

THE NEU TRUST FUND LIMITED
REPORT AND FINANCIAL STATEMENTS
30 SEPTEMBER 2021

THE NEU TRUST FUND LIMITED

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THE NEU TRUST FUND LIMITED

Reference and administration information

Trustees	C. Cranmer J. Huckstep A. Robinson M. Lawes S. Ainger P. Gouveia J. Elderkin P. Bhogal (resigned 15 September 2021) E. Glazier H. McKenzie (appointed 15 September 2021) L Atkinson (appointed 19 November 2021)	
Secretary	Wilsons (Company Secretaries) Limited	
Charity number	1123305	
Company number	06364897	
Principal address	Hamilton House Mabledon Place London WC1H 9BD	
Auditors	BDO LLP 55 Baker Street London W1U 7EU United Kingdom	
Bankers	National Westminster Bank Tavistock Square Branch British Medical House Tavistock Square London WC1H 9JA	Unity Trust Bank Four Brindleyplace Birmingham B1 2HB
	Scottish Widows Bank plc PO Box 12757 67 Morrison Street Edinburgh EH3 8YJ	Cambridge & Counties Bank Charnwood Court New Walk Leicester LE1 6TE
Solicitors	Wilsons Alexandra House St Johns Street Salisbury SP1 2SB	
Investment manager	Quilter Cheviot Senator House 85 Queen Victoria Street London EC4V 4AB	

THE NEU TRUST FUND LIMITED

TRUSTEES' REPORT (incorporating a Directors' Report) FOR THE YEAR ENDED 30 SEPTEMBER 2021

The Trustees present their report and accounts for the year ended 30 September 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 2 to the accounts and comply with the Company's Memorandum and Articles of Association, the Charities Act 2011, the Companies Act 2006 and the Statement of Recommended Practice (SORP), applicable for 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).

Structure and Governance

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

C. Cranmer	A. Robinson
S. Ainger	M. Lawes
J. Elderkin	P. Gouveia
P. Bhogal	J. Huckstep
E. Glazier	H. McKenzie

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of winding up.

The trust is registered as an incorporated charity registered with the Charity Commission (number 1123305), having previously been registered as an unincorporated charity. The NEU Trust Fund Limited is also a company limited by guarantee (company number 6364897) and is governed by its Memorandum and Articles dated 30 July 2007, which were updated on 29 March 2019, on which date the name changed from the ATL Trust Fund Ltd.

The incorporated trust is the sole corporate trustee and is a linked charity of the unincorporated trust, The NEU Trust Fund (1123305-1) that holds the William Mitchell Endowment. The endowment is therefore included within the Group Accounts of The NEU Trust Fund Limited as noted below. Where reference is made to the Charity, these figures do not include the capital of the William Mitchell Endowment as these are held in the unincorporated body.

The income from this endowment was left to the Benevolent and Orphans Scholarship fund of the Association of Teachers and Lecturers of 7 Northumberland Street, London upon trust to apply the income thereof towards the general purpose of the said fund. All other assets for the trust were transferred to the incorporated trust on 5 December 2008 under agreement of the Charity Commission for England and Wales, and agreement from the Charity Commission was obtained to produce consolidated financial statements.

Following the amalgamation of the Association of Teachers and Lecturers (ATL) and the National Union of Teachers (NUT) to form the National Education Union (NEU), the trust changed its name from The ATL Trust Fund Limited to The NEU Trust Fund Limited. Following this amalgamation, the trust has received donations from members of the amalgamated union, as well as other bequests and legacies from time to time. The expansion of the charity has enabled more people to benefit from the charitable objects of the Trust Fund.

Recruitment and appointment of trustees

The Board comprises two Trustees who are Trustees of and appointed by the NEU (Appointed trustees), two elected by the Executive Committee of the NEU (Executive trustees) with the remaining Trustees Board appointees, known as Ordinary Trustees. Ordinary Trustees are recruited from a wide range of relevant backgrounds of skills, expertise and qualifications. This ensures the Board has the skillset to meet the needs of the beneficiaries.

Risk management

The trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks.

The trustees consider the variability of investment returns on the permanent endowment to constitute the charity's major risk and recent volatility in the world financial markets. The trustees are guided by the expertise of the investment managers to maintain the target level of return.

THE NEU TRUST FUND LIMITED

TRUSTEES' REPORT (incorporating a Directors' Report) FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)

Risk management (continued)

Following a monitoring process the trustees have concluded that the risk appetite adopted remains acceptable.

In particular, the directors have continued to review the risks in response to the Covid-19 pandemic and its impact on the operations and finances of the charity. This includes the potential impact on income and its ability to continue its charitable activities, i.e. grant-making. The conservative reserves policy and careful stewardship of finances means there are sufficient reserves to meet expenditure requirements during the period.

As it was not known how many additional applications might be received as a result of the covid-19 pandemic, nor how long the impact of the pandemic might last, in order to ensure that the Trust Fund could assist as many applicants as possible, the amount of the monthly grant was reduced temporarily. At the time of making this prudent decision, the trustees were unaware that the Trust Fund was about to be the beneficiary of a significant legacy.

Objectives and activities for public benefit

The objects of the charity are:-

the relief and prevention of poverty of persons who are:

- a) members of the Association or persons who have been such members;
- b) persons who were members of the Association of Teachers and Lecturers or the National Union of Teachers; and
- c) widows, widowers, surviving civil partners, children and dependants of such persons referred to in Articles 2.1.1(a) and 2.1.1(b) who are completely or mainly dependant for financial support on them in the opinion of the Trustees.

Public Benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities.

Grant making policy

The frequency and value of grants given is established by the trustees in an awards policy, but may also be varied on a case by case basis. The process is by application and approval by the Grants Committee, which reports to the Board. Complicated applications may be referred to a meeting of the Board.

Achievements and Performance

The Trust Fund has achieved its aims in supporting members and their dependants by:

- i) by making awards of £139,506 to 109 beneficiaries in the year, £168,464 to 139 beneficiaries in 2019/20;
- ii) publicising the work of the Trust fund to NEU districts in order to raise the profile of the fund amongst members as the planned leaflet distribution and announcement to Annual Conference was not able to take place as a result of the cancellation of Conference.
- iii) using and updating the annual calendar to ensure that all essential tasks were completed on time.
- iv) reviewing the Awards policy

Plans for the future

In order for the Trust Fund to be able to continue its work in the future we will be:

- i) developing further strategies to secure income and increased member contributions to enable its charitable purpose to continue to be met;
- ii) reviewing policies according to the procedure;
- iii) continuing to scrutinise the work of the fund managers (Quilter Cheviot);
- iv) seeking to retain the services of Trust Fund Board members with appropriate expertise and skills; and
- v) continuing the development of an ethical investment policy in collaboration with the fund managers.

THE NEU TRUST FUND LIMITED

TRUSTEES' REPORT (incorporating a Directors' Report) continued FOR THE YEAR ENDED 30 SEPTEMBER 2021 (continued)

Financial Review

The Trust's work is reliant on income from the members of NEU and its investment income. The income for the year ending 30 September 2021 was £603k (2020: £164k). The majority of the income was from legacies left to the trust fund (£458k). Grants issued in the year were £140k (2020: £168k). Total group reserves at the year-end were £3,453k (2020: £2,774k), of which £2,536k (2020: £1,934k) were unrestricted. The capital value of the restricted reserves was £917k (2020: £840k).

Investment Policy

The trustees rely on the investment managers, Quilter Cheviot Ltd, to maximise the returns on the unrestricted funds within the constraints set out by the trustees.

Reserves policy

Consolidated reserves held at the year-end amounted to £3,543k (2020: £2,774k). It is the policy of The NEU Trust Fund to maintain unrestricted funds at levels of 4 years of operation or £800k. Should funds fall below this level then plans to replace funds should be taken in hand. Should the reserves be less than £400k then plans to wind up the trust should be put in place and the restricted funds transferred to another charity with similar aims. At 30 September 2021, the unrestricted funds of the trust were £2,536k (2020: £1,934k) and therefore the current policy is being met.

Auditors

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The auditor will be appointed at the AGM.

Approval

In approving the Trustees' Report, the Trustees are also approving the Directors' Report in their capacity as company directors.

Small company provisions

The report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved and signed on behalf of the Trustees



J Huckstep
Chairperson
Date: 16 May 2022

THE NEU TRUST FUND LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE NEU TRUST FUND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE NEU TRUST FUND LIMITED

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 30 September 2021 and of the group's incoming resources and application of resources and the parent charitable company's incoming resources and application of resources 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 Companies Act 2006.

We have audited the financial statements of The NEU Trust Fund Limited (the parent charitable company) and its linked charity (together the group") for the year ended 30 September 2021 which comprise the Group Statement of Financial Activities, the Charity Statement of Financial Activities, the Group Statement of Financial Position, the Charity Statement of Financial Activities, the Group Statement of Cash Flows and notes to the financial statements, 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).

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 Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the group and the parent charitable company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: the Trustees' Report, incorporating a Directors' 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

THE NEU TRUST FUND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE NEU TRUST FUND LIMITED

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which are included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 determines 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 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 auditor's 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

THE NEU TRUST FUND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE NEU TRUST FUND LIMITED

- As part of designing our audit, based on our understanding of the charitable company and the industry in which it operates, we assessed the risks of material misstatement in the financial statements, including how fraud may occur. We considered the charitable company's own assessment of the risks that irregularities may occur either as a result of fraud or error and held discussions to consider whether there was any knowledge of actual, suspected or alleged fraud. We considered the extent to which non-compliance might have a material effect on the charitable company's financial statements. As part of our discussions, we identified the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations and how management monitor these processes;
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company. These include, but are not limited to, compliance with the Charities Act 2011, United Kingdom Generally Accepted Accounting Practice and tax legislation.

We completed the following procedures:

- Reviewed the charitable company's consideration of risks and associated mitigating actions and reviewed Trustee Board meeting minutes for any indication of fraud or non-compliance with laws and regulations;
- Made enquiries regarding any matters identified as a Serious Incident reportable to the Charity Commission. Note that auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of Those Charged with Governance and other management, and inspection of regulatory and legal correspondence if any;
- Performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- In addressing the risk of fraud through management override of controls, we tested journal entries and other adjustments for inappropriate or unusual journals outside of our expectations, as well as for any significant transactions outside the normal course of business, taking into consideration the scope for management to manipulate financial results through the timing of the recognition of income or grant commitments.

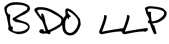
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Heather Wheelhouse, *Senior Statutory Auditor*
For and on behalf of BDO LLP, Statutory Auditor
55 Baker Street, London, W1U 7EU

Date 08 July 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

THE NEU TRUST FUND LIMITED

GROUP STATEMENT OF FINANCIAL ACTIVITIES [Incorporating the consolidated Income and Expenditure Account] FOR THE YEAR ENDED 30 SEPTEMBER 2021

		Unrestricted Funds	Restricted Endowment Funds	Total 2021	Total 2020
	Notes	£	£	£	£
<u>Income from:</u>					
Donations	3	544,357	-	544,357	105,066
Investment income	4	58,293	-	58,293	59,302
Total income		602,650	-	602,650	164,368
<u>Expenditure on:</u>					
Charitable activities	5	165,195	-	165,195	202,780
Raising funds		9,071	3,379	12,450	14,886
Total expenditure		174,266	3,379	177,645	217,666
Net gains/(losses) on investment assets	8a	173,355	81,265	254,620	(121,956)
Net income/(expenditure), being net movement in funds		601,739	77,886	679,625	(175,254)
Fund balances at 1 October 2020		1,934,079	839,574	2,773,653	2,948,907
Fund balances at 30 September 2021		2,535,818	917,460	3,453,278	2,773,653

All the above amounts are derived from continuing operations.

The notes on pages 14 to 19 form part of these financial statements.

THE NEU TRUST FUND LIMITED

CHARITY STATEMENT OF FINANCIAL ACTIVITIES [Incorporating the Income and Expenditure Account] FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	Total 2021 £	Total 2020 £
<u>Income from:</u>			
Donations	3	560,246	123,465
Investment income	4	42,404	40,903
Total income		<u>602,650</u>	<u>164,368</u>
<u>Expenditure on:</u>			
Charitable activities	5	165,195	202,780
Raising funds		9,071	10,840
Total expenditure		<u>174,266</u>	<u>213,620</u>
Net gains/(loss) on investment assets	8b	173,355	(71,717)
Net income/(expenditure), being net movement in funds		<u>601,739</u>	<u>(120,969)</u>
Fund balances at 1 October 2020		1,934,079	2,055,048
Fund balances at 30 September 2021		<u>2,535,818</u>	<u>1,934,079</u>

All the above amounts are derived from continuing operations.

The notes on pages 14 to 19 form part of these financial statements

THE NEU TRUST FUND LIMITED

GROUP STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

		2021	2020
	Notes	£	£
Fixed assets			
Investments	8a	2,702,802	2,457,937
Current assets			
Debtors	9	19,104	-
Cash at bank and in hand		760,476	359,753
		<u>779,580</u>	<u>359,753</u>
Creditors: amounts falling due within one year	10	(29,104)	(44,037)
		<u></u>	<u></u>
Net current assets		750,476	351,716
Total assets less current liabilities		<u>3,453,278</u>	<u>2,773,653</u>
Capital funds			
Endowment funds		917,460	839,574
Income funds			
Unrestricted funds		2,535,818	1,934,079
		<u>3,453,278</u>	<u>2,773,653</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The financial statements were approved by the Board of Trustees on 16 May 2022 and were signed on its behalf by:-

Julie Huckstep

J. Huckstep
Trustee

Company Registration No. 06364897

The notes on pages 14 to 19 form part of these financial statements.

THE NEU TRUST FUND LIMITED

CHARITY STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

		2021	2020
	Notes	£	£
Fixed assets			
Investments	8b	2,075,435	1,908,456
Current assets			
Debtors	9	19,104	-
Cash at bank and in hand		760,476	359,753
		<u>779,580</u>	<u>359,753</u>
Creditors: amounts falling due within one year	10	<u>(319,197)</u>	<u>(334,130)</u>
Net current assets		460,383	25,623
Total assets less current liabilities		<u>2,535,818</u>	<u>1,934,079</u>
Income funds			
Unrestricted funds		2,535,818	1,934,079
		<u>2,535,818</u>	<u>1,934,079</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The financial statements were approved by the Board of Trustees on 16 May 2022 and were signed on its behalf by:

Julie Huckstep

J. Huckstep
Trustee

Company Registration No. 06364897

The notes on pages 14 to 19 form part of these financial statements.

THE NEU TRUST FUND LIMITED

GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	2021	2020
	£	£
Cash flows from/(used in) operating activities:		
Net movement in funds	679,625	(175,254)
(Gains)/losses on investments	(254,620)	121,956
Dividends and interest from investments	(58,293)	(59,302)
Increase in debtors	(19,104)	-
(Decrease)/increase in creditors	(14,933)	38,637
Net cash flows from/(used in) operating activities	332,674	(73,963)
Net cash flows from investment activities:		
Investment income	58,293	59,302
Proceeds from sale of investments	246,880	1,029,274
Purchase of investments	(223,443)	(1,029,234)
Increase investment cash	(13,681)	11,130
Net cash flow from investment activities	68,049	70,472
Change in cash and cash equivalents	400,723	(3,491)
Cash and cash equivalents at beginning of year	356,753	363,244
Cash and cash equivalent at the end of year	760,476	359,753

The notes on pages 14 to 19 form part of these financial statements.

THE NEU TRUST FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 **General Information**

The NEU Trust Fund Limited is a charitable company limited by guarantee, registered in England and Wales (company no. 06364897, charity no. 1123305). It is governed by its Memorandum and Articles dated 30 June 2007. The address of the registered office is given on page 1. These financial statements are for the year ended 30 September 2021. The functional currency is GBP, which is the same as the presentational currency. The financial statements are rounded to the nearest pound.

2 **Accounting policies**

2.1 **Basis of accounting**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments, and in accordance with the Statement of Recommended Practice (SORP), applicable for 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 United Kingdom and Republic of Ireland (FRS 102) the Charities Act 2011, and the Companies Act 2006.

The Charity constitutes a public benefit entity as defined by FRS 102.

The Charity is the sole corporate trustee of The NEU Trust Fund (registered charity number 1123305-1), an unincorporated trust which holds the William Mitchell Endowment. The unincorporated trust is a linked charity of The NEU Trust Fund Limited and has therefore been consolidated into these financial statements on a line by line basis.

The Trustees have continued to review the charity's investments and operations in response to the impact of the COVID-19 pandemic. The budget for charitable activities in 2021-22 is, at this time, unaffected. The charities hold reserves to supplement income requirements to meet charitable objectives as required. The Trustees consider that there are no material uncertainties over the charities' ability to continue as a going concern for the foreseeable future, being a period of at least 12 months from the date of signing the financial statements.

2.2 **Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires the Trustees to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on the Trustees' best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change. The Trustees' consider that there are no key sources of estimation uncertainty.

2.3 **Income**

Donations, subscriptions and legacies are recognised when receivable. Income from the National Education Union members is recognised on an accruals basis. Dividend income is credited to the Statement of Financial Activities in the year in which it is receivable.

2.4 **Expenditure**

Expenditure is recognised on an accruals basis, inclusive of value added tax.

Expenditure relating to the charitable activities are those elements of expenditure directly and indirectly incurred in performing these activities. Costs of grant making are included in the Statement of Financial Activities in the year they are payable. Costs include grants made and support costs associated with the activity.

Costs in support of grant making relates to the day-to-day administration of the affairs of the charities and are allocated based on the basis of time spent in that area.

Governance costs include those costs incurred in the governance of the charity's assets and are primarily associated with constitutional and statutory requirements.

THE NEU TRUST FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

Accounting policies (continued)

2.5 Gains/losses on investment assets

All gains and losses are taken to the Statement of Financial Activities as they arise. Unrealised gains and losses on investment assets represent the difference between their fair value at the end of the year and their fair value at the beginning of the year, or transaction value if acquired during the year. Realised gains and losses on disposal of investment assets represent the difference between the sale proceeds and the fair value at the beginning of the year, or transaction value if acquired during the year.

2.6 Financial instruments

The charity 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

2.7 Investments

Investments consist of funds held on deposit in notice accounts or fixed term deposits and listed investments. Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using their closing quoted market price.

2.8 Debtors

Debtors are recognised at fair value.

2.9 Cash and cash equivalents

Cash and cash equivalents consist of balances in bank accounts with instant access.

2.10 Creditors

Creditors are recognised at fair value.

2.11 Taxation

The charity benefits from the tax exemptions available to UK registered charities and accordingly is not liable for income tax or capital gains tax on income and gains derived from its investments.

2.12 Accumulated funds

Unrestricted funds are general funds that are available for the use at the Trustees' discretion in furtherance of the objectives of the charity.

On 5th December 2008, the net assets of the unincorporated ATL Trust Fund (now called The NEU Trust Fund) were transferred to the incorporated ATL Trust Fund Limited (now called the NEU Trust Fund Ltd) with the exception of the Mitchell bequest which is still held by the unincorporated body. Under the terms of the Mitchell bequest, the capital value cannot be spent; only the interest received can be used for distribution.

The Endowment Fund is the William Mitchell Endowment of the unincorporated NEU Trust Fund, of which NEU Trust Fund Limited is the sole trustee.

3 Donations

	Charity		Group	
	2021	2020	2021	2020
	£	£	£	£
Members Donations & gifts	17,604	18,399	1,715	-
General Donations	2,317	1,198	2,317	1,198
NEU & Districts	82,820	89,740	82,820	89,740
Legacies	457,505	14,128	457,505	14,128
	<u>560,246</u>	<u>123,465</u>	<u>544,357</u>	<u>105,066</u>

Income of £15,889 (2020: £18,399) generated by the unincorporated body is donated to the NEU Trust Fund Ltd (the charity). All donation income in both 2021 and 2020 related to unrestricted funds.

THE NEU TRUST FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

4 **Investment Income**

	Charity		Group	
	2021	2020	2021	2020
	£	£	£	£
Income from listed investments	39,668	36,759	55,557	55,158
Interest receivable	2,736	4,144	2,736	4,144
	<u>42,404</u>	<u>40,903</u>	<u>58,293</u>	<u>59,302</u>

All investment income in both 2021 and 2020 relates to unrestricted funds.

5 **Charitable activities**

Group and Charity	Other Costs	Grant Costs	Total 2021	Total 2020
	£	£	£	£
Relief for members				
Grant funding of activities to individuals	-	139,506	139,506	168,464
Support costs	19,689	-	19,689	27,616
Governance costs – auditors remuneration	6,000	-	6,000	6,700
	<u>25,689</u>	<u>139,506</u>	<u>165,195</u>	<u>202,780</u>

6 **Trustees**

The Trustees consider themselves to be the key management personnel of the charity, in charge of directing and controlling the charity. None of the trustees (or any person connected with them) received any remuneration during the year (2020: nil). Reimbursements of travel and subsistence would normally be paid; however 2021 costs were Nil due to no physical meetings taking place (2020: £1,237). In 2020 travel costs of the NEU appointed trustees were covered by the NEU. Also there were fewer physical meetings thus the costs were reduced.

7 **Employees**

There were no employees during the year.

8 **a) Fixed asset investment**

Group	Deposit Fund	Cash held for investment	Listed investments	Total
	£	£	£	£
Market Value at 30 September 2020	400,832	9,406	2,047,699	2,457,937
Cash Movement	2,696	10,986	-	13,682
Disposal proceeds	-	-	(246,880)	(246,880)
Acquisitions	-	-	223,443	223,443
Change in value in the year	-	-	254,620	254,620
Market Value at 30 September 2021	<u>403,528</u>	<u>20,392</u>	<u>2,278,882</u>	<u>2,702,802</u>
Historic cost:				
At 30 September 2021	403,528	20,392	1,865,901	2,289,821
At 30 September 2020	<u>400,832</u>	<u>9,406</u>	<u>1,840,947</u>	<u>2,251,185</u>

£81,265 of the change in value of investments in the year relates to the restricted endowment fund (2020: £50,239).

THE NEU TRUST FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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8 **a) Fixed asset investments continued**

Included within the total group investment balance is £624,950 (2020: £549,482) belonging to the endowment fund.

Listed Investments at market value are held in the following classes:	2021 £	2020 £
UK fixed interest	255,871	262,772
UK equities	560,905	550,150
Foreign equities	896,179	1,113,994
Other	989,847	531,021
	<u>2,702,802</u>	<u>2,457,937</u>

b) Fixed asset investment Cont.

Charity	Deposit Fund £	Cash held for investment £	Listed investments £	Total £
Market Value at 1 October 2020	400,832	7,527	1,500,097	1,908,456
Cash Movement	2,696	10,446	-	13,142
Disposal proceeds	-	-	(192,453)	(192,453)
Acquisitions	-	-	172,935	172,935
Change in value in the year	-	-	173,355	173,355
Market Value at 30 September 2021	<u>403,528</u>	<u>17,973</u>	<u>1,653,934</u>	<u>2,075,435</u>
Historic cost:				
At 30 September 2021	403,528	17,973	1,318,965	1,740,466
At 30 September 2020	<u>400,832</u>	<u>7,527</u>	<u>1,296,891</u>	<u>1,705,250</u>
Investments at market value are held in the following classes:			2021 £	2020 £
UK fixed interest			178,665	184,161
UK equities			405,527	411,671
Foreign equities			658,562	812,900
Other			832,681	499,724
			<u>2,075,435</u>	<u>1,908,456</u>

THE NEU TRUST FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

9 **Debtors**

	2021 £	2020 £
Group		
Other Debtors	19,104	-
Charity		
Other Debtors	19,104	-
Amounts due from the unincorporated fund	-	-
	<u>19,104</u>	<u>-</u>

10 **Creditors: amounts due within one year**

	2021 £	2020 £
Group		
Grant Creditors	15,909	25,700
Other Creditors/Accruals	13,195	18,337
	<u>29,104</u>	<u>44,037</u>
Charity		
Grant Creditors	15,909	25,700
Other Creditors/Accruals	13,195	18,338
Amounts due to the unincorporated fund	290,093	290,093
	<u>319,197</u>	<u>334,130</u>

11 **Analysis of net assets between funds**

	Unrestricted £	Restricted Endowment £	Total £
Group			
Fund balances at 30 September 2021 are represented by:			
Investments	2,075,435	627,367	2,702,802
Current Assets	489,487	290,093	779,580
Creditors: amounts falling due within one year	(29,104)	-	(29,104)
	<u>2,535,818</u>	<u>917,460</u>	<u>3,453,278</u>
Charity			
Fund balances at 30 September 2021 are represented by:			
Investments	2,075,435	-	2,075,435
Current Assets	779,580	-	779,580
Creditors: amounts falling due within one year	(319,197)	-	(319,197)
	<u>2,535,818</u>	<u>-</u>	<u>2,535,818</u>

The unrestricted funds represent the free funds of the charity which are not designated for a particular purposes and are the funds of the incorporated charity, The NEU Trust Fund Limited.

The restricted endowment represents the funds bestowed to the unincorporated charity, The NEU Trust Fund, by William Mitchell. The income from this endowment can be applied towards the general purpose charity.

THE NEU TRUST FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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Analysis of net assets between funds (continued)

	Unrestricted	Restricted Endowment	Total
	£	£	£
Group			
Fund balances at 30 September 2020 are represented by:			
Investments	1,908,456	549,481	2,457,937
Current Assets	69,660	290,093	359,753
Creditors: amounts falling due within one year	(44,037)	-	(44,037)
	<u>1,934,079</u>	<u>839,574</u>	<u>2,773,653</u>
Charity			
Fund balances at 30 September 2020 are represented by:			
Investments	1,908,456	-	1,908,456
Current Assets	359,753	-	359,753
Creditors: amounts falling due within one year	(334,130)	-	(334,130)
	<u>1,934,079</u>	<u>-</u>	<u>1,934,079</u>