Capital Requirements Directive

Pillar 3 Disclosures

For the year ended 31 December 2020

MANSFIELD
BUILDING SOCIETY

CONTENTS

The Pillar 3 disclosures in this document have been prepared solely for the purpose of compliance with the Capital Requirements Directive. The information contained in and disclosed by this statement as to the capital requirements and the management of risk does not constitute a financial statement and shall not be used or relied upon by anyone for any purpose.

1 BACKGROUND

The European Union Capital Requirements Directive (CRD) and Capital Requirements Regulations (CRR) were implemented on 1 January 2014. The CRD and CRR (otherwise known as CRD IV) seek to ensure that, according to consistent standards, all banks and building societies hold adequate capital to protect their depositors and shareholders. In the UK this requirement is implemented by the financial regulator, the Prudential Regulation Authority (PRA).

The Mansfield Building Society seeks to provide safety and security for members' savings by holding sufficient capital at all times.

The CRD comprises three main elements or 'Pillars':

PILLAR 1	Minimum capital requirements for credit, market and operational risk, assessed according to a formulaic risk based calculation.
PILLAR 2	Assessment of additional capital requirements following review under the Internal Capital Adequacy Assessment Process, 'ICAAP', and the PRA's Supervisory Review and Evaluation Process, 'SREP'.
PILLAR 3	Disclosure – a requirement to publish a document describing the risks the firm faces in its normal course of business, alongside a description of the capital held to support the business. Where disclosure has been withheld due to materiality, proprietary or confidentiality, as the rules permit, comment is provided as appropriate.

BASIS AND FREQUENCY OF DISCLOSURE

Pillar 1 - the Society has adopted the standardised approach for Credit Risk and the Basic Indicator Approach for Operational Risk, permitted by CRD IV when calculating minimum capital requirements.

Pillar 2 - the Board has undertaken a thorough assessment of the risks the Society is exposed to and calculated an amount of capital that it considers necessary to cover these risks. The calculation of capital requirement also takes into account the capital requirement under stressed scenarios to ensure the Society is well placed to maintain sufficient capital even during a severe downturn in the markets in which it operates.

Pillar 3 - this document deals with the disclosure requirements as laid down for Pillar 3, and the information provided is in accordance with the rules and guidance contained in CRD IV as presented in Part Eight of Regulation (EU) No 575/2013. The Society has adopted the standardised approach and basic indicator approach for exposures and risk areas and uses the capital risk weighting percentages set by the CRR. Unless otherwise stated all figures are as at 31 December 2020. Where this is not the case, such disclosures and other information have not been subject to external audit unless they are equivalent to those made under accounting rules. This document has been reviewed and approved by the Board of Directors.

This report is updated annually. Copies will be available on the Society's website mansfieldbs.co.uk alongside the publication of the Annual Report and Accounts.

SUMMARY OF KEY CAPITAL RATIOS

	2020	2019
Common Equity Tier 1 (CET 1) ratio	19.0%	19.7%
Total Tier 1 Capital Ratio	19.0%	19.7%
Total Capital Ratio	19.2%	20.1%
Risk Weighted Assets	£161.9m	£148.3m
Leverage Ratio	6.8%	6.5%

Note: Leverage ratio includes the most recent audited reserves figure. The increase in Risk weighted assets for 2020 is due to the Society including a portion of mortgage payment deferrals within the CRR definition of default. The majority of customers who took mortgage payment deferrals have subsequently returned to full payment.

2 RISK MANAGEMENT OBJECTIVES AND POLICIES

The Mansfield Building Society is a mutual organisation with no equity shareholders. Its principal business is as a producer of financial products, predominantly in the form of first charge UK residential mortgages and savings deposits. As part of its day to day management of business operations, it also raises funds in the wholesale markets and invests funds in other institutions to manage its overall liquidity position.

In conducting its operations, the Society is exposed to certain risks. The Society endeavours to conduct its business with a cautious approach to risk. Investor protection and member interests are paramount.

The Board has put in place a formal structure for managing risk, including a Board Risk Policy which sets out the overall appetite for risk, individual key risk policies, a risk framework which sets out the guidance for identification and measurement of risk and the limits and indicators which give clear reporting to the Board relating to risk performance. The Board overarching appetite for risk is as follows:

Mansfield Building Society will actively manage risk levels to minimise threats to its ongoing operation and reputation as a sustainable, mutual financial organisation.

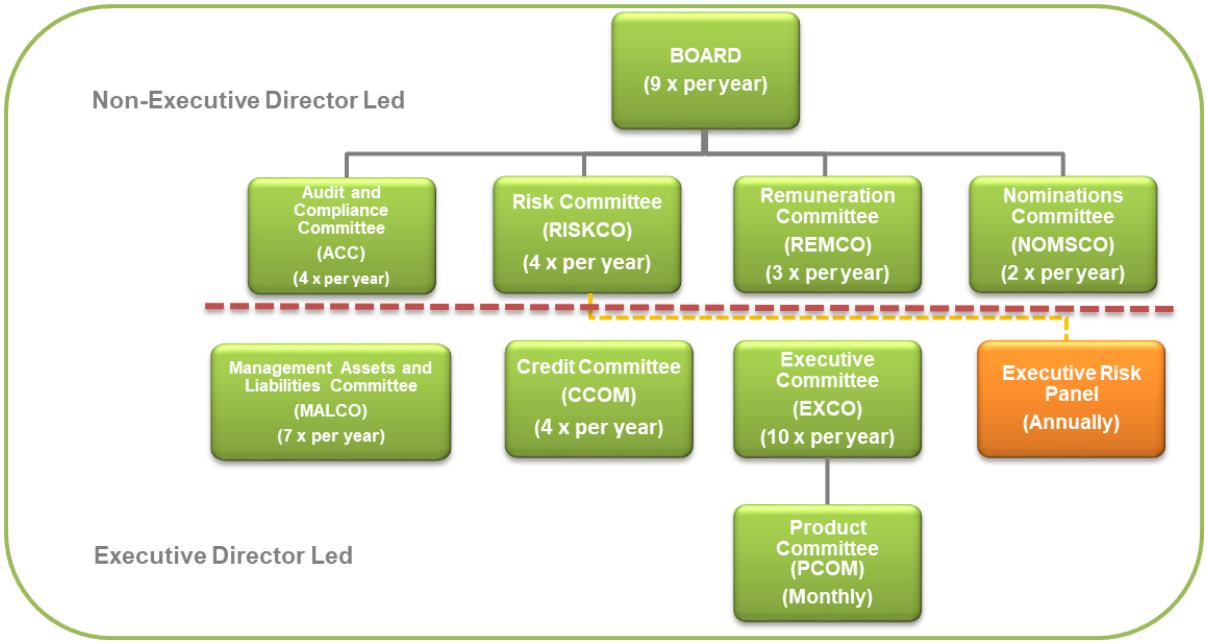
The Risk Committee confirms to the Board through annual review, the adequacy and effectiveness of the Society's risk management and internal control arrangements in relation to the Society's strategy and risk profile for the financial year. On the basis of its own review, the Board considers that it has in place adequate systems and controls with regard to the Society's profile and strategy.

1st Line of Defence	2nd Line of Defence	3rd Line of Defence
Each business area (as the owner of risks and controls) is responsible for: ▪ Identification, measurement and management of all risks within their respective business areas. ▪ Implementation of risk management controls and procedures. ▪ Production of MI for reporting to other lines of defence and senior management. ▪ Completion of biannual self-assessments regarding risks and controls, with consideration being given to KRIs, limits and EWSs/ITP's. ▪ Recovery Plan EWS/ITP's monitored at Executive Committee. ▪ Reporting risk events to the Risk Department, undertaking a root cause analysis and implementing appropriate corrective action. ▪ Management of risks in accordance with the approved risk structure, risk appetite statements and the supporting policy documents which cascade from the overarching Board Risk Policy.	The Risk Department is independent of all business areas and is responsible for: ▪ Ownership of the risk management infrastructure. ▪ Provision of risk management guidance and assistance to managers and colleagues by ensuring appropriate policies and procedures are in place. ▪ Monitoring whether MBS operates within the risk appetites and risk limits approved by the Board. ▪ Receiving and recording risk events and subsequent action monitoring. ▪ Reporting of risk events, control failures and risk appetite/limit breaches. ▪ Undertaking regular reviews of risk management activities. ▪ Monitoring and challenge of assurances provided by business areas. ▪ Prioritisation of review activities guided by factors including the Inherent and Residual scores recorded in the Risk Register and the outcome of previous review activity, and in conjunction with the activities of Internal Audit. The Executive Risk Panel is responsible for: ▪ Providing review and challenge to risk owners in respect of their risks, controls and assessment of risk scores (annually). The Risk Committee is responsible for: ▪ Review of the Board Risk Policy (at least annually) and the recommendation of this to the Board for Approval. ▪ Review of the risk management infrastructure. ▪ Provision of oversight to ensure risks are managed within defined risk appetites. The Board is responsible for: ▪ Approval of the Board Risk Policy. ▪ Approval, review and oversight of risk appetites. ▪ Oversight of the Risk Committee's fulfilment of responsibilities.	Internal Audit is responsible for: ▪ Independent review of the effectiveness of the risk management infrastructure and substantive testing of internal controls. ▪ Provision of the Internal Audit work programme for approval by the Audit and Compliance Committee annually. ▪ Establishing a work programme that is scheduled with due regard to the high Impact scores and high Inherent to Residual score adjustments in the Risk Register and the work carried out by the Risk and Compliance Departments. ▪ Reporting to the Audit and Compliance Committee on a quarterly basis, including information on the results of all Internal Audit work undertaken. ▪ Provision annually of an opinion on the Society's overall control environment. NB - Internal Audit at MBS is outsourced to ensure that adequate resources and skills are available to undertake a robust programme of internal audit work.

RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The three lines of defence model is fully embedded in the MBS risk management processes.

As highlighted above, the primary responsibility for identifying, managing and mitigating risk is delegated to each respective operational area of the Society. The governance of risk management is performed via the committee structure outlined below:



The Credit Committee oversees Credit Risk; the Assets & Liabilities Committee (MALCO) oversees Balance Sheet, Liquidity and Interest Rate Risk; and the Executive Committee oversees Operational and Conduct Risk. These management committees all report to the Board Risk Committee, which has the final oversight role. The monitoring and assurance role is performed by Risk, Compliance and Internal Audit and the results of their work are reported to the Board, Audit & Compliance or Risk Committees. This structure provides independent review and assurance of the Society's risk management and practices.

The Society's Risk Committee meets four times per annum and comprises five Non-Executive Directors, (Alison Chmiel (Chair), Colin Bradley, Rob Clifford, Nick Baxter & Lucy McClements (appointed 30.07.20)) and the two Executive Directors (Gev Lynott (until retirement on 30.04.20), Daniel Jones and Paul Wheeler). The Society Chairman, the Risk Executive, the Risk Manager also attends.

The full terms of reference of the Risk Committee can be found on the Society's website: mansfieldbs.co.uk

PRINCIPAL RISKS

The principal business and financial risks to which the Society is exposed are Credit, Interest Rate, Liquidity, Funding and Operational risks. The ways in which these risks are managed include:

- The use of forecasting and stress-testing models. These help in the development of business strategy;
- The production of key risk information and indicators to measure and monitor performance; and
- The monitoring and control of risks by management, and by the Board and its committees.

RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)
CREDIT RISK

Credit risk is the potential risk that arises from customers (or counterparties) failing to meet their financial obligations to the Society as they fall due. Credit risk arises from residential and commercial mortgage lending (retail lending) as well as from liquid investments held as a result of the Society's treasury activities.

CREDIT RISK: LENDING

All applications for mortgage loans are assessed internally by staff of the Society against the criteria set out in the Board approved Lending Policy statement, adherence to which is monitored by the Credit Committee. The primary factors involved in making a lending decision are borrower affordability after taking into account known commitments; personal covenant including the payment performance on any previous mortgages or credit agreements; source of deposit; nature of income; and property type. In addition, the identity of the borrower(s) is obtained and validated, together with an independent assessment of the value of any security, which is used for the purposes of determining the amount of advance the Society is prepared to provide.

In mitigating and managing arrears, the Society's policies and processes ensure the fair treatment of borrowers in respect of arrears and possessions in accordance with the requirements of the Financial Conduct Authority's Mortgage Conduct of Business rules and the pre-action protocol published by the Civil Justice Council.

This policy and practice has led to low levels of arrears relative to the industry averages and very few property repossessions in the last ten years. Further details on loss provisioning are included elsewhere in this document.

CREDIT RISK: TREASURY

The Society's Liquidity Management Policy sets out the counterparties the Society is prepared to lend to and also documents the appropriate limits and measures in place to monitor adherence to the policy. The Society has prescribed, Board approved, lending limits to ensure no investment concentration exists with individual counterparties as well as setting country limits and limits on amounts deposited with other building societies in total. MALCO is responsible for reviewing these limits annually, after reviewing a counterparty's credit rating and, where not available, looking at such measures as their profitability, gross capital and asset growth. MALCO then recommends any material change to the Chair of Risk Committee for approval.

Other relevant information is also taken into account in making investment decisions and counterparty selection, including published financial information and information provided by the Society's appointed treasury consultants.

Almost all of the Society's treasury investments are short term in nature (periods less than 18 months), with the significant majority of deposits having maturities of six months or less. For an investment to be made with maturity extending beyond one year, the counterparty must have a credit rating of at least BBB+ (long term), as provided by FITCH ratings services.

No transactions will be entered into with a new counterparty until such time as MALCO has approved the inclusion of the counterparty on the Society's approved counterparty list. The Risk Committee ratify any changes at its next meeting. See also section 5, below: Credit Risk and Provisions.

CONCENTRATION RISK: LENDING

The Society is a regional building society whose principal business objective is the provision of secured lending on residential property. Accordingly, its activities are highly concentrated in residential lending, bringing with it exposure to the UK housing market. Although the Society lends throughout England and Wales, there remains a modest geographical concentration risk, as 26.95% of mortgages are secured on properties based in our Heartland Area (East Midlands and Yorkshire & Humberside).

This concentration has been reducing over time and will continue to reduce as new lending is more geographically spread.

Product concentration arises through a focus on residential lending. Our products are 99% residential based (i.e. less than 1% of assets are commercial property) which gives rise to concentration risk within the UK mortgage market. Risk within this concentration is managed by the Product Committee to ensure that lending is distributed among product types (e.g. fixed, variable, buy to let, etc.) within Board and regulatory limits. The Society distributes the majority of its lending via intermediaries, however there is no reliance on any particular broker or network of brokers.

Geographic concentration is monitored when undertaking stress testing, where the results of house price falls are modelled using national indices with appropriate capital set aside for the outcome. Product concentration is monitored through adherence to the Lending Policy and limits.

CONCENTRATION RISK: FUNDING

The Society predominantly funds its lending activities using retail deposits, but the Society also has access to the Bank of England Sterling Monetary Framework (SMF), and makes use of non retail (wholesale) funding. The SMF comprises Term Funding Scheme (TFS), Term Funding Scheme with additional incentives for SMEs (TFSME) and Indexed Long Term Repo (ILTR). The Society had no outstanding borrowing under ILTR at the end of 2020, having repaid £5m of ILTR during the year. The Society has also participated in the Term Funding Scheme (TFS) and Term Funding Scheme with additional incentives for SMEs (TFSME) of which £20m of TFS and £26m of TFSME had been drawn down at 31 December 2020.

Where non retail (wholesale) funding is utilised, this is arranged through the London money markets, mainly from other building societies and Local Authorities. Funding concentration risk is mitigated and monitored through adherence to parameters set out in the Society's Liquidity Policy statement and Financial Risk Management Policy (FRMP) statement – these include restricting the amount that can be borrowed from a single counterparty as well as prescribing limits for monthly maturities. Details of wholesale funding are reported to each MALCO.

INTEREST RATE RISK

The Society does not hold any assets denominated in a foreign currency, nor hold any direct equity investments and does not operate a trading book. Consequently, the Society's principal market risk exposure is to movements in interest rates. Interest Rate Risk is the risk of reduction in earnings and/or capital value due to unplanned variations in interest rates. The interest rate risks to the Society comprise repricing risk and basis risk.

Repricing risk arises from mismatches in the timing of the re-pricing of the Society's assets (mortgages and treasury investments) and liabilities (retail savings and wholesale funding). Basis risk is the risk that the interest rate structure of the balance sheet leads to reduced income and potential losses when interest rates move.

The Society has Board approved limits for Interest Rate Risk and manages this exposure on a continuing basis using a combination of natural hedges on the balance sheet and off-balance sheet instruments (interest rate swaps) with external counterparties as prescribed in the FRMP. The results from interest rate risk reporting, together with details of the Society's exposures are reported to each Board meeting and reviewed regularly as part of the ICAAP process.

FUNDING RISK

Funding risk is the risk that the Society will become overly reliant on any one source of funding e.g. retail fixed bonds or wholesale funding. The Society has a cautious appetite for funding risk and ensures funding is maintained at levels to support growth ambitions as set out in the Corporate Plan and constitutes diversity of funding types to ensure that the Society is not dependent on any one source.

Liquidity and cash flow is monitored on a daily basis by the Finance Director. It is the responsibility of the Finance Director on a daily basis to determine the placing or repayment of liquidity deposits and the borrowing or repayments of wholesale funds to meet the cash flow needs of the Society. A cash flow forecast is also prepared on a monthly basis by the Finance Director and presented to each MALCO and Board meeting.

Cash flow and the breakdown of retail and wholesale funds is reported to each Board meeting and is reviewed as part of the ILAAP process.

RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

OPERATIONAL RISK

Operational risk is the risk of loss arising from inadequate or failed internal processes, people and systems, or from external events. Operational risk can be sub-divided into further categories of risk, including Business Continuity, People, Suppliers and Outsourcing, Financial Crime, Data Security and Cyber.

Primary responsibility for the identification, control and monitoring of risks lies with the operational areas of the Society with data being captured centrally. The Society maintains a risk assessment process to capture, monitor and rank the various forms of operational risk, including any new initiatives. The highest scoring risks, together with newly identified risks, are reported to the Risk Committee at least twice a year to ensure the mitigating controls are sufficient to manage the risks. All risks are formally reviewed at least half yearly by the risk owners and at least annually by the Executive Risk Panel. The Risk Committee receives a summary of the key movements in the risk evaluations. The Chair of Risk Committee then provides the Board with a summary of the Risk Committee's considerations, approvals and recommendations and the minutes of each Risk Committee are also received by the Board. The Society has a range of controls and external insurance cover to mitigate a number of these risks and also has a documented Business Continuity Plan which includes arrangements for use of a third party disaster recovery site in the event of severe business disruption. The Society undertakes continual testing of its Operational Resilience arrangements, which includes annual testing of the offsite 3rd party disaster recovery arrangements. During the COVID 19 pandemic the Society has proved that it can operate remotely for a significant period of time.

LIQUIDITY RISK

Liquidity risk is the risk that the Society is not able to meet its financial obligations as they fall due (including any unforeseen obligations) as a result of imbalances in cash flows arising from its activities. This risk is managed through the maintenance of an appropriate level of liquid assets and through maintaining access to the wholesale funding market and funding tools available via the Bank of England Sterling Monetary Framework. Management of liquidity risk is achieved through adherence with the Society's Liquidity Policy on a daily basis. Compliance with the Liquidity Policy statement is reported at each MALCO meeting.

OTHER RISKS

BUSINESS/STRATEGIC RISK

This is the risk that the Society may not be able to carry out its corporate objectives due to changes in its operating environment. The Society manages this risk through carefully thought through and detailed business plans and policies. This includes the approval each year of a detailed budget for the forthcoming year and a medium term Corporate Plan covering three years. The Society also uses a high level seven year projection, which is discussed at the Board Planning Day and is used to help shape the strategic decision making. The assumptions in the Corporate Plan are stress-tested to ensure that the Society's business model is robust enough to meet unexpected changes in its operating environment.

PENSION OBLIGATION RISK

This is the risk that the Society will be required to fund a deficit in the defined benefit pension scheme as a result of a fall in the value of the scheme's assets or an increase in the scheme's liabilities due to a change in actuarial assumptions. A capital provision for this risk has been made under Pillar 2 as part of the ICAAP.

CLAIMS ON THE FINANCIAL SERVICES COMPENSATION SCHEME

Along with other deposit takers the Society is liable to any claims on the FSCS as a result of the failure of other deposit takers. No provision is currently required for this scheme.

INSURANCE RISK

This is the risk that there may be gaps in the risks covered by the Society's insurances, potentially insufficient cover in place, or that the covenant of the insurer is defective. Processes are in place to provide the Board with ongoing assurance that the Society's insurance arrangements are robust.

RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

CONDUCT RISK

This risk concerns the way in which the Society conducts its business with its customers and how it ensures appropriate positive outcomes for them. This includes, for example, the way that it deals with borrowers in arrears, complaints handling and behaving in a way that treats all customers fairly. The Board has approved a Conduct Risk Appetite and a Conduct Risk Strategy, which it reviews at least annually. It receives regular reports on the way that the Society conducts its business relative to its risk appetite. The Board is satisfied that the Society's approach to conduct risk is both appropriate and robust.

LEGAL/REGULATORY RISK

Legal and Regulatory Risk is the risk of failing to interpret, implement and comply with legal and regulatory requirements. This is regularly reviewed by the Risk Committee.

BREXIT RISK

Brexit Risk arises because a significant amount of uncertainty remains regarding the after effects of the changed relationship between the United Kingdom and the European Union. As a solely UK focused organisation, the Society has no direct exposure to the EU. However, the wider UK economic implications and operational impacts of Brexit have been considered and are summarised below:

- The Board believes that the implications of Brexit are difficult to quantify; however, following the transition period, which ended 31 December 2020, uncertainty remains in the economy as the details of future trade agreements take time to negotiate. These impacts are likely to add to economic difficulties at a time when the effects of Covid-19 are still building. There is a risk of the recession leading to unemployment and therefore reduced ability from customers to repay their mortgages.
- The Board has focused on this potential downside when performing stress tests and can reassure members that the Society has sufficient capital buffers to withstand this worst case Brexit fallout.
- The Board also considered other implications of Brexit and can confirm that our treasury assets are all invested in the UK and our colleagues are all UK residents. Although the Society has some exposure to suppliers with EU parent companies the Board considers the risks to be controlled and that the operational resilience of the organisation is not impacted by the UK leaving the EU.

CLIMATE CHANGE RISK

Climate Change Risk is the risk that the effects of climate change will have an impact on the environment to the extent that the residential houses that our mortgages are secured against are put at risk. This risk is particularly prevalent in coastal areas and locations prone to flooding. Given there will be a government led drive to improve the energy efficiency of the UK housing stock, it could also be relevant in cases where properties have lower than average EPC ratings, the value of which could be at risk unless remedial improvement works are carried out. The Society has collated data related to these factors, and is currently analysing it. The Board believe the Society's direct exposure to Climate Change Risk to be low.

COVID-19 RISK

Covid-19 has had a significant economic impact. Gross Domestic Product (GDP) has fallen and unemployment is rising, and is likely to rise further as Government schemes end in 2021. The use of lockdowns has also driven greater use of technology and an increase in associated cyber risks. These factors have meant that the profile of the Society's principal risks could have been affected as follows:

- Strategic: Covid-19 has impacted how some consumers choose to interact with their financial service providers. This could accelerate the consumer shift from branches to more online requirements. The Society has improved its ability to service customers digitally in 2020, and will continue to evolve its digital capability.

- Credit: The Society took a number of measures at the start of the crisis to ensure that its lending policy accounted for the increased risk that certain segments of lending were likely to represent. The Society offered payment deferrals to many mortgage members during 2020 and some of these members will need ongoing support beyond the initial period of the deferral. Whilst no material mortgage losses have occurred to date, it is likely that higher arrears and losses will occur over coming months as the effects of higher unemployment take effect. The Society's year-end provisioning and corporate plan have allowed for additional losses.
- Market Risk: The reduction of the Bank of England base rate to 0.1% reduced the level of return on the Society's liquid assets as well as increasing the amount paid on swaps. The Society took these effects in to account when setting the level for its SVR in response. Negative bank base rate is a possible future risk, and the Society regularly reviews stresses to the levels of bank base rate, which include scenarios where the rate reduces below zero.
- Operational: The requirement for a significant increase in home-working, the introduction of Covid-friendly working practices for the Society's branches and head office, changes to cyber risk, the slower delivery of third party services and the impact of increased customer support, have resulted in a degree of change to the Society's operational practices. In order to address the potential risk that has arisen from these changes, additional controls have been introduced which include system strengthening and ensuring the scope of second-line assurance work includes the changes.

To ensure the potential financial implications of Covid-19 are fully understood, the Society has undertaken rigorous stress testing of the potential outcomes, the results of which show that it has sufficient capital resources to withstand a range of severe stress scenarios. The Corporate Plan has also been reviewed and the strategic objectives take account of the expected difficult market conditions in 2021.

The Risk Committee monitors the Society's capital position under ICAAP regularly and reports the Committee's assessment of these results to the Board.

3 CAPITAL RESOURCES

The table below shows the composition of the Society's capital as at 31 December 2020.

Note	Own Funds	2020 CRD IV Final £m	2019 CRD IV Final £m
	Common Equity Tier 1 (CET 1) Capital: Instruments and Reserves		
2	Retained earnings	31.1	29.7
6	CET1 Capital before regulatory adjustments	31.1	29.7
	Common Equity Tier 1 (CET1) Capital: Regulatory Adjustments		
8	Intangible assets	(0.4)	(0.5)
28	Total regulatory adjustments to CET1	(0.4)	(0.5)
29	Common Equity Tier 1 Capital	30.7	29.2
45	Total Tier 1 Capital	30.7	29.2
	Tier 2 Capital		
50	Credit risk adjustment – Collective provision	0.3	0.6
51	Tier 2 Capital before regulatory adjustments	0.3	0.6
58	Total Tier 2 Capital	0.3	0.6
	Total Capital		
59	Total Capital	31.0	29.8
60	Total Risk Weighted Assets (RWA)	161.9	148.3
	Capital Ratios and Buffers		
61	Common equity tier 1 ratio (as a % of RWA)	19.00%	19.68%
62	Tier 1 ratio (as a % of RWA)	19.00%	19.68%
63	Total capital (as a % of RWA)	19.22%	20.09%
64	Institution specific buffer (CET1) requirement in accordance with article 92(1) plus capital conservation and countercyclical buffer requirements plus systemic risk buffer plus systemically important institution buffer expressed as a percentage of RWA.	7.00%	8.00%
65	of which: capital conservation buffer requirement	2.50%	2.50%
66	of which: countercyclical buffer requirement	0.00%	1.00%
67	of which: systemic risk buffer requirement	0.00%	0.00%
67a	of which: Globally Systemic Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0.00%	0.00%
68	CET1 available to meet buffers (as a % of RWA)	19.00%	19.68%

Note: These references refer to Annex V of the EBA Commission Implementing Regulation (EU) No 1423/2013

CAPITAL RESOURCES (CONTINUED)

The table below shows the reconciliation between the Total Reserves in the balance sheet and the Total Capital Resources after deductions, ref 59 in the table above:

	2020 £m	2019 £m
General Reserves	31.1	29.7
Intangible Assets	(0.4)	(0.5)
Collective Impairment Allowance	0.3	0.6
Total Capital Resources	31.0	29.8

TIER 1 CAPITAL: the general reserves – cumulative, externally verified, accounting profits together with adjustments made for intangible assets, pension fund obligations, where appropriate;

TIER 2 CAPITAL: Collective impairment allowance, representing expected losses arising from the Society's portfolio of secured advances. Specific loss provisions (currently circa £433k) are not allowable as Tier 2 capital.

The Society does not hold any alternative tier 1 instruments nor have any tier 3 capital resources.

4 CAPITAL ADEQUACY

OVERVIEW

The Society holds, at all times, sufficient capital resources to allow it to continue to fulfil its business objectives and maintain its position as a reputable mutual financial services organisation. The principal element of the capital base is the general reserve. In support of its capital position, the Society seeks to generate adequate profits each year to add to the reserve.

The Society measurement of its capital requirements, and hence adequacy, is linked with the internal reporting processes for monthly financial information, regular forecasting and the longer term corporate planning process, which is prepared covering a five year period. The output from these processes is used to determine capital adequacy and future needs. The Board monitors the overall capital position using an Internal Capital Adequacy Assessment Process, on which it receives updates at least half yearly.

INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS ('ICAAP')

The Society undertakes a regular assessment of its capital needs, which includes assessing likely capital requirements over a five year planning period under normal and stressed conditions.

The ICAAP process assesses the minimum capital requirement under Pillar 1 together with all material risks identified as part of the Society's risk management framework and procedures (Pillar 2). When determining capital requirements, the Society uses the 'standardised approach' for credit risk and the 'basic indicator' approach for operational risk.

Under the 'standardised approach' for credit risk, the Society applies a risk weighted value to each of its exposure classes and provides 8% of that value as the minimum capital requirement for credit risk.

Under the 'basic indicator' approach for operational risk, the Society takes 15% of its average net income over the preceding three financial periods as the minimum capital requirement for operational risk purposes.

The ICAAP statement is reviewed at least annually by the Board.

CAPITAL ADEQUACY (CONTINUED)

The following table shows the Society's Pillar 1 and Pillar 2 capital requirements by asset class, calculated under the 'standardised approach', as at 31 December 2020.

Standardised exposure class	Exposure £m	Risk Weighted Assets Value £m	Minimum Capital Required £m
Liquidity Exposures			
Central government and Bank of England	54.2	-	-
Credit institutions	30.1	10.2	0.8
Off-balance sheet derivatives	0.3	0.1	-
Total liquidity exposures	84.6	10.3	0.8
Loans and advances to customers			
Non-residential use – performing loans	2.2	2.2	0.2
Non-residential use – exposures in default	0.5	0.5	0.0
Residential use – performing loans	335.3	119.1	9.5
Residential use – exposures in default	9.2	9.3	0.8
Residential use – pipeline commitments	18.3	2.0	0.2
Total loans and advances to customers	365.5	133.1	10.7
Other exposures			
Fixed and other assets	4.0	4.0	0.3
Total other exposures	4.0	4.0	0.3
Credit risk capital resources required	454.1	147.4	11.8
Operational risk capital resources required		14.5	1.2
Credit valuation adjustment		-	-
Total Pillar 1 capital requirement		161.9	13.0
Pillar 2a			
Static Pension Add-On			1.2
Total Pillar 2a capital requirement			1.2
Total Capital Requirement			14.2
Capital Resources			31.0
Excess over Total Capital Requirement			16.8
Total Capital Requirement as % of RWA			8.8%

The difference between the total gross credit risk exposure shown above of £454.1 and total assets per the Society's statement of financial position of £435.2 in the Annual Report & Accounts for the year ended 31 December 2020 is as follows:

Reconciliation of Gross Risk Exposure & Society's Balance Sheet	31 Dec 20 £m
Total gross risk exposures (as shown in table above)	454.1
Less allowance for impairment	(0.3)
Off-balance sheet commitments	(18.3)
Off-balance sheet derivatives	(0.3)
Total assets per Society's statement of financial position	435.2

CAPITAL ADEQUACY (CONTINUED)

CAPITAL BUFFERS

In 2016 the CRR introduced new regulatory capital buffers of which the following apply to the Society:

Capital Conservation Buffer ("CCoB")

The CCoB for all financial institutions that can be used to absorb losses while avoiding breaching minimum capital requirements. The buffer at 31 December 2020 was 2.5% of RWA.

Countercyclical Capital Buffer ("CCyB)

The CCyB is currently set at 0% for exposures in the United Kingdom, where the Society does the majority of its business. It does have a very small exposure to Spain where the CCyB is set at 0%. The table below comprises the geographical distribution of the relevant credit exposures for the Society as well as the amount of CCyB which it is required to keep.

Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer

£ million	General credit exposures	Trading book exposures	Own Funds Requirements			
Breakdown by Country			Of which: General credit exposures	Of which: Trading book exposures	Total	CCyB rate
United Kingdom	453.7	0	11.8	0	11.8	0.00%
Spain	0.4	0	0.0	0	0.0	0.00%
Total	454.1	0	11.8	0	11.8	0.00%

The table below shows the amount of institution-specific CCyB as at 31 December 2020:

	31 Dec 20
Total risk exposure amount[1]	£161.9m
Institution specific CCyB rate (%)	0.00%
Institution specific CCyB requirement	£0m

Note: [1]"Total risk exposure amount" is equivalent to RWA

5 CREDIT RISK AND PROVISIONS

The majority of the Society's credit exposures are within the UK as shown in the following geographical analysis:

All figures £k	UK 2020	Spain 2020	UK 2019	Spain 2019
Central Bank	54,233	-	70,225	-
Institutions	29,655	420	22,346	240
Secured by mortgages on immovable property – Residential	331,930	-	328,153	-
Secured by mortgages on immovable property – Commercial	1,341	-	717	-
Retail	4,223	-	7,400	-
Exposures in default	9,735	-	1,363	-
Other items	4,002	-	3,876	-
TOTAL	435,119	420	434,080	240

Note: These figures are shown gross of collective impairment provision of £0.3m (2019: £0.6m)

RETAIL CREDIT LOSS PROVISIONS

Residential mortgages are the Society's principal asset class. Throughout the year and at each year end, assessment is made of all advances where the account is in arrears. An account is considered impaired where the expected future cash flows are lower than the current balance outstanding.

Allowance for impairment is reviewed annually, or when required if the Directors are aware of evidence to suggest there has been a material change in circumstances that could lead to increased losses in the mortgage portfolio, e.g. changed national or local economic conditions, arrears trends etc. When determining the provisioning requirements, individual assessments are made of all advances and loans on properties that are past due or in possession. An individual provision is made against those advances and loans that are considered to be impaired. In considering the individual provision, account is taken of any discount which may be needed against the value of the property at the balance sheet date to agree a sale.

The accounts included in the above fall into the following definitions:

PAST DUE: A loan is considered to be past due when the borrower has failed to make a payment under the terms of the loan contract.

IMPAIRED ASSETS: Includes cases in arrears and forbearance and interest only mortgages where there is potential for the repayment strategy of the loan to fail. Individual impairments as at 31 December 2020 also include allowances for customers who received a mortgage payment deferral during the year as part of the government scheme, and where an impairment trigger was deemed to have occurred. The majority of these accounts were not in arrears as at 31 December 2020.

A further collective provision is made to cover potential losses which, although not yet incurred, are known from experience to exist in the Society's mortgage balances. The amounts shown in the Income and Expenditure account represent the net change in the total provision levels.

The total amount held as provision is deducted from the mortgage assets as reported in the published Balance Sheet.

Full details of the movements on collective and individual provisions are provided in note 13 to the Report and Accounts 2020. For capital adequacy purposes, collective impairment allowances are regarded as Tier 2 capital.

A residual maturity analysis of loans and advances to customers is provided in note 12 to the Report and Accounts 2020 (shown net of provisions but including FRS102 adjustments), compiled on the assumption that all loans are held for their agreed maturity. In practice, the actual repayment profile of such loans is significantly shorter. The following table shows the same analysis gross of impairment provision and excluding any FRS102 adjustments:

CREDIT RISK AND PROVISIONS (CONTINUED)

All figures £m	Within 1 Year	More than a year but not more than 5 years	More than 5 years	Total
Total loans and advances to customers	10.5	49.8	287.4	347.7

A loan to value analysis is shown in note 27 to the Report and Accounts 2020 which highlights the security level that the Society holds against the loans made.

A geographical analysis of loans and advances to customers is shown below:

Exposures at 31 December 2020	Non-Residential			Residential			Total Loan Book £m
	Performing £m	Past Due* £m	Total £m	Performing £m	Past Due* £m	Total £m	
North East	-	-	-	9.5	0.1	9.6	9.6
North West	-	-	-	41.8	0.4	42.2	42.2
Yorkshire & Humberside	-	-	-	38.2	0.1	38.3	38.3
East Midlands	1.2	-	1.2	53.8	0.4	54.2	55.4
West Midlands	0.5	-	0.5	30.5	0.2	30.7	31.2
East Anglia	0.2	-	0.2	17.9	0.1	18.0	18.2
South West	-	-	-	39.3	0.1	39.4	39.4
London	-	-	-	33.4	0.1	33.5	33.5
South East	-	-	-	60.0	0.0	60.0	60.0
Wales	-	-	-	15.3	0.2	15.5	15.5
Scotland	-	-	-	4.4	0.0	4.4	4.4
Total	1.9	-	1.9	344.1	1.7	345.8	347.7

*For the context of the above table, past due refers to any account that has 3+ months' arrears.

TREASURY CREDIT RISK

The Society's other major asset class is liquid assets and debt securities. The Society uses external credit assessments provided by FITCH, which is recognised by the PRA as an eligible external credit assessment institution for the purposes of calculating credit risk requirements under the standardised approach.

The following table analyses the Society's portfolio of liquid assets by maturity and rating at 31 December 2020. The weightings given to the external ratings are shown in the table below:

Credit Quality Step	Credit Rating	Rated Inst- Residual Maturity <3 months	Rated Inst- Residual Maturity >3 months	Central Govt & Central Banks
1	AAA to AA-	20%	20%	0%
2	A+ to A-	20%	50%	20%
3	BBB+ to BBB-	20%	50%	50%
4	BB+ to BB-	50%	100%	100%
5	B+ to B-	50%	100%	100%
6	CCC+ and below	150%	150%	150%

Unrated Institutions - < 3 months = 20%
Unrated Institutions - > 3 months = 50%

Fitch Ratings Service	Less than 3 months £m	3 months to 1 year £m	1 to 5 years £m	Total £m	Risk Weighted Asset Value £m
AAA to AA-	54.2	0.0	-	54.2	0.0
A+ to A-	9.1	5.0	-	14.1	4.3
Unrated Counterparties	7.0	9.0	-	16.0	5.9
Total	70.3	14.0	0.0	84.3	10.2

Exposures to unrated counterparties are restricted to unrated UK Building Societies.

The Society has no exposure to equities and no assets subject to securitisation. At 31 December 2020, the Society did not hold any provisions relating to its portfolio of liquid investments.

In addition to the exposures above that relate to liquid assets, the Society has exposures relating to derivative instruments. The Society uses derivative instruments to hedge its exposure to interest rate risk (interest rate swaps). Counterparty credit risk includes the risk that the derivatives counterparty will default on the transaction. All of the Society's derivatives are bilateral and conducted over-the-counter (OTC).

Article 439 of the CRR sets out various disclosure requirements relating to credit risk. The Board has disclosed those that apply to the Society, however they have resolved that the remaining requirements do not apply because the Society does not operate a trading book.

Under the CRR, credit institutions and investment firms are required to hold additional own funds due to Credit Valuation Adjustment (CVA) risk arising from the OTC derivatives. The charge is applicable to derivatives not subject to centralised clearing.

An overview of the CVA capital requirement is detailed below:

All figures £k	Asset £k	Risk Weighted Asset £k	Capital Required £k
CVA Risk	-	28	2

6 LIQUIDITY RISK

Liquidity risk is the risk that the Society is unable to meet its financial obligations as they fall due under either normal or stressed business conditions.

MALCO is responsible for monitoring this risk reporting to the Board Risk Committee. Responsibility for the daily management of the risk, including the monitoring of both retail and wholesale funding, lies with the Finance Director.

This risk is managed by maintaining a prudent level of liquid resources at all times in accordance with limits (of both the quantity and the type of liquid assets) as set out in the Liquidity Policy.

Liquidity stress testing is carried out on a monthly basis to confirm that the Society can withstand normal and extreme cash outflows.

The key regulatory metric to monitor short term liquidity risk is the liquidity coverage ratio (LCR), which measures the potential net cash outflow under a prescribed set of assumptions as a proportion of the high quality liquid assets that are held as a Liquidity Buffer. The regulatory requirement is that the LCR will exceed 100%.

The table below shows the major components of the Liquidity Coverage Ratio (LCR) on an average basis for each quarter, based on the previous twelve months of data.

LIQUIDITY RISK (CONTINUED)

	Quarter Ending 31 March 2020 £m	Quarter Ending 30 June 2020 £m	Quarter Ending 30 Sept 2020 £m	Quarter Ending 31 Dec 2020 £m
High Quality Liquid Assets	67.2	58.7	69.9	61.7
Total Net Cash Outflows	15.0	7.9	14.6	13.3
Liquidity Coverage Ratio %	448%	743%	479%	464%

3 data points are used in the calculation of the averages for each period of reporting.
The (non-averaged) LCR at 31 December 2020 was 458% (31 December 2019: 610%).

7 OPERATIONAL RISK

This is the risk of loss arising from inadequate or failed internal processes, people and systems, or from external events. The Society operates a robust control environment to mitigate operational losses, including the maintenance of insurance policies.

All of the Society's teams and functions are required to identify and assess their operational risks via an agreed framework. The output of this process is the Risk Register, which is reviewed by the Risk Committee and approved by the full Board. In addition, Line Management are held directly responsible for the assessment and management of the operational risks and associated controls that fall within their area of responsibility.

A Control Risk Self-Assessment programme is in operation, which is completed by managers and reviewed by the second line of defence prior to assessing the level of residual risk.

Risk events identified from the business are reported to the Risk Manager, where they are assessed and a root cause analysis is performed. Any resultant changes in processes, or training needed will be recommended for consideration to the business.

A Business Continuity Plan (including disaster recovery processes) is in place to ensure that disruptions to the Society's business can be appropriately managed.

OPERATIONAL RISK CAPITAL REQUIREMENT

The Society calculates its operational risk capital requirement using the Basic Indicator Approach. This is calculated as 15% of the Society's net income averaged over the previous 3 years.

All figures £k	2020	2019
Three Years Prior	7,420	6,265
Two Years Prior	7,830	7,420
Prior Year	7,997	7,830
Basic Indicator (3 year Average)	7,749	7,172
Own funds requirement (15% Basic Indicator)	1,162	1,076

8 INTEREST RATE RISK

Interest rate risk is the risk of a change in the length of time between which fixed and variable rate items reprice. For the Society, these risks can be summarised as follows:

1. Fixed rate liabilities and fixed rate assets are not matched according to repricing date (either via natural hedging or by the use of interest rate swaps) thereby leading to a loss of profit if interest rates move – maturity repricing risk.
2. Gaps exist across all interest rate types on the balance sheet thereby leading to losses should the interest rates move – basis risk.

The repricing risk is measured by utilising an Economic Value calculation and applying a 2% parallel shift to the gaps that exist in each of the time buckets. This is performed every month and forms the basis of the reporting to MALCO and Risk Committee. The risk appetite defined by the Risk Committee for interest rate risk was set at 4% of Capital (£1.19m) for 2020. The Society utilises approximately 50% of this limit at any one time due to the level of pipeline of fixed rate mortgages. The Society's exposure to this measurement (in terms of economic value) was:

All figures £k	2% Shift	Risk Appetite
Dec-20	576	1,190

Basis risk is managed through the setting of a limit upon the maximum negative impact that the movement between interest bases will have. This is modelled both under current interest expectations of the likely movement between interest bases and under an extreme set of circumstances. This limit is based on 50% of the average forecasted profit, before tax, for the next 2 years (£1.0m). Management review interest rate basis risk on a monthly basis.

9 ASSET ENCUMBRANCE

The Society has pledged part of its loan book as collateral with the Bank of England, in order to participate in the Term Funding Scheme (TFS), Term Funding Scheme with additional incentives for SMEs (TFSME) and Indexed Long-Term Repo (ILTR). Participation in these schemes provides the Society with a source of funding that diversifies the funding portfolio and reduces the overall funding cost, allowing the Society to optimise mortgage rates for its members. Although the loans remain fully owned and operated by the Society, they are reported as encumbered.

Other encumbered assets consist of collateral posted for the derivative portfolio that supports the management of interest rate risk. Details of the encumbered assets, and sources of encumbrance can be found in the tables below. Note that this information is required to be disclosed as median values over quarterly positions during the 12 months preceding 31 December 2020, and as a result may differ from other information provided in this disclosure.

TEMPLATE A: ENCUMBERED AND UNENCUMBERED ASSETS

31 December 2020	Carrying amount of encumbered assets £m	Fair value of encumbered assets £m	Carrying amount of unencumbered assets £m	Fair value of unencumbered assets £m
Assets of the reporting institution	96.1	0.0	340.0	0.0
Debt securities	0.0	0.0	0.0	0.0
Loans on demand	0.0	0.0	67.7	0.0
Loan and advances other than loans on demand	95.1	0.0	268.0	0.0
Other assets	1.0	0.0	4.3	0.0

TEMPLATE B: COLLATERAL RECEIVED

The EBA Guidelines allow competent authorities to waive the requirement to disclose template B subject to a firm meeting certain criteria. The Society meets the criteria and therefore template B, Collateral received, is not disclosed.

TEMPLATE C: ENCUMBERED ASSETS/COLLATERAL RECEIVED AND ASSOCIATED LIABILITIES

31 December 2020	Matching liabilities, contingent liabilities or securities lent £m	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered £m
Carrying amount of selected financial liabilities	48.5	95.1

The above tables show a median position for 2020 whereas the final position as at 31 December 2020 is a level of encumbered assets totalling £94.1m which are supporting £46m of drawings.

10 LEVERAGE RATIO

The leverage ratio is a measure that is not impacted by risk weightings and therefore allows a simple comparison between firms. It is calculated as Total Tier 1 capital divided by adjusted statement of financial exposure. The level of leverage ratio is actively monitored and regularly assessed alongside capital and capital ratios.

CRD IV requires a minimum ratio of 3.25% and at 31 December 2020 the Society had a leverage ratio of 6.78%.

The following tables show the derivation of the calculation as prescribed by the EU's Commission Implementing Regulation (EU) No 2016/200. (£NIL balance rows have been omitted.)

Table LR Sum: summary reconciliation of accounting assets and leverage ratio exposures		
All figures £k	2020	2019
Total assets per published financial statements	435,195	433,710
Adjustments for derivative financial instruments	291	361
Adjustments for off-balance sheet items	18,310	18,039
Other adjustments	(35)	98
Leverage ratio exposure	453,761	452,208

Note: total assets are shown net of collective impairment provision of £0.3m (2019 :£0.6m)

Table LR Spl: Split-up on balance sheet exposures (excluding derivatives)		
All figures £k	2020	2019
Exposures treated as sovereigns	54,233	70,225
Institutions	30,075	22,586
Secured by mortgages on immovable properties	331,930	328,153
Retail exposures	4,223	7,400
Corporate	1,341	716
Exposures in default	9,735	1,363
Other exposures (e.g. equity, securitisations and other non-credit obligation assets)	4,002	3,877
EU-3 Banking book exposures	435,539	434,320
EU-1 Total on-balance sheet exposures (excluding derivatives)	435,539	434,320

Note: these figures are shown gross of collective impairment provision of £0.3m (2019: £0.6m)

Table LR Com: Leverage ratio common disclosure		
All figures £k	2020	2019
On-balance sheet items (excluding derivatives, but including collateral)	435,539	434,320
Asset amounts deducted in determining Tier 1 capital	(379)	(512)
Total on-balance sheet exposures (excluding derivatives)	435,160	407,984
Replacement costs associated with derivatives transactions	290	333
Add-on amounts for PFE associated with derivatives	1	28
Total derivatives exposures	291	361
Off-balance sheet exposures at gross notional amount	18,310	18,039
Total off-balance sheet exposures	18,310	18,039
Tier 1 capital	30,769	29,174
Total Exposures	453,761	452,208
Leverage Ratio	6.78%	6.45%

Note: these figures are shown gross of collective impairment provision of £0.3m (2019:£0.6m)

During the year the Leverage Ratio has been influenced by the level of profit which the Society has earned and movements in liquid assets and mortgage lending.

11 COUNTRY BY COUNTRY REPORTING

CRD IV also introduced a requirement for country-by-country reporting. The objective of this is to provide increased transparency regarding the source of the financial institution's income and the location of its operations. This information can also be found in note 32 of the Report and Accounts 2020.

For the year ended 31 December 2020:

- The Society's principal activities are mortgage lending and the provision of savings accounts;
- The Society's turnover (defined as net interest receivable) was £8.1m (2019: £7.9m) and profit before tax was £1.86m (2019: £2.34m), all of which arose from UK based activity;
- The average number of Society full time equivalent employees was 87 (2019: 82), all of whom were employed in the UK;
- Corporation tax of £402k (2019: £447k) was paid in the year and is all within the UK tax jurisdiction; and
- No public subsidies were received in the year.

12 REMUNERATION POLICIES AND PRACTICES

A risk arises if the Society's remuneration policies and practices could result in staff being rewarded for decisions that are not aligned to the agreed strategy or are inconsistent with the Board's risk appetite. It is therefore the Society's policy on remuneration to seek to ensure that its remuneration decisions are:

- aligned to business strategy and long term objectives;
- consistent with the Society's current financial condition and future prospects; and
- aligned with effective risk management.

The Society also seeks to establish an appropriate balance between the fixed and variable elements of remuneration, although the balance will vary depending on the seniority and nature of an individual's employment. Performance measurements used to calculate variable remuneration are therefore adjusted to take into account current or potential risks to the business and are consistent with the need to retain a strong capital base. Variable remuneration is not paid unless it is sustainable given the Society's overall financial position. Guaranteed incentive payments do not form part of any remuneration package and all incentive schemes are non-contractual.

The Board has identified that those staff whose professional activities have a material impact on the Society's risk profile are the members of the Executive team (two of whom, the Chief Executive and the Finance Director, are Board Directors), other members of the Senior Management Team and those involved in the direct selling of mortgages.

The organisation is a local building society and therefore does not have material business units. The figures provided are therefore for the Society as a whole.

EXECUTIVE DIRECTORS

Information concerning the mandate of the Remuneration Committee and the decision-making process it uses in determining the remuneration policy for the executive directors and the link between pay and performance, is contained in the Directors' Remuneration Report in the Society's Report and Accounts 2020.

During 2020, the Chief Executive and Finance Director earned a performance related bonus in line with other executives. This is a non-pensionable, performance related cash bonus payable on achievement of Board specified key performance indicators and personal objectives which include risk management objectives. Performance is based on a one year period with 50% of the payment being deferred equally over the following two years. The deferred payment is subject to additional medium term performance objectives. Payment is not guaranteed and the maximum bonus is 20% of basic salary.

Benefits accrued under this scheme were 10.0% of salary for the year 2020.

OTHER STAFF

The Remuneration Committee is also responsible for determining the remuneration policy for other employees that are considered to have a material impact on the Society's risk profile. These include the other executives, senior management team and those involved with the direct selling of mortgages.

AGGREGATED REMUNERATION

The remuneration earned for all the staff that materially impact the risk profile of the Society in 2020 is detailed below:

	Number of Staff	Fixed £	Variable £	Total £
Executive Directors	2	388,673	27,265	415,938
Non-Executive Directors	6	165,186	-	165,186
Other Staff	11	575,211	41,707	616,918

The above variable figures include £34,399 of bonus earned in 2020 and deferred for payment until 2022 and 2023.

Note: The pound amounts for Executive Directors include Gev Lynott (until retirement on 30.04.20) and the Non-Executive Directors include Robert Hartley (until retirement on 31.08.20). The number of staff quoted excludes these two retirees.

13 CONCLUSIONS AND CONTACTS

This document provides quantitative and qualitative information about the Society's risk management approach and the key items that impact on its capital requirements. It has been prepared in accordance with the requirements as appropriate for an organisation of the size and complexity of the Society.

Should you have any queries on this document, application should be made in writing to the Finance Director at:

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