

2025 AGM

Report of the GMBCU Treasurer for 2024

Introduction

David Castledine is our Treasurer and GMBCU Director. David is also the Regional Finance Officer for GMB Midlands Region and has played a leading role in the governance and development of GMBCU over the last twenty-six years.

The Treasurers report will be made available to GMBCU members registering for the 2025 AGM which will be conducted online on Saturday 29 March 2025. David will also take part in a member Q&A session during our AGM.

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

2024 - A difficult trading year

The extreme inflationary pressures of 2022 and 2023 may have dissipated but 2024 was another very challenging trading environment for GMBCU and its members. The year was characterised by a flatlining economy, weak demand and rising costs and was not an attractive market for business growth.

GMBCU's approach to this hostile environment was to operate effectively and prudently, optimising our existing resources and maintaining very close control over key areas such as liquidity and bad debt.

Understandably member lending slowed in 2024 however member savings increased significantly as members enjoyed higher dividend rates on our enhanced savings accounts.

The combined impact of this was to shrink the size but also strengthen our balance sheet in 2024, something we had anticipated in our business plan.

GMBCU is guided by its social purpose as well as its commercial, regulatory responsibilities and of course its operating environment. As a not-for-profit organisation, we continued to balance the need to make a trading surplus whilst supporting our community with competitive savings rates and affordable loans.

GMBCU Performance to 31 December 2024

The Boards business plan predicted many of the challenges that confronted us in 2024. However, because of our forward planning and strong balance sheet we were able to successfully navigate another challenging year. The following summary of our results for the year to the 31 December 2024 show a good performance in line with our budget.

- Total annual income (£1,363,008) held up very well and was 3.9% higher than 2023 (£1,311,550).
- Total annual administration costs (excluding impairment) at £536,136 were in line with budget.
- Loans advanced for the year totalled £3.98 million compared to same period 2023 which were £3.74 million.
- Annual surplus in 2024 was £419,654 which was GMBCU's largest ever annual surplus in 26 years of trading.
- Membership is now 10,550 an increase of 5.4% on year end 2024.

Key Stats for the year to 31 December 2024

- Tot Savings Balances £11.52 mill (YE 2023= £11.06 mill)
- Tot Loan Balances £10.13 mill (YE 2023 = £10.72 mill)
- No. of new loans in 2024 was 2,721 (2023 = 2,736)
- The value of loans advanced in 2024 was £3.98 mill (2023= £3.74 mill)

- Cash in Bank £2.77 mill (YE 2023 = £1.65 mill)
- Tot paid into GMBCU YE 2024 was £9.57 mill (YE 2023 = £10.08 mill)
- Tot paid out by GMBCU YE 2024 was £7.87 mill (Ye 2023 = £11.53mill)
- 840 new members in 2024 (2023 = 781 new members)
- 429 members left in 2024 (2023- 477 members left)
- No. of faster payments in 2024 = 2,398 (2023 =1,770)
- Total membership YE 2024 was 10,941 (2023 =10,550)
- Total Reserves £1,415,688 + £971,000 Deferred Shares = £2,386,688
- Capital to asset ratio 18.5%
- Liquidity ratio 27.7%

Focusing on the future

We anticipate that trading will continue to be difficult over the next few years however we are confident that GMBCU will continue to adapt to the challenges and opportunities presented. For GMBCU to grow and flourish in such a volatile world there are number of key factors which we will have to manage carefully.

We wish to attract more GMB members and deepen the relationship we have with our existing members. To achieve this, we must create the right service experience by:

- Raising our brand awareness with our main stakeholder GMB Trade Union through agreed enriched joint communications
- Providing members with a slick and personalised customer experience. This includes onboarding/origination for new members and easy to use, intuitive, digital service channels for all members.

- Targeting members with personalised, appropriate content and a simple speedily delivered range of affordable products, services and educational content.
- We need to lever our data to improve member outcomes. Members are looking for more value in their services and products and will not tolerate experiences which fall short whether they are digital or not.

Running in parallel with our growth objectives is operational and financial resilience which is always a key objective for GMBCU. To achieve this, we are engaging with leading sector suppliers to enhance our savings and loan delivery platforms and improve our credit control function going forward.

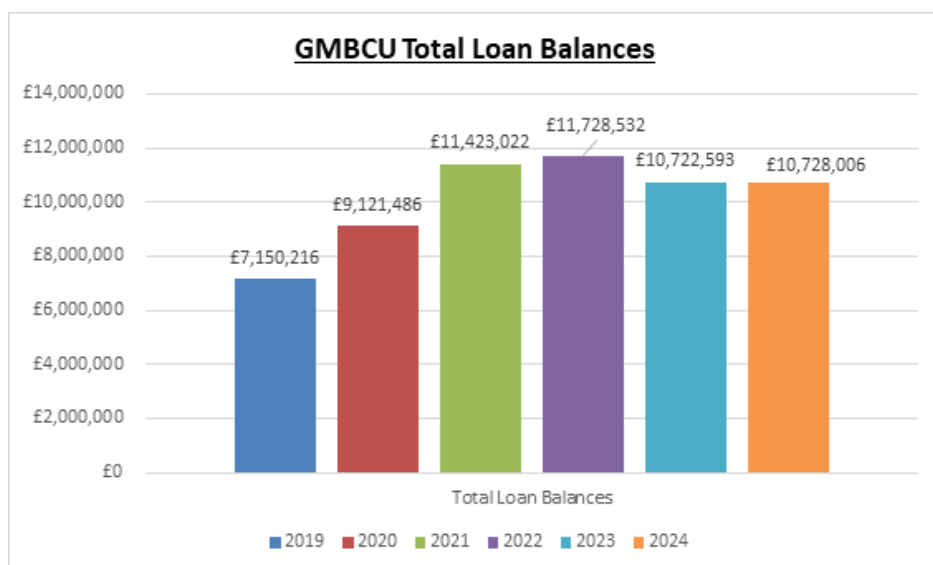
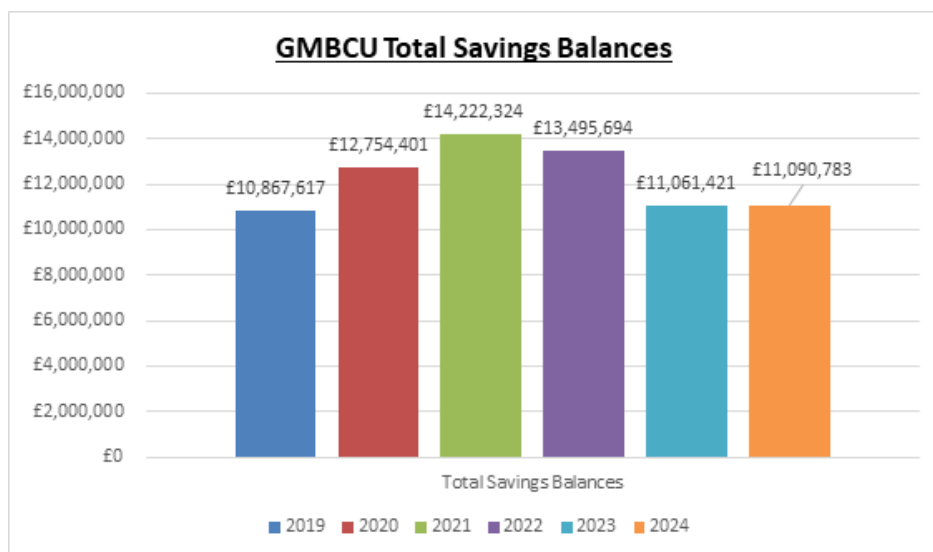
As a GMBCU Treasurer and Director, I am pleased to present my report and the audited financial statement for 2024. This has been another very challenging year of hard work and change and we are proud to have supported our GMB community whilst delivering another strong trading performance as you can see from the following graphs.

David Castledine
Treasurer & Board Director

11 March 2025

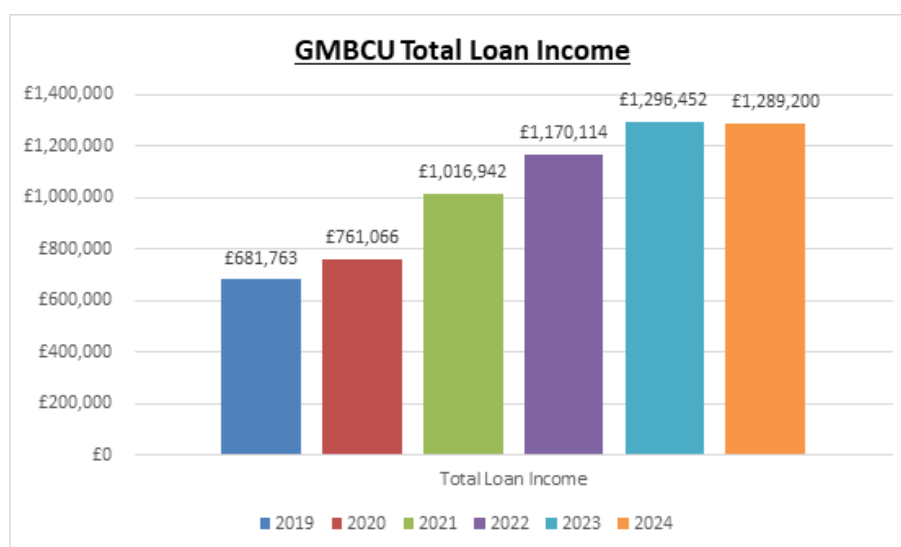
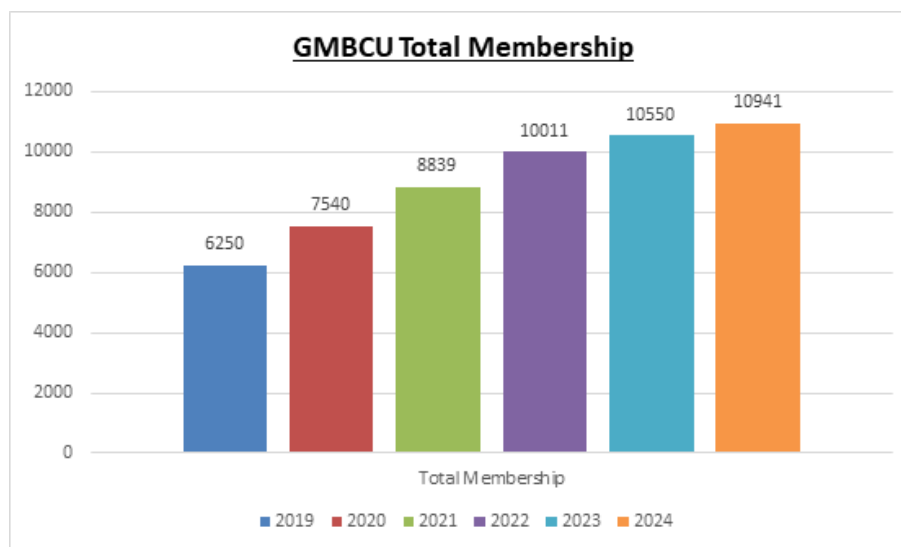
GMBCU Performance Graphs

Appendix One



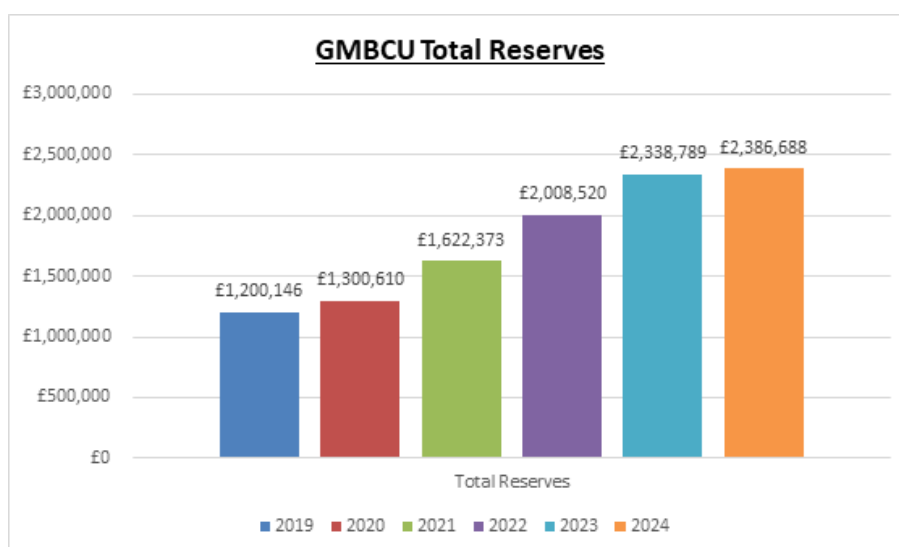
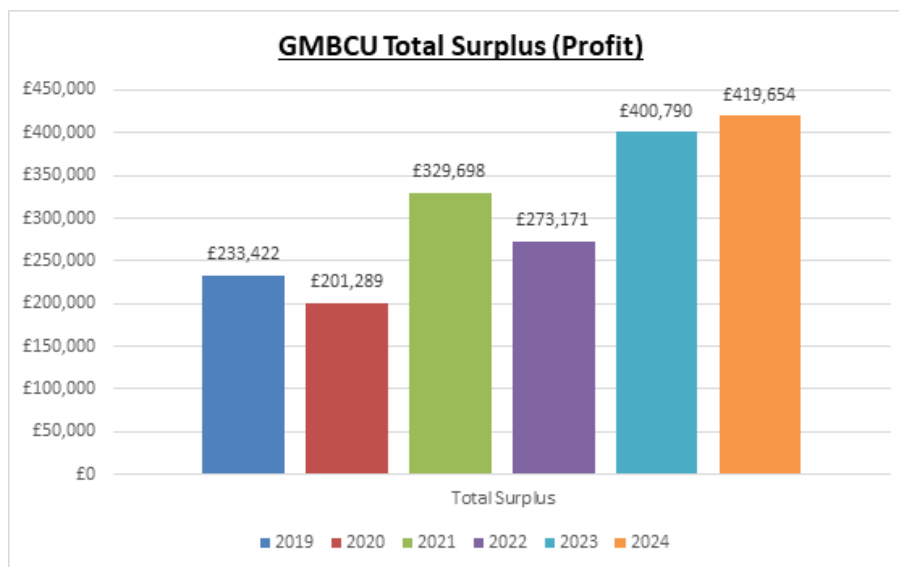
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