



GMB CREDIT UNION

# ANNUAL REPORT

FINANCIAL YEAR ENDING 31 DECEMBER 2023

# WELCOME TO YOUR GMB CREDIT UNION ANNUAL REPORT

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# REPORT OF THE GMBCU TREASURER FOR 2024



"It brings me great joy to reflect on the last 25 years. We've been on an incredible journey of growth and learning. Going forward, we will continue to support our members' financial wellbeing and empower our community through the brilliant savings, loans, and education we provide."

## INTRODUCTION

David Castledine is a GMBCU Treasurer & Board Director. He is also the Regional Finance Officer for GMB Midlands Region and has played a leading role in the development of GMBCU over the last twenty five years.

The Treasurer's report will be made available to GMBCU members registering for the 2024 AGM which will be conducted by Zoom on Saturday 23 March 2024. David will also take part in a member Q&A session during our AGM.

The Treasurer's report acknowledges the input of the GMBCU Board and the Annual Report and Audited Financial Statement provided for the year ending 31 December 2023 by GMBCU's appointed external auditors KM Business Solutions Ltd.

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A handwritten signature in black ink that reads "Castledine".

**David Castledine**

**GMBCU Treasurer & Board Director**

**15 March 2024**

# 2023 Operating Environment

## Putting the annual report in context

The legacy of the pandemic combined with the cost-of-living crisis continues to adversely impact GMBCU and our members. Political and economic uncertainty compounded by high levels of inflation has left many GMB members financially vulnerable.

The impact of the prevailing financial storm on GMBCU has been two-fold with significant impairment (i.e. delinquency and default on member loans) and the withdrawal of member savings. Understandably member lending has slowed. The combined impact of this was to shrink the size of our balance sheet in 2023.

GMBCU is guided by its social purpose as well as its commercial and regulatory needs.

We continued to do our very best to balance these needs whilst supporting our community and individual members providing financial information and signposting members as appropriate.

## GMBCU Performance 2023

Our business plan predicted many of the challenges that confronted us in 2023. However, because of our forward planning and strong balance sheet we were able to successfully navigate our most difficult trading year ever. The following analysis of our results for the year to the 31 December 2023 show a strong performance in line with our budget.

- **Total annual income (£1,296,452) held up very well and was 7.8% higher than our budgeted figure (£1,202,000).**
- **Total annual administration costs (excluding impairment) at £485,685 were 13.4% lower than our budgeted figure of £560,822.**
- **Loans advanced for the year totalled £3.74 million compared to same period 2022 which was £4.98 million. New loans advanced in 2023 were down 25%.**
- **Annual surplus in 2023 was £400,790 which was GMBCU's highest ever surplus in 25 years of trading.**
- **Membership is now 10,550 an increase of 5.4% on year end 2022.**

# GMBCU Performance to 31 December 2023

A year in review at a glance. We share below a summary of the key financial results and key statistics, the benchmarks by which we measure our performance.



- Tot Savings Balances £11.06 mill (2022 = £14.22 mill)
- Tot Loan Balances £10.72 mill (2022 = £11.73 mill)
- No. of new loans 2023 total 2,736 (2022 = 3,052)
- Value of new loans advanced in 2023 total £3.74 mill (2022 = £4.9 mill)

- Cash in Bank £1.66 mill (2022 = £3.52 mill)
- Tot paid into GMBCU YE Dec 2023 £10.1 mill (2022 = £10.3 mill)
- Tot paid out by GMBCU YE Dec 2023 £11.54 mill (2022 = £9.9 mill)



- 781 new members in 2023 (2022 = 848 new members)
- 477 members left in 2023 (2022 = 350 members left)
- 56 Corporate Deposit Accounts with balances of £1.32 mill
- Total membership 2023 was 10,550 (2022 = 10,011)

**Total Reserves £1,367,890 + £941,000 Deferred Shares =  
£2,338,789 GMBCU capital to asset ratio 18.48%**

# Focussing on the future

We anticipate that trading will steadily improve over the next few years and GMBCU will continue to adapt to the challenges and opportunities presented.

Despite the hostile trading environment which prevailed during 2023, we continued to look forward and invest in our business as follows:

- **Real-time faster payments** - and by that we mean instant - were launched in March 2023.
- To improve member accessibility whilst modernising our image, we completed **a full rebrand of our corporate identity** in June and launched **a revamped website** in September.
- **Our mobile app** was launched in June and is proving very popular.
- We launched a **savings life insurance scheme** to support and encourage member savings in September.

All these projects flow from our wish to continually improve member service and fulfil our Consumer Duty objectives.



# Enhancing and extending our member savings products

We are living through difficult times and we understand how challenging this has been for GMB members in relation to managing their money. The importance of savings during uncertain times, and any time, has been strongly highlighted as concerns about money can cause feelings of exclusion, anxiety and fear.

We know that 15% of UK adults who are of working age do not have any savings and 34% of working adults have less than £1,000 saved. GMBCU is committed to fostering the savings habit amongst all GMB members and during 2024 and we will be enhancing and extending our savings products ensuring our members share in our 25 years of trading success.

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In 2024 we will offer three additional attractive savings accounts to GMB members as follows:

**PrizeSaver** was launched in January and is an instant access savings account which is automatically linked to a free monthly prize draw with a top prize of £5,000 and twenty-one other smaller prizes to be won every month.

**365 Saver** will be launched at our AGM. This is a 12-month ethical investment for lump sum investments with no withdrawals during that period. This account will pay a 5% dividend.

**Premium Saver** will be launched in June. This account is intended for members who commit to regular savings which in turn we will reward by adding an additional 1% premium on our standard Member Saver annual dividend.

The above three new savings accounts when added to our existing easy access Member Saver, our increasingly popular Christmas Saver and our Young Saver will provide GMB members with an ethical choice of savings accounts which we hope will enable members to develop a healthy savings habit.

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# Operational and financial resilience is always a key objective.

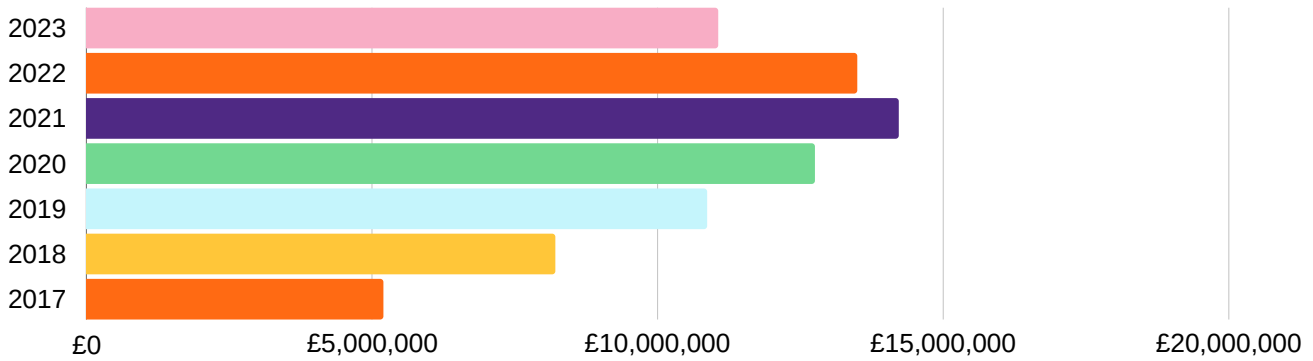
During 2023 we engaged with key sector suppliers to improve our savings and loan delivery platform and improve our credit control function. We also successfully migrated to the Azure cloud to ensure that we maintain high standards of service availability.

We celebrate our 25th anniversary in 2024 and for this year our main focus will be on member service. We need to better understand exactly what our members want and need. We then need to apply digital solutions effectively in partnership with our new suppliers to achieve a frictionless service for both our savings and loan products.

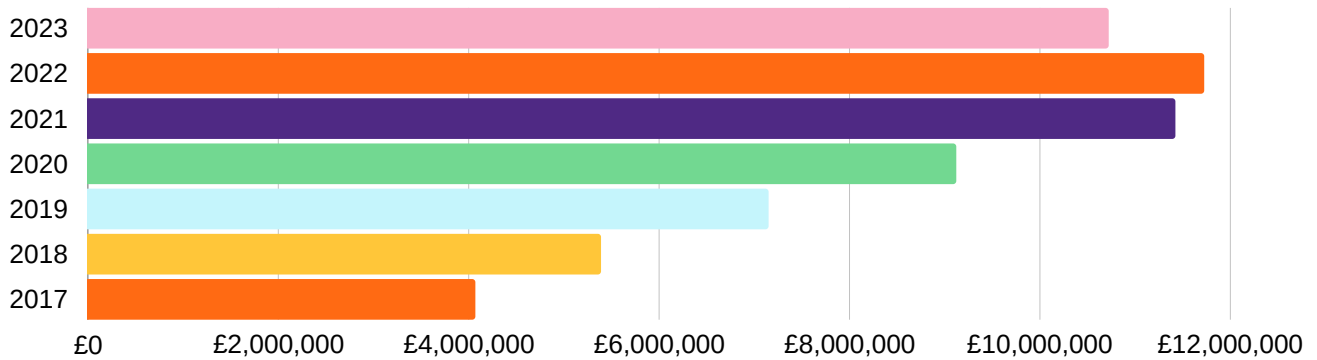
As a GMBCU Treasurer and Director, I am pleased to present my report and the audited financial statement for 2023. This has been another very difficult year of hard work and significant change and we are proud to have supported our GMB community whilst delivering another strong trading performance as you can see from the following graphs.

# GMBCU Performance to 31 December 2023

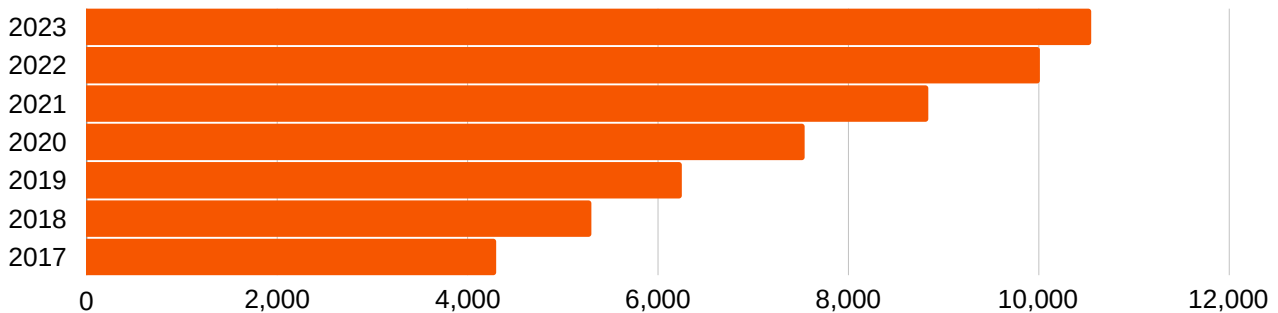
## GMBCU Total Savings Balances



## GMBCU Total Loan Balances

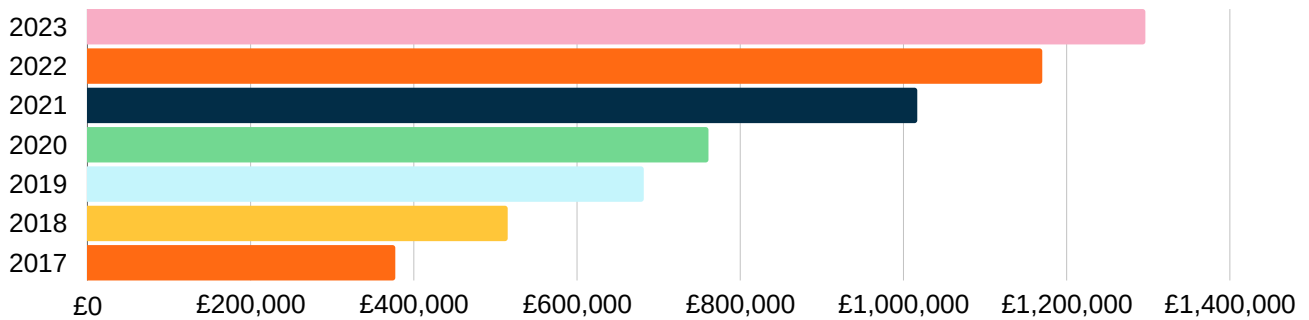


## GMBCU Total Membership

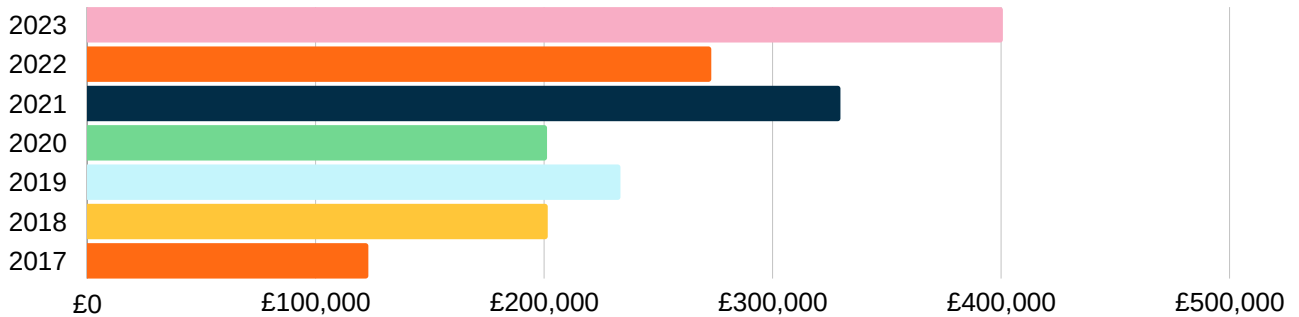


# GMBCU Performance to 31 December 2023

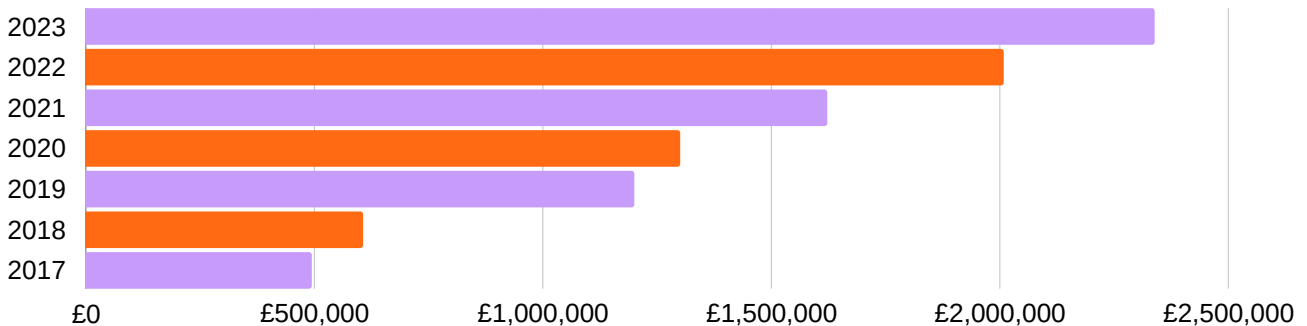
## GMBCU Total Loan Income



## GMBCU Total Surplus



## GMBCU Total Reserves



# Auditor's Report

As part of this annual report we share key information from our external auditor's report for 2023. This is the independent audit statements of GMB Credit Union which has been the trading name of Thorne Credit Union Ltd since 2016. The Credit Union was first registered in 1999.

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
		£	£
<b>Net interest receivable</b>			
Interest receivable and similar income	4	1,296,452	1,170,114
Interest payable and similar charges	5	(104,687)	(132,367)
		<u>1,191,765</u>	<u>1,037,747</u>
<b>Other operating income</b>			
Fees and commissions receivable		-	-
Other income		15,403	10,090
		<u>15,403</u>	<u>10,090</u>
<b>Expenditure</b>			
Impairment losses on loans to members	6	(345,786)	(359,109)
Administrative expenses	7	(485,685)	(474,279)
Other operating expenses	10	(56,347)	(63,171)
Depreciation	14	(14,817)	(6,376)
		<u>(902,635)</u>	<u>(902,935)</u>
<b>Surplus before taxation</b>		<b>304,533</b>	<b>144,902</b>
Taxation	11	(8,431)	(4,098)
<b>Surplus for the financial year</b>		<b><u>296,102</u></b>	<b><u>140,804</u></b>

All income and expenditure derives from continuing activities.

There are no other items of comprehensive income.

The Notes on pages 12 to 21 form an integral part of these financial statements.

# Auditor's Report

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	2023	2022
		£	£
<b>Assets</b>			
Bank and cash balances	12	1,658,018	3,515,412
Loans and advances to members	13	10,722,593	11,728,531
Tangible fixed assets	14	32,032	9,307
Receivables	15	30,065	31,714
		<u>12,442,708</u>	<u>15,284,964</u>
<b>Liabilities</b>			
Members' deposits	16	11,061,421	14,195,694
Payables	17	23,538	27,623
		<u>11,084,959</u>	<u>14,223,317</u>
Retained earnings		1,357,749	1,061,647
		<u>12,442,708</u>	<u>15,284,964</u>

The Notes on pages 12 to 21 form an integral part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors,



**David Castledine**

15 March 2024

# Friends of GMBCU Prize Draw 2022

The Friends of GMBCU Draw Committee have reviewed the administration processes associated with operating the Credit Union Prize Draw. The monthly figures have also been checked and the automated procedure for drawing winners verified.

Total ticket sales in 2023 were £14,176 compared to 2022 which was £12,954 this represents a 9.4 % increase in annual ticket sales!

Since we relaunched our Prize Draw in April 2021 members have provided support to 33 charities with total donations of £18,319.

We may not have the funds of the National Lottery however our Prize Draw has given GMB members a lot of enjoyment and we have had some wonderful feedback from charities who have been nominated by our members.

A full records of all Prize Draw winners is maintained in the Credit Union Office and is available for members to view at any time.

So, participate in our member Prize Draw, have some fun, support your community and give yourself a chance of supporting your favoured charity.



## You've got to be in it to win it!

<b>Jan 2023</b>	Back Up North West - £554
<b>Feb 2023</b>	The Orchard Dementia Centre - £560
<b>Mar 2023</b>	Wood Street Mission - £580
<b>Apr 2023</b>	Carla Lane Animals Home - £585
<b>May 2023</b>	The Boys Brigade - £613
<b>Jun 2023</b>	Abbot Care Home - £614
<b>Jul 2023</b>	Kids Inspire - £609
<b>Aug 2023</b>	The Christie - £610
<b>Sep 2023</b>	Fundraising for Leukaemia - £600
<b>Oct 2023</b>	St Gemma's Hospice - £584
<b>Nov 2023</b>	Totnes Caring - £590
<b>Dec 2023</b>	Millstream Animal Shelter - £589

