</u>	<u>(862,650)</u>	<u>488,729</u>

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Notes to the financial statements
for the year ended 31 December 2023**

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Restricted funds 2022 £</i>	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Tangible fixed assets	1,588,961	3,085,469	4,674,430
Investment property	-	2,410,000	2,410,000
Current assets	157,611	135,646	293,257
Creditors due within one year	(368,968)	(6,177,864)	(6,546,832)
Provisions for liabilities and charges	38,000	-	38,000
Total	<u>1,415,604</u>	<u>(546,749)</u>	<u>868,855</u>

20. Reconciliation of net movement in funds to net cash flow from operating activities

	<i>Group 2023 £</i>	<i>Group 2022 £</i>
Net income/expenditure for the year (as per Statement of Financial Activities)	<u>(380,126)</u>	<u>99,240</u>
Adjustments for:		
Depreciation charges	103,155	109,465
Impairment of tangible fixed assets	1,400,000	-
Losses /(Gains) on investment property	65,000	(49,500)
Rents from investment property	(103,647)	(106,883)
Loss/(profit) on the sale of fixed assets	-	(29,125)
Decrease/(increase) in stocks	1,712	(3,664)
Decrease in debtors	37,525	40,574
Decrease in creditors	(1,315,296)	(197,138)
Net cash used in operating activities	<u>(191,677)</u>	<u>(137,031)</u>

21. Analysis of cash and cash equivalents

	<i>Group 2023 £</i>	<i>Group 2022 £</i>
Cash in hand	<u>72,823</u>	<u>178,408</u>
Total cash and cash equivalents	<u>72,823</u>	<u>178,408</u>

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

**Notes to the financial statements
for the year ended 31 December 2023**

22. Analysis of changes in net debt

	At 1 January 2023	Cash flows	At 31 December 2023
	£	£	£
Cash at bank and in hand	178,408	(105,585)	72,823
	178,408	(105,585)	72,823
	178,408	(105,585)	72,823

23. Contingent liabilities

A claim of £106,000 has been made on the Trust in connection with the refurbishment of the hotel, operated by the Trust's trading company. Having taken appropriate advice, in the Trustees' view the Trust is not liable and is contesting the claim on the basis that the work was not completed in accordance with the contract. Therefore, the claim has not been provided for in the financial statements, as in the Trustees' opinion, it is not probable that it will be paid.

24. Pension commitments

The Charity and its subsidiary operates a defined contribution pension scheme for its employees. The pension costs for the year represents contributions payable by the Charity and its subsidiary to the scheme and amounted to £25,214 (2022: £21,998)

Contributions totalling £3,445 (2022: £2,849) were payable to the scheme at the end of the year and are included within accruals.

25. Operating lease commitments

At 31 December 2023 the Group and the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023	Group 2022	Trust 2023	Trust 2022
	£	£	£	£
Not later than 1 year	6,721	6,299	2,470	5,294
Later than 1 year and not later than 5 years	13,372	3,336	-	3,336
	20,093	9,635	2,470	8,630
	20,093	9,635	2,470	8,630

26. Contingent asset

The Trust's subsidiary undertaking is currently in advanced discussions regarding an insurance claim in respect of business disruption experienced during the Covid 19 pandemic. The directors of GFTUET Trading Company Limited consider it more likely than not there will an inflow of economic benefits, but it is not practicable to estimate the financial effect at the date of approval of the financial statements.

GENERAL FEDERATION OF TRADE UNIONS EDUCATIONAL TRUST

Notes to the financial statements for the year ended 31 December 2023

27. Related party transactions

The Educational Trust was established by the General Federation of Trade Unions (GFTU) and continues to be supported financially by it.

During the year management charges of £200,000 (2022: £250,000) were paid by GFTU to the Trust. GFTU also recharges employment costs of £341,109 (2022: £235,708) to the Trust. An amount of £1,400,000 due to GFTU from the Trust was written off, as reported in more detail in note 28.

At the balance sheet date an amount of £4,847,614 (2022: £6,161,661) was due to GFTU from the Trust.

Strike Map UK Ltd is a related party due to a common directorship. The Trust made sales to the company of £384. There is an amount in debtors due from the company of £413.

Clouds Unfold Limited is a related party due to a common directorship. The Trust made purchases from the company of £1,100.

28. Post balance sheet events

Events or conditions were in existence at the 31 December 2023, which required an impairment of the Trust's major fixed asset, a hotel, by £1.4m to £2.5m.

The Trust was originally provided with in excess of £6m of funds to purchase and refurbish the hotel and related assets by a related party - the General Federation of Trade Unions (GFTU).

Subsequent to the year-end, the members of the GFTU elected to forego the equivalent amount of £1.4m, in respect of amounts owing by the Trust to the GFTU. Whilst the election was made subsequent to the year-end, this has been reported in the financial statements as an adjusting post balance sheet event. This was on the basis that events or conditions existed at the reporting date – the impairment of the hotel – which meant the debt could not be repaid in full to the GFTU. It was always the intention of the GFTU that the most likely outcome in respect of the settlement of the debt would be on the eventual sale of the hotel. Further, the Trust has always been financially supported by the GFTU on an annual basis, and there is a significant amount of mutuality to the two entities operations. There are no conditions, legal or otherwise, in existence in respect of the balances owed by the Trust to the GFTU. For those reasons, in the Trustee's opinion, if the debt forgone was not reflected in the financial statements at the 31 December 2023, a true and fair view would not be reported.