



Together, we
**MAKE
WORK
BETTER**

Financial Statements
For the Year Ended
31st December 2022

General Secretary's Introduction

Colleagues,

As your General Secretary and Treasurer, it is an honour and privilege to introduce these Financial Statements, covering the year to 31st December 2022.

It is testament to the hard work of our Central Executive Council, activists, and staff, together with the continued financial support of our members, that we have been able to deliver a positive financial result for GMB. This was achieved in the face of significant economic pressures and the need to provide unprecedented levels of financial support to our members fighting to make work better.

During the worst cost-of-living crisis for many generations, our union is standing up for people who choose to give us their hard-earned money to improve their working lives. The number of industrial campaigns we have undertaken has gone to another level, across all parts of the country. With the resources we have, we are proud not only to fight for justice on behalf of our members, but to ensure that they are not disproportionately disadvantaged when they are forced to take industrial action by intransigent employers.

GMB is back where we belong and where we are at our best – the workplace. We are listening to members, constructing campaigns, strengthening reps' networks, and winning disputes. There is an energy across the union that is paying dividends. We are growing again after the shock of the pandemic, recruiting more members than any time in recent memory and working tirelessly to retain them.

Financial challenges do remain. The following statements show a reduction of £2.2m in contribution income for the year, a result of membership losses in the early part of the year. The consistent growth in membership in the last four months of 2022, and beyond, is playing a big part in turning this position around.

In addition, we have reformed the boundaries of our regions, the biggest change to GMB's key organisational foundations in 100 years and, alongside our commitment to controlling costs, this has contributed to an overall reduction in our operating expenditure of £1.7m. This achievement was made at the same time as our union paid benefits of £5.9m to support our members directly.

My heartfelt thanks go to all staff and activists who work tirelessly on behalf of this great union. It is you who deliver for GMB. Keep up the good work. There is so much for us to do. GMB members need their union to be on the front foot and that is where we will be.

Gary Smith
GMB General Secretary and Treasurer

Statement of Comprehensive Income for the year ended 31st December 2022

General Fund

Notes

	31st December 2022	31st December 2021
	£'000	£'000
INCOME		
2 Contributions	66,718	68,925
Other Income	652	1,142
	<u>67,370</u>	<u>70,067</u>
EXPENDITURE		
3 Branch Costs	5,172	7,115
4 Benefits	5,876	6,759
5 Affiliations	1,801	1,996
6 Conferences and Executive	1,559	863
7 Campaigns and Communications	1,343	1,446
8 Services	1,172	587
9 Administration	10,364	9,843
10 Employment Costs	39,336	39,760
	<u>66,623</u>	<u>68,369</u>
OPERATING SURPLUS FOR THE YEAR	747	1,698
11 Investment Income	702	871
Realised Gain on Sale of Fixed Assets	174	-
(Loss)/Gain on Revaluation of Investments to Fair Value	(4,118)	4,326
(Loss)/Gain on Revaluation of Investment Properties to Fair Value	(5,706)	3,203
18 Transfer to Members' Superannuation Fund	(137)	(165)
	<u>(8,338)</u>	<u>9,933</u>
(DEFICIT)/SURPLUS FOR THE YEAR	(8,338)	9,933
OTHER COMPREHENSIVE INCOME		
27 Pension Scheme Actuarial Gain	24,077	30,152
	<u>£15,739</u>	<u>£ 40,085</u>
TOTAL COMPREHENSIVE INCOME	<u>£15,739</u>	<u>£ 40,085</u>

Statement of Financial Position as at 31st December 2022

Notes

	31st December 2022	31st December 2021
ASSETS EMPLOYED	£'000	£'000
FIXED ASSETS		
20 Freehold and Leasehold Property	36,412	41,354
20 Furniture and Computer Equipment	2,134	2,111
20 Motor Vehicles	198	195
21 Investments	51,780	55,623
	<hr/>	<hr/>
	90,524	99,283
CURRENT ASSETS		
22 Debtors	3,000	3,085
Cash and Bank Balances	19,879	22,569
	<hr/>	<hr/>
	22,879	25,654
LESS CURRENT LIABILITIES		
23 Creditors	(3,956)	(4,738)
	<hr/>	<hr/>
NET CURRENT ASSETS	18,923	20,916
	<hr/>	<hr/>
TOTAL ASSETS BEFORE PENSION ASSET	109,447	120,199
27 Net Pension Asset	67,108	41,092
	<hr/>	<hr/>
	£ 176,555	£ 161,291
	<hr/>	<hr/>
FINANCED BY:		
12 General Fund	158,670	142,931
13 Dispute Fund	115	115
14 Political Fund	1,367	952
15 Branch Commission Fund	10,972	11,644
16 MPO Reserve Fund	1,539	1,527
17 ASU Reserve Fund	34	34
18 Members' Superannuation Fund	572	572
19 Regional Benefit Funds	3,286	3,516
	<hr/>	<hr/>
	£176,555	£161,291
	<hr/>	<hr/>

Notes to Accounts

(1) STATEMENT OF ACCOUNTING POLICIES

Statement of Compliance

GMB is an independent Trade Union as listed by the Certification Officer for Trade Unions and Employers' Associations. The Registered Office is Mary Turner House, 22 Stephenson Way, London NW1 2HD.

The Union's financial statements have been prepared in compliance with applicable United Kingdom accounting standards, Financial Reporting Standard 102 (FRS 102), with the exception of the following:

- No Statement of Changes in Equity has been presented on the basis that further details have been provided in the notes which reconcile each fund.
- The future minimum lease commitments receivable have not been disclosed due to the time required to compile the information outweighing the perceived benefit.
- The remuneration of key management personnel has not been duplicated in the financial statements as it is already disclosed in the AR21.

These financial statements were approved for issue by the Union's Central Executive Council. They are presented in Sterling and rounded to the nearest £'000.

Going Concern

The financial statements are drawn up on the going concern basis which assumes the Union will continue in operational existence for the foreseeable future. Due consideration has been given to the working capital and cash flow requirements of the Union for at least 12 months from the date of signature on the accounts.

The Union, having reviewed both costs and operating structures, has budgeted for a surplus in 2023. The Central Executive Council are confident that through the strength and diversity of our membership, the Union's financial strength will be maintained.

On the basis of the above information, the members of the Central Executive Council consider it appropriate to prepare the Union's financial statements on the going concern basis.

Accounting Estimates

The preparation of the financial statements requires the Union's Central Executive Council to make reasonable and prudent judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. The key estimates are considered to be the valuation of investment properties and defined benefit pension schemes which are detailed in these accounting policies, and the uncertain nature of the timing of the recoverability of some debtors which are detailed in the appropriate note.

Provisions

Provisions are recognised and are included in the accounts only where the Union has a present obligation as a result of a past event and that amount can be reliably measured. The amount recognised is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contributions

Contributions are shown in the financial statements on the basis of those amounts collected and due from members in respect of the year under review.

Depreciation

Depreciation is calculated so as to write off the cost of the following assets over their estimated useful lives as follows:

Leasehold Property	-	2% of cost less accumulated depreciation.
Freehold Property	-	2% of cost less accumulated depreciation excluding land.
Motor Vehicles	-	To reflect their market value at 31st December each year.
Furniture and Equipment	-	15% of cost less accumulated depreciation.
Computer Equipment	-	33.3% of cost less accumulated depreciation.

Asset allocation

Fixed assets are shown at cost less depreciation as stated above and are not allocated to specific funds.

Taxation

Taxation for the year is chargeable on investment income and capital gains less provident benefits. There is no taxation charge for

the year since provident benefits exceed the investment income and capital gains.

Deferred tax is provided on the liability method to take account of timing differences between the treatment of certain items for accounting purposes and their treatment for tax purposes. No deferred tax has been recognised in respect of the revaluation of listed investments to market value on the basis that sufficient provident benefits exist to cover the capital gains should the investments be sold.

Investments

Equity investments, held as fixed assets, are recognised at fair value at the reporting date. Any equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably are recognised at cost.

Investment properties

Certain of the Union's properties have been classified as investment properties. These have been valued at market value as determined by a professional valuation.

Any gains or losses recognised by way of revaluation to fair value, are recognised in the Statement of Comprehensive Income as Gain/(Loss) on Revaluation of Investments to Fair Value and Gain/(Loss) on Revaluation of Investment Properties to Fair Value. Where investments or investment properties are disposed of, any profit or loss on their disposal, being the difference between the proceeds of sale and the book value, are recognised in the Statement of Comprehensive Income as Realised Gain/(Loss) on Sale of Fixed Assets.

Legal costs

Only current billing for costs and disbursements are charged to these financial statements in respect of legal cases where the Union underwrites support for members as it is not possible to quantify any future liability which may arise in respect of this support.

Pension scheme

The Union operates a defined benefit pension scheme.

The amounts charged to the Statement of Comprehensive Income are the current service costs. Actuarial gains and losses are recognised immediately in Other Comprehensive Income.

The assets of the scheme are held separately from those of the Union in a separate trustee-administered fund. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis.

Operating leases

Rental payments in respect of operating leases are charged to the Statement of Comprehensive Income over the term of the lease.

Funds of the Union

The Union holds its reserves and has allocated these to a number of individual funds, the nature of which are noted below:

- The General Fund is the principal fund through which the Union's business is transacted and the balance of the funds held other than as specified in any other fund.
- The Dispute Fund is held for the purpose of recording the direct financial support to members in dispute in accordance with rule. Any costs incurred are met by way of a transfer from the General Fund each year.
- The Political Fund is held to record both the contributions from members who have elected to contribute, and the qualifying expenditure of the Union and the balance held. This fund is governed both by the rule book of the GMB and current Trade Union legislation.
- The Branch Commission Fund is held to record both the balances held, and the transactions relating to direct activities of the branches of the Union.
- The MPO and ASU Reserve Funds are funds relating to the former members of these unions, to be used for expenditure specific to their activity. These funds were established under the relevant Transfer of Engagements.
- GMB maintains the Members' Superannuation Fund for former members of the Amalgamated Society of Boilermakers, Shipwrights, Blacksmiths and Structural Workers Full Benefit Section under the terms of the merger agreement. This Fund is now closed.
- Regional Benefit Funds are local funds created through additional voluntary contributions from members of these funds in return for specific benefits.

Branches and Regions

The transactions of the branches and regions during the year are included in the funds as are the net assets held directly by them at the balance sheet date.

Notes	31st December 2022	31st December 2021
	£'000	£'000
(2) CONTRIBUTIONS		
Members' Contributions (Note 28)	68,638	71,082
Less Allocated to Political Fund (Note 14)	(1,920)	(2,157)
	<u>£66,718</u>	<u>£68,925</u>
(3) BRANCH COSTS (Note 28)		
Branch Officers' Salaries and NI	45	56
Check-off Administration	249	282
Member Refunds	25	31
Allocated to Branch Commission Funds (Note 15)	4,853	6,746
	<u>£5,172</u>	<u>£7,115</u>
(4) BENEFITS		
Funeral	354	442
Disablement	-	-
Fatal Accident	15	15
National Weekly Accident	1	-
Retirement	2	2
Legal Expenses - Net	2,766	3,153
Hardship Grants	16	887
Allocated to Dispute Fund (Note 13)	2,722	2,260
	<u>£5,876</u>	<u>£6,759</u>
(5) AFFILIATIONS		
Trades Union Congress	1,466	1,501
Scottish Trades Union Congress	102	101
Irish Congress of Trade Unions	39	45
Trades Councils	2	4
Confederation of Shipbuilding and Engineering Unions	16	16
Public Services International	12	28
UNI Global Union	37	56
IndustriAll Global Union	12	23
International Union of Food and Allied Workers' Associations	20	43
Building and Woodworkers International	5	10
International Transport Workers' Federation	2	2
European Public Service Union	8	13
IndustriAll European Trade Union	7	14
European Federation of Food, Agriculture and Tourism Trade Unions	12	19
European Federation of Building and Woodworkers	5	10
European Transport Workers' Federation	4	7
UNI Global Union Europa	7	12
General Federation of Trade Unions	-	21
Institute of Employment Rights	8	8
CLASS	-	20
Labour Research Department	16	-
PIRC	-	15
Miscellaneous	21	28
	<u>£1,801</u>	<u>£1,996</u>

Notes

	31st December 2022	31st December 2021
	£'000	£'000
(6) CONFERENCES AND EXECUTIVE		
Congress	957	174
Other Conferences	57	8
Central Executive Council	59	23
Regional Council and Committee Meetings	72	35
Industrial Conferences	30	1
Ballots and Elections	254	617
Delegates' Fees and Expenses	130	5
	<hr/>	<hr/>
	£1,559	£863
(7) CAMPAIGNS AND COMMUNICATIONS		
Publication and Mailing Costs	499	535
Donations and Grants	77	358
Campaigns and Demonstrations	99	122
Publicity	137	90
Merchandising	115	68
Recruitment	416	273
	<hr/>	<hr/>
	£1,343	£1,446
(8) SERVICES		
Education	330	64
Joint Industrial Councils	25	7
Negotiations	817	516
	<hr/>	<hr/>
	£1,172	£587
(9) ADMINISTRATION		
Computer Expenses	1,007	1,041
Audit and Other Professional Charges	438	353
Repairs to Premises and Equipment	496	521
Postage and Carriage	334	417
Telecommunications	797	745
Premises	3,262	2,990
Office Expenses	1,351	1,108
Car Expenses	1,486	1,528
Depreciation	1,193	1,140
	<hr/>	<hr/>
	£10,364	£9,843
(10) EMPLOYMENT COSTS		
Salaries	29,698	28,714
Testimonials and Retirement Costs	940	1,323
Employer's Pension - Service Cost	8,191	8,481
Employer's Pension - Other Costs	158	980
Employer's NI on Cars and Other Benefits	278	252
Personnel Costs	71	10
	<hr/>	<hr/>
	£39,336	£39,760

Notes

	31st December 2022	31st December 2021
	£'000	£'000
(11) INVESTMENT INCOME		
Equities	361	355
Unquoted Investments	88	67
Bank and Other Interest	1	-
Rent Received	455	634
Bank Charges	(203)	(185)
	<u>£702</u>	<u>£871</u>
(12) GENERAL FUND		
Surplus for period	15,739	40,085
Balance at start of period	142,931	102,846
	<u>£158,670</u>	<u>£142,931</u>
Balance at end of period		
Full provision for the net pension asset as detailed in note 27 has been made.		
(13) DISPUTE FUND		
Allocated from General Fund (Note 4)	<u>2,722</u>	<u>2,260</u>
Less Strike Benefit:		
Birmingham and West Midlands	-	(308)
London	-	(362)
Midlands	(51)	-
Midlands and East Coast	-	(89)
North East, Yorkshire and Humber	(79)	-
Northern	-	(80)
North West and Irish	(1,885)	(205)
Scotland	(347)	(455)
Southern	(265)	(356)
Wales and South West	(95)	(153)
Yorkshire and North Derbyshire	-	(252)
	<u>(2,722)</u>	<u>(2,260)</u>
Result for period	-	-
Balance at start of period	115	115
	<u>£115</u>	<u>£115</u>
Balance at end of period		

Notes

	31st December 2022	31st December 2021
	£'000	£'000
(14) POLITICAL FUND		
Income		
Members' Contributions (Note 2)	1,920	2,157
Expenditure		
Labour Party Affiliation	(1,160)	(1,160)
Labour Party By-Election Insurance Fund	(1)	(1)
Local Affiliations	(47)	(36)
TULO	(47)	(45)
Labour Party Conference	(144)	(134)
Meetings and Speakers	(5)	(2)
Labour Party Funding	(68)	(234)
Labour Party Ballot and Election Costs	(10)	(14)
Other Political Expenditure	(23)	(17)
Admin Apportionment	-	(800)
	<u>(1,505)</u>	<u>(2,443)</u>
Surplus/(Deficit) for period	415	(286)
Balance at start of period	952	1,238
Balance at end of period	<u>£1,367</u>	<u>£952</u>

Notes

	31st December 2022	31st December 2021
	£'000	£'000

(15) BRANCH COMMISSION FUNDS**Income**

Allocated from General Fund (Note 3)	4,853	6,746
Investment Income	2	1
Miscellaneous Income	100	109
	<hr/>	<hr/>
	4,955	6,856

Expenditure

Branch Officials' Honoraria	(2,777)	(3,019)
Affiliations	(14)	(27)
Conferences and Executive	(31)	(6)
Campaigns and Communications	(474)	(609)
Services	(1,956)	(2,094)
Administration	(375)	(453)
	<hr/>	<hr/>
	(5,627)	(6,208)

(Deficit)/Surplus for period	(672)	648
Balance at start of period	11,644	10,996
	<hr/>	<hr/>

Balance at end of period	<u>£10,972</u>	<u>£11,644</u>
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(16) MPO RESERVE FUND**Income**

From Members	<hr/> 12	<hr/> 14
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Expenditure

Surplus for period	12	14
Balance at start of period	1,527	1,513
	<hr/>	<hr/>

Balance at end of period	<u>£1,539</u>	<u>£1,527</u>
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(17) ASU RESERVE FUND**Income**

From Members	<hr/> -	<hr/> -
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Expenditure

Result for period	-	-
Balance at start of period	34	34
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Balance at end of period	<u>£34</u>	<u>£34</u>
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Notes

	31st December 2022	31st December 2021
	£'000	£'000
(18) MEMBERS' SUPERANNUATION FUND		
Income		
Transfer from General Fund	137	165
Expenditure		
Members' Superannuation Benefit	(134)	(147)
Administration Expenses	(3)	(18)
	<u>(137)</u>	<u>(165)</u>
Result for period	-	-
Balance at start of period	572	572
	<u>£572</u>	<u>£572</u>
Balance at end of period	<u>£572</u>	<u>£572</u>

An actuarial valuation of the Members' Superannuation Fund at 31st December 2020 showed a deficit of £766k. Membership of this Fund originated from the Boilermakers' Section only and the Fund is now closed. During the year, benefit was paid to 2,025 retired members (2021: 2,188).

(19) REGIONAL BENEFIT FUNDS**Income**

From Members	73	75
Investment Income	27	26
Realised Gain on Sale of Investments	-	37
Gain on Revaluation of Investments to Fair Value	-	228

	<u>100</u>	<u>366</u>
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Expenditure

Benefits	(18)	(25)
Administrative Expenses	(20)	(63)
Loss on Revaluation of Investments to Fair Value	(292)	-

	<u>(330)</u>	<u>(88)</u>
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(Deficit)/Surplus for period	(230)	278
Balance at start of period	3,516	3,238

	<u>£3,286</u>	<u>£3,516</u>
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Balance at end of period	<u>£3,286</u>	<u>£3,516</u>
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Notes

(20) TANGIBLE FIXED ASSETS

	Freehold & Leasehold Property £'000	Investment Property £'000	Furniture & Computer Equipment £'000	Motor Vehicles £'000	Total £'000
Net book/market value					
At 1st January 2022	30,561	10,793	2,111	195	43,660
Additions at cost	1,637	384	616	31	2,668
Fair value adjustment	-	(5,706)	-	-	(5,706)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	32,198	5,471	2,727	226	40,622
Disposals at book value	(685)	-	-	-	(685)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	31,513	5,471	2,727	226	39,937
Depreciation for period	(572)	-	(593)	(28)	(1,193)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December 2022	<u>£30,941</u>	<u>£5,471</u>	<u>£2,134</u>	<u>£198</u>	<u>£38,744</u>

(21) INVESTMENTS

	31st December 2022 £'000	31st December 2021 £'000
Listed Investments		
Equities and Other Quoted Investments	497	508
Managed Funds	21,115	23,939
Trade Union Unit Trust	19,922	22,177
Gilts	47	18
British Municipal Stocks and Loans	1	1
	<hr/>	<hr/>
	41,582	46,643
Unlisted Investments		
GMB Credit Union	724	718
Other Investments	76	76
Unity Trust Bank plc	9,398	8,186
	<hr/>	<hr/>
	10,198	8,980
Total Investments	<hr/>	<hr/>
	<u>£51,780</u>	<u>£55,623</u>

Notes

	31st December 2022	31st December 2021
	£'000	£'000
(22) DEBTORS		
Contributions Receivable	1,198	1,290
Other Debtors and Prepayments	14,019	14,012
	<hr/>	<hr/>
	15,217	15,302
Less Provision	(12,217)	(12,217)
	<hr/>	<hr/>
	£3,000	£3,085

Included in Other Debtors and Prepayments is an amount of £12.22m (2020 £12.22m) due from UnionLine. See note 26 for details.

Due to the uncertain nature of the timing of the recoverability of the UnionLine loan, which is long-term funding, the Union has taken a decision to create a provision against this debt in keeping with its responsibility to make judgements and estimates that are reasonable and prudent.

(23) CREDITORS

Trade Creditors	(412)	(458)
Payroll Creditors	(1,063)	(1,029)
Other Creditors	(166)	(174)
Accrued Charges and Deferred Income	(2,315)	(3,077)
	<hr/>	<hr/>
	£(3,956)	£(4,738)

(24) COMMITMENTS - OPERATING LEASES**Property**

At 31st December 2022 the Union had total commitments under non-cancellable operating leases of £690,691 (2021 £917,687), £367,740 (2021 £422,068) payable within one year, £322,051 (2021 £495,619) payable within two to five years and £900 (2021 £nil) payable after five years.

Other Commitments

At 31st December 2022 the Union had total commitments under non-cancellable operating leases of £2,731,042 (2021 £3,578,972), £1,252,223 (2021 £1,176,829) payable within one year, £1,478,820 (2021 £2,402,093) payable within two to five years and £nil (2021 £nil) payable after five years.

(25) CONTINGENT LIABILITIES

The Union underwrites legal support to members. The costs of these cases are accounted for in accordance with the accounting policies of the Union.

There were no other contingent liabilities at 31st December 2022 or 31st December 2021.

(26) RELATED PARTY TRANSACTIONS**UnionLine**

At 31st December 2022, the Union was a 50% equity partner in GMB/CWU Legal LLP, which is the sole beneficial partner of Trade Union Legal LLP, trading as UnionLine.

At 31st December 2022, the Union had made an unsecured loan of £7.01m (2021 £7.01m) to the LLP at a commercial rate of interest. The total amount outstanding, including accrued interest, as at 31st December 2022 was £7.78m (2021 £7.78m). At 31st December 2022, £4.44m (2021 £4.44m) was due to the Union in relation to previous charges for staff and administration costs.

During the year the Union made a capital contribution to UnionLine amounting to £1.962m to meet their working capital requirements. The Union takes the view that this is not recoverable and has written the full amount off to the Statement of Comprehensive Income in the year.

Ethical Threads Ltd

At 31st December 2022, the Union held an interest in 50.5% of the voting share capital of the company.

Notes

(27) GMB 1961 PENSION FUND

The Union operates a defined benefit scheme in the UK which provides both pensions in retirement and death benefits to members. Pension benefits are related to the members' final salary at retirement and their length of service.

The Fund is a registered scheme under UK legislation and is subject to the scheme funding requirements outlined in UK legislation.

The Fund was established from 24th January 1961 under trust and is governed by the Fund's current Trust Deed and Rules dated 1st November 2014. The Trustees are responsible for the operation and the governance of the Fund, including making decisions regarding the Fund's funding and investment strategy in conjunction with the Union.

The most recent formal actuarial valuation of the Fund was as at 31st December 2021 and revealed a funding surplus of £24.1m.

In accordance with the Schedule of Contributions dated 14th October 2022, the Union is expected to pay contributions of approximately £7.6m over the next accounting period. This includes £2m fixed annual contributions and around £5.6m based on a rate of 22.1% for the accrual of benefits (including an additional allowance for expenses) on an expected pensionable salary roll of £25.1m.

The contributions paid by the Union are reviewed every three years as part of each formal actuarial valuation. The Fund's next actuarial valuation is due at 31st December 2024.

The contribution payments by the Union include an allowance for ongoing administration expenses and the lump sum death in service benefits.

The liabilities of the Fund are based on the current value of expected benefit payment cashflows to members of the Fund over approximately the next 60 years. The average duration of the liabilities is approximately 12 years.

The value of the liabilities at the reporting date have been estimated by updating the results of the actuarial valuation as at 31st December 2021 to allow for the passage of time, the accrual of new benefits for active members, benefits paid out of the Fund, actual inflationary experience and changes in actuarial assumptions.

Such an approach is normal for the purposes of accounting disclosures. It is not expected that these projections will be materially different from a summation of individual calculations at the accounting date, although there may be some discrepancy between the actual liabilities for the Fund at the accounting date and those included in the disclosures.

A full actuarial valuation of the Fund was carried out as at 31st December 2021 and has been updated to 31st December 2022 by a qualified independent actuary. The major assumptions used by the actuary were as follows:

		At 31/12/2022	At 31/12/2021
Discount rate		4.80%	1.80%
Rate of inflation (RPI)		3.10%	3.30%
Rate of inflation (CPI)		2.70%	2.90%
Rate of salary increase		2.70%	3.30%
Rate of increase to pensions in payment:	RPI max 5%	3.00%	3.20%
	RPI max 2.5%	2.20%	2.20%
	CPI	2.70%	2.90%
Cash commutation		90% of maximum permitted on current terms	90% of maximum permitted on current terms
Assumed life expectancies (in years) on retirement at age 65 are:			
Retiring today - Males		20.1	20.2
Retiring today - Females		22.3	22.5
Retiring in 20 years time - Males		21.3	21.5
Retiring in 20 years time - Females		23.7	23.9

The assets in the Fund:	Value at 31/12/2022	Value at 31/12/2021
	£'000	£'000
Equities (including property)	153,723	242,858
Gilts	187,798	304,058
Bonds	72,202	85,379
Cash	4,120	3,938
Alternatives/Multi-asset	(41,370)	(137,167)
Fair value of Fund assets	<u>376,473</u>	<u>499,066</u>

2022 2021

The actual return on assets over the period was: (115,792) 32,867

The amounts recognised in the statement of financial position are as follows:	As at 31/12/2022	As at 31/12/2021
	£'000	£'000
Present value of funded obligations	(309,365)	(457,974)
Fair value of Fund assets	<u>376,473</u>	<u>499,066</u>
Surplus in funded scheme	<u>67,108</u>	<u>41,092</u>

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

	Year end 31/12/2022	Year end 31/12/2021
	£'000	£'000
Benefit obligation at beginning of year	457,974	463,872
Current service cost	8,191	8,481
Interest cost	8,099	5,465
Contributions by employees	1,917	1,938
Actuarial (gain)/loss	(148,791)	(2,924)
Benefits paid	<u>(18,025)</u>	<u>(18,858)</u>
Benefit obligation at end of year	<u>309,365</u>	<u>457,974</u>

Reconciliation of opening and closing balances of the fair value of the Fund assets:

Fair value of Fund assets at beginning of year	499,066	473,616
Interest income on Fund assets	8,922	5,639
Return on assets, excluding interest income	(124,714)	27,228
Contributions by employer	10,358	10,483
Contributions by employees	1,917	1,938
Benefits paid	(18,025)	(18,858)
Fund administrative cost	<u>(1,051)</u>	<u>(980)</u>
Fair value of Fund assets at end of year	<u>376,473</u>	<u>499,066</u>

Remeasurement of the net defined benefit liability:

Actuarial (gains)/losses on the liabilities	(148,791)	(2,924)
Return on assets, excluding interest income	<u>124,714</u>	<u>(27,228)</u>
Total remeasurement of the net defined benefit liability	<u>(24,077)</u>	<u>(30,152)</u>

The amounts recognised in other comprehensive income:

Service cost	8,191	8,481
Fund administrative cost	1,051	980
Net interest on the net defined benefit liability	<u>(823)</u>	<u>(174)</u>
Total expense	<u>8,419</u>	<u>9,287</u>

Summary of Income and Branch Expenditure by Region for year ended 31st December 2022

Notes

	London	Midlands	North East Yorkshire and Humber	North West and Irish	Scotland	Southern	Wales and South West	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
(28) INCOME								
Contributions (Note 2)	10,614	12,497	11,819	8,980	7,505	9,595	7,628	68,638
EXPENDITURE (Note 3)								
Branch Officers' Salaries and NIC	4	8	6	2	6	13	6	45
Check-off Administration	25	38	32	42	74	18	20	249
Member Refunds	3	5	3	2	3	4	5	25
Allocated to Branch Commission Funds	791	953	873	587	482	710	457	4,853
	823	1,004	914	633	565	745	488	5,172
Transferred to Region	£9,791	£11,493	£10,905	£8,347	£6,940	£8,850	£7,140	£63,466
Membership 31st December 2022	87,128	93,701	100,928	84,855	59,681	79,522	64,292	570,107

Cash Flow Statement for the year ended 31st December 2022

	31st December 2022	31st December 2021
	£'000	£'000
Cash flows from operating activities		
Surplus/(deficit) for the financial year on:		
General Fund	15,739	40,085
Dispute Fund	-	-
Political Fund	415	(286)
Branch Commission Fund	(672)	648
MPO Reserve Fund	12	14
ASU Reserve Fund	-	-
Members' Superannuation Fund	-	-
Regional Benefit Funds	(230)	278
	<u>15,264</u>	<u>40,739</u>
Adjustments for:		
Depreciation	1,193	1,140
(Gain)/loss on sale of assets	(174)	(37)
Loss/(gain) on investments at fair value	4,410	(4,554)
Loss/(gain) on investment properties at fair value	5,706	(3,203)
Bank and other interest received	(3)	(1)
Investment income	(728)	(897)
Capital contributions	1,962	1,852
Decrease/(increase) in debtors	85	(91)
(Decrease)/increase in creditors	(782)	131
Increase in pension asset	(26,016)	(31,348)
Net cash generated from operating activities	<u>917</u>	<u>3,731</u>
Cash flows from investing activities		
Proceeds from sale of tangible fixed assets	859	14
Purchases of tangible fixed assets	(2,668)	(1,031)
Proceeds from sale of investments	101	126
Purchases of investments	(668)	(1,569)
Capital contributions	(1,962)	(1,852)
Bank and other interest received	3	1
Investment income	728	897
Net cash used in investing activities	<u>(3,607)</u>	<u>(3,414)</u>
Net cash (decrease)/increase in cash and cash equivalents	<u>(2,690)</u>	<u>317</u>
Cash and cash equivalents at beginning of year	<u>22,569</u>	<u>22,252</u>
Cash and cash equivalents at end of year	<u>£19,879</u>	<u>£22,569</u>
Components of cash and cash equivalents		
Cash and bank	<u>19,879</u>	<u>22,569</u>
	<u>£19,879</u>	<u>£22,569</u>

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short term deposits

List of Properties as at 31st December 2022

- at Cost less Depreciation

	31st December 2022	31st December 2021
	£'000	£'000
Aberdeen	75	77
Billingham	-	183
Blackburn	95	96
Bolton	75	76
Bristol	249	253
Cardiff	2,641	2,695
Cheadle Hulme	432	440
Chelmsford	-	93
Chessington	155	157
Dublin	1,354	1,378
Dundee	445	454
Edinburgh	262	267
Euston	8,077	6,744
Glasgow	4,411	4,439
Hainault	3,140	3,200
Halesowen	895	911
Hanley (Properties)	1,708	1,724
Hastings	467	476
Hayes	266	271
Heckington	127	129
Hendon	1,337	1,360
Hove	1,135	1,156
Hull	405	412
Islington	806	819
Kilmarnock	146	148
Leicester	394	400
Lincoln	35	36
Liverpool	653	665
London	540	549
Newcastle Upon Tyne	2,827	2,881
Nottingham	1,114	1,134
Oldham	239	244
Peterborough	312	318
Preston	35	36
Reading	356	362
St Helens	40	41
Sheffield	651	663
Southampton	148	151
Southend-on-Sea	4	4
Sunderland	666	666
Swindon	171	-
Wakefield	801	815
Welling	136	138
York	38	38
Revaluation Reserve on Investment Properties	(1,451)	4,255
	<hr/>	<hr/>
	£ 36,412	£ 41,354

Report of the Auditors to the Members of the GMB

STATEMENT OF CENTRAL EXECUTIVE COUNCIL'S RESPONSIBILITIES

Trade union law requires the Central Executive Council (CEC) to prepare an annual report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice for each financial year, which give a true and fair view of the state of affairs of the Union and of the surplus or deficit of the Union for that period. In preparing those financial statements, the CEC is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and 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 Union will continue to operate.

The CEC is also responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Union and to enable them to ensure that the financial statements comply with relevant United Kingdom Generally Accepted Accounting Practice and the Trade Union and Labour Relations (Consolidation) Act 1992. It is also responsible for safeguarding the assets of the Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and must also establish and maintain a satisfactory system of control over its accounting records, its cash holdings and all its receipts and remittances.

Report of the General Member Auditors

We have examined the financial statements in accordance with Rule.

J Davies

K Fox

S Horton

General Member Auditors

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GMB

Opinion

In our opinion, the financial statements:

- give a true and fair view of the state of the Union's affairs as at 31 December 2022 and of its result 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 Trade Union and Labour Relations (Consolidation) Act 1992.

We have audited the financial statements of GMB (the 'Union') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the 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 FRS 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 are independent of the Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 audit opinion.

Independence

We are independent of the Union in accordance with the ethical requirements that are 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 relating to going concern

In auditing the financial statements, we have concluded that the Central Executive Council's 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 Union'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 Central Executive Council with respect to going concern are described in the relevant sections of this report.

Other information

The Central Executive Council is responsible for the other information. The other information comprises the information included in the Report of the General Secretary's Introduction to the 2022 Financial Statements, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters to which the Trade Union and Labour Relations (Consolidation) Act 1992 requires us to report to you if, in our opinion:

- proper accounting records have not been kept in accordance with the requirements; or
- the Union has not maintained a satisfactory system of controls over its transactions in accordance with the requirements; or

- the 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 the Central Executive Council

As explained more fully in the Statement of the Central Executive Council's Responsibilities, the Central Executive Council is 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 Central Executive Council 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 Central Executive Council is responsible for assessing the Union'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 Central Executive Council either intend to liquidate the Union or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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:

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements, including how fraud may occur by enquiring of management of its own consideration of fraud. In particular, we looked at where management made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also considered potential financial or other pressures, opportunity and motivations for fraud. As part of this discussion 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. Appropriate procedures included the review and testing of manual journals and key estimates and judgements made by management.

We gained an understanding of the legal and regulatory framework applicable to the Union and the industry in which it operates, drawing on our broad sector experience, and considered the risk of acts by the Union that were contrary to these laws and regulations, including fraud.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Trade Union & Labour Relations Act 1992, UK tax legislation and equivalent local laws and regulations.

We made enquiries of management with regards to compliance with the above laws and regulations and corroborated any necessary evidence to relevant information, for example, minutes of the Central Executive Council meetings, minutes of regional meetings held, legal reports provided to the Central Executive Council and correspondence between the Union and its legal representatives.

We completed a sample of branch audit reviews with a focus on the income, expenditure and cash balances throughout the period to ensure that activities were supported and in line with Union rules and practices. Any unusual findings were raised with the regional secretaries for further investigation.

Our tests included agreeing the financial statements disclosures to underlying supporting documentation and enquiries with management.

We also completed the following procedures:

- 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;
- Assessed the appropriateness of key estimates and judgements made by management and challenged the assumptions used in accounting estimates. We considered the key estimates to be the valuation of the defined benefit pension scheme liability and the carrying value of the Union's assets.

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 on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to GMB, as a body, in accordance with the provisions of the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the Union 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 Union as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP, statutory auditor
London, UK

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

Appendices

Benefits paid year ended 31st December 2022

	£'000
COST	
Weekly Accident Benefit	
10 claims were met	1
Funeral Benefit	
895 claims were met	354
Legal Expenses	
The amount recovered during the period under review on behalf of members injured in accidents totalled £ 15,861,342	2,766
Fatal Accident Benefit	
1 Occupational and 1 Non-Occupational claim was met	15
Disablement	
0 claims were met	-
	3,136
Dispute Benefit	2,722
Education	330
	£ 6,188

Membership and Contributions

Year	Total Membership	Female Membership included in total	Total Contributions £'000
2013	617,064	302,935	61,535
2014	625,643	309,622	63,235
2015	622,596	304,531	65,287
2016	617,213	303,029	66,469
2017	614,494	303,467	67,509
2018	615,558	305,473	68,798
2019	608,929	304,661	71,146
2020	601,907	302,134	72,235
2021	571,127	287,436	71,082
2022	570,107	284,666	68,638

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