



Financial Statements

for the year ended

31st December 2023

General Secretary's Introduction

Colleagues,

It is again my pleasure as your General Secretary and Treasurer, to introduce GMB's Financial Statements for the year to 31st December 2023.

It's been another demanding year for our union. Our organisation is no different to many others in our country in facing difficult economic headwinds. We've had to learn to do more with less. Despite these challenging conditions our union has achieved so much, in particular a positive financial result.

In workplaces across the length and breadth of the country, we have been active in fighting and winning campaigns that matter to our members. We have launched numerous actions on discriminatory pay practices and equal pay and are securing significant victories. For too long, employers have undertaken practices that have effectively stolen wages from our members. The current lack of enforcement around Equal Pay means there are significant costs associated with these campaigns, but it is right that we provide the necessary financial support to get the justice our members deserve.

We've also invested in our first ever GMB Race Achievement Scholarship Programme (GRASP), a landmark initiative that helps in the work towards building a more representative and inclusive organisation. It also provides a powerful sign of our commitment to make good on the recommendations of the Elizabeth Henry report.

The last year has seen us providing vital investment in the training of lay leaders across the union. This is key to our focus on getting better at listening to members and building industrial campaigns, work that has produced some incredible wins. It should be noted that this success does not come without a cost. It is entirely correct that the union backs our members in the disputes that are central to making work better, and in the last year we have committed £2.8m to this, a significant demonstration of support.

It is testament to the fantastic efforts of our activists and staff that we have, for the first time in many years, recorded an increase in both grade 1 and grade 2 membership. This great achievement has delivered a £1.4m increase in contribution income for the year, proof that our approach of listening to members and running industrial campaigns helps with the retainment of existing members and also encourages new people to join us.

It was great to see our members vote so overwhelmingly to continue to back our union having a political voice. An all-member vote like this comes with significant one-off costs, but with the prospect of a change of government, it is important that we are able to make a strong contribution in the debates that matter, not least to advance policies of importance for our members.

Financial challenges do, of course, remain. Unionline continues to be a significant issue. We are working hard to find a sustainable solution that best protects the Union and delivers an unrivalled legal service for our members in the future.

We are not immune to the inflationary pressures which have resulted in increased costs in all areas of our activity. And, like many other organisations, we closely monitor expenditure to ensure our resources are aligned with our strategic priorities. Getting back into workplaces means more face-to-face meetings, which is a good thing for engaging with members and potential new members, but activity such as this comes at an increased cost.

My thanks to all GMB staff, activists, and members for your tremendous efforts, year-in, year-out. We are achieving big things in workplaces everywhere to make work better.



Gary Smith
GMB General Secretary and Treasurer

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 the GMB

Opinion

We have audited the financial statements of GMB for the year ended 31 December 2023 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows and notes to the financial statements, including 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 GMB's affairs as at 31 December 2023 and of its transactions 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 Act 1992.

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 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.

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 are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, 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.

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 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 Trade Union and Labour Relations Act 1992 requires us to report to you if, in our opinion:

- proper accounting records have not been kept;
- a satisfactory system of control over its accounting records, cash holdings and receipts and remittances has not been maintained; or
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of members of Central Executive Council

As explained more fully in the Statement of Central Executive Council responsibility set out on page 2, the Central Executive Council 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 Central Executive Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

We have been appointed as auditor under section 33 of the Trade Union and Labour Relations Act 1992 and report in accordance with section 36 of that Act.

In preparing the financial statements, the Central Executive Council are 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the union operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Trade Union and Labour Relations Act 1992 together with the financial reporting standards. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the union's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the union for fraud. The laws and regulations we considered in this context for the UK operations were health and safety legislation, employment legislation and taxation legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Central Executive Council and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Executive Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to union's members as a body. Our work has been undertaken so that we might state to union'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 union and the union's members as a body, for our audit work, or for the opinion we have formed.

Crowe U.K. LLP
Statutory Auditor
London

Statement of Comprehensive Income for the year ended 31st December 2023

General Fund

Notes		31st December 2023	31st December 2022
		£'000	£'000
	INCOME		
2	Contributions	68,293	66,718
	Other Income	555	710
		<hr/>	<hr/>
		68,848	67,428
	EXPENDITURE		
3	Branch Costs	5,415	5,172
4	Benefits	7,443	5,934
5	Affiliations	1,763	1,801
6	Conferences and Executive	2,945	1,559
7	Campaigns and Communications	1,497	1,343
8	Services	1,735	1,172
9	Administration	10,870	10,567
10	Employment Costs	36,947	39,336
		<hr/>	<hr/>
		68,615	66,884
	OPERATING SURPLUS FOR THE YEAR	233	544
11	Investment Income	1,342	905
	(Loss)/Gain on Disposal of Tangible Fixed Assets	(208)	174
	Gain/(Loss) on Revaluation of Investments to Fair Value	3,289	(4,118)
	Loss on Revaluation of Investment Properties to Fair Value	(887)	(5,706)
18	Transfer to Members' Superannuation Fund	(126)	(137)
		<hr/>	<hr/>
	SURPLUS/(DEFICIT) FOR THE YEAR	3,643	(8,338)
	OTHER COMPREHENSIVE (EXPENDITURE)/INCOME		
29	Pension Scheme Actuarial (Loss)/Gain	(69,997)	24,077
		<hr/>	<hr/>
20	TOTAL COMPREHENSIVE (EXPENDITURE)/INCOME	£(66,354)	£ 15,739
		<hr/> <hr/>	<hr/> <hr/>

Statement of Financial Position as at 31st December 2023

Notes	31st December 2023	31st December 2022
	£'000	£'000
ASSETS EMPLOYED		
FIXED ASSETS		
21 Freehold and Leasehold Property	30,424	30,941
21 Furniture and Computer Equipment	1,281	2,134
21 Motor Vehicles	168	198
22 Investment Properties	4,579	5,471
23 Investments	55,991	51,780
	<hr/>	<hr/>
	92,443	90,524
CURRENT ASSETS	<hr/>	<hr/>
24 Debtors	3,173	3,000
Cash and Bank Balances	20,781	19,879
	<hr/>	<hr/>
LESS CURRENT LIABILITIES	23,954	22,879
25 Creditors	(6,028)	(3,956)
	<hr/>	<hr/>
NET CURRENT ASSETS	17,926	18,923
	<hr/>	<hr/>
TOTAL ASSETS BEFORE PENSION ASSET	110,369	109,447
29 Net Pension Asset	-	67,108
	<hr/>	<hr/>
	£ 110,369	£ 176,555
	<hr/> <hr/>	<hr/> <hr/>
FINANCED BY:		
12 General Fund	92,316	158,670
13 Dispute Fund	407	115
14 Political Fund	1,565	1,367
15 Branch Commission Fund	10,389	10,972
16 MPO Reserve Fund	1,550	1,539
17 ASU Reserve Fund	34	34
18 Members' Superannuation Fund	572	572
19 Regional Benefit Funds	3,536	3,286
	<hr/>	<hr/>
20	£110,369	£176,555
	<hr/> <hr/>	<hr/> <hr/>

Cash Flow Statement for the year ended 31st December 2023

	31st December 2023	31st December 2022
	£'000	£'000
Cash flows from operating activities		
Surplus/(deficit) for the financial year on:		
General Fund	(66,354)	15,739
Dispute Fund	292	-
Political Fund	198	415
Branch Commission Fund	(583)	(672)
MPO Reserve Fund	11	12
ASU Reserve Fund	-	-
Members' Superannuation Fund	-	-
Regional Benefit Funds	250	(230)
	<u>(66,186)</u>	<u>15,264</u>
Adjustments for:		
Depreciation	976	1,193
Loss/(gain) on disposal of assets	207	(174)
(Gain)/loss on investments at fair value	(3,473)	4,410
Loss on investment properties at fair value	887	5,706
Bank and other interest received	(6)	(3)
Investment income	(1,380)	(728)
Capital contributions	2,294	1,962
(Increase)/decrease in debtors	(173)	85
Increase/(decrease) in creditors	2,072	(782)
Decrease/(increase) in pension asset	67,108	(26,016)
Net cash generated from operating activities	<u>2,326</u>	<u>917</u>
Cash flows from investing activities		
Proceeds from sale of tangible fixed assets	613	859
Purchases of tangible fixed assets	(391)	(2,668)
Proceeds from sale of investments	70	101
Purchases of investments	(808)	(668)
Capital contributions	(2,294)	(1,962)
Bank and other interest received	6	3
Investment income	1,380	728
Net cash used in investing activities	<u>(1,424)</u>	<u>(3,607)</u>
Net cash increase/(decrease) in cash and cash equivalents	902	(2,690)
Cash and cash equivalents at beginning of year	<u>19,879</u>	<u>22,569</u>
Cash and cash equivalents at end of year	<u>£20,781</u>	<u>£19,879</u>
Components of cash and cash equivalents		
Cash and bank	<u>20,781</u>	<u>19,879</u>
	<u>£20,781</u>	<u>£19,879</u>

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Notes to Accounts

Notes

(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 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 2024. 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

Membership 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.
Furniture and Equipment	- 15% of cost less accumulated depreciation.
Computer Equipment	- 33.3% of cost less accumulated depreciation.
Motor Vehicles	- Revalued to Glass's Guide value at 31st December each year.

Notes

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

Legal costs are shown in the financial statements on the basis of those amounts paid and due in respect of the year under review.

Terminations

Costs in respect of terminations are charged to the Statement of Comprehensive Income in the year in which the termination occurred.

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.

Notes

- 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.

	31st December 2023	31st December 2022
	£'000	£'000
(2) CONTRIBUTIONS		
Members' Contributions (Note 30)	69,992	68,638
Less Allocated to Political Fund (Note 14)	(1,699)	(1,920)
	<u>£68,293</u>	<u>£66,718</u>
(3) BRANCH COSTS (Note 30)		
Branch Officers' Salaries and NI	42	45
Check-off Administration	227	249
Member Refunds	27	25
Allocated to Branch Commission Funds (Note 15)	5,119	4,853
	<u>£5,415</u>	<u>£5,172</u>
(4) BENEFITS		
Funeral	363	354
Disablement	-	-
Fatal Accident	19	15
National Weekly Accident	-	1
Retirement	2	2
Legal Expenses	4,551	2,824
Hardship Grants	4	16
Allocated to Dispute Fund (Note 13)	2,504	2,722
	<u>£7,443</u>	<u>£5,934</u>

Notes	31st December 2023	31st December 2022
	£'000	£'000
(5) AFFILIATIONS		
Trades Union Congress	1,452	1,466
Scottish Trades Union Congress	104	102
Irish Congress of Trade Unions	36	39
Trades Councils	2	2
Confederation of Shipbuilding and Engineering Unions	16	16
Public Services International	12	12
UNI Global Union	38	37
IndustriAll Global Union	13	12
International Union of Food and Allied Workers' Associations	21	20
Building and Woodworkers International	-	5
International Transport Workers' Federation	2	2
European Public Service Union	8	8
IndustriAll European Trade Union	8	7
European Federation of Food, Agriculture and Tourism Trade Unions	-	12
European Federation of Building and Woodworkers	5	5
European Transport Workers' Federation	4	4
UNI Global Union Europa	7	7
Institute of Employment Rights	8	8
Labour Research Department	9	16
Miscellaneous	18	21
	<u>£1,763</u>	<u>£1,801</u>
(6) CONFERENCES AND EXECUTIVE		
Congress	1,300	957
Other Conferences	89	57
Central Executive Council	72	59
Regional Council and Committee Meetings	110	72
Industrial Conferences	79	30
Ballots and Elections	1,082	254
Delegates' Fees and Expenses	213	130
	<u>£2,945</u>	<u>£1,559</u>
(7) CAMPAIGNS AND COMMUNICATIONS		
Publication and Mailing Costs	572	499
Donations and Grants	56	77
Campaigns and Demonstrations	156	99
Publicity	109	137
Merchandising	131	115
Recruitment	473	416
	<u>£1,497</u>	<u>£1,343</u>
(8) SERVICES		
Education	737	330
Joint Industrial Councils	31	25
Negotiations	967	817
	<u>£1,735</u>	<u>£1,172</u>

Notes	31st December 2023	31st December 2022
	£'000	£'000
(9) ADMINISTRATION		
Computer Expenses	1,100	1,007
Audit and Other Professional Charges	535	438
Repairs to Premises and Equipment	506	496
Postage and Carriage	275	334
Telecommunications	741	797
Premises	3,206	3,262
Office Expenses	1,960	1,351
Car Expenses	1,384	1,486
Bank Charges	186	203
Depreciation	977	1,193
	<u>£10,870</u>	<u>£10,567</u>
(10) EMPLOYMENT COSTS		
Salaries	30,377	29,698
Testimonials and Retirement Costs	1,341	940
Employer's Pension - Service Cost	3,684	8,191
Employer's Pension - Other Costs	1,186	158
Employer's NI on Cars and Other Benefits	315	278
Personnel Costs	44	71
	<u>£36,947</u>	<u>£39,336</u>
<p>The average number of employees, including part-time employees, during the year was 533 (2022 :550). Included in salaries above, are termination costs of £507,157 (2022: £339,001)</p>		
(11) INVESTMENT INCOME		
Equities	706	361
Unquoted Investments	123	88
Bank Interest	2	1
Rent Received	511	455
	<u>£1,342</u>	<u>£905</u>
(12) GENERAL FUND		
(Deficit)/Surplus for period	(66,354)	15,739
Balance at start of period	<u>158,670</u>	<u>142,931</u>
Balance at end of period	<u>£92,316</u>	<u>£158,670</u>

Notes	31st December 2023	31st December 2022
	£'000	£'000
(13) DISPUTE FUND		
Allocated from General Fund (Note 4)	2,504	2,722
Allocated from Branch Commission Fund (Note 15)	622	-
	<u>3,126</u>	<u>2,722</u>
Less Strike Benefit:		
London	(137)	-
Midlands	(1,296)	(51)
North East, Yorkshire & Humber	(239)	(79)
North West and Irish	(410)	(1,885)
Scotland	(305)	(347)
Southern	(340)	(265)
Wales and South West	(107)	(95)
	<u>(2,834)</u>	<u>(2,722)</u>
Surplus for period	292	-
Balance at start of period	115	115
	<u>£407</u>	<u>£115</u>
(14) POLITICAL FUND		
Income		
Members' Contributions (Note 2)	1,699	1,920
Expenditure		
Labour Party Affiliation	(1,160)	(1,160)
Labour Party By-Election Insurance Fund	(1)	(1)
Local Affiliations	(38)	(47)
TULO	(53)	(47)
Labour Party Conference	(166)	(144)
Meetings and Speakers	(9)	(5)
Labour Party Funding	(41)	(68)
Labour Party Ballot and Election Costs	(16)	(10)
Other Political Expenditure	(17)	(23)
	<u>(1,501)</u>	<u>(1,505)</u>
Surplus for period	198	415
Balance at start of period	1,367	952
	<u>£1,565</u>	<u>£1,367</u>

Notes	31st December 2023	31st December 2022
	£'000	£'000
(15) BRANCH COMMISSION FUNDS		
Income		
Allocated from General Fund (Note 3)	5,119	4,853
Investment Income	4	2
Miscellaneous Income	130	100
	<u>5,253</u>	<u>4,955</u>
Expenditure		
Branch Officials' Honoraria	(2,510)	(2,777)
Affiliations	(19)	(14)
Conferences and Executive	(32)	(31)
Campaigns and Communications	(551)	(474)
Services	(1,718)	(1,956)
Administration	(384)	(375)
Allocated to Dispute Fund (Note 13)	(622)	-
	<u>(5,836)</u>	<u>(5,627)</u>
Deficit for period	(583)	(672)
Balance at start of period	10,972	11,644
Balance at end of period	<u>£10,389</u>	<u>£10,972</u>
(16) MPO RESERVE FUND		
Income		
From Members	11	12
	<u>-</u>	<u>-</u>
Expenditure		
Surplus for period	11	12
Balance at start of period	1,539	1,527
Balance at end of period	<u>£1,550</u>	<u>£1,539</u>
(17) ASU RESERVE FUND		
Income		
From Members	-	-
	<u>-</u>	<u>-</u>
Expenditure		
Result for period	-	-
Balance at start of period	34	34
Balance at end of period	<u>£34</u>	<u>£34</u>

Notes	31st December 2023	31st December 2022
	£'000	£'000
(18) MEMBERS' SUPERANNUATION FUND		
Income		
Transfer from General Fund	126	137
Expenditure		
Members' Superannuation Benefit	(123)	(134)
Administration Expenses	(3)	(3)
	<u>(126)</u>	<u>(137)</u>
Result for period	-	-
Balance at start of period	572	572
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 1,809 retired members (2022: 2,025).

(19) REGIONAL BENEFIT FUNDS		
Income		
From Members	74	73
Investment Income	40	27
Realised Gain on Sale of Investments	1	-
Gain on Revaluation of Investments to Fair Value	184	-
	<u>299</u>	<u>100</u>
Expenditure		
Benefits	(26)	(18)
Administrative Expenses	(23)	(20)
Loss on Revaluation of Investments to Fair Value	-	(292)
	<u>(49)</u>	<u>(330)</u>
Surplus/(Deficit) for period	250	(230)
Balance at start of period	3,286	3,516
Balance at end of period	<u>£3,536</u>	<u>£3,286</u>

Notes

(20) MOVEMENT ON RESERVES

	Balance as at 1st January 2023	Income	Expenditure	Revaluation Gains	Transfers(to)/ from Other Funds	Balance as at 31st December 2023
	£'000	£'000	£'000	£'000	£'000	£'000
General Fund	158,670	70,190	(131,197)	2,402	(7,749)	92,316
Dispute Fund	115	-	(2,834)	-	3,126	407
Political Fund	1,367	1,699	(1,501)	-	-	1,565
Branch Commission Fund	10,972	134	(5,214)	-	4,497	10,389
MPO Reserve Fund	1,539	11	-	-	-	1,550
ASU Reserve Fund	34	-	-	-	-	34
Members Superannuation Fund	572	-	(126)	-	126	572
Regional Benefit Funds	3,286	115	(49)	184	-	3,536
	£176,555	£72,149	£(140,921)	£2,586	£ -	£110,369

(21) TANGIBLE FIXED ASSETS

	Freehold & Leasehold Property £'000	Furniture & Computer Equipment £'000	Motor Vehicles £'000	Total £'000
Cost				
At 1st January 2023	38,935	3,729	240	42,904
Additions	175	216	-	391
Disposals	(202)	(764)	(11)	(977)
At 31st December 2023	38,908	3,181	229	42,318
Accumulated Depreciation				
At 1st January 2023	7,994	1,595	42	9,631
Disposals	(71)	(89)	(2)	(162)
Depreciation for period	561	394	21	976
At 31st December 2023	8,484	1,900	61	10,445
Net book value at 31st December 2023	£30,424	£1,281	£168	£31,873
Net book value at 31st December 2022	£30,941	£2,134	£198	£33,273

(22) INVESTMENT PROPERTIES

	2023 £'000	2022 £'000
Market Value at 1st January	5,471	10,793
Reclassifications from Tangible Fixed Assets	-	384
Disposals	(5)	-
Revaluation Loss	(887)	(5,706)
Market Value at 31st December	£4,579	£5,471

A valuation of four properties was undertaken at 31 December 2023 by Graham + Sibbald and Ryden LLP. The basis of the valuation was market value as defined by RICS Valuation - Professional Standards 2020. The investment property element has been valued subject to the current lease terms in place.

Notes

(23) INVESTMENTS	2023	2022
	£'000	£'000
Listed Investments		
Market Value at 1st January	41,582	46,643
Additions	803	662
Disposals	(70)	(101)
Net gains/(losses)	2,218	(5,622)
Market Value at 31st December	44,533	41,582
Unlisted Investments		
Market Value at 1st January	10,198	8,980
Additions	5	6
Disposals	-	-
Net gains	1,255	1,212
Market Value at 31st December	11,458	10,198
Total Value at 31st December	£55,991	£51,780
Historic Cost at 31st December	£37,896	£37,158

At 31st December, the market value of investments held by the Union was:

Listed Investments

Equities and Other Quoted Investments	494	497
Managed Funds	22,078	21,115
Trade Union Unit Trust	21,905	19,922
Gilts	55	47
British Municipal Stocks and Loans	1	1
	44,533	41,582

Unlisted Investments

GMB Credit Union	728	724
Other Investments	77	76
Unity Trust Bank plc	10,653	9,398
	11,458	10,198

Total Investments

£55,991	£51,780
----------------	----------------

Notes	31st December 2023	31st December 2022
	£'000	£'000
(24) DEBTORS		
Contributions Receivable	1,029	1,198
Other Debtors and Prepayments	14,361	14,019
	<hr/>	<hr/>
	15,390	15,217
Less Provision	(12,217)	(12,217)
	<hr/>	<hr/>
	<u>£3,173</u>	<u>£3,000</u>

Included in Other Debtors and Prepayments is an amount of £12.22m (2022 £12.22m) due from UnionLine. See note 28 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.

(25) CREDITORS

Trade Creditors	(555)	(412)
Payroll Creditors	(1,123)	(1,063)
Other Creditors	(307)	(166)
Accrued Charges and Deferred Income	(4,043)	(2,315)
	<hr/>	<hr/>
	<u>£(6,028)</u>	<u>£(3,956)</u>

(26) COMMITMENTS - OPERATING LEASES

Property

At 31st December 2023, the Union had total commitments under non-cancellable operating leases of £837,832 (2022 £690,691), £334,284 (2022 £367,740) payable within one year, £503,548 (2022 £322,051) payable within two to five years and £nil (2022 £nil) payable after five years.

Other Commitments

At 31st December 2023, the Union had total commitments under non-cancellable operating leases of £1,593,781 (2022 £2,731,042), £1,102,790 (2022 £1,252,223) payable within one year, £490,991 (2022 £1,478,820) payable within two to five years and £nil (2022 £nil) payable after five years.

Commitments Receivable

At 31st December 2023, amounts due to the Union under non-cancellable operating leases totalled £589,718 (2022 £1,004,378), £350,325 (2022 £459,335) receivable within one year, £239,392 (2022 £545,043) receivable within two to five years and £nil (2022 £nil) receivable after five years.

Notes

(27) 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 2023 or 31st December 2022.

(28) RELATED PARTY TRANSACTIONS**UnionLine**

At 31st December 2023, 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 2023, the Union had made an unsecured loan of £7.01m (2022 £7.01m) to the LLP at a commercial rate of interest. The total amount outstanding, including accrued interest, as at 31st December 2023 was £7.78m (2022 £7.78m). At 31st December 2023, £4.44m (2022 £4.44m) was due to the Union in relation to previous charges for staff and administration costs.

Additionally, the Union has made capital contributions to UnionLine totalling £6.1m (2022 £3.8m). The Union takes the view that these are not recoverable and have written the full amounts off to the Statement of Comprehensive Income in the year in which they were paid.

Included in Accrued Charges and Deferred Income (note 25) is the sum of £900k due to UnionLine at 31st December 2023 (2022 £nil).

Ethical Threads Ltd

At 31st December 2023, the Union held an interest in 50.5% of the voting share capital of the company.

Unity Trust Bank plc

During 2023, Graham Dow, Head of Finance, served as a Non-Executive Director of Unity Trust Bank plc.

Notes

(29) 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 £25.4m.

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 2023 by a qualified independent actuary. The major assumptions used by the actuary were as follows:

	At 31/12/2023	At 31/12/2022
Discount rate	4.55%	4.80%
Rate of inflation (RPI)	3.00%	3.10%
Rate of inflation (CPI)	2.60%	2.70%
Rate of salary increase	2.60%	2.70%
Rate of increase to pensions in payment:		
RPI Max 5%	2.90%	3.00%
RPI Max 2.5%	2.10%	2.20%
CPI	2.60%	2.70%
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	19.9	20.1
Retiring today - Females	22.1	22.3
Retiring in 20 years time - Males	21.1	21.3
Retiring in 20 years time - Females	23.5	23.7

The assets in the Fund:	Value at 31/12/2023 £'000	Value at 31/12/2022 £'000
Equities (including property)	51,602	153,723
Gilts	211,372	187,798
Bonds	87,048	72,202
Cash	18,183	4,120
Alternatives/Multi-asset	21,113	(41,370)
Fair value of Fund assets	<u>£ 389,318</u>	<u>£ 376,473</u>
	2023	2022

The actual return on assets over the period was: £ 23,219 £(115,792)

The amounts recognised in the statement of financial position are as follows:	As at 31/12/2023 £'000	As at 31/12/2022 £'000
Present value of funded obligations	(317,559)	(309,365)
Fair value of Fund assets	389,318	376,473
Surplus in funded scheme	<u>£ 71,759</u>	<u>£ 67,108</u>

The fair value of the scheme assets exceeded the present value of future obligations at 31st December 2023 by £71.759m. Under FRS 102, a defined benefit pension asset should be recognised only to the extent the entity is able to recover the surplus. During 2023, GMB has considered the recoverability of the surplus through reduced contributions and refunds in future. As recovery is uncertain, GMB does not feel the pension asset meets the recognition criteria set out in FRS 102 and an adjustment has been made to remove the scheme surplus.

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

	Year end 31/12/2023 £'000	Year end 31/12/2022 £'000
Benefit obligation at beginning of year	309,365	457,974
Current service cost	3,684	8,191
Interest cost	14,443	8,099
Contributions by employees	1,978	1,917
Actuarial (gain)/loss	7,014	(148,791)
Benefits paid	(18,925)	(18,025)
Benefit obligation at end of year	<u>£ 317,559</u>	<u>£ 309,365</u>

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

Fair value of Fund assets at beginning of year	376,473	499,066
Interest income on Fund assets	17,822	8,922
Return on assets, excluding interest income	5,397	(124,714)
Contributions by employer	7,622	10,358
Contributions by employees	1,978	1,917
Benefits paid	(18,925)	(18,025)
Fund administrative cost	(1,049)	(1,051)
Fair value of Fund assets at end of year	<u>£ 389,318</u>	<u>£ 376,473</u>

Remeasurement of the net defined benefit liability:	Year end 31/12/2023 £'000	Value at 31/12/2022 £'000
Actuarial losses/(gains) on the liabilities	7,014	(148,791)
Return on assets, excluding interest income	(5,397)	124,714
Unrecoverable scheme surplus	68,380	-
Total remeasurement of the net defined benefit liability	<u>£ 69,997</u>	<u>£(24,077)</u>

As the scheme surplus has not been recognised, an adjustment to remove the net interest of £3.379m is included in the figures above.

The amounts recognised in other comprehensive income:

Service cost	3,684	8,191
Fund administrative cost	1,049	1,051
Net interest on the net defined benefit liability	-	(823)
Total expense	<u>£ 4,733</u>	<u>£ 8,419</u>

Summary of Income and Branch Expenditure by Region for year ended 31st December 2023

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
(30) INCOME								
Contributions (Note 2)	11,012	12,370	11,186	9,939	7,817	9,914	7,754	69,992
EXPENDITURE (Note 3)								
Branch Officers' Salaries and NIC	3	8	4	4	7	10	6	42
Check-off Administration	21	38	25	40	69	16	18	227
Member Refunds	2	5	3	4	4	3	6	27
Allocated to Branch Commission Funds	809	914	832	730	593	750	491	5,119
	835	965	864	778	673	779	521	5,415
Transferred to Region	£10,177	£11,405	£10,322	£9,161	£7,144	£9,135	£7,233	£64,577
Membership 31st December 2023	88,576	95,508	100,379	83,149	62,069	82,217	64,565	576,463

List of Properties as at 31st December 2023 – at Cost less Depreciation

	31st December 2023	31st December 2022
	£'000	£'000
Aberdeen	74	75
Blackburn	93	95
Bolton	-	75
Bristol	244	249
Cardiff	2,589	2,641
Cheadle Hulme	424	432
Chessington	152	155
Dublin	1,363	1,354
Dundee	437	445
Edinburgh	257	262
Euston	8,057	8,077
Glasgow	4,383	4,411
Hainault	3,082	3,140
Halesowen	880	895
Hanley (Properties)	1,693	1,708
Hastings	458	467
Hayes	291	266
Heckington	124	127
Hendon	1,314	1,337
Hove	1,114	1,135
Hull	398	405
Islington	793	806
Kilmarnock	143	146
Leicester	389	394
Lincoln	35	35
Liverpool	642	653
London	531	540
Newcastle Upon Tyne	2,771	2,827
Nottingham	1,095	1,114
Oldham	235	239
Peterborough	307	312
Preston	35	35
Reading	349	356
St Helens	40	40
Sheffield	639	651
Southampton	145	148
Southend-on-Sea	4	4
Sunderland	661	666
Swindon	168	171
Wakefield	787	801
Welling	145	136
York	-	38
Revaluation Reserve on Investment Properties	(2,338)	(1,451)
	<hr/>	<hr/>
	£ 35,003	£ 36,412
	<hr/> <hr/>	<hr/> <hr/>

Appendices

Benefits paid year ended 31st December 2023

COST	£'000
Weekly Accident Benefit 2 claims were met	-
Funeral Benefit 934 claims were met	363
Legal Expenses The amount recovered during the period under review on behalf of members injured in accidents totalled £18,160,482	3,651
Fatal Accident Benefit 2 Occupational and 1 Non-Occupational claims were met	19
Disablement 0 claims were met	-
	4,033
Dispute Benefit	2,834
Education	737
	£ 7,604

Membership and Contributions

Year	Total Membership	Female Membership included in total	Total Contributions £'000
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
2023	576,463	287,846	69,992

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