MANSFIELD
BUILDING SOCIETY

For you | With you | Always

Report and Accounts

2024

6.51%
LEVERAGE RATIO

6.67%
INCREASE IN MEMBER NUMBERS

£3.15M
UNDERLYING PROFIT BEFORE TAX

£39.4M
NET INCREASE IN CUSTOMER SAVINGS BALANCES

6.52%
MORTGAGE ASSET GROWTH

4.7 / 5
CUSTOMER SATISFACTION

£113,500
IN LOCAL COMMUNITY DONATIONS

2024 KEY HIGHLIGHTS

In this Report

KEY PERFORMANCE INDICATORS

The following table provides an overview of the key performance indicators (KPIs) over the last five years:

KEY AREA	SIGNIFICANT STATISTICS	2024	2023	2022	2021	2020
BALANCE SHEET	Mortgage Assets growth %	6.52	5.44	9.57	4.55	2.94
	Retail Savings net increase £m	39.4	61.9	11.5	3.7	2.6
FINANCIAL PERFORMANCE MEASURES	Net Interest Margin as a % of Mean Assets	2.37	2.62	2.25	2.07	1.86
	Underlying Cost / Income ratio %	74.16	72.69	72.68	70.90	73.48
	Mortgage Arrears on Accounts > 2 months in arrears £m	0.43	0.44	0.26	0.20	0.15
	Underlying Profit before Tax* £m	3.2	3.3	2.3	2.9	1.9
FINANCIAL STRENGTH	Liquid Assets % SDL	19.29	21.03	18.72	20.67	20.97
	Leverage ratio % **	6.51	6.56	6.57	6.88	6.78
SOCIETY & COLLEAGUES	Best Company rating (Best possible rating is 3*)	1*	2*	2*	2*	~
	Community & Charitable Trust Donations £k	113.5	118.1	77.0	102.0	62.5
MEMBERS	Members increase / (decrease) %	6.67	5.69	(1.36)	(3.22)	1.65
	Customer Satisfaction (score out of 5)	4.74	4.40	4.63	~	~

~ Information unavailable or recorded differently in prior years.

DEFINITIONS OF KEY PERFORMANCE INDICATORS

MORTGAGE ASSETS GROWTH	The percentage increase / (decrease) of the Society's mortgage book during the year. Mortgage Assets are the primary source of income for the Society.
RETAIL SAVINGS NET INCREASE	The £m increase / (decrease) in retail savings during the year. The total value of savings balances is the Society's primary source of funding.
NET INTEREST MARGIN AS A % OF MEAN ASSETS	The measure of the Society's rate of return on the assets used to generate that return, net of interest payable, but before applying any administrative costs.
UNDERLYING COST / INCOME RATIO	Demonstrates the relationship between the incomes earned and the underlying administrative costs (excluding non-recurring items) of running the business and thereby acquiring that income.
MORTGAGE ARREARS ON ACCOUNTS > 2 MONTHS IN ARREARS £M	The amounts by which customers are behind on their mortgage payments, where they are more than 2 months in arrears. This gives an indication of balances where the collection of them may be in doubt, and is one of the factors that informs the size of loan impairment provision the Society holds.
UNDERLYING PROFIT BEFORE TAX* £M	The underlying profit of the Society before the effects of non-recurring activity relating to the Society's digital transformation, Project Sherwood.
LIQUID ASSETS % SDL	Liquid Assets as a percentage of Shares, Deposit and Loans (SDL) monitors the level of liquidity available for the Society to meet its payment obligations when they become due.
LEVERAGE RATIO	Leverage ratio excluding claims on central banks. This is an expression of the Society's capital levels (Reserves) over its total risk weighted assets used to assess the Society's risk exposure. Capital reserves help protect the Society from economic shocks. Our regulatory minimum for this ratio is 3.25%.
BEST COMPANY STATUS	The status awarded to the Society determined by colleague feedback. "Best Companies" are an independent leading employee engagement specialist who operate this accreditation scheme.
COMMUNITY & CHARITABLE TRUST DONATIONS £K	The amount donated during the year through either donation to the Society's Charitable Trust or to community organisations through the Society's Community Support Scheme.
MEMBERS INCREASE / (DECREASE) %	The percentage increase / (decrease) in the Society's membership during the year.
CUSTOMER SATISFACTION (SCORE OUT OF 5)	This is an independent measure of customer satisfaction based on customer feedback surveys.

* Underlying profit before tax is reconciled to the profit shown in the Statement of Comprehensive Income on page 20.

Board Chair
Alison Chmiel

"It's been great to see so many new members join the Society in 2024. Our digital transformation will ensure we can continue to serve your needs long in to the future."

STATEMENT FROM THE BOARD CHAIR

Looking back over the last year, it is encouraging to see that the economy has performed somewhat better than many predictions. The UK's GDP growth was expected to be modest, with many forecasting stagnation or even slight contraction in the wake of post-pandemic adjustments and ongoing supply chain disruptions. However, the economy has shown resilience, outperforming the most conservative projections. Economic activity has remained relatively stable, with consumer confidence and spending slightly stronger than anticipated.

Nonetheless, the global economy has remained volatile, with geopolitical tensions, particularly in Ukraine and the middle east, a significant factor. While the Bank of England's monetary policies have helped control inflation, interest rates have remained elevated, putting continued pressure on borrowing costs. This has led to a more cautious approach among consumers and businesses alike, particularly in the housing market, where high mortgage rates are still a significant concern for borrowers.

Although cost of living pressures have eased slightly, many of our members are still feeling the pinch from rising energy costs, higher mortgage payments, and overall price increases on everyday items. It remains clear that the financial squeeze on living standards has continued. Year after year, regardless of the economic backdrop, I continue to believe that our mutual set up, where we have no corporate shareholders, is immensely helpful in enabling us to balance the needs of our mortgage and savings customers as well as the financial health and sustainability of our business.

For the Society, 2024 was another record year, with more new members joining than ever before and our highest level of new lending. Our financial position is supported by strong liquidity and levels of capital which are significantly in excess of those needed to weather severe stresses.

I am extremely proud of the team for delivering the excellent results laid out in this report, and I am even more excited that this was achieved during a year in which we embarked on the build phase of Project Sherwood, our digital transformation. That we not only focus on financial soundness, but also on the long-term viability of our business and its ongoing ability to meet your needs as members and customers, is central to the way we run the building society.

During the year, we appointed Tata Consultancy Services (TCS) as the technology provider for the banking software that will be implemented as part of Project Sherwood. This followed a rigorous tender process, which looked at a full suite of critical factors. We are pleased to be working with a partner that we have assessed as having the quality of technology, depth of experience and ethical approach which TCS demonstrated. Our core value of "Customer at Heart" is central to this important project and we are looking forward to delivering efficient, digitally enabled solutions that benefit our customers, colleagues and stakeholders. Going forwards we remain committed to providing the excellent service and personal approach which we pride ourselves on through our branches as well as online and on the phone.

Having served on the Society's Board now for 12 years, I am planning to hand over my position as Chair to Jeff Picton as part of the upcoming Annual General Meeting. During these 12 years, we have modernised our branches which continue to offer a personal service against a market backdrop of bank branch closures. We have also seen the sizes of our savings and mortgage portfolios grow by 89% and 111% respectively. We have modernised our brand and strengthened the governance and controls to a standard I feel very proud of. We have continued to make a difference in our local area through our Charitable Trust, Community Support Scheme and colleague volunteering. We have also invested in hiring the right talent on the Board and Executive Team, which means that I feel confident the Society will continue to grow from strength to strength going forwards. Importantly, many years of strong profitability during this time has more than doubled our capital reserves, and it is this capital, retained as members' funds rather than distributed in dividends to corporate shareholders, that enables the Society to afford the vital investment in Project Sherwood.

By way of introduction, Jeff joined us during 2024 and the experience he brings from nearly 30 years as a partner at PwC is already proving invaluable. I know Jeff is as committed as I am to the values we live by and the role we play in serving our members and our community. I am confident I will be leaving the Society in the safest of hands.

Alison Chmiel
Board Chair
6 March 2025

Chief Executive

Paul Wheeler

"I'm excited about the future of the Society, as we are progressing with our transformation project and have delivered another year of record mortgage lending and strong savings growth."

CHIEF EXECUTIVE'S REVIEW

I am delighted to be able to present another year of excellent results in our Annual Report. These have been achieved against a backdrop of continued economic and political change. 2024 brought a new UK government, interest rates which began to fall, but came up against stubbornly persistent inflation and a slow, though improving, housing market. Coupled with an extremely active savings market and the launch of our digital transformation programme, Project Sherwood, this has kept my colleagues at the Society very busy, balancing market changes, customer demand and the needs of this large change programme.

Helping to support our members, our people and our community simultaneously has been a key priority and I'm extremely proud that the Society not only successfully navigated through these challenges, but did so with strong mortgage lending, strong financial performance, and significant progress on Project Sherwood. My colleagues have worked exceptionally hard to provide you, our members, with the level of care and attention you expect and deserve and I would like to thank each of them for this dedication.

It has been a year focussed on change and in May, after a strategic review of the mortgage market, the Board decided to focus our mortgage new business sales resources on the intermediary market only and to cease providing mortgage advice directly. The Society will still provide advice via a local third party broker and can continue to service all existing customers wishing to renew their deals. The domination of the mortgage market by intermediaries has continued to gather pace post Covid 19 and we believe that providing advice via a broker gives our customers a wider choice.

After an extensive period of due diligence, the Society signed a contract with TCS in June 2024 to provide our future core banking systems and we started implementation of their BaNCS and Digihome software immediately afterwards. These software applications will form the core of our digital transformation programme, which will continue throughout 2025 and into 2026, delivering the digital technology that members have been asking for as well as improving the efficiency of the processes that exist in our branches and mortgage centre. We have called this programme Project Sherwood and it will implement systems and processes that will improve the customer journey for our members and provide a more modern and efficient service to everyone that we deal with. To ensure its success, we have recruited specialist contractors to work alongside our product and customer experts as well as engaging TCS to drive the software implementation at its core.

BUSINESS PERFORMANCE

Despite the challenges faced by our teams, I'm pleased to report that the Society continues to grow with record mortgage lending of £125.3m leading to 6.5% growth in mortgage assets and underlying profit before Project Sherwood costs of £3.2m.

The Society's mortgage lending proposition is based on the provision of a competitive range of fixed and discounted mortgages, mainly for owner occupiers but also for Buy-to-Let landlords and a small tranche of development finance. The Society's purpose is "*Providing homes for people and their savings*" and our lending is therefore to private homeowners, those providing homes as rental properties or small developers who are building new homes. In recent years we have developed our capabilities to allow lending where appropriate returns for risk can be made, and this has led to an increasing number of self-build mortgages as well as supporting first time buyers with shared ownership properties and high loan to value first homes. 2024 has also seen the growth of our range of Credit Repair products to assist those that have struggled during these difficult economic times to continue with home ownership. We also believe that it is important as a mutual, to offer products to people at all stages of life and therefore we continue to offer mortgages to people with credible repayment plans who require interest only mortgages and to those seeking mortgages beyond normal retirement dates.

We had planned for a slowdown in our mortgage business as the demands of Project Sherwood were expected to utilise key resources. However, we were able to recruit additional processing resource that allowed us to take advantage of an improving market. Our volumes were particularly strong in the 2nd half of the year with July being a record month, delivering new lending of £14.4m. This strong performance was seen in particular within the First Time Buyer market and also within our Versatility lending range which utilises common sense manual underwriting to find solutions for customers. Our lending volumes during 2024 were therefore much improved on 2023 being £125.3m (2023: £109.7m); and a strong performance retaining existing borrowers coming to the end of a deal also assisted in providing mortgage book growth of 6.5% (2023: 5.4%).

Despite the challenges of the economy and the very real squeeze on household budgets, our arrears levels have remained low. Whilst we have seen an increase in the value of individual arrears cases during the year, as cases are now reflecting higher house prices, many of these customers are managing to get back on track quickly with support from our Collections Team. The number of cases two months or more in arrears has decreased slightly to 63 (2023: 64) and the value in arrears has fallen to £430k (2023: £444k) on mortgage balances of £8.09m (2023: £6.59m). With a book of nearly £447m, this remains a very small portion of the lending and gives us a good base from which we will be able to manage any future rises in arrears that could still arise as the remaining borrowers come to the end of historic low interest deals during 2025. To date, it is comforting that borrowers have been collectively able to withstand recent cost of living stresses created by the wider economy, and we had only one repossession during the year (2023: two).

Our book has the benefit of being underwritten against a prudent lending policy and we have a low average loan to value of 43.8%, which will give us significant headroom if house prices do not continue with their slow increase.

In summary, 2024 has been a year of strong growth and one in which we have not seen the adverse mortgage arrears which might be expected in such an uncertain economy. What I'm most proud of, is that these successes have been achieved by colleagues who continue to operate with a positive attitude and a desire to do their best for our customers, which includes keeping good relations with third party brokers, who are also key to the experiences of our borrowing customers. This positive culture was once again highlighted by the fact that we achieved a 1 star accreditation in the Best Companies awards as an employer providing a very good commitment to employee engagement. We also continued to attract excellent talent to the Society during the year.

While we continue to grow, it's important that we harness our success to develop our services for our members, to help and support our local community, and to operate in a way that demonstrates the real benefits of being a modern building society.

We recognise that our digital capabilities are not at the level expected by current and future members and these will be replaced as part of Project Sherwood. In the meantime, our Customer Service Teams are continually looking for ways to improve our processes and give our members the best service possible with the existing systems. Improvements made during 2024 have led to our customer satisfaction score increasing to 4.74 out of 5 (2023: 4.40) as independently measured by Smart Money People and we will continue to look for further improvements during 2025.

2024 has seen the savings market continue to be highly competitive with more new players entering and fixed rate products being particularly popular. The level of interest rates has also made customers more aware of the tax implications of savings and therefore ISAs have become a very popular product again. We have had very well priced ISA products throughout the year and they have been responsible for a large proportion of the strong growth that we have seen in customers opening accounts. In fact, 2024's level of new saving account openings was the highest the Society has ever seen, and this was a key factor in driving a 6.67% increase in members. This highlights the continued popularity of our building society.

As a mutual building society, we are always keen to ensure that our savers and borrowers are receiving and paying competitive rates. When the Bank of England Base Rate first fell in August 2024, we reduced mortgage customers' interest rates to help them with the challenges of continued cost of living pressures, but this required us to also reduce our savings rates to ensure that we take a balanced approach. We will continue to regularly assess the competitiveness of our rates for both groups of customers and ensure that they offer good value in a market where volatility appears to be commonplace.

BUSINESS MODEL

As a mutual, the Society exists for the common benefit of its borrowing and savings members, who are collectively its owners. Members' interests remain at the heart of everything that we do and the Board continues to balance and serve those interests through operating in markets that deliver a sustainable financial performance within an agreed appetite for risk, while supporting the continued need to invest in the business for the benefit of future members.

The Society's principal activity is the provision of a range of long-term residential mortgages so that borrowing members can buy a home funded by personal savings from members through straightforward savings products.

PURPOSE

Providing homes for people and their savings, helping to create a sustainable future.

The Society has been providing mortgages and savings accounts for 155 years and we do not intend to deviate from this purpose. We see helping people find a home, whether that be directly via home ownership or indirectly via landlords and developers, as being a core reason for our existence. As a mutual financial services provider, we are able to support a wider population of potential homeowners due to our human approach to the assessment of lending. We believe this supports the sustainability of our business as well as the sustainability of homes for people. We also feel passionately that people should save to create sustainable financial futures. This can take the form of small regular monthly amounts up to large lump sum investments and we provide products and services to support all types of saving.

VISION

Our Vision is to be - Bigger, Better, Brighter, Together.

A Society that grows steadily to provide a sustainable future for all its Members — **BIGGER**

A forward thinking Society striving to improve our services and offerings to our customers — **BETTER**

A great place to work that shines through in our people — **BRIGHTER**

An inclusive Society that gives back to our Members and our community — **TOGETHER**

VALUES

We are driven by our five core values, which represent what the Society stands for and form the basis for how it is governed. The values were developed by colleagues from across the Society and ensure the Society does the right thing by our customers, communities and people.

STRATEGY

The Society's strategy is to ensure that we continue to evolve into the Modern Mutual that our members need and demand. We will continue to support underserved populations in the financial services market in both our mortgage and savings product offerings and will develop our technology to ensure that our customers receive a choice in how they interact with the Society, whilst maintaining our high standards of customer service and our human interaction.

This strategy is supported by a series of strategic aims:

1 CUSTOMER
We will offer first class, multi channel, efficient customer service, supported by technology, delivered with a human touch.

2 PEOPLE
We will create an inclusive, great place to work that allows our colleagues to grow and thrive.

3 FINANCIAL
We will sustain the financial strength required to provide high-quality services and value to our Members.

4 PRODUCTS AND SALES
We will offer fair value products that deliver great outcomes for our Members with a focus on providing solutions to meet the underserved needs in our chosen markets.

5 GOVERNANCE
We will operate within an effective governance framework which is underpinned by openness with stakeholders, ethical decision making and integrity of leaders.

6 COMMUNITY
We will provide financial and social support to improve the lives of people within the communities that we serve.

7 ENVIRONMENT
We will provide opportunities for our Members to support environmental improvements and have a vision for the Society to be net zero by 2035.

8 TECHNOLOGY
We will provide the technology that will deliver the customer journeys that our customers want and need and the efficiency that the Society requires.

Over the next 2 years, the Society will be continuing its significant investment in technology that will transform our digital offering and provide a more efficient service to our members, in a way that supplements our existing branch network. This programme has made good progress in 2024, having selected a partner and signed a contract with TCS, completed the discovery phase of the software implementation and embarked on the build stage. This investment will impact our reported profitability over the next two years, but we will continue to be very well capitalised as we deliver this important transformation.

Paul Wheeler
Chief Executive
6 March 2025

OUR COMMUNITIES

Alongside supporting the financial wellbeing of our savings and borrowing members, we're committed to making a real difference to our local communities in Nottinghamshire and Derbyshire. We do this through charitable and community donations, fundraising for our Charity Partner and volunteering for local charities and community groups.

In total during 2024, the Society has donated £113,479 (2023: £118,096) to charitable and community organisations, either through our Community Support Scheme or into our Charitable Trust.

We see this support as a key part of being a local building society, responsible to members and communities not to shareholders. Our colleagues are always keen to give back with volunteering days in our local community and by fundraising for our Charity Partner.

OVER £7,500 RAISED FOR CHARITY PARTNER, ALZHEIMER'S SOCIETY

In 2024, colleagues and members have raised over £7,500 for our Charity Partner, Alzheimer's Society. Along with some traditional fundraising favourites, we've seen some new additions. When Mansfield 10k returned in September, a team of colleagues raced to raise funds and our Commercial Development Executive, Richard Crisp, even took on a parachute jump!

WORK IN THE COMMUNITY SCHEME

For the first time since our Work in the Community Scheme began, colleagues easily surpassed our targeted 100 volunteer days to charities and community groups, reaching an incredible total of 124 days! Often, these organisations are at the heart of making a real difference to the lives of our local community.

Whether it's volunteering in schools, craft workshops in school holidays, helping keep Mansfield town centre tidy, gardening, or helping disadvantaged young people get back into work, colleagues have given up their time to get involved.

We also have colleagues who volunteer on a regular basis as Scout and Beaver leaders, sports coaches and school governors. We even have one colleague who is a Community Minister.

We support the local community at a strategic level with our executive team taking roles on the Mansfield Place Board, the Corporation Board of Vision West Notts College and the Trustee Board of John Eastwood Hospice.

As a local building society, our colleagues really do live our values by contributing to our communities.

COMMUNITY SUPPORT SCHEME

The Society's Community Support Scheme contributions totalled £18,124 in 2024 (2023: £22,654) as the Society demonstrated an ongoing commitment to help charity and community groups thrive.

Over 30 local charities and community groups have benefitted from donations, including sports clubs, local music groups and environmental projects.

Whether it's craft materials, new kit, an information sign or whatever is needed, our Community Support Scheme helps our local community get more from life and supports those working with vulnerable people.

Here are some examples of where the donations have gone and how the organisations have used them.

Both **Newstead Brass Band** and **Creswell Colliery Brass Band** received donations to help them continue to promote music through teaching the instruments and as a musical tradition that has a rich heritage in our area, particularly as a result of the coal mining industry.

The **Friends of Cromford Canal** applied for help creating a visitor information sign for a part of the canal that they maintain at Lower Hartshay. The information sign will update visitors on why the canal is so historically important and showcase some of the wildlife that use the canal as their home.

A children's community allotment in Mansfield Woodhouse, **Little Roots**, received a donation of £950 to help them promote a healthy lifestyle through hands-on activity. Children get to learn how to plant, maintain and harvest vegetables and fruit grown at the site.

The Wolfpack Project is a registered charity dedicated to supporting young adults experiencing poor mental health and loneliness in Nottinghamshire.

The charity offers group activities and one-to-one support, such as life skills. They're using the £750 that we donated to provide an Arts and Crafts for Wellness initiative and to support the training and development of facilitators, who will have the latest skills in art therapy.

Another beneficiary was **Headway Derby** who are part of a UK-wide charity that work to improve people's lives after a brain injury.

Headway offer a range of community rehabilitation services such as peer group support, training and development. Headway are using their £500 donation to help set up a range of peer support groups, including a community choir and creative art.

Local charity **S.E.Nsational Minds Playgroup**, who offer support to local families with disabled children were awarded £326.

The donation funded the group's film license so that they can put on a free monthly cinema event for local S.E.N.D. families. Their first event had 24 local families or carers in attendance.

CHARITABLE TRUST FUND

In addition to the Community Support Scheme, the Society operates a Charitable Trust Fund which is used to fund larger charitable donations and provide enduring support to our local communities. Funding is received partly via our contribution from the Community Saver Account balances and partly from profits made during the year.

As at 31 December 2024, the balances on our range of **Community Saver Accounts** totalled £42.8m - these accounts pay a competitive rate of interest to our savings members and also accrue a 0.1% annual contribution from the Society into the Charitable Trust Fund. As a result of the scheme, the Society has donated £37,326 to the Charitable Trust in 2024 and with additional donations from profits, the total donated in 2024 was £81,246.

In what has been a busy year for the Trust, £95,355 has been donated to 15 organisations.

Charities supporting young people have benefitted with major donations agreed with **Inspire and Achieve** (£16,719), **Mansfield Community Hub** (£15,740) and **Young Enterprise** (£9,989).

Inspire and Achieve will be providing mentoring support to help young people with anxiety, whilst **Young Enterprise** will be delivering a mix of enterprise and employability education programmes.

Mansfield Community Hub, operated by the charity **Switch Up**, provides mentoring support for young people as they head on the "straight and narrow" after being involved in crime. This sizeable donation is a continued commitment from an application for funding in 2023.

2024 also saw the opening of the refurbished **Sherwood Observatory** and our Charitable Trust donated £6,120 to enable it to offer hearing loops to help those hard of hearing visiting the site. The amount was a further donation to the overall project after the Trust donated £18,000 in 2023 to allow it to be powered by solar panels.

Continued contributions were also made to the autistic and learning disability theatre group, **Unanima**, and the financial education provider, **WizeUp**. The Trust also continued donations to enable disadvantaged young people get to a holiday centre in Derbyshire with **Send a Child to Hucklow**.

The balance of the fund at the end of 2024 was £176,883.

83%

of colleagues said the organisation is run on strong values and principles.

OUR COLLEAGUES

Through its people strategy, the Society aims to:

- be an employer of choice.
- live and breathe an engaging and inclusive culture.
- develop our colleagues for success.
- support and promote colleague wellbeing.
- reward colleagues fairly and in keeping with our values.

VERY GOOD TO WORK FOR 2024 cert.b.co.uk

EMPLOYER OF CHOICE

We believe strong colleague engagement and wellbeing supports us in recruiting and retaining the best talent, who can help the Society succeed, thereby benefiting members. For the fourth year running, in 2024 the Society was awarded a Best Companies accreditation following the Best Companies survey for 'very good commitment to employee engagement'. Best Companies ranked us in its top 100 nationally, and its top 35 within our sector. Engaging in the Best Companies accreditation process involves an anonymous survey to all our colleagues, which we then also use to gather useful insight on where we might be able to further improve engagement.

The Society operates a Hybrid Working model, which means many colleagues spend some of their week working from home, and some working out of an office or branch. We believe this can be done in a way that helps them balance work and life demands, while also driving strong productivity, engagement and wellbeing.

DIVERSITY, EQUITY AND INCLUSION

The Society is committed to the provision of diversity, equity and inclusion and to ensuring its management team are well versed in the social skill sets required to manage a diverse and highly engaged workforce.

Having agreed its strategy for diversity, equity and inclusion during 2021, the Society continued to roll this out in 2024. As part of this, in 2024 we have launched our Diversity, Equity and Inclusion Policy and signed the Women in Finance Charter. Our Inclusion Forum continues to support the Senior Leadership Team in delivering the strategy, as well as providing a feedback mechanism for the Senior Leadership Team to improve their awareness of how they can have the most effective impact.

The whole management team has attended a number of CPD accredited workshops around diversity, equity, and inclusion; accreditation the Society is very proud to have achieved. In 2024, the training agenda continued to cover issues of relevance to inclusion and included Managing my Resilience in the Workplace following on from the Emotional Resilience workshop held in 2023. More informal 'lunch and learn' sessions and educational awareness took place, such as celebrating International Women's Day, Neurodiversity Week, Ramadan, Pride Month, Carers Week, Eid-ul-Adha and Diwali. We also launched our Carers Café for colleagues and continued to host the Menopause Café for colleagues under the Menopause Café association trademark. Training was also run for a third year for all managers on The Equality Act.

In 2024 we set DE&I targets on gender and ethnicity for Board, Senior Management, managers and colleagues. Currently the target is measured from the snapshot survey undertaken with all colleagues in February 2023, new up to date data will be collected in 2025.

GENDER

The targets below relate to whichever is the underrepresented gender (shown in brackets).

LEVEL	TARGET %	CURRENT
BOARD	37.5% (female)	42.8% (female)
EXCO	40% (female)	30% (female)
MANAGER	40% (male)	39% (male)
COLLEAGUES	40% (male)	36% (male)

Current data as 31 December 2024. NB – two Executive Directors (male) are included in both the Board and EXCO figures.

ETHNICITY

The targets below relate to underrepresented ethnicities.

LEVEL	TARGET %	CURRENT*
BOARD	10%	0%
EXCO	10%	0%
MANAGER	15%	17%
COLLEAGUES	15%	16.6%

*Latest data available (data as at February 2023).

The Board and EXCO monitor diversity within the Society and good progress has been made against the targets set. As a small organisation it will take time to make change at senior levels as turnover is not high in these roles.

DEVELOPMENT

The Society is committed to the ongoing development of colleagues at all levels, including the provision of bespoke internal training programmes as well as accessing external courses to encourage personal development and career progression.

Through a recognised in-house Learning & Development Specialist, the Society has built a Leadership Programme for colleagues with management responsibilities, and a Management Development Programme (MDP) based on the Chartered Management Institute (CMI) Level 3 and Level 5 skill sets, to prepare colleagues for future supervisory and management roles. This supports the Society's talent mapping and succession planning processes. In 2024 we have continued to develop our management cohort through internal CPD accredited training including Managing People Through Performance.

COLLEAGUE WELLBEING

The Senior Leadership Team aim to foster a culture where the wellbeing of our colleagues is treated as a priority. Managers carry out regular one to one meetings with their team members, using these discussions to build trust and surface any wellbeing issues that need addressing. The Society has a team of volunteers who act as Wellbeing Champions and are formally trained Mental Health First Aiders. We also provide access to independent counselling via a third-party employee assistance programme and GP Helpline. In 2025 we are enhancing this wellbeing care through the provision of Private Medical Insurance for all colleagues.

To further support openness, a Colleague Forum exists, which enables people to surface matters they would like to see improved. The Colleague Forum works autonomously to directly address issues where they can, but also has a representative who is invited to Executive Committee meetings to enable escalation where appropriate. The Chair of the Colleague Forum also has regular catch ups with the Vice Chair of the Board to ensure that there is a clear voice at all levels of the Society.

Although inflation has reduced significantly during 2024, cost of living continues to impact many across the UK, and our colleagues were no exception. We have kept open our two schemes which support any colleagues experiencing financial difficulty; The Colleague Welfare Loan and The Colleague Hardship Grant. The Colleague Welfare Loan is an interest free loan for colleagues facing short term financial difficulties, which is repaid over an agreed period of time and The Colleague Hardship Grant is a one off non repayable grant for colleagues experiencing exceptional or unexpected hardship. All applications to these schemes are considered anonymously by a panel of three, comprising two members of the Executive Committee and the Head of HR. We are seeing the need for this support lessen in 2024 but felt it was important to continue to have the schemes in place.

REWARD

An annual salary review takes place for all colleagues, and all roles in the organisation were benchmarked against the market as part of this during 2024. Insight from this as well as monitoring of salary inflation more broadly helps to inform the setting of salary increases, with the intent that every role should be fairly rewarded. Benchmarking is also carried out across the benefits offered to ensure the overall package remains appropriate and competitive. In 2024 we launched our Electric Car and Cycle to Work salary sacrifice schemes.

ENGAGEMENT

As we go through our transformation project, engagement with our colleagues remains a high priority, we will be keeping our colleagues informed through business cascade meetings held 6 times a year, through our Colleague Forum representatives and in our whole Society meetings called ‘Mansfield Forward’, the first of which was held in November 2024, which saw 120 colleagues come together to find out more about the future of the Society. In addition, we have set up a Communication Champions Committee who meet on a regular basis to ensure updates and progress from the project is shared into each business area via the champions.

ENVIRONMENT

The impact of climate change is taken very seriously by the Society, with the Chief Executive having the main accountability for the development and implementation of governance arrangements and the progression of the Society's Green agenda.

Climate Risk is seen as a key emerging risk, and forms part of discussions at Executive Committee, Risk Committee and Board.

KEY CLIMATE RISKS

There are two key types of risk associated with climate change: the risks that arise as the economy moves from a carbon-intensive one to net-zero emissions, known as transition risks; and risks associated with the higher global temperatures likely to result from taking no further policy action, known as physical risks.

The Bank of England's quarterly bulletin in April 2024[1] discussed potential scenarios for use in assessing the impact of climate change and focussed on the Network for Greening the Financial System (NGFS) Scenarios for Central Banks and Supervisors.

The NGFS scenarios consist of climate-related (e.g. temperatures, emissions) and macroeconomic (e.g. GDP and inflation) variables across different geographies.

NGFS SCENARIO	SCENARIO ILLUSTRATION
Net Zero 2050 ('Orderly')	Net Zero 2050 gives at least a 50% chance that global warming is limited to 1.5°C through stringent climate policies and innovation, reaching global net zero CO_2 emissions around 2050. Some sovereign issuers such as the USA, EU and Japan reach net zero for all greenhouse gases by this point. Therefore, physical risks are relatively low, but transition risks are relatively high.
Below 2°C ('Orderly')	Below 2°C gradually increases the stringency of climate policies, providing a 67% chance of limiting global warming to below 2°C. Global net zero CO_2 emissions are achieved around 2070. Therefore, both physical and transition risks are relatively low.

[1] https://www.bankofengland.co.uk/quarterly-bulletin/2024/2024/measuring-climate-related-financial-risks-using-scenario-analysis

NGFS SCENARIO	SCENARIO ILLUSTRATION
Divergent Net Zero ('Disorderly')	Divergent Net Zero also gives at least a 50% chance that global warming is limited to 1.5°C, and also reaches net zero CO_2 emissions globally by 2050. However, the transition comes with higher costs due to divergent policies introduced across sectors and a quicker phase out of fossil fuels. This leads to very large transition risks but limited physical risks.
Delayed Transition ('Disorderly')	Delayed Transition also provides a 67% chance of limiting global warming to below 2°C. However, it assumes global annual emissions do not decrease until 2030. Strong policies are then needed to limit warming to below 2°C. This leads to both large transition risks, and moderate physical risks.
Nationally Determined Contributions (NDCs) ('Hothouse World')	NDCs incorporates all policies governments have committed to, even if not yet implemented. The result is global warming of 2.6°C, associated with high physical risks but low transition risks.
Current Policies ('Hothouse World')	Current policies assumes only currently implemented policies persist, leading to around 3°C of warming. Transition risks are therefore very limited, while physical risks are very high.

The key threats to the Society's business in terms of Climate Risk are principally the physical risk of properties held as security for lending, plus transitional risk of the carbon footprint created by the properties from which it operates, the commuting of colleagues, and the purchase of goods and services from third parties.

PHYSICAL RISKS

At the end of 2022, the Society updated the independent assessment of its mortgage portfolio against three scenarios, Flooding, Coastal Erosion and Subsidence, considering the impact of an increase in global temperatures of between 0.9% and 5.4%.

The key Physical Risks to our business result from lending on properties that become un-mortgageable, or have their value impacted due to climate change. This can be as a result of an exposure to an increased risk of flooding, subsidence or coastal erosion. There are a number of other perils which can manifest themselves as a result of climate change, but these are less likely within the UK, and not considered within the assessment:

PERIL	DESCRIPTION / IMPACT	CURRENT RELEVANCE	TIMEFRAME
FLOODING	Wetter winters and more concentrated rainfall events will increase flooding from coastal, river and pluvial sources.	LOW	Long Term
SUBSIDENCE	Drier summers will increase subsidence on shrink/swell clay.	LOW	Long Term
COASTAL EROSION	Increased storm surge and rising sea levels will increase the rate of erosion. Property close to the coast may be impacted.	LOW	Long Term
WINDSTORM	Climate change forecasts do not suggest that extreme windstorm events are going to become more frequent. The current mean UK wind speed is 4.2 m/s. In 2050 with high emissions, it is suggested that this might fall to 4.1 m/s.	LOW	Long Term
HEAT STRESS	Increased heat stress will be an important impact of climate change and will be felt most in the South of England. However, it is not clear that this increase will materially impair the value of property.	LOW	Long Term
DEMOGRAPHIC AND ECONOMIC IMPACT	Global economic destabilisation, collapse of traditional agricultures and increased tourism are all significant potential impacts of climate change.	LOW	Long Term

TIMEFRAME	PERIOD
Short Term	10 Years or Less
Medium Term	10 to 20 Years
Long Term	20 Years +

The exposure to Climate Risks is considered by the Risk Committee and Board on a biennial basis, and the results are included in the Internal Capital Adequacy Assessment Process (ICAAP) each year.

TRANSITIONAL RISKS

Transitional Risks have the potential to affect the Society in a number of areas, from changes to Government Policy, the use of third party suppliers and their own Green credentials, carbon pricing once offsetting becomes an option, and any minimum EPC ratings that will apply to the properties on which the Society lends money.

Lower rated properties may be required to undergo expensive remediation, and there is likely to be a transition to minimum energy ratings by 2030, although there is still considerable uncertainty as to the scope of potential regulation in this area.

GETTING THE SOCIETY TO NET ZERO CARBON

The UK government is targeting net zero for carbon emissions by 2050, and the Society has started on its own journey to support this. Achieving net zero is accomplished through reducing emissions as much as possible and offsetting the remainder.

Reducing emissions at source, reduces the costs to offset. Both reductions and offsets will come with a financial impact as well as cultural and operational changes to maintain them.

ROADMAP OF PROGRESS TO DATE

The table below highlights the achievements to date, and those future activities which are anticipated to take place in our move to becoming a greener building society:

ACHIEVEMENTS TO DATE	FUTURE DEVELOPMENTS
STRATEGY	
▪ Climate change risks considered in annual strategic planning and incorporated into our Corporate Plan. ▪ Launch of cycle to work and electric car schemes for colleagues. ▪ We are actively supporting more eco-friendly Modern Methods of Construction within our self-build lending portfolio. ▪ Partnership with Sherwood Forest Trust to plant a tree for every child's account opened.	▪ Develop a broader range of products with a range of Green finance options, including savings accounts. ▪ Develop member information to increase awareness of Green issues through mailings or information on the website. ▪ Identify strategic partners and third parties with Green credentials in order to help reduce our carbon footprint. ▪ Implement opportunities identified by review of carbon footprint. ▪ Replacement of Society van with electric or hybrid alternative. ▪ Introduction of climate change policy, action plan and roadmap. ▪ Introduction of Net Zero transition plan.
RISK MANAGEMENT	
▪ Risk Appetite for the management of climate change risks established. ▪ Enhanced understanding of those future risks inherent within our mortgage book, with initial discussions on changes required in the short to medium term. ▪ Climate change risks considered within the annual ICAAP reporting process.	▪ Further consideration of climate change risks in lending decisions.
GOVERNANCE	
▪ Senior Management Function (SMF) for climate change allocated to Chief Executive. ▪ Introduction of Society Environmental Lead to provide enhanced focus. ▪ Subscribed to Sustainability in Finance forum.	▪ Embedding of climate change considerations in all Society policies.

TARGETS & MANAGEMENT INFORMATION	
▪ Society carbon footprint established with a base year of 2019 using external consultancy review. ▪ Mortgaged property related climate risk data now established and updated biennially. ▪ Introduction of digital screens trial in Marketplace branch.	▪ Implement systems to allow capture of all climate-related risks on our mortgage portfolio. ▪ Specific targets to be established. ▪ Identify further activities to reduce waste, water and energy usage. ▪ Source 100% certified renewable electricity provider. ▪ Internal data collection of energy, water and other consumables to enable regular monitoring of Society's carbon footprint to take place. ▪ Introduction of digital screens in Sutton and Kirkby to reduce paper posters.


Mansfield Town Centre, by night

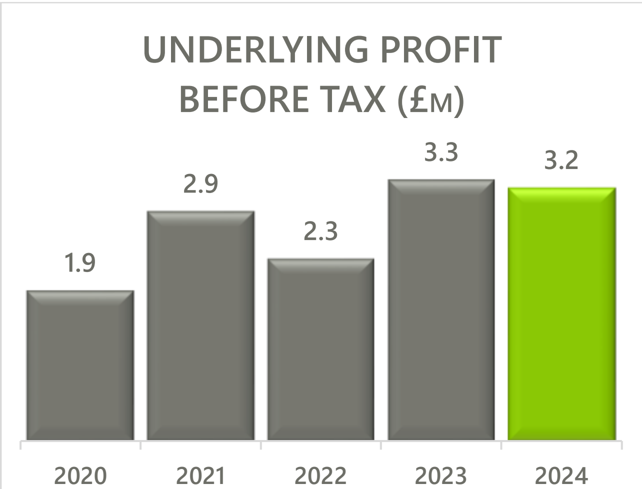
Finance Director

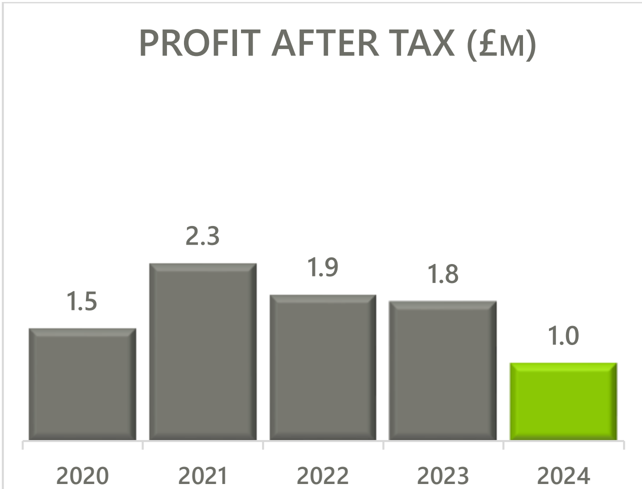
Daniel Jones

"With strong capital reserves, the near future sees us in a period of re-investment in our digital capabilities, to ensure members continue to get a great customer experience. Continued capital strength and underlying profit will be our focus. The investment in digital transformation will make our overall financial results loss-making for the next two years."

FINANCIAL REVIEW

PROFITABILITY





The Society has delivered strong financial performance in the year, recording an underlying profit before tax of £3.2m (2023: £3.3m) and profit after tax of £1.01m (2023: £1.82m). This was a better result than budgeted, supported by strong growth in the mortgage book. This year and for the period during which we are driving forward Project Sherwood, we will report our underlying profit, which excludes the costs of the project as well as any write offs of legacy software, as well as our overall profit after tax.

This is important because the costs of Project Sherwood are being written off directly to the income statement rather than being capitalised. This explains why the year-on-year overall profit after tax has dropped but the underlying profit remains much higher and indeed, we expect the overall financial result to be a loss over the next two years as a consequence of this. This is no cause for alarm and represents a strategic choice to invest members' reserves in modernising the Society. Our stress tests show that these reserves, which have been built up through many years of profits, significantly exceed the levels needed to protect the Society through severe stresses, and they also significantly exceed regulatory minimums. Given the pace with which technology is changing the landscape for banks and building societies, we believe that investing these reserves in modernising the Society's customer platforms is the best use of members' resources, and they will be pleased with the improvements this delivers to the customer experience, as well as the fact that it will protect the Society's ability to compete and thrive in to the future.

UNDERLYING PROFITABILITY

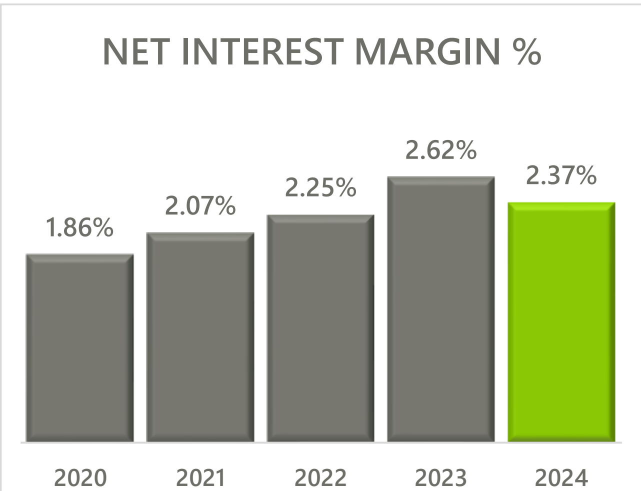
To enable members to better understand financial performance over the coming years as we execute Project Sherwood, Underlying Profit Before Tax is stated before netting off the non-recurring costs related to this transformation. The below table shows this underlying profit and how it compares to overall profit before tax.

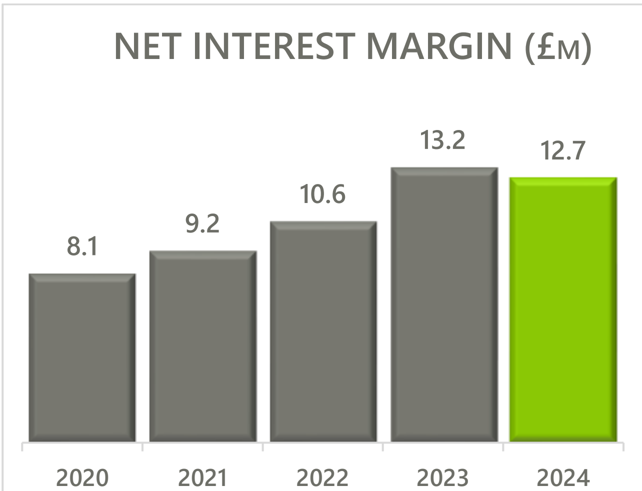
	2024 £000	2023 £000
Net Interest Income	12,745	13,249
Fees, Commissions & Other Income	(258)	(791)
Total Underlying Income	**12,487**	12,458
Underlying Administrative Expenses	(9,000)	(8,776)
Underlying Depreciation & Amortisation	(261)	(280)
Underlying Operating Profit before Impairment & Other Provisions	**3,226**	3,402
Impairment Provisions on Loans and Advances, Properties & Other Provisions	(74)	(61)
Underlying Profit before Tax	**3,152**	3,341
Non-Recurring Administrative Expenses	(1,624)	(928)
Non-Recurring Impairment Losses	(131)	-
Non-Recurring Amortisation	(57)	-
Profit before Tax recorded in the Income Statement	**1,340**	2,413

During 2024, Project Sherwood moved on from its discovery phase in to the build phase. A project team with experienced programme management skills was mobilised within the Society, harnessing contractors with wider industry knowledge, as well as internal subject matter experts. The appointment of TCS as our technology partner also means we have begun paying implementation costs to them. TCS bring with them their own core banking platform as well as digital user interfaces which will be used by customers, brokers and branch colleagues. TCS have also provided a team of experienced technology specialists to deliver the implementation. Included within the above non-recurring administrative costs are also fees to external legal counsel and procurement specialists and fees to Partners in Change who are our external assurance advisers for the work.

The decision to implement new software means shortening the useful economic life we assume when amortising the software assets that relate to the existing legacy banking software. It is these costs that make up the non-recurring amortisation costs shown above and an impairment review was also carried out on related software assets that will no longer be in use and give rise to the above impairment losses.

NET INTEREST MARGIN





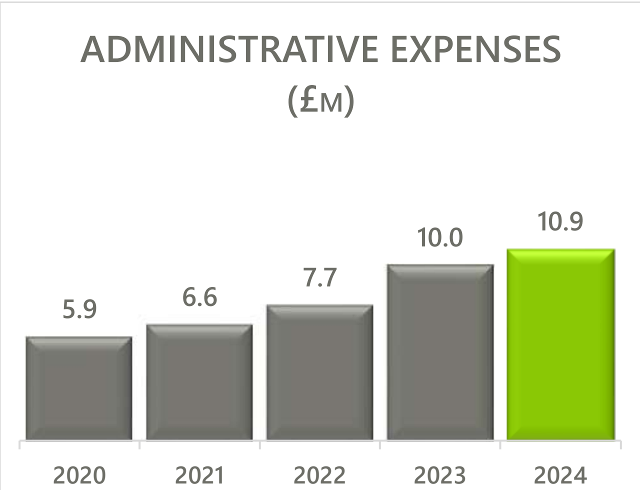
Net Interest Margin is primarily the interest income from the mortgage and liquidity portfolios, minus the interest payable on the savings portfolio and treasury funding. The net margin is divided by mean Total Assets across the year to calculate the margin percentage.

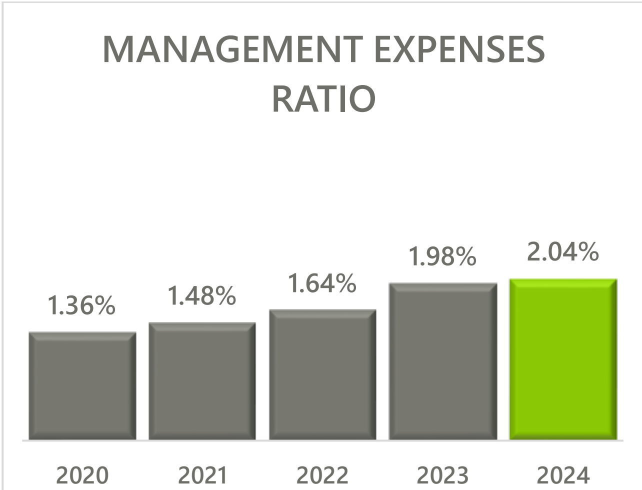
During 2022 and 2023, when Bank Base Rate and other market rates moved higher rapidly, the income from interest rate swaps which are used to hedge against interest rate risk was also driven higher. This rising trend in rates ended in 2024, and indeed began to fall slightly. This partly explains the settling of the net interest margin % in 2024 and the year-on-year drop in the £ Net Interest Income. We did not expect the Net Interest Income % to remain at 2023 levels; in fact the 2024 figure of 2.37% is close to what the Society had budgeted for at the beginning of the year.

The savings market has also been very competitive during 2024 and new and existing members have been able to take advantage of some excellent savings rates. This has been the other main factor in moderating the net interest margin figures.

The Society continues to maintain a very healthy margin from which it is able to cover administrative costs, any credit losses and any increases it needs to make in its provisions. In its management of net interest margin, the Society seeks to maintain a strong margin, by maintaining a diversified mix of mortgage types which include niches that command a higher interest rate. It does this, while also ensuring that it pays a competitive rate of interest to its savings customers.

ADMINISTRATIVE EXPENSES (INCLUDING DEPRECIATION)



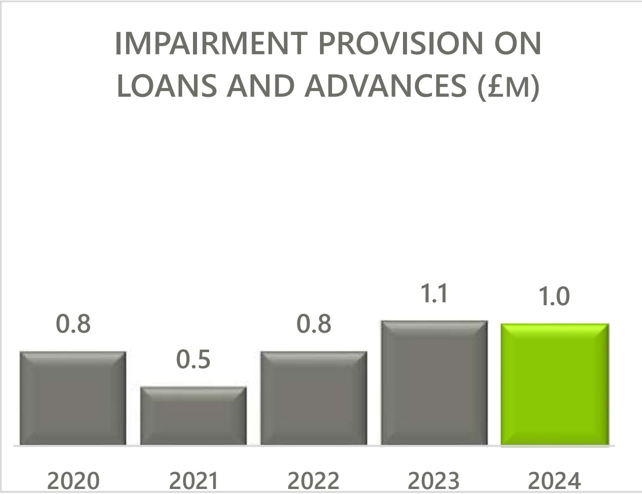


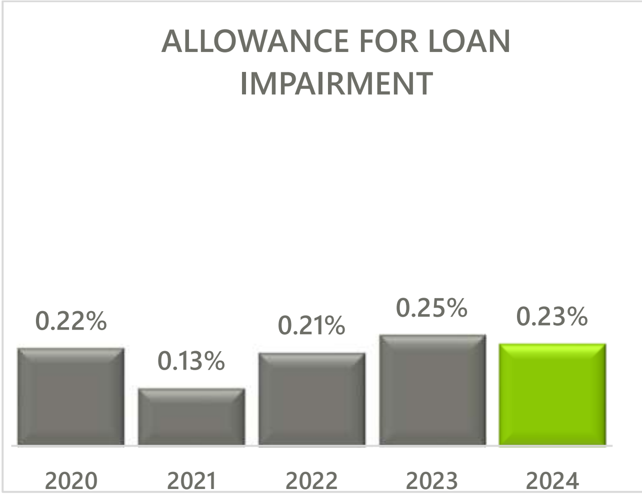
In 2024, Administrative Expenses include £1,624k (2023: £928k) of non-recurring costs relating to the Society's digital transformation. Aside from this, increases in the underlying administrative expenses were very modest by comparison to previous years. The decision to no longer sell mortgages directly, but instead to work via brokers was one measure which helped to moderate the year-on-year cost increases. The Board assessed that the expense of running a direct sales team was no longer justified by the revenues it was possible to generate this way. c.90% of mortgages were already sold via brokers prior to this decision.

As well as ongoing price inflation, our administrative expenses are impacted by the requirements from regulation, which continue to grow. These regulations seek to further strengthen the resilience of the financial sector and protect its consumers, all of which is positive, but it does drive cost into the business. In the last year, work was carried out ensuring compliance with the new Consumer Duty, as well as analysing changes to Basel 3.1 and the Strong and Simple Regime, so that the Society is ready for these changes that will come in to force in future years. We seek to comply with the requirements in a proportionate and efficient way, but over time, they are certainly a factor in the ongoing increases to the Society's headcount.

Underlying cost / income ratio, excluding costs related to Project Sherwood, rose modestly in the year to 74.2% (2023: 72.7%).

IMPAIRMENT PROVISIONS ON LOANS AND ADVANCES





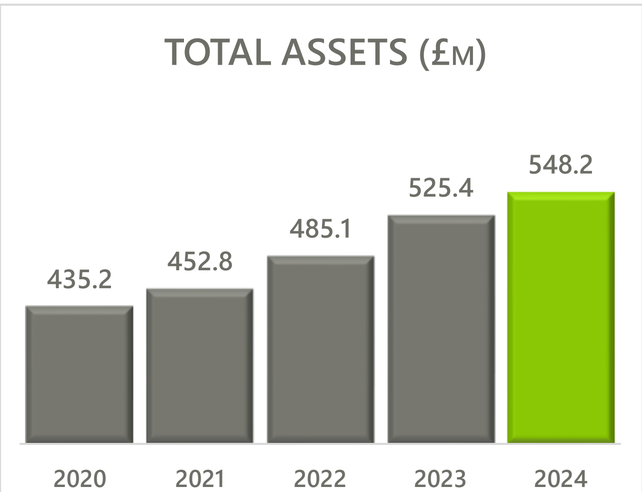
Allowance for Loan Impairment is shown as a percentage of the total mortgage book.

Also referred to as the 'Bad Debt Provision', the Society is required to account for the losses that arise if borrowers are unable to repay, and the Society is not able to recover the funds via either forbearance or repossession. The Society conducted one repossession in 2024, but made no loss. The provision stood at £1,034k at 31 December 2024 (2023: £1,059k). The level of arrears on the book remains low with the number of cases 12 months or more in arrears totalling 6 (2023: 17), comprising arrears of £125k (2023: £219k) on mortgage balances of £1,148k (2023:£1,600k). All of these cases are included in the calculation of individual loan impairment provisions and one of these cases which is more than 12 months in arrears has a specific provision of £177k included within the above provision total. It is a residential property and we are in the process of repossessing it.

We account for provisions under FRS 102, which is a so-called 'incurred loss' model, and so requires evidence of potential loss behind the provision. We make a specific provision for accounts where there are conditions at the balance sheet date that indicate potential impairment, such as arrears on the account or forbearances in place. We make a further collective provision for the remainder of the mortgage book on the basis of industry data to inform what a typical loss rate might be for our mortgages, which is also further informed by obtaining credit bureau data for each mortgage.

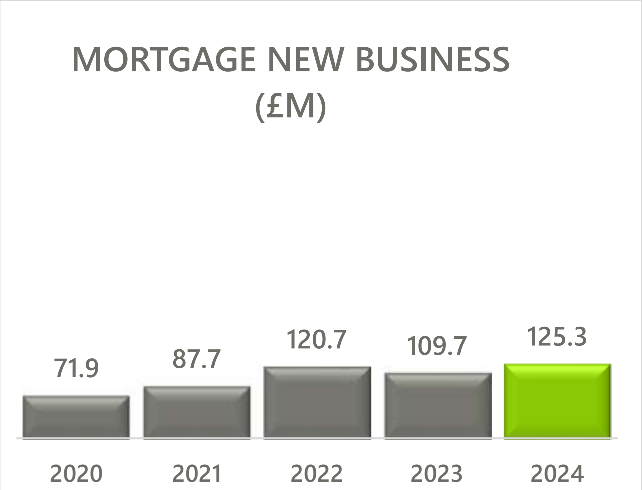
The calculation of the loss amount for any loan which is provided against is informed by applying a forced sale discount assumption, where we assume that the amount that can be recovered from the sale of a property in repossession may not be the value that an owner would obtain in the normal course of events.

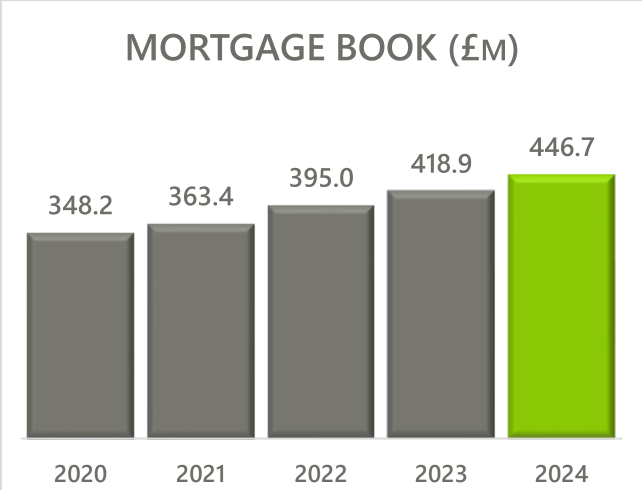
TOTAL ASSETS



Total assets increased by £22.8m to £548.2m (2023: £525.4m) during the course of 2024. This was largely the result of increases in the mortgage book, which grew by £27.8m to £446.7m (2023: £418.9m). Cash and cash equivalents (see note 10), which would normally be expected to increase proportionately with the overall size of the balance sheet, decreased by £27.0m to £65.8m (2023: £92.8m). In 2023, the Society began to raise funding from savers ahead of replacing the funding it has from the Bank of England Term Funding Scheme (TFSME). In 2024 it has begun making these repayments, thereby using these funds. The Society also moved some of its cash equivalents into short dated government treasury bills (2024: £9.8m, 2023: £4.9m) and gilts (2024: £10.1m, 2023: £nil) which are high quality liquid assets. The movement of some of its liquidity in to fixed rate government instruments helps to balance interest rate risks as the market has moved from a period of increasing rates to one where they may fall.

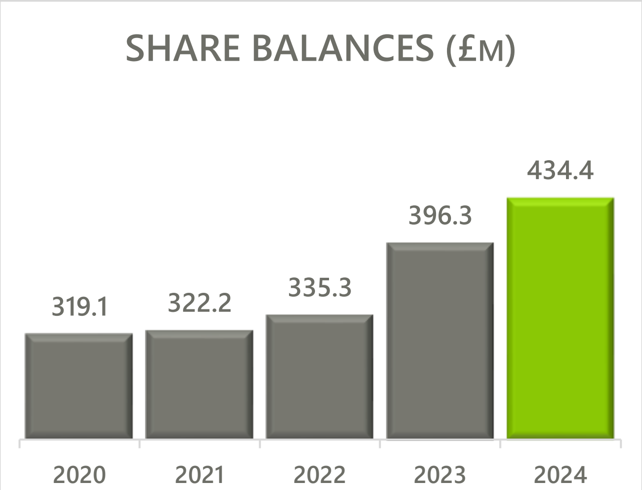
MORTGAGES

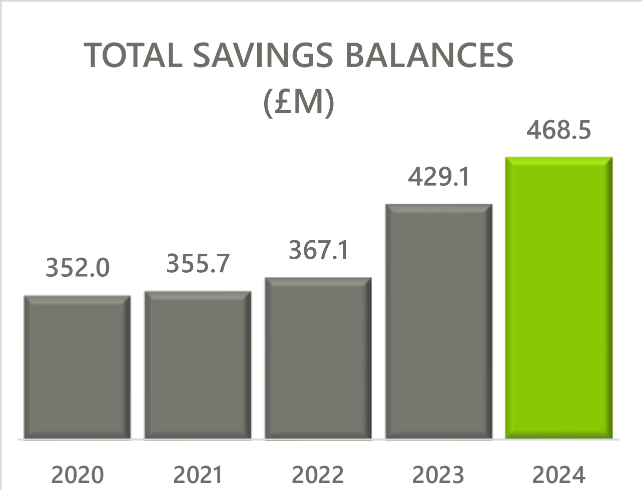




It was another successful year for new mortgage business, with strong consumer demand for our products, despite a broader market in which mortgage demand has continued to be suppressed. Mortgage completions increased by £15.5m to £125.3m. This surpassed our previous record level of £120.7m in 2022. The Chief Executive discusses more detail on the kinds of mortgage business we are involved in in his report on page 5.

FUNDING



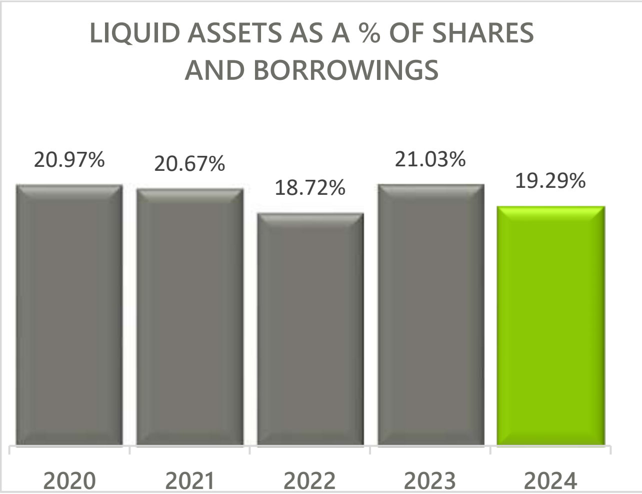


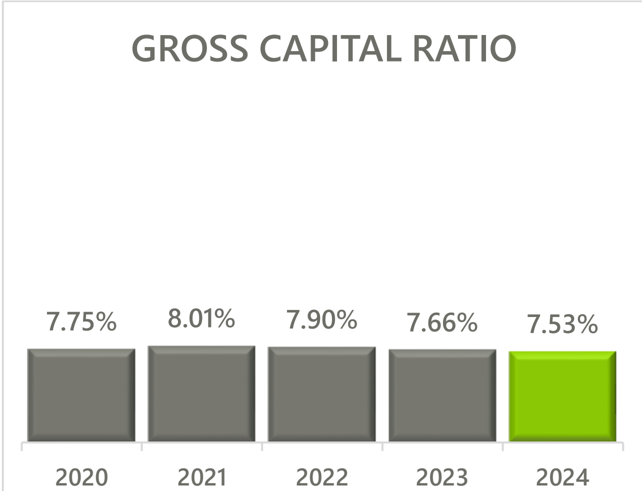
Savings make up the largest source of funding for the Society and most savings balances are held by members of the Society. These comprise a diversified mixture of products, including notice accounts and fixed term bonds, ISAs, regular saver products and those with easy access. As at 31 December 2024, these member balances were £434.4m (2023: £396.3m) and rose £38.1m during the year. Some savings, where the saver is not a formal member of the Society, include business and SIPP balances and those held by community organisations. In total savings balances rose by £39.4m to £468.5m (2023: £429.1m) during the year.

The Society also accesses funding from other credit institutions, including the Bank of England. Amounts owed to credit institutions decreased by £17.5m to £35.3m (2023: £52.8m). The largest element of this funding is £30.0m (2023: £50.0m), which the Society has borrowed under the Bank of England TFSME Scheme. The remaining amounts largely comprise wholesale loans from financial institutions or local authorities.

The Society's strategy for repaying TFSME involves settling the individual tranches ahead of their contractual repayment dates. Accordingly, the £20m repaid during 2024 was not immediately due to mature. The remaining £30m of TFSME funding has maturity dates spread across 2025, and the Society has a robust strategy for replacing this funding source. The Society also deliberately raised more funding from savers in 2023 and 2024 than it needed to fund mortgage growth, in readiness for these repayments. Since the balance sheet date, the Society repaid a further £16m during January 2025.

LIQUIDITY AND CAPITAL





The Society's Liquid Assets as a percentage of Shares and Borrowings decreased over the course of 2024 from 21.03% to 19.29% but remains significantly above the levels needed to pass its own stress tests. This was part of a managed strategy to be ready to repay TFSME funding. We expect liquidity levels to be lower again in future as we make the TFSME repayments. The appropriate level of liquidity is determined by the Executive and approved by the Board via its Internal Liquidity Adequacy Assessment Process (ILAAP). This process assesses the liquidity and funding risks faced by the Society and chooses a level of liquidity that the Executive are targeted to maintain, and which provides the Society with enough liquid assets that it can withstand a severe stress and continue to cover its liabilities as they fall due. The mix of funding is an important consideration in this assessment. The Society has a well-diversified mix of funding sources, including access to the Bank of England's Sterling Monetary Framework, wholesale funding markets and a wide range of savings products targeted at a broad array of customer types.

At 31 December 2024, gross capital, which is represented by reserves, amounted to £38.2m (2023: £37.2m), being 7.53% of total shares and borrowings (2023: 7.66%). Free capital, which comprises gross capital and the collective loan impairment allowance less tangible and intangible fixed assets, amounted to £36.8m (2023: £35.8m). The leverage ratio, which represents Tier 1 Capital as a % of Total Assets including post offer pipeline mortgages was 6.51% (2023: 6.56%). Common Tier 1 Capital as a % of Risk Weighted Assets (where assets have risk weightings applied using the standardised approach outlined in the Basel II framework) continued to be strong at 18.23% (2023: 18.01%). Good levels of post-tax profit have allowed the Society to maintain its strong capital position in 2024. Capital is also stress tested at least annually via the ICAAP process and this shows the Society has significant capital surpluses, over and above that which would be sufficient to absorb losses in a range of severe but plausible stresses.

Successive years of strong performance have bolstered our capital reserves to levels which, members can be assured, comfortably exceed the regulator's minimum requirement.

FUTURE DEVELOPMENTS

The Society is committed to managing its finances in such a way as to protect its capital strength, and ensure it has access to a diversified range of funding sources, that enable it to manage its liquidity risks appropriately, while also funding growth. Strong margins and growth in both mortgage and savings balances are needed over the long term to protect the Society's ability to offer competitive savings rates, while also enabling it to make investments that maintain its ability to attract mortgage and savings business and service customers in the fashion they would expect.

Protecting these abilities requires digital transformation via Project Sherwood and this will involve significant investment, some of which has already been made in 2023 and 2024, and this will continue. The Society started this process in 2023, investing recent strong profits in this project. In 2024, the chosen technology provider was appointed and over the coming two years, this project will continue. We plan to use capital reserves to fund the remainder of the project, because the costs for it will be written straight to the income statement rather than being capitalised. What this will mean in practice is that the Society will not expect to make profits during the remainder of the project, and is likely to make losses measured at an overall post-tax level for the next two years. During this period, to help readers better understand performance, we are also reporting underlying pre-tax profit (page 20) with the expenses of this project excluded. The Executive and the Board remain sharply focussed on the financial health of the Society, while also believing it is the right strategy to use the significant capital surpluses held to make investments that will protect the long term ability of our Society to thrive in a market where technology is changing the competitive landscape at speed.

Readers should note that as well as the investment itself, the work required is likely to impact short term growth rates, which have a knock-on effect to short term growth in income. Both factors are accounted for when providing the Board with forward looking plans for the Society's capital.

In assessing the likely forward view for the Society's finances, capital strength rather than year-on-year profits, will be of most importance. The Society has significant capital surplus, as assessed by its annual ICAAP process, and the Society's capital strength means it can afford a period of net losses, caused by the Project Sherwood re-investment, without affecting its long-term viability. The Board have reviewed long term projections of the Society's capital position in assessing its strategy of digital transformation, and it will require the Executive to regularly refresh these as it progresses this piece of work.

BOARD OF DIRECTORS

Alison Chmiel, Board Chair

Alison was appointed as a Non-Executive Director in February 2013. She is an experienced business leader, being a qualified accountant with an IT background having started her career in technical roles with IBM. Her previous roles include Deputy Managing Director of Ikano Bank UK. Alison is a long-standing supporter of community institutions having spent many years as a Director/Trustee of The Woodland Trust and currently as a Director/Trustee on a local multi-academy trust board.

Paul Wheeler, Chief Executive

Paul is the Chief Executive of the Society and assumed this role in April 2020. He has been with the Society for a number of years having joined as Finance Director in 2011. Paul has extensive senior leadership experience having operated as Deputy Chief Executive (CEO) at the Society as well as previously holding senior roles at Next plc, Alliance & Leicester plc and East Midlands Development Agency. Paul is a Chartered Accountant and a strong believer that building societies should offer easy to understand products at a fair return whilst giving both financial and practical support to their local community.

Dan Jones, Finance Director & Secretary

Dan is a Chartered Accountant with significant finance experience, having previously held senior management positions at Capital One and Experian plc. He joined the Society in 2019, and oversees the financial strength and resilience of the organisation. He is also passionate about the way building societies serve their local communities and that their ethos is centred on improving people's lives.

Nick Baxter, Vice Chair and Senior Independent Director

Nick was appointed as a Non-Executive Director in January 2017. He has more than 40 years' experience in the financial services industry. Nick's principal qualifications are in marketing and management, however, he also holds a number of mortgage related qualifications. With a passion for ensuring good consumer outcomes and increasing professional standards, Nick has worked with a number of regulators and is an advocate for building societies as being well-placed to deliver financial security and integrity to customers. Nick is also the Society's Whistleblowing Champion.

Jeff Picton, Non-Executive Director

Jeff is a Chartered Accountant and was a partner at PwC from 1991 to 2019 in the banking and capital markets sector, including time seconded to the Bank of England. He has extensive experience of accounting, risk and controls in financial services and recently served on the Board of a start-up bank. He is Treasurer for the Safer Neighbourhood Board in Richmond which acts as a link between the local community and the police. Jeff strongly believes that the forward thinking modern mutual has a key role to play in actively supporting communities, putting customers at the heart of everything and focusing on the needs of current and future members.

Lucy McClements, Non-Executive Director

Lucy was appointed as a Non-Executive Director in July 2020. Previous roles include Non-Executive Directorship of an E-money firm and she is currently a Board Member of the Isle of Man Financial Service Authority. Passionate about improving financial capability across all age and socio-economic groups, much of her experience comes from almost two decades as a financial services regulator on both prudential and conduct of business issues in roles spanning Authorisation, Supervision, Operations, and Risk. More recently Lucy has consulted with clients on good governance as well as delivery of Board/Executive level development interventions.

Rachel Haworth, Non-Executive Director

Rachel was appointed as a Non-Executive Director in December 2021 and currently chairs the Board Remuneration Committee. Rachel is a successful customer-focussed leader with significant experience in the financial services industry, most recently as Customer Experience Director at Coventry Building Society. Her experience in the sector reflects an outlook that sees commercial success as best achieved by providing customers with the best possible outcomes, and a dedication to engaging with customers as owner-members. Rachel's experience spans Marketing, Digital Transformation, Risk Management and Cultural Leadership.

CORPORATE GOVERNANCE REPORT

The Society has regard to the principles of the Financial Reporting Council's UK Corporate Governance Code ('the Code'), last updated in July 2018 (a more recent update in January 2024 does not yet apply). The Code details the standards to which a Board of Directors should adhere, in order to promote the purpose, vision, values and future success of a business. It places significant emphasis on the relationship between the business and its shareholders and stakeholders and promotes the establishment and continued embeddedness of a culture that is aligned with strategy, champions integrity and values diversity.

Whilst the Code is primarily aimed at listed companies, the Board remains committed to adopting and demonstrating best practice standards of corporate governance. For this reason, the Board continues to have regard for the Code in so far as is relevant and practicable as a modestly sized building society, and to the extent deemed reasonable and appropriate when establishing and assessing corporate governance arrangements.

This report lists each Principle of the Code and details how the Board has applied them. As your Chair, I am proud to lead a Board that is committed to adopting high standards of corporate governance, and I hope this report provides insight and assurance as to how the Board ensures the future success of the Society.

BOARD LEADERSHIP AND SOCIETY PURPOSE

Code Principle A:

A successful company is led by an effective and entrepreneurial Board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society.

The Board has collective responsibility for safeguarding the interests of members. It operates effectively by directing the business of the Society, by developing and monitoring strategic matters, such as the Corporate Plan and business objectives, and reviewing and approving policy.

The Board considers the opportunities and risks to strategy, and the resulting implications on the future success of the Society, through the Corporate Planning process. This includes assessing how the Society maintains its financial strength in a sustainable way over the long-term within the constraints of operating in a challenging market environment. One element of overall strategy is the continuing investment in people, processes and technology to ensure long-term capability to deliver sustainable balance sheet growth whilst remaining operationally resilient and improving customer access to products and services.

Delivery of strategy is overseen through an established governance framework embedded within a transparent culture where constructive challenge is encouraged with the aim of delivering improvements for the benefit of members. In 2024 the Board met ten times to closely monitor the Society's business performance. In addition, a Board Strategy Day was held in July.

Code Principle B:

The Board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All Directors must act with integrity, lead by example and promote the desired culture.

The Board is responsible for setting the purpose, values and strategy of the Society and ensuring that these are aligned to the culture of the organisation. In order to achieve these aims the Board usually consists of six Non-Executive Directors (including the Chair) and two Executive Directors who have the collective responsibility for ensuring that the affairs of the Society are managed competently and with integrity. The Nominations Committee continually review the make up of the Board, including the need for succession planning, and therefore the exact number of Non-Executive Directors may be higher or lower than six at any given time. The Board had six Non-Executive Directors at the beginning of 2024, one of whom retired during the year, and one of whom resigned to pursue other interests. As at 31 December 2024, the Board had five Non-Executive Directors and there is a search process underway, with the aim of returning the number of Non-Executive Directors to six. Although the Board Chair had been a member of the Board for over nine years at the start of 2024, this was considered acceptable by the Board in order to maintain relevant skills and experience on the Board and aid succession planning. These succession plans now include the Chair retiring from the Board during the first half of 2025, with their successor already identified. The Board views all the Non-Executive Directors as being independent in character and judgement.

The Board supports the Society's purpose of 'Providing homes for people and their savings, helping to create a sustainable future'.

Code Principle C:

The Board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The Board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.

Through the Corporate Planning process, and ongoing monitoring of performance, the Board ensures that the Society has sufficient resources to enable the Senior Leadership Team to deliver the Corporate Plan objectives and goals. Monitoring of performance and risk is through an established governance framework which includes delegation of certain matters to Board sub-committees.

The Board has five sub-committees, as outlined below, which assess proposals in detail and make recommendations to the full Board. The Terms of Reference for committees are available on the Society's website. Proceedings of all committees are formally minuted and minutes are subsequently considered by the full Board.

NOMINATIONS COMMITTEE

The Nominations Committee meets at least annually or at any other time determined by the Committee. The principal functions are to review the independence, structure, skills, knowledge, fitness and propriety and performance of the Board. It also makes recommendations on Board succession planning and election of Directors.

As part of succession planning, a search agency (Taylor Harrison) was engaged during 2024. This agency had no other connection with the Society or its Directors.

The Committee met five times in 2024 and Committee members during the year were Alison Chmiel (Board Chair), Nick Baxter, Lucy McClements and Jeff Picton (member from 26.09.24). Paul Wheeler (Chief Executive) was also an attendee during the year.

REMUNERATION COMMITTEE

The Committee met twice during 2024. It is responsible for the Remuneration Policy for all Directors of the Society. The Committee also makes recommendations to the Board regarding remuneration and contractual arrangements for both the Society's Executive Directors and Remuneration Code colleagues. It reviews and recommends to the Board the general Remuneration Policy of the Society, ensuring that this aligns with the Society's overall risk appetite, strategy and long-term objectives; and takes into account the long-term interests of members, depositors and other stakeholders in the Society.

It reviews and recommends to the Board all elements of remuneration and terms of employment of the Executive Directors including service contracts, notice periods, termination/compensation payments and bonus payments; having regard to appropriate regulation. It also reviews and recommends the annual remuneration of Non-Executive Directors.

Committee members during the year were Rachel Haworth, Nick Baxter and Alison Chmiel.

Meetings of the Committee were also attended, as appropriate, by the Chief Executive, Finance Director and the Head of HR, who withdraw from the meeting when their own remuneration is being considered, or on request.

Further information on the role of the Remuneration Committee is included within the Directors' Remuneration Report on pages 40 to 42.

AUDIT AND COMPLIANCE COMMITTEE

This Committee meets at least quarterly and considers regulatory compliance matters and the adequacy of internal controls. It met four times during 2024 and has specific responsibility for the monitoring of the external auditor's independence, objectivity, competence and effectiveness. This Committee also reviews audit reports, monitors the relationship with both internal and external auditors, agrees the annual internal audit plan and ensures that the systems of accounting, business control and management of information are adequate for the needs of the Society.

The Committee has responsibility for the financial reporting of the Society, and this includes review of accounting policies and the integrity of these financial statements.

The Committee also has responsibility to ensure that auditor objectivity is maintained where the external auditor provides additional non audit services.

Committee members during 2024 were Colin Bradley (Chair until 12.03.24), Lucy McClements (Chair from 12.03.24), Jeff Picton (member from 18.03.24), Keith McLeod (until 01.11.24) and Nick Baxter (member from 01.11.24). All members of the Committee have appropriate financial business knowledge. The meetings are attended by representatives from internal and external audit, together with the Chief Executive, Finance Director, Board Chair, and Risk and Compliance Executive.

A report from the Audit and Compliance Committee is included on pages 35 and 36.

RISK COMMITTEE

The Committee meets four times a year and is responsible for the oversight and challenge of the Society's risk management framework to identify, manage and mitigate the risks that could impact the Society. The Committee reviews risk assessments, risk limits and risk mitigation policies in accordance with the overall risk appetite of the Society.

The Committee also considers the Lending Policy, Financial Risk Management Policy, Liquidity Policy and other key risk documents including Board Risk Policy in detail.

Committee members during 2024 were Keith McLeod (Chair until 01.11.24), Nick Baxter (Chair from 01.11.24), Colin Bradley (until 28.03.24), Lucy McClements, Rachel Haworth, Jeff Picton (from 18.03.24), Paul Wheeler and Daniel Jones. Jim Stevens attends as Risk and Compliance Executive and Alison Chmiel, Board Chair, also attends.

PROJECT SHERWOOD SUB-COMMITTEE

This Committee was created during 2023 to provide oversight in regard to Project Sherwood, which is the Society's digital transformation project. The Project Sherwood Executive Steering Committee reports to this Board Sub-Committee. The responsibilities of the Sub-Committee include oversight of delivery of the programme plan, cost control against the budget, quality of deliverables and the assessment of the future direction of the programme. It also provides oversight of vendor selection and the wider organisational and cultural change programme linked to the project. It has oversight of Project Sherwood risks, and receives assurance reports relating to the project.

The Committee meets at least four times a year and on an ad-hoc basis, dependent on the timings of key deliverables within the project plan.

Committee members during 2024 were Alison Chmiel (Chair), Jeff Picton (from 26.09.24), Keith McLeod (until 01.11.24), Rachel Haworth, Paul Wheeler and Daniel Jones. The Committee appointed Partners In Change (PiC Consulting) as the assurance partners for the project, and Mark Foulsham represented PiC at meetings during 2024. Jim Stevens attends as Risk and Compliance Executive and Iain Lister as IT Executive.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

The table below shows the number of meetings of the Board and its Committees at which each Director was present and the total number of Board and Committee meetings held during the year.

	NUMBER OF MEETINGS / NUMBER OF MEETINGS ATTENDED					
	BOARD	NOMSCO	REMCO	RISKCO	ACC	PSSC
Number of Meetings	10	5	2	4	4	8
NON-EXECUTIVE DIRECTORS						
Alison Chmiel	10	5	2	4*	4*	8
Colin Bradley	4^	*	*	2^	1^	*
Nick Baxter	10	4	2^	4	1^	*
Lucy McClements	10	5	*	4	4^	*
Rachel Haworth	10	*	2	4	*	8
Keith McLeod	8^	*	*	3^	3^	7^
Jeff Picton	8^	3^	*	3^	3^	3^
EXECUTIVE DIRECTORS						
Paul Wheeler	10	4*	2*	4	4*	8
Daniel Jones	10	*	2*	4	4*	8

NOMSCO denotes Nominations Committee
REMCO denotes Remuneration Committee
RISKCO denotes Risk Committee
ACC denotes Audit and Compliance Committee
PSSC denotes Project Sherwood Sub-Committee

* Denotes not a member of the Committee, displayed with a number denotes an attendee of the Committee
^ Denotes one of the changes below :

- On 12.03.24 Lucy McClements was appointed Chair of Audit and Compliance Committee, replacing Colin Bradley.
- On 18.03.24 Jeff Picton was appointed to the Board and became a Member of Risk Committee and Audit and Compliance Committee with immediate effect.
- On 28.03.24 Colin Bradley retired from the Board.
- On 26.09.24 Jeff Picton became a Member of Project Sherwood Sub-Committee and Nominations Committee.
- On 01.11.24 Keith McLeod resigned from the Board and from his position as Chair of Risk Committee; Nick Baxter was appointed Chair of Risk Committee.
- On 06.11.24 Jeff Picton became a Member of Remuneration Committee; Nick Baxter stepped down as a Member of Remuneration Committee and was appointed a Member of Audit and Compliance Committee.

Code Principle D:

In order for the company to meet its responsibilities to shareholders and stakeholders, the Board should ensure effective engagement with, and encourage participation from, these parties.

As a mutual organisation the Society's membership consists of individuals who are also the Society's customers. The Society is committed to dialogue with members through regular newsletters, questionnaires and events attended by Executive and Non-Executive Directors. The purpose of this dialogue is to understand our members and better serve their needs.

Each year the Society sends details of the Annual General Meeting (AGM) to all members who are entitled to vote. Members are encouraged to vote and can do so in a number of ways. Members can vote on-line by visiting mansfieldbs.co.uk and following the instructions, by completing a proxy form and returning it to the Society by an agreed deadline, or by attending the AGM itself, which is usually held in the late afternoon to aid attendance. For a number of years the Society has encouraged members to vote by linking the number of votes cast to a donation to local charities. This year (2025) the Society will donate 50 pence per vote cast to the Alzheimer's Society. In addition, in line with the Society's desire to protect the environment, a further 50 pence donation will be made for any member who chooses to receive future AGM information by email.

All Board members are present at the AGM unless there are exceptional circumstances that prevent attendance. Board members will be available to meet with members and community representatives both before and after the meeting and answer questions on both a formal and informal basis. In addition, the Society is again requesting questions by email, with the answers to the most common questions being published on the Society's website.

Code Principle E:

The Board should ensure that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.

Through its governance structure the Board approves various policy documents which relate to employees, including matters such as, diversity, equity and inclusion, whistleblowing, and remuneration. In 2024, the Board received management information which provided regular insight into employee matters, including turnover, sickness and performance. The Society has a clear employee grievance and disciplinary process which includes the ability to whistleblow and raise matters of concern with the Senior Independent Director.

The Society operates a Colleague Forum which has representatives from across the business and is chaired by a member of staff. The Colleague Forum meets quarterly and raises any issues or concerns with the Executive Committee. The Vice Chair has been appointed as the Colleague Champion by the Board and meets regularly with the Colleague Forum Chair as well as other employees where relevant. The Colleague Forum Chair has access to members of the Board and has the opportunity to raise matters of concern with them.

The Society introduced an Inclusion Forum in 2022, which is chaired by a member of staff and consists of a number of employees from across the business. The Inclusion Forum meets quarterly and raises any concerns with the Head of HR and the Executive Committee. A member of the Board, Rachel Haworth, has been appointed as the Inclusion Champion and meets with the Forum periodically.

The Chief Executive leads a culture which also encourages employees to raise matters of concern with their direct line manager and then senior manager, and then directly with him where matters have still not been resolved satisfactorily. The Society's purpose, vision and values are shared with employees who also have access to regular Cascade Communications with the Executives and, through a programme of regular business visits, with all Non-Executive Directors.

DIVISION OF RESPONSIBILITIES

Code Principle F:

The Board Chair leads the Board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the Board Chair facilitates constructive Board relations and the effective contribution of all Non-Executive Directors, and ensures that Directors receive accurate, timely and clear information.

THE BOARD CHAIR

The Board Chair sets the direction and culture of the Board, facilitating effective contribution from Directors, maintaining constructive relations between Executive and Non-Executive Directors and ensuring that Directors receive accurate, timely and clear advice and information. The current Board Chair was appointed in June 2021 and has been a member of the Board for nearly twelve years as at the balance sheet date.

Code Principle G:

The Board should include an appropriate combination of Executive and Non-Executive (and, in particular, Independent Non-Executive) Directors, such that no one individual or small group of individuals dominates the Board's decision making. There should be a clear division of responsibilities between the leadership of the Board and the Executive leadership of the company's business.

The offices of Board Chair and Chief Executive are distinct and held by different people. The Board Chair is responsible for leading the Board. The day-to-day conduct of the Society's business is entrusted to the Chief Executive and his senior management colleagues within the policies established by the Board.

THE COMPOSITION OF THE BOARD

The Non-Executive Directors are independent in character and judgement and are not employees of the Society. The Board Chair has now served on the Board for nearly twelve years. All Directors bring a wealth of experience and diversity of business perspective and objectivity which complements the 'hands on' expertise of their Executive Director colleagues.

In line with the UK Corporate Governance Code, the Society's Board has appointed Nick Baxter as the Senior Independent Director. The appointed Director is available to members if they have concerns, which contact through the normal channels of Board Chair, Chief Executive or Secretary has failed to resolve, or for which such contact is inappropriate.

Code Principle H:
Non-Executive Directors should have sufficient time to meet their Board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account.

NON-EXECUTIVE DIRECTORS

The Board provides an independent and constructive challenge to the Executive team with regard to the strategy and business performance of the Society. They ensure that the interests of the members are maintained and that the Society is fully compliant with all regulations. This requires time commitment for both attendance at Society meetings and continued development of their knowledge and skills relating to the building society sector. Each year the Board carries out a specific, formal review of Society strategy.

COMMITMENT

Non-Executive Directors are required to commit a minimum of three days per month to their Board responsibilities. Directors are informed of the time commitment in the letter of appointment. The Board evaluates the ability of Directors to commit the time required for their role, prior to appointment. The formal appraisal process carried out by the Board Chair each year also assesses whether Directors have demonstrated this ability during the year. The attendance record during the year of Board and Committee members is set out on page 30.

Code Principle I:
The Board, supported by the Company Secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.

INFORMATION AND SUPPORT

All Directors are provided with clear, timely and accurate information for the effective conduct of business, including an established list of items for review and regular financial updates.

All Directors are entitled to seek independent professional advice at the Society's expense and have access to the services of the Secretary.

COMPOSITION, SUCCESSION AND EVALUATION

Code Principle J:
Appointments to the Board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained for Board and senior management. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

APPOINTMENTS TO THE BOARD

The composition of the Board is kept under review with the aim of ensuring that the Board collectively possesses the necessary skills and experience for the proper direction of the Society's business activities. The Board believes that individual Directors have a range of skills and experience which is appropriate for the management of the Society. The Board also has a well-documented and approved succession plan which will ensure that the Board is refreshed with new members without jeopardising the stability of the Board.

The Society has a well-developed process for recruiting Non-Executive Directors which includes advertising on relevant websites and in appropriate publications and utilising search consultants. Where appropriate, specialist external search consultants will be engaged (as is currently the case). The search and selection process involves the whole Board and is supported with a clear definition of the experience and the required skill set for the role. The Society recognises, values and promotes diversity and is committed to protecting all colleagues. The Society has put in place a Board Composition Policy (available on the Society's website) to demonstrate that this commitment extends to members of the Board. Appointments to the Board continue to be based on merit and on the skills and experience required within the Board as a whole subject to a minimum target of 37.5% of the Board being from the under-represented gender. The under-represented gender constituted 42.8% of all Board members (and 60% for Non-Executive Directors) at the end of 2024. All new Directors appointed are subject to election by the members at the next AGM of the Society following their appointment.

Code Principle K:
The Board and its Committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the Board as a whole and membership regularly refreshed.

RE-ELECTION

The Society's Rules require all Directors to submit themselves for election by the members at the first opportunity after their appointment and, in the interests of clarity for our members, the Society requires all Directors to be submitted for re-election every year (unless they are retiring), subject to satisfactory performance.

All Directors must meet the test of fitness and propriety as laid down by the appropriate regulator and each Director fulfilling a Senior Management Function must be approved by the Prudential Regulation Authority and Financial Conduct Authority.

Although the Board Chair has now exceeded their nine-year tenure, this is considered acceptable by the Board in order to maintain relevant skills and experience on the Board and aid succession planning. Plans are in place for their succession during 2025.

DEVELOPMENT

All Directors are given appropriate training following their appointment and are encouraged to attend industry events, seminars and training courses to maintain an up-to-date knowledge of the industry and the regulatory framework within which the Society operates.

The Society also operates a continuous training programme for the Board and Senior Management to ensure that skills are maintained, and new regulatory requirements are clearly understood.

Code Principle L:
Annual evaluation of the Board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each Director continues to contribute effectively.

EVALUATION

All Directors are subject to an individual annual performance review including an evaluation against a skills matrix to identify any future training and/or recruitment requirements. There is also an annual evaluation of the effectiveness of the Board and each sub-committee as a whole. During 2024 the Society entered the Best Companies accreditation process for a fourth year, which involved an assessment of the Leadership of the Society by the Board.

The Society has a formal performance evaluation system for all colleagues including the Executive Directors. The Chief Executive holds a performance review with the Senior Managers including the Finance Director. The Board Chair reviews the Chief Executive's performance and reports to the Board. A performance evaluation system for Non-Executive Directors, including the Board Chair, has been in operation for several years and includes 360° feedback completed by each individual Director. The Board Chair reviewed the output of all questionnaires and used these as a basis for an appraisal interview with each Non-Executive Director. The Senior Independent Director supported by the other Non-Executive Directors, undertook the appraisal interview for the Board Chair. This procedure identifies any individual and Board training requirements and provides the evidence for the Board as to whether to recommend to members that a Director should be re-elected.

AUDIT, RISK AND INTERNAL CONTROL

Code Principle M:
The Board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements.

AUDIT AND COMPLIANCE COMMITTEE AND AUDITORS
The Audit and Compliance Committee Report on pages 35 and 36 explains how the Society applies the Code Principles relating to corporate reporting and internal control.

Code Principle N:
The Board should present a fair, balanced and understandable assessment of the company's position and prospects.

FINANCIAL CONTROL

The Board believes that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the necessary information for members to assess position and performance, strategy and the business model of the Society.

The responsibilities of the Directors in relation to the position and preparation of the Society's accounts and the statement that the Society's business is a going concern are contained in the Statement of Directors' Responsibilities on page 45.

The Audit and Compliance Committee Report on pages 35 and 36 describes the main areas of accounting judgement considered by the Audit and Compliance Committee.

Code Principle O:

The Board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board Risk Committee has been delegated responsibility for oversight of risk management for the Society.

The Risk Committee conducts a separate annual review of the risk appetite and the Board Risk Policy and also reviews on a quarterly basis the effectiveness of the controls in place for managing and mitigating key and emerging risks. The Board Risk Policy outlines the overall Risk Management Framework for the Society and the key risks faced by the Society are documented in the Society's Risk Register. The Board has delegated the responsibility for managing the system of internal controls, which includes those specifically relating to risk management, to senior management. The internal control system can provide only reasonable and not absolute assurance against material mis-statement or loss. The Society's internal audit function has been outsourced to RSM. The internal auditors provide independent assurance to the Board regarding the effectiveness of internal controls, reporting through the Audit and Compliance Committee. In addition, Partners in Change Consulting have been appointed as assurance advisors for the Society's digital transformation programme, Project Sherwood, providing assurance reports to the Project Sherwood Board Sub-Committee.

REMUNERATION

The Directors' Remuneration Report on pages 40 to 42 explains how the Society pays regard to the Code Principles relating to remuneration.

Alison Chmiel
Board Chair
6 March 2025

AUDIT AND COMPLIANCE COMMITTEE REPORT

This report explains how the Society applies the principles of the UK Corporate Governance Code July 2018 (the Code) relating to the operation of the Audit and Compliance Committee and the system of internal control. The report details how the Committee discharged its responsibilities in line with the provisions of the 2016 version of the Financial Reporting Council's 'Guidance on Audit Committees'. In particular it details the significant issues reviewed and concluded on including the Committee's assessment of those areas on which accounting judgement was exercised. The Audit and Compliance Committee met four times last year, which included approving the year end accounts, and also met with the external and internal auditors without the Executive Directors being present.

The Committee acts independently of the Executive to ensure that the interests of members are properly protected in relation to financial reporting and internal control. All of the current members of the Committee are Independent Non-Executive Directors with extensive experience of the financial services sector. The Chair of the Committee is a Chartered Accountant with relevant accounting, compliance and audit competence. The Committee has reviewed the collective skills of its members and concluded that the balance of skills, knowledge and experience of the Committee is appropriate.

All minutes of the Audit and Compliance Committee are made available to all Board members and the Chair of the Audit and Compliance Committee updates the Board after each meeting, prior to the minutes being received.

Throughout the year the Committee reviews its own performance and that of the internal and external auditors.

FINANCIAL AND BUSINESS REPORTING

The Audit and Compliance Committee has oversight of financial reporting within the Society. As such it is charged with monitoring the integrity of the Society's financial statements and reviewing critical accounting policies, judgements and estimates. This includes reviewing the appropriateness of the going concern basis for preparing the accounts and advising the Board whether the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable.

The Committee also paid particular attention during the year to the following matters which are important by virtue of their potential impact on the Society's results, particularly because they involve a high level of complexity, judgement or estimation by management.

PROVISIONING FOR LOAN IMPAIRMENT - The Committee monitored loan impairment provisions by considering key assumptions contained in the Society's provisioning model and the relevant disclosure in the Report and Accounts. In particular, the Committee considered and challenged the assumptions adopted, and the impact on the House Price Index (HPI), arrears and forbearance in a year of continued cost of living pressure and has satisfied itself with the level of impairment provisions made for the mortgage portfolio.

EFFECTIVE INTEREST RATE - Interest income on the Society's mortgages is measured under the effective interest rate (EIR) method. The application of the EIR method of accounting requires judgement and the accounting entries involve estimates based on key assumptions, particularly around the behavioural life of products and requires management to make a number of financial modelling estimates. The Committee has examined the approach taken including the revised mortgage product lives and has satisfied itself that the estimates and accounting treatment are appropriate.

HEDGE ACCOUNTING - The Society has implemented hedge accounting in line with IAS 39. The designated macro hedges require matching, hedge effectiveness documentation and testing; and fair valuing both the hedging instrument and the underlying hedged item using the SONIA benchmark rate. The Committee considered the appropriateness of the hedging arrangements and the fair value processes in respect of hedging instruments and the underlying hedged items. The Committee agreed that hedge accounting had been applied in accordance with IAS 39.

PENSIONS - The Society operates a defined benefit pension scheme, which is currently closed to new members. The Committee reviews the assumptions as set by the Society's external actuaries as experts, which are used in the calculation of the scheme's liabilities. The surplus for the scheme and the assumptions behind its calculation are outlined in note 32 to the accounts.

STATUTORY AUDIT

The Committee considered matters raised during the statutory external audit, through discussion with senior management of the business and the external auditor and concluded that there were no adjustments required that were material to the financial statements. In light of its enquiries above, the Committee is satisfied that, taken as a whole, the 2024 Report and Accounts are fair, balanced and understandable and provide a clear and accurate presentation of the Society's position and prospects.

AUDIT AND COMPLIANCE COMMITTEE AND AUDITORS

The Society recognises the importance of good systems of internal control in the achievement of its objectives and the safeguarding of its assets. Good internal controls also facilitate the effectiveness and efficiency of operations, help to ensure the reliability of internal and external reporting, and assist in compliance with applicable laws and regulations. Management are responsible for designing an appropriate internal control framework whereas the Committee is responsible for ensuring that the Board receives appropriate assurance over the effective operation of this framework.

Consistent with these responsibilities, the Committee oversaw the following activities during 2024 to satisfy itself over the robustness of the internal control framework.

COMPLIANCE - The Society's Compliance function provides second line assurance on activities across the Society. The outputs of Compliance activities are reported to the Committee, together with progress updates on management's implementation of the findings. During the year, the Committee approved and monitored the Compliance function's annual plan of work.

INTERNAL AUDIT - The Society's Internal Auditors (RSM LLP) provide independent assurance to the Board, via the Audit and Compliance Committee, on the effectiveness of the internal control framework. The information received and considered by the Committee during 2024 provided assurance that there were no material breaches of control and that the Society maintained an adequate internal control framework that met the principles of the UK Corporate Governance Code.

The Committee is also responsible for agreeing the annual budget for the Internal Audit service and for approving its annual risk-based plan of work. Internal Audit provides the Committee with reports on its findings and recommendations as well as updates on the progress made by management in addressing these findings, including verification that actions have been accurately reported as complete. The Committee is satisfied that, throughout 2024, Internal Audit had an appropriate level of resource to deliver its plan of work and that it discharged its responsibilities effectively.

EXTERNAL AUDIT - The re-appointment of Forvis Mazars LLP as external auditors was approved by members at the 2024 AGM. The Committee is responsible for providing oversight of the external audit process by monitoring the relationship with the external auditor, agreeing its remuneration and terms of engagement, and making recommendations to the Board on the appointment, reappointment or removal of the external auditor as appropriate. As part of the external audit process, Forvis Mazars will highlight any material control weaknesses that come to their attention.

The Committee is also responsible for monitoring the performance, objectivity and independence of the external auditor. This is addressed via evidence provided by the external auditor as well as a review performed by each member of the Committee. The Committee is also responsible for ensuring that the policy regarding the external audit firm providing non-audit services is appropriately applied. The only non-audit services supplied by our external auditors during 2024 were in regard to the CASS audit, which is a requirement of the financial regulator.

The external auditor's work includes a review of IT controls relating to the financial reporting, and also an examination of whether the Summary Financial Statement is consistent with the full annual accounts, the Annual Business Statement and the Directors' Report of the Society and that it conforms with the applicable requirements of Section 76 of the Building Societies Act 1986. Their work also includes an examination of the register of Directors' transactions and arrangements, as required under Section 68 of the Building Societies Act 1986.

Forvis Mazars will be proposed for re-appointment to the members at the AGM in April 2025.

Lucy McClements
Chair of the Audit and Compliance Committee
6 March 2025

PRINCIPAL RISKS AND UNCERTAINTIES

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Society has a formal structure for managing risk, including procedures for identifying and measuring risks, establishing risk limits, reporting lines, mandates and other control procedures. The overarching requirements are defined in the Society's Board Risk Policy, which is approved by the Board.

The Board is responsible for robustly assessing the principal risks facing the Society. To achieve this, the Board approves the Society's risk appetite and metrics following consideration by the Board Risk Committee and receives regular reports and assessments of the Society's risk and control processes and recommendations from this Committee. The Risk Committee oversees the management and control of balance sheet exposures and the use of financial instruments for risk management purposes. Further details on these risks can be found in notes 29, 30 and 31 on pages 78 to 83.

PRINCIPAL RISKS AND UNCERTAINTIES

Mansfield Building Society will actively manage risk levels to minimise threats to its ongoing operation and reputation as a sustainable, mutual financial organisation. In common with other financial institutions, the nature of the Society's business results in a number of unavoidable risks. These principal risks, which are defined in the Board Risk Policy, are reviewed and assessed on a quarterly basis by the Board Risk Committee along with any emerging risks. This quarterly assessment is then reported upwards to the Board.

The Society's risk management and internal control systems, covering all material controls, including financial, operational and compliance controls are reviewed and assessed by the Audit and Compliance Committee, which is a sub-committee of the Board. This Committee receives assurance on the effectiveness of systems and controls from the second line Risk and Compliance department as well as from Internal Audit. Having received this information, the Board considers that there are effective systems and controls, and therefore does not perform its own separate review of the effectiveness of these. Nor does it therefore report on such a review in the annual report.

The current principal risks are defined in the table below.

BALANCE SHEET	Balance Sheet Risk is the risk that the Society does not have adequate financial resources, in terms of either amount or quality, to meet liabilities as they fall due or is unable to secure appropriate funding. This risk incorporates Capital Risk, Funding Risk and Liquidity Risk. This risk is controlled through adherence to Board approved policies for Liquidity and Financial Risk Management, which ensures sufficient funds in liquid form are available at all times so the Society can meet its liabilities as they fall due. Stress tests are carried out regularly to confirm that the Society can withstand normal and abnormal cash outflows. The policies for Liquidity and Financial Risk Management are regularly reviewed by the Risk Committee and are approved by the Board.
CREDIT	Credit Risk is the risk that the parties with whom the Society has contracted fail to meet their obligations as they become due. Mortgage credit risk is controlled in accordance with a Board approved Lending Policy and by strict controls over lending mandates. Mortgage applications are approved by a central underwriting team in accordance with the Lending Policy. Quality control reports are regularly considered by the Management Credit Committee and the Board Risk Committee. Counterparty credit risk is controlled through adherence to Board approved policies for Liquidity and Financial Risk Management, which include prudent limits on credit exposures to individual and groups of counterparties.
INTEREST RATE	Interest Rate Risk is the risk of reduction in earnings and/or capital value due to unplanned variations in interest rates. Interest rate risk is managed utilising financial instruments where appropriate (in accordance with Board approved policies for Liquidity and Financial Risk Management). This is regularly reviewed by the Management Assets and Liabilities Committee and the Risk Committee. A detailed analysis of the Society's interest rate sensitivity at 31 December 2024 can be found in note 31 on page 83.
PENSION DEFICIT	Pension Deficit Risk is the risk to capital arising from the Society's obligation to make contributions to the defined benefit pension scheme, or due to the Society having insufficient funds to meet liabilities. To manage this risk the Society performs internal stress tests on the pension fund as well as reviewing the Pension Trustees' triennial valuation. The impact of this risk is considered in the Society's ICAAP and a proportionate amount of capital is set aside to cover potential impacts.

STRATEGIC	Strategic Risk The risk that the medium and long-term business plan and strategy of the Society fails to achieve its objectives. This risk arises from the impact on the Society's business model as a result of the changing interest rate environment, competition and legislation. These have the potential to reduce the Society's profit levels and contribution to capital, thereby threatening the financial strength of the Society. Strategic risk is regularly considered by the Board. The Management Product Committee regularly reviews data on the mortgage and savings markets, as well as using product profitability analysis when deciding on the pricing of new products. Summaries of this are provided to the Board. The Board runs an annual Board Planning Day, during which it considers strategic risks and opportunities, and this includes reviewing scenarios over a seven-year period. This risk category also includes Climate Change Risk which is discussed separately below.
OPERATIONAL	Operational Risk (including Cyber Risk) The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Society has continued to invest in its operational resilience and to ensure that it can maintain delivery of important business services through plausible stress scenarios. As part of this process the Society has also reviewed its third-party relationships to ensure that they continue to deliver an appropriate level of service to our members. The Society continues to invest in upgrading our IT systems and security to ensure we are protected from Cyber Risk. The Audit and Compliance Committee is responsible for assessing the effectiveness of the system of inspection and control including cyber protection.
LEGAL & REGULATORY	Legal and Regulatory Risk is the risk that the Society fails to comply fully with regulations, law, or codes applicable specifically to the Society. This is regularly reviewed by the Risk Committee. The Compliance Team support a process whereby new and emerging regulations are captured and assigned to an appropriate colleague to ensure any consequences for the Society are understood and acted upon.
CONDUCT	Conduct Risk is the risk of adverse customer outcomes arising from direct or indirect failures in the overall conduct of the business. The Society is committed to delivering fair outcomes to all customers and has fully implemented the requirements of the FCA's 'Consumer Duty' regulations. This is underpinned by the Society's conduct risk framework and related Consumer Duty management information, which is regularly reviewed by the Risk Committee and the Board. The Executive Committee monitors consumer duty performance and conduct risk at an operational level.
CLIMATE CHANGE	Climate Change Risk is primarily the risk that the value of the residential houses that our mortgages are secured against reduces due to the environmental impact from the effects of climate change. There are two key types of risk associated with climate change: the risks that arise as the economy moves from a carbon-intensive one to net zero emissions, known as transition risks; and risks associated with the higher global temperatures likely to result from taking no further policy action, known as physical risks. For more detail see the Environment section on page 15. The Society regularly reviews its existing mortgage portfolio with regard to climate risk, and this assessment is used to inform the ICAAP process. The ICAAP process is used to ensure adequate capital is maintained by the Society. The mortgage and savings products offered, along with the effect that the Society's own carbon footprint has on the environment is also being assessed to identify opportunities for the Society to contribute towards the UK Government's target of a reduction in carbon emissions and the move to a net zero economy.

The principal risks are all influenced by macroeconomic events. Current macroeconomic uncertainties are discussed below, along with the controls and mitigations that have been put in place to manage the risks and minimise their impacts.

CURRENT ECONOMIC UNCERTAINTY

During 2024, consumer price inflation continued to move back towards its target of 2% and this has allowed the Bank Base Rate to be reduced modestly from the highs seen in 2023. These combined effects have lessened the severity of the related cost of living crisis. The economy was then affected by the General Election in July 2024 and the new government's first budget in the autumn. The main impacts of the current economic situation are as follows:

- Credit: While the trajectory of mortgage interest rates has been downward during 2024, they have not fallen as far as initially expected. With the majority of mortgage customers now on rates that were fixed during the higher rate period of late 2022 through most of 2023, monthly payments remain at higher levels for a significant proportion of customers. Despite this, arrears levels within the Society remain under control. The Society carries out careful affordability assessments as part of its underwriting processes to mitigate this risk. We have an appropriately resourced arrears team, who ensure there is contact with any customers experiencing challenges making repayments, and we have a variety of remedies we can implement after consultation with the borrower.
- Market Risk: Uncertainty over the future trajectory of Bank Base Rate is causing short-term volatility in the pricing of the interest rate swaps that the Society uses as part of its interest rate risk management, and this has the potential to compress

net interest margin on new loans. At the same time, competition in the savings market is also likely to drive up the rate paid on our savings accounts. The Society regularly reviews product profitability and adjusts the pricing of new and retention products to ensure an adequate return is generated.

The Society considers a forward view of profitability when assessing rate changes on savings products, and in setting the level for its mortgage Standard Variable Rate (SVR) in response to any Bank Base Rate change. The Society will also continue to closely monitor all relevant economic forecasts to ensure that it incorporates emerging risks.

THE TRADING ENVIRONMENT

Competition in the retail banking sector continues to affect the Society's ability to maintain its recent level of earnings. The main impacts of the trading environment are discussed below:

- Mortgage Trading: Mortgage conditions remain challenging, with significant competition across the market. The Society will continue striving to balance the needs of savers and borrowers, while earning sufficient margin to maintain operations, provide investment for the future and build sustainable capital reserves. In response to these reduced margins, the Society will continue to explore new lending 'niches' to generate increased returns within risk appetite.
- Retail Funding: Following a sustained period of low interest rates, the transition to a higher interest rate environment has posed a number of challenges for the Society. The Society is committed to paying fair interest rates to its savings customers and has therefore seen an increase in the cost of funding which is reflected in the wider market. During 2025 a significant number of financial institutions will be repaying the government-backed funding provided by the Bank of England under the TFSME Scheme and this is expected to increase the competition for retail funding further. The Society has robust plans in place to ensure that it can continue to raise the necessary level of retail funding as well as having access to alternative funding sources. Funding and liquidity are assessed as part of the Internal Liquidity Adequacy Assessment Process (ILAAP) which includes robust stress testing.

REGULATORY CHANGE

Financial services regulation continues to develop, with a number of new initiatives coming into force in 2024 and beyond. The new regulations impact multiple areas of the business and will all require significant resource to be applied to ensure that the Society remains able to meet all regulatory requirements.

The key elements of regulatory change under consideration include:

- Basel 3.1 (PRA)
- The Strong and Simple regime (PRA)
- Solvent Exit Planning (PRA)

Under the Strong and Simple regime, the Society was granted permission during 2024 by the PRA to operate as a Small Domestic Deposit Taker. The Board welcome the forward looking opportunities this should create for the Society to adopt proportionate governance and control arrangements while remaining a robustly managed business.

The Society actively monitors the regulatory environment to ensure that it continues to comply fully with all new and changing regulatory requirements.

DIGITAL TRANSFORMATION

To enable the Society to continue to grow, remain innovative and improve existing ways of working, we continue to pursue and implement a digital change agenda. 2024 has seen significant progress in this development area as the Society has signed contracts with new systems providers and started the complex work of system build and configuration. Digital Transformation inevitably increases the level of risk within an organisation as well as placing additional strain on existing management. To manage this risk, change activities are underpinned by a clear attribution of responsibilities, regular and transparent status reporting and a high level of oversight and scrutiny by members of the Executive Team and the Board. A Board sub-committee (page 30) has been established to oversee this, and independent assurance partners have also been appointed to provide challenge to the Executive Team and to report to this Committee.

REMUNERATION REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

The purpose of this report is to inform members of the Mansfield Building Society about our policy on the remuneration of Executive and Non-Executive Directors. In providing such information to members, the Society has adopted a Remuneration Policy which describes how the Society also complies with the applicable principles within the FCA's Remuneration Code. A resolution will again be put to the AGM, inviting members to vote on the Directors' Remuneration Report. The vote is advisory, and the Board will consider what action is required.

THE REMUNERATION COMMITTEE

This report has been prepared by the Remuneration Committee, which is made up entirely of Non-Executive Directors and met twice during 2024. The membership of the Committee during 2024 was:

Nick Baxter
Alison Chmiel
Rachel Haworth - Committee Chair

The makeup of the Committee complies with the Corporate Governance Code requirements for smaller organisations to have at least two members who are Independent Non-Executive Directors.

Meetings of the Committee were also attended by Paul Wheeler, Daniel Jones and Head of HR Vickie Preston, who withdrew from the meeting when their own remuneration was being considered, or on request.

The primary responsibility of the Committee is the determination of the terms and conditions of employment of the Executive Directors (and other members of senior management as appropriate) and the fees payable to Non-Executive Directors.

The Committee is responsible for the Remuneration Policy for all Directors of the Society and makes recommendations to the Board regarding remuneration and contractual arrangements. The Committee reviews supporting evidence, including external professional advice, if appropriate, on comparative remuneration packages. The Committee also reviews proposals by the Chief Executive for senior management remuneration and any bonuses.

POLICY FOR EXECUTIVE DIRECTORS

The remuneration of Executive Directors is reviewed annually by the Remuneration Committee, using data from other comparable building societies, and by a performance review process which, in the case of the Chief Executive, is undertaken by the Society's Board Chair. The Board's policy is to set remuneration levels in order to attract and retain high calibre Executive Directors and to encourage excellent performance through rewards directly linked to the achievements of the Society's strategic objectives. The main components of Executive Directors' remuneration are:

BASIC SALARY – this takes into account the job content and responsibilities, individual performance (assessed annually) and salary levels for similar positions in comparable organisations.

BONUS – the two Executive Directors are entitled to a medium-term bonus which 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 a portion 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. The two Executive Directors have earned 17% of basic salary as reward under this scheme during 2024.

PENSIONS – the Executive Directors are entitled to a Group Personal Pension Plan which is available for all colleagues. The rate of contribution from the Society differs between the Executive Directors and other colleagues which is not in line with the most recent corporate governance guidelines. The contributions paid are 12% for the Chief Executive and 10% for the Finance Director. The pension contributions for all colleagues are regularly benchmarked against other organisations in the local area and in the building society sector as part of our review of the total package paid to all colleagues. The Board is currently satisfied that the total packages are set at a level which allows the Society to attract a high quality of colleague at all levels. In 2024, the Society introduced an improved pension contribution for colleagues which paid up to 9% from the Society. This reduced the gap between contributions made for Executives and other colleagues. The Society has been committed to reducing this gap over time and from March 2025 it will pay up to 10%, which will make for closer alignment between the Executive Directors and other colleagues.

OTHER BENEFITS – notably the provision of a car allowance to each Executive Director and private medical insurance. Benefits are reviewed annually by the Remuneration Committee.

The Committee are satisfied that the Remuneration Policy has achieved the desired performance and behavioural outcomes during 2024.

SERVICE CONTRACTS – The Chief Executive has a service contract with the Society dated 30 April 2020. The Chief Executive's notice period to the Society is six months. The Society's notice period to the Chief Executive is 12 months. In the event of amalgamation, transfer of engagements or transfer of business where the Executive Director's employment is to be terminated, the Society shall give not less than 12 months' notice.

The Finance Director has a service contract dated 5 November 2019. The Finance Director's notice period to the Society is six months. The Society's notice period to the Finance Director is 12 months. In the event of amalgamation, transfer of engagements or transfer of business where the Executive Director's employment is to be terminated, the Society shall give not less than 12 months' notice.

POLICY FOR NON-EXECUTIVE DIRECTORS

The remuneration of Non-Executive Directors is reviewed annually by the Remuneration Committee, using data from other comparable building societies, and by a performance review process undertaken by the Society's Board Chair. The remuneration of the Board Chair is reviewed by the Remuneration Committee and ratified by the Board and is informed by a performance review conducted by the Senior Independent Director.

Non-Executive Directors are remunerated solely by fees which reflect time spent on Society affairs including membership of Board committees. They do not have service contracts and do not receive a salary, pension, bonus incentives or other taxable benefits, although a notional amount is included within their fees which is intended to cover travel expenses. Non-Executive Directors serve under letters of appointment following election by the Society's membership.

DIRECTORS' REMUNERATION

Details of Directors' emoluments for the financial year ended 31 December 2024 are shown below:

	2024 £000	2023 £000
Non-Executive Directors' fees	207	193
Executive Directors' remuneration	469	426
TOTAL	**676**	619

NON-EXECUTIVE DIRECTORS' FEES	2024 £000	2023 £000
Alison Chmiel	43	40
Colin Bradley (retired 28.03.24)	11	31
Nick Baxter	35	33
Lucy McClements	32	27
Keith McLeod (resigned 01.11.24)	29	33
Rachel Haworth	33	29
Jeff Picton (appointed 18.03.24)	24	-
TOTAL	207	193

Fees include an allowance for travel and expenses.

2024

EXECUTIVE DIRECTORS	SALARY £000	ANNUAL BONUS £000	DEFERRED BONUS £000	BENEFIT £000	PENSION £000	TOTAL £000
Paul Wheeler (CEO)[1]	173	17	15	23	43	**271**
Daniel Jones (Finance Director)[2]	131	13	11	21	22	**198**
TOTAL	**304**	**30**	**26**	**44**	**65**	**469**

2023

EXECUTIVE DIRECTORS	SALARY £000	ANNUAL BONUS £000	DEFERRED BONUS £000	BENEFIT £000	PENSION £000	TOTAL £000
Paul Wheeler (CEO)[1]	161	10	10	30	38	249
Daniel Jones (Finance Director)[2]	122	10	8	16	21	177
TOTAL	283	20	18	46	59	426

The highest paid Director in the Society is Paul Wheeler (CEO).

(1) The Chief Executive receives a 12% employer's pension contribution from the Society but also chooses to use salary sacrifice to increase this amount by a further 8% (20% in total) and this higher value is included within the pension contributions disclosed above.

(2) The Finance Director receives a 10% employer's pension contribution from the Society but also chooses to use salary sacrifice to increase this amount by a further 5% (15% in total) and this higher value is included within the pension contributions disclosed above.

CORPORATE GOVERNANCE CODE

The Committee's overall approach to remuneration has given consideration to the principles of the Corporate Governance Code. In particular, its approach to provision 40 of the code is as follows:

Clarity – the full details of the Executive Directors' and Non-Executive Directors' remuneration is published annually.
Simplicity – Basic salary makes up the majority of the Executive Directors' remuneration, and the Committee ensures the bonus scheme is not unduly complex.
Risk – the Committee ensures the bonus scheme is only a small proportion of overall remuneration, and it reviews the scheme annually to ensure it does not incentivise inappropriate risk taking. The deferred element of the scheme is contingent on future years' financial performance, which helps to avoid short-term bias in decision making.
Predictability – the bonus scheme for Executive Directors has a maximum achievable amount, which remains a small portion of overall remuneration, even when results are strong.
Proportionality – the bonus element of remuneration is withheld if an Executive Director's individual performance, as judged by their annual performance review, is not satisfactory.
Alignment to culture – the bonus scheme is aligned to the Corporate Strategy, and payment of the bonus is subject to satisfactory performance of the individual. The performance appraisal includes an assessment of whether the individual's behaviour is consistent with the Society's values.

On behalf of the Board of Directors

Rachel Haworth
Chair of the Remuneration Committee
6 March 2025

DIRECTORS' REPORT

The Directors are pleased to present their annual report together with the Society's Accounts and Annual Business Statement for the year ended 31 December 2024.

INFORMATION PRESENTED IN OTHER SECTIONS

Certain information required to be included in a Directors' report can be found in other sections of the Annual Report and Accounts as described below. All the information presented in these sections is incorporated by reference in the Directors' report and is deemed to form part of this report.

BUSINESS OBJECTIVES AND ACTIVITIES	Strategic report (pages 2 to 25)
BUSINESS REVIEW AND FUTURE DEVELOPMENTS	Strategic report (pages 2 to 25)
PRINCIPAL RISKS AND UNCERTAINTIES	Strategic report (pages 2 to 25)
DISCLOSURE REQUIREMENTS UNDER CRD IV COUNTRY-BY-COUNTRY REPORTING	Note 34 to the Accounts (page 87)
DISCLOSURE OF FREE CAPITAL AND GROSS CAPITAL AS A PERCENTAGE OF SHARE AND DEPOSIT LIABILITIES	Annual Business Statement (page 88)
MORTGAGE ARREARS	Strategic report (pages 2 to 25)

DIRECTORS

Those named below were Directors of the Society during the year:

NON-EXECUTIVE DIRECTORS

Alison Chmiel, FCMA	Chair
Nick Baxter, DipM, DipMan (Open)	Vice Chair and Senior Independent Director
Colin Bradley, ACA, ACIB	
Rachel Haworth, FCIM	
Lucy McClements, FCCA	
Keith McLeod, FCA (resigned 01.11.24)	
Jeff Picton ACA (appointed 18.03.24)	

EXECUTIVE DIRECTORS

Paul Wheeler, FCA	Chief Executive
Daniel Jones, FCA	Finance Director and Secretary

All Directors stand for election or re-election (unless they are retiring) in accordance with Rule 26 (retirement by rotation).

At 31 December 2024 no Director held any interest in the shares or debentures of any connected undertaking.

OTHER MATTERS

CREDITOR PAYMENT POLICY

The Society does not follow a formal code or standard on payment practice. Instead, the Society has continued with its policy of ensuring payments to trade creditors are made promptly within the agreed terms of credit, once the contractual obligations of the supplier have been discharged. The number of creditor days as at 31 December 2024 was three (2023: three days).

AUDITOR

The Board is recommending that Forvis Mazars LLP be re-appointed as auditor for the year ended 31 December 2024 and a resolution for their appointment will be proposed to the Society's forthcoming AGM.

EVENTS SINCE THE YEAR END

The Directors do not consider that any event since the year end has had a material effect on the position of the Society. In reaching this conclusion, the Directors have given due consideration to ongoing cost of living pressures.

POLITICAL DONATIONS AND GIFTS

The Society has not made any political gifts or donations in the year to 31 December 2024 (2023: £nil).

GOING CONCERN

The Directors have considered the risks and uncertainties outlined on pages 37 and 39 and the extent to which they might affect the preparation of the Annual Report and Accounts on a going concern basis.

The Society updates a three-year corporate plan annually, and uses the forecasts within this to carry out the annual ILAAP and ICAAP. These involve running the Society's liquidity and capital positions against a range of severe but plausible stresses, which include both idiosyncratic and market wide scenarios. Each of these processes includes a forward-looking assessment and demonstrates that we have sufficient capital and liquidity and are a going concern. So-called reverse stress tests are also carried out, which involve making plausible scenarios ever more extreme until the break point is identified; the results of these show the Board that failure of the organisation is sufficiently remote.

As part of the year end process the Society's future plans have been discussed by the Board and outlined on page 24. The Society's forecasts and plans, taking account of current and possible future operating conditions, have been appraised and indicate that the Society has sufficient operating liquidity and capital for the foreseeable future. These forecasts comprise a one-year budget carried out annually, a one-year forecast which updates this budget for latest conditions at least once a year, a three-year corporate plan, carried out once a year, and a high level seven-year projection.

A range of sensitivities has also been applied to these forecasts, including stress scenarios relating to economic uncertainty caused by the direct or indirect consequences of high inflation and changing interest rates, focused on the Society's capital and liquidity position and operational resilience.

After considering all of this information, together with available market information and the Directors' knowledge and experience of the Society and markets in which it operates, the Directors are satisfied that the Society has adequate resources to continue as a going concern for a period of at least 12 months from the signing of the accounts. For this reason, the accounts are prepared on a going concern basis.

On behalf of the Board of Directors

Alison Chmiel
Board Chair
6 March 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT, THE ANNUAL BUSINESS STATEMENT, THE DIRECTORS' REPORT AND THE ANNUAL ACCOUNTS:

The Directors are responsible for preparing the Annual Report including the Annual Business Statement, Directors' Report and the Annual Accounts in accordance with applicable law and regulations.

The Building Societies Act 1986 ("the Act") requires the Directors to prepare Annual Accounts for each financial year. Under that law the Directors have elected to prepare the Annual Accounts in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Annual Accounts are required by law to give a true and fair view of the state of affairs of the Society as at the end of the financial year and of the income and expenditure of the Society for the financial year.

In preparing these Annual Accounts, the Directors are 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 Annual Accounts;
- assess the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- prepare the Annual Accounts on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

In addition to the Annual Accounts, the Act requires the Directors to prepare, for each financial year, an Annual Business Statement and a Directors' Report, each containing prescribed information relating to the business of the Society.

DIRECTORS' RESPONSIBILITIES FOR ACCOUNTING RECORDS AND INTERNAL CONTROLS

The Directors are responsible for ensuring that the Society:

- keeps proper adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Society, in accordance with the Act; and
- takes reasonable care to establish, maintain, document and review such systems and controls as are appropriate to its business in accordance with the rules made by the Financial Conduct Authority and Prudential Regulation Authority under the Financial Services and Markets Act 2000.

The Directors are responsible for such internal control as they determine is necessary to enable the preparation of Annual Accounts that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Society and to prevent and detect fraud and other irregularities.

WEBSITE PUBLICATION

The Directors are responsible for ensuring the Annual Report and the Annual Accounts are made available on a website. Annual Accounts are published on the Society's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Society's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

On behalf of the Board of Directors

Alison Chmiel
Board Chair
6 March 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MANSFIELD BUILDING SOCIETY

forvis mazars

OPINION

We have audited the annual accounts of The Mansfield Building Society (the 'Society') for the year ended 31 December 2024 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Members' Interests and the Cash Flow Statement and notes to the annual accounts, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the annual accounts:

- give a true and fair view of the state of the Society's affairs as at 31 December 2024 and of the Society's income and expenditure 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 Building Societies Act 1986.

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 annual accounts" section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the annual accounts in the UK, including the Financial Reporting Council's ("FRC") Ethical Standard as applied to public interest entities, 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 annual accounts, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the annual accounts is appropriate.

Our audit procedures to evaluate the directors' assessment of the Society's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Society's ability to continue as a going concern;
- Making enquiries of the directors to understand the period of assessment considered by them, the assumptions they considered and the implication of those when assessing the Society's future financial performance;
- Challenging the appropriateness of the directors' key assumptions used in the forecasts such as net business growth, net interest margins, profitability, reviewing supporting and contradictory evidence in relation to these key assumptions, and assessing the directors' consideration of severe but plausible scenarios. This included inspecting the Society's most recent Internal Capital Adequacy Assessment Process ('ICAAP') and Internal Liquidity Adequacy Assessment Process ('ILAAP') and its reverse stress testing;
- Assessing the historical accuracy and the arithmetical accuracy of forecasts prepared by the directors;
- Considering whether there were other events subsequent to the balance sheet date which could have a bearing on the going concern conclusion;
- Reviewing regulatory correspondence and committee and board meeting minutes to identify events or conditions that may impact the Society's ability to continue as a going concern;
- Performing sensitivity analysis by incorporating various stress scenarios to assess the impact on the capital and liquidity positions of the Society;
- Considering the consistency of the directors' forecasts with other areas of the annual accounts and our audit; and
- Evaluating the appropriateness of the directors' disclosures in the annual accounts on going concern.

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 Society's ability to continue as a going concern for a period of at least twelve months from when the annual accounts are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual accounts of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We summarise below the key audit matters in forming our audit opinion above, together with an overview of the principal audit procedures performed to address each matter and our key observations arising from those procedures.

These matters, together with our findings, were communicated to those charged with governance through our Audit Completion Report.

KEY AUDIT MATTER	HOW OUR SCOPE ADDRESSED THIS MATTER
Credit risk - Impairment of loans and advances to customers **2024 - £1,034,000 (2023 - £1,059,000)** *Refer to note 1 (principal accounting policies and critical accounting estimates and judgements) and note 13 of the annual accounts.* Credit risk is an inherently judgemental area due to the use of subjective assumptions and a high degree of estimation in arriving at the year-end provisions. The total impairment provision of the Society is predominantly made up of individual provisions on loans with default indicators and a collective provision on the performing portfolio. The Society has limited actual loss experience on which to base its impairment assessment on the loan portfolio, resulting in management judgement being required in deriving assumptions to be applied in the assessment. The collective and individual impairment provision is derived from a model that uses a combination of the Society's historical experience and management judgement. In particular, the impairment assessment is most sensitive to movements in the probability of default (PD) and forced sale discounts (FSD) against collateral.	Our audit procedures included, but were not limited to: ▪ Assessing the design and implementation and testing operating effectiveness of the key controls in relation to credit processes (loan origination and approval, loan redemptions and arrears monitoring); ▪ Assessing the Society's impairment methodology for compliance with applicable standards with the assistance of our in-house quantitative analyst experts; ▪ Assessing the reasonableness and relevance of external data used in the provisioning model based on our understanding of the Society's portfolio; ▪ Comparing the Society's key assumptions with similar lenders and considering whether they are consistent with industry practice; ▪ Challenging the reasonableness of the overlays applied in impairment modelling; ▪ Assessing the reasonableness of a sample of properties acting as collateral in the lending book with the assistance of in-house property valuation experts; ▪ Testing the completeness and accuracy of loans that are assessed by management for specific and collective impairment provision including rebuilding and reperforming model calculation for the provision charge; ▪ Developing an auditor's range estimate of the provision using reasonable alternative external datasets for PD, with the assistance of our in-house quantitative analyst experts; ▪ Performing a stand back assessment of the resulting individual and collective impairment estimates to assess their reasonableness; and ▪ Assessing the adequacy of Society's disclosures in relation to the degree of estimation uncertainty involved in arriving at the provision for impairment losses on loans and advances to customers in the annual accounts. **Our Observations** Based on the audit procedures performed, we found the resulting estimate of the loan impairment provision to be materially reasonable and in compliance with IAS 39.

OUR APPLICATION OF MATERIALITY AND AN OVERVIEW OF THE SCOPE OF OUR AUDIT

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual annual account line items and disclosures and in evaluating the effect of misstatements, both individually and on the annual accounts as a whole. Based on our professional judgement, we determined materiality for the annual accounts as a whole as follows:

OVERALL MATERIALITY	£377,000 (2023: £368,000)
HOW WE DETERMINED IT	1% of net assets (2023: 1% of net assets)
RATIONALE FOR BENCHMARK APPLIED	We consider that net assets is the most appropriate benchmark to use for the Society, whose strategy is to provide mortgages, savings products and other financial services for the mutual benefit of members and customers and not one of profit maximisation. Further, net assets as a benchmark is supported by the fact that regulatory capital is a key benchmark for management and regulators, where net reserves is an approximation of regulatory capital resources.
PERFORMANCE MATERIALITY	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the annual accounts exceeds materiality for the annual accounts as a whole. Performance materiality of £226,000 (2023: £221,000) was applied in the audit based on 60% (2023: 60%) of overall materiality.
REPORTING THRESHOLD	We agreed with the directors that we would report to them misstatements identified during our audit above £11,000 (2023: £11,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

As part of designing our audit, we assessed the risk of material misstatement in the annual accounts, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements such as making assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the annual accounts as a whole. We used the outputs of a risk assessment, our understanding of the Society, its environment, controls and critical business processes, to consider qualitative factors in order to ensure that we obtained sufficient coverage across all annual accounts line items.

OTHER INFORMATION

The other information comprises the information included in the annual report and accounts, other than the annual accounts and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the annual accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the annual accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON THE ANNUAL BUSINESS STATEMENT AND THE DIRECTORS' REPORT

In our opinion, based on the work undertaken in the course of the audit:

- the Annual Business Statement and the Directors' Report have been prepared in accordance with the Building Societies Act 1986;
- the information in the Directors' Report for the financial year is consistent with the accounting records and the annual accounts; and
- the information given in the Annual Business Statement (other than the information on which we are not required to report) gives a true representation of the matters in respect of which it is given.

In light of the knowledge and understanding of the Society and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Building Societies Act 1986 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Society; or
- the Society's annual accounts are not in agreement with the accounting records; or
- we have not received all the information and explanations and access to documents we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the statement of directors' responsibilities set out on page 45, the directors are responsible for the preparation of the annual accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the directors are responsible for assessing the Society'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 directors either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL ACCOUNTS

Our objectives are to obtain reasonable assurance about whether the annual accounts 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 annual accounts.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Society and its industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory and supervisory requirements of the Prudential Regulatory Authority ('PRA') and the Financial Conduct Authority ('FCA') and anti-money laundering regulations, and we considered the extent to which non-compliance with these laws and regulations might have a material effect on the annual accounts.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance with laws and regulations, our procedures included but were not limited to:

- Gaining an understanding of the legal and regulatory framework applicable to the Society, the industry in which it operates, and considering the risk of acts by the Society which were contrary to the applicable laws and regulations including fraud;
- Inquiring of the directors, management and, where appropriate, those charged with governance, as to whether the Society is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence with relevant licensing or regulatory authorities, including the PRA and FCA;
- Attending a bilateral meeting with the PRA;
- Reviewing minutes of directors' meetings in the year;
- Discussing amongst the engagement team the identified laws and regulations, and remaining alert to any indications of non-compliance; and
- Focusing on areas of laws and regulations that could reasonably be expected to have a material effect on the annual accounts from our general commercial and sector experience and through discussions with the directors and review of minutes of the Board of Directors and Audit and Compliance Committee during the period and up to the signing the date of annual report and accounts.

We also considered those other laws and regulations that have a direct impact on the preparation of annual accounts, such as the Building Societies Act 1986 and UK tax legislation.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the annual accounts, including the risk of management override of controls, and modelling of loan fee income using the effective interest rate method, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, and significant one-off or unusual transactions.

Our procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;

- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud;
- Addressing the risks of fraud through management override of controls by performing journal entry testing; and
- Being sceptical to the potential of management bias through judgements and assumptions in significant accounting estimates, in particular in relation revenue recognition-effective interest rates.

The primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

The risks of material misstatement that had the greatest effect on our audit, including fraud, are discussed under "Key audit matters" within this report.

A further description of our responsibilities is available on the Financial Reporting Council's website at frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

OTHER MATTERS WHICH WE ARE REQUIRED TO ADDRESS

Following the recommendation of the audit and compliance committee, we were initially appointed by the directors on 26 May 2022 to audit the annual accounts for the year ended 31 December 2022 and subsequent financial periods. The period of total uninterrupted engagement is three years, covering the years ended 31 December 2022 to 31 December 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Society and we remain independent of the Society in conducting our audit.

Our audit opinion is consistent with our additional report to the audit and compliance committee.

USE OF THE AUDIT REPORT

This report is made solely to the Society's members as a body in accordance with section 78 of the Building Societies Act 1986. Our audit work has been undertaken so that we might state to the Society'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 Society and the Society's members as a body for our audit work, for this report, or for the opinions we have formed.

Martin Orme
(Senior Statutory Auditor)
for and on behalf of Forvis Mazars LLP, Statutory Auditor

30 Old Bailey
London
EC4M 7AU

6 March 2025

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTE	2024 £000	2023 £000
Interest receivable and similar income	2	31,662	28,106
Interest payable and similar charges	3	(18,917)	(14,857)
Net interest income		**12,745**	13,249
Fees and commissions receivable	4a	125	122
Fees and commissions payable	4b	(456)	(434)
Other operating income / (charges)		3	(42)
Net (losses) / gains from derivative financial instruments at fair value through profit or loss	5	70	(437)
Total net income		**12,487**	12,458
Recurring administrative expenses	6	(9,000)	(8,776)
Non-recurring administrative expenses	6	(1,624)	(928)
Depreciation and amortisation	14 & 15	(318)	(280)
Operating profit before impairment and other provisions		**1,545**	2,474
Impairment of Financial Assets	10	(11)	-
Impairment provisions on loans and advances	13	(22)	(223)
Impairment reversal on property	14	-	140
Impairment of Intangible Assets	15	(131)	-
Provisions for liabilities	23	(41)	22
Profit before tax		**1,340**	2,413
Tax expense	9	(330)	(598)
Profit for the financial year		**1,010**	1,815

OTHER COMPREHENSIVE INCOME

	2024 £000	2023 £000
Total comprehensive income for the year	**1,010**	1,815

Profit for the financial year arises from continuing operations. Both the profit for the financial year and total comprehensive income for the period are attributable to the members of the Society.

The notes on pages 55 to 87 form part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	NOTE	2024 £000	2023 £000
ASSETS			
Cash in hand and balances with the Bank of England	10a	61,469	86,823
Loans and advances to credit institutions	10b	16,424	10,292
Debt Securities	10c	19,883	4,950
Derivative financial instrument assets	11	851	1,578
Loans and advances to customers	12	446,698	418,940
Tangible fixed assets	14	1,722	1,859
Intangible assets	15	188	215
Prepayments and accrued income	16	1,018	722
Total assets		**548,253**	525,379
LIABILITIES			
Shares	17	434,420	396,342
Amounts owed to credit institutions	18	35,341	52,864
Amounts owed to other customers	19	37,187	36,061
Derivative financial instrument liabilities	11	516	1,091
Accruals	20	330	373
Other liabilities	21	1,813	1,073
Tax liabilities	21	166	141
Deferred tax	22	80	85
Provisions for liabilities	23	211	170
Total liabilities		**510,064**	488,200
RESERVES			
General reserves	27	38,189	37,179
Total reserves attributable to members of the Society		**38,189**	37,179
Total reserves and liabilities		**548,253**	525,379

The notes on pages 55 to 87 form part of these accounts.

These accounts were approved by the Board of Directors on 6 March 2025 and signed on its behalf by:

Daniel Jones
Finance Director

STATEMENT OF CHANGES IN MEMBERS' INTERESTS

	2024		2023	
	General Reserve £000	Total £000	General Reserve £000	Total £000
Balance at 1 January	37,179	37,179	35,364	35,364
Total comprehensive income for the period				
Profit	1,010	1,010	1,815	1,815
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,010	1,010	1,815	1,815
Balance at 31 December	**38,189**	**38,189**	37,179	37,179

The notes on pages 55 to 87 form part of these accounts.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

CASH FLOWS FROM OPERATING ACTIVITIES	NOTE	2024 £000	2023 £000
Profit before tax		1,340	2,413
Adjustment for			
Depreciation and amortisation	14 & 15	318	280
Provision for Liabilities	23	41	(22)
Loss on disposal of tangible fixed assets	15	1	42
(Increase) / Decrease in fair value of derivative financial instruments and hedged items	5	(70)	437
Increase in impairment of financial assets	10	11	
(Decrease) in impairment of property	14	-	(140)
Increase in impairment of intangible assets	15	131	
Increase in impairment provisions on loans and advances	13	22	223
TOTAL		**1,794**	3,233

CHANGES IN OPERATING ASSETS AND LIABILITIES

(Increase) in prepayments, accrued income and other assets		(437)	(304)
Increase in accruals, deferred income and other liabilities		1,529	1,863
(Increase) in loans and advances to customers		(27,783)	(21,581)
Increase in shares		37,215	59,086
(Decrease) in amounts owed to other credit institutions and other customers		(16,141)	(23,467)
(Increase) / Decrease in loans and advances to credit institutions		(7,900)	4,500
Decrease / (Increase) in other liquid assets		-	1,000
Taxation paid		(309)	(563)
Net cash (used in) / generated by operating activities		**(12,032)**	23,767

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of tangible fixed assets	14	(40)	(81)
Purchase of intangible assets	15	(246)	(76)
Purchase of debt securities	10c	(39,699)	(14,877)
Disposal of debt securities	10c	25,000	10,000
Net cash used in investing activities		(14,985)	(5,034)
Net (Decrease) / Increase in cash and cash equivalents		**(27,017)**	18,733
Cash and cash equivalents at 1 January		92,810	74,077
Cash and cash equivalents at 31 December	10(a)	**65,793**	92,810

Contained within cash flow movement is £31,646,665 (2023: £28,184,918) of interest received and £18,916,826 (2023: £14,857,288) of interest paid.

The notes on pages 55 to 87 form part of these accounts.

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

BASIS FOR PREPARATION

The Society's Annual Report and Accounts are prepared and approved by the Directors in accordance with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and those parts of the Building Societies Act 1986 and Building Societies (Accounts and Related Provisions) Regulations 1998 applicable to societies reporting under FRS 102. The Society has also chosen to apply the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement.

The Accounts are prepared under the historical cost convention as modified by the fair value of derivatives.

The Accounts have been prepared on the going concern basis as outlined in the Directors' report on pages 43 and 44.

The preparation of accounts in conformity with FRS 102 and IAS 39 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

INTEREST INCOME AND EXPENSE

Interest income and interest expense for all interest-bearing financial instruments are recognised in 'interest receivable and similar income' or 'interest payable and similar charges' using the effective interest rates of the financial assets or financial liabilities to which they relate. The effective interest rate is the rate that discounts the expected future cash flows, over the expected life of the financial instrument, to the net carrying amount of the financial asset or liability.

Interest on impaired financial assets is recognised at the original effective interest rate of the financial asset applied to the carrying amount as reduced by an allowance for impairment.

Fair value changes on other derivatives held for risk management purposes, and other financial assets and financial liabilities carried at fair value through profit or loss, are presented in net gain/losses from derivative financial instruments at fair value through profit or loss in the statement of comprehensive income.

FEES AND COMMISSIONS

If the fees are an integral part of the effective interest rate of a financial instrument, they are recognised as an adjustment to the effective interest rate and recorded in interest income.

Other fees are recognised on an accruals basis when the service has been provided or on the completion of an act to which the fee relates.

Commission receivable from the sale of third-party products or insurance services, is recognised upon fulfilment of contractual obligations, that is when policies go on risk or on completion of a transaction.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

The Society uses derivatives for risk management purposes. The Society does not use derivatives for trading purposes. Derivatives are measured at fair value in the statement of financial position. Fair values are obtained by applying market rates to a discounted cash flow model. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The Society designates derivatives held for risk management purposes as hedging instruments in qualifying hedging relationships. On initial designation of the hedge, the Society formally documents the relationship between the hedging instruments and hedge items, including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Society undertakes macro portfolio hedge accounting in accordance with IAS 39 to make assessments, both at the inception of the hedge relationship as well as on an ongoing basis as to whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within an effectiveness range of 80-125%.

Should the Society de-recognise a hedging instrument, if the underlying asset or liability is not also de-recognised then the carrying amounts of the hedged items are amortised to profit and loss using the effective interest rate method.

NOTES TO THE ACCOUNTS (CONTINUED)

FAIR VALUE HEDGES

Where a derivative financial instrument is designated as a hedge of the variability in fair value of a recognised asset or liability or an unrecognised firm commitment, all changes in the fair value of the derivative are recognised immediately in profit or loss, together with changes in the fair value of the hedged item that are attributable to the hedged risk (in the same line item in the statement of comprehensive income as the hedged item).

FINANCIAL ASSETS

The Society classifies non-derivative financial assets as Loans and Receivables or Held to Maturity assets. Management determines the classification of financial assets at initial recognition. No assets have been classified as Available for Sale. The Society's financial assets include cash in hand and balances held with the Bank of England, Treasury Bills, loans and advances to credit institutions, other liquid assets, loans and advances to customers and derivative financial instrument assets.

The Society classifies all its financial assets, other than derivatives, as measured at amortised cost using the effective interest method.

LOANS AND RECEIVABLES

The Society's loans and advances to customers and its loans and advances to credit institutions and other liquid assets are classified as loans and receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Society measures its loans and receivables at amortised cost, using the effective interest method, less impairment. Mortgage interest is recognised over the expected life of mortgage assets. The initial value may, if integral to the effective interest rate, include certain upfront costs and fees such as procuration fees, mortgage indemnity guarantee premiums and arrangement fees, which are also recognised over the expected life of mortgage assets. Throughout the year and at each year end, the mortgage life assumptions are reviewed for appropriateness. If there is a change in the mortgage life assumption, the future cash flows of the associated mortgages are reforecast over the revised expected life using the original effective interest rate. The resulting change in carrying value of the mortgages is recognised in interest receivable and similar income.

IMPAIRMENT OF FINANCIAL ASSETS NOT CARRIED AT FAIR VALUE THROUGH PROFIT AND LOSS

ASSETS CARRIED AT AMORTISED COST

Throughout the year and at each year-end, individual assessments are made of all loans and advances against properties which are in possession or in arrears and/or are subject to forbearance activities or where the loan is interest only and there is no evidence of a repayment vehicle. Individual impairment provision is made against those loans and advances where there is objective evidence of impairment. The factors which constitute objective evidence of impairment are reviewed annually by the management Credit Committee.

If there is objective evidence of impairment, the amount of loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. In considering expected future cash flows, account is taken of any discount which may be needed against the indexed value of the property at the statement of financial position date thought necessary to achieve a sale and expected costs of realisation.

In addition, the Society assesses whether there is objective evidence to suggest a financial asset or group of financial assets is likely to be impaired. Where a collective assessment is made, each category or class of financial asset is split into groups of assets with similar credit risk characteristics. The Society measures the amount of impairment loss by applying loss factors based on external credit reference data, industry and Society experience of default, the effect of movement in house prices and any adjustment for the expected forced sale value.

Held to maturity assets, that are not short-term assets, are assessed at the date of the Statement of Financial position for any objective evidence of impairment.

NOTES TO THE ACCOUNTS (CONTINUED)

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets, with the exception of freehold land and assets in the course of construction, at rates calculated to write off each asset over its expected useful life.

The straight-line basis has been used in the following way:

FREEHOLD PREMISES	2% per annum
LEASEHOLD PREMISES	Over life of lease or useful life of the asset, whichever is shorter
MOTOR VEHICLES	25% per annum
COMPUTER EQUIPMENT	25% per annum
OFFICE EQUIPMENT	10% per annum or over the useful life of the asset if shorter

Depreciation is not provided on freehold land.

The Society assesses at each reporting date whether any tangible fixed assets are impaired. In the case of freehold premises, a valuation is carried out at least every three years, to inform this impairment assessment.

INTANGIBLE ASSETS

COMPUTER SOFTWARE

Purchased software and costs directly associated with the development of computer software are capitalised as intangible assets where the software is an identifiable asset controlled by the Society which will generate future economic benefits and where costs can be reliably measured. Intangible assets are stated at cost less accumulated amortisation. Amortisation is provided on all intangible assets at rates calculated to write off each asset over its expected useful life.

Costs which are identifiable as development costs for assets in the course of construction are capitalised only when the commercial feasibility of the asset has been established. For the Society this will take the form of identifying the future economic benefits of deploying the asset into active use and the determination of a useful economic life. The Society does not recognise any research costs incurred in the development of the asset as a part of that asset. Instead, these costs are expensed to profit and loss as they are incurred.

Intangible assets are stated at cost less cumulative amortisation.

Amortisation begins when the asset becomes available for operational use and is charged to the statement of comprehensive income on a straight-line basis over the estimated useful life of the software, which is generally between 3-6 years. The Society assesses at each reporting date whether any intangible fixed assets are impaired.

SOFTWARE AS A SERVICE CONTRACT

Long term software as a service contracts, that do not meet the definition of an intangible asset, are expensed to profit and loss and not capitalised. Implementation, configuration and customisation costs associated with the software are expensed to profit and loss either at the time that they are incurred or when access to the software is provided.

PENSION COSTS

The Society operates a Defined Contribution Personal Pension Plan that is open to all colleagues. For colleagues not wishing to join this Plan there is a Defined Contribution Personal Pension Plan with a separate provider for auto enrolment purposes. Pension costs in respect of these Plans are charged to the Statement of Comprehensive Income in the year in which contributions are payable. In addition, the Society operates a Defined Benefit Pension Scheme, the assets of which are held in a separate Trustee Administered Fund. The assets are measured at fair value at each balance sheet date and the liabilities are measured using the projected unit credit method. Any resulting deficit is recognised immediately on the balance sheet net of deferred tax however any resulting surplus is not recognised in the balance sheet as the trust deed prevents the Society accessing any surplus funds unless the scheme were wound up. Neither are any income or expense in relation to the scheme recognised, with the exception of any contributions made and any administrative expenses paid by the Society on the behalf of the scheme, which are recognised as they are incurred through the income statement. The surplus is not deemed to be available to the Society as the Trustees have the ultimate right to apply the scheme’s assets to settle the scheme's liabilities in respect of pension and other benefits. The Scheme has been closed to future accruals since 28 February 2007. Further details on Pension Schemes are provided in note 32 to the Accounts on pages 84 to 86.

NOTES TO THE ACCOUNTS (CONTINUED)

TAXATION

The charge for taxation recognised in the Statement of Comprehensive Income is based upon the profit for the year and calculated at the tax rate which is applicable to the accounting period. It also includes taxation which is deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is provided using the full provision method. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the date of the Statement of Financial Position and is calculated at rates expected to be applicable when the liability or asset crystallises on a non-discounted basis. The rate used for Deferred Tax is the rate substantively enacted by the date of the Statement of Financial Position.

PROVISIONS

Provisions are recognised when the Society has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

OPERATING LEASES

The costs associated with operating leases are charged on a straight-line basis over the period of the lease.

ADMINISTRATION COSTS

The Society designates administration costs contained within the Statement of Comprehensive Income as either recurring or non-recurring items. Recurring items relate to operating costs incurred by the Society's usual operating activities. Non-recurring expenses are defined as material charges that are unusual in nature or expected to occur infrequently. These expenses are not expected to recur on a regular basis within the normal course of the Society's operations. These include but are not limited to costs incurred in the implementation of projects which are material and unlikely to occur frequently. Non-recurring expenses are recognised in the income statement in the period in which they are incurred.

LIQUID ASSETS

Treasury bills and other debt securities are held to maturity and so are accounted for as financial assets and accordingly shown at cost, adjusted for premium or discount on purchase, amortised over the period to maturity. Where the Directors consider there to be objective evidence that an impairment of a financial asset has occurred, a provision is made to write down the cost of the asset to its recoverable amount. If the recoverable amount later increases then the impairment is reversed and the asset returned to its amortised cost.

Cash and cash equivalents - for the purposes of the cash flow statement, cash and cash equivalents comprise highly liquid investments that are convertible into cash and have an insignificant risk of change in value. Any debt securities included within cash equivalents must be marketable and have a maturity of less than 90 days.

FINANCIAL LIABILITIES

The Society classifies all its financial liabilities, other than derivatives, as measured at amortised cost.

NOTES TO THE ACCOUNTS (CONTINUED)

ACCOUNTING ESTIMATES AND JUDGEMENTS

The Society makes estimates and judgements that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Board consider that the following items rely on material estimates and judgements.

A IMPAIRMENT LOSSES ON LOANS AND ADVANCES TO CUSTOMERS

The Society reviews its mortgage advances portfolio at least every half year, to assess loan impairment. In determining whether an impairment loss should be recorded, the Society is required to exercise a degree of judgement. Impairment provisions are calculated using historical arrears experience, modelled credit risk characteristics and expected cashflows.

Estimates are applied to determine prevailing market conditions (for example, house prices are adjusted for movement in valuations based on the Land Registry house price index), customer behaviour (for example, default rates) and the length of time expected to complete the sale of properties in possession. The accuracy of the provision would therefore be affected by unexpected changes to these assumptions.

One key assumption is the estimate of the value of the property at the point of recovery. To the extent that this value were to be lower than our estimates by 10%, the impairment allowance on loans and advances would be higher by £0.46m (2023: £0.67m). Another key assumption is the probability of default when an impairment trigger has been observed, and to the extent that the probability of default increases from our estimates by 5%, the impairment allowance on loans and advances would be higher by £0.04m (2023: £0.04m).

The Credit Committee review the book annually to identify where there are idiosyncratic risks, which could lead to a customer not repaying their mortgage. This review aims to capture impairments that may not yet have led to the customer being in arrears. Such risks could exist, for example, if a customer has let us know that they are experiencing difficulties, or if our latest review of climate data suggests the property is at risk from flooding. Having identified these risk factors, the Committee recommends adjustments to the likelihood of non-payment and the property value were the Society to need to take it in to possession. These adjustments are reviewed by the Audit and Compliance Committee and form a key assumption within the provision model.

The carrying value of mortgage assets is impacted by the assessment of any impairments. The carrying value of mortgages can be seen in note 12 on page 66.

B EFFECTIVE INTEREST RATES AND REVENUE RECOGNITION

When calculating the expected future cash flows of a mortgage, the expected life of that mortgage is key to this calculation as it determines the expected effective interest to be earned. In determining the expected life of mortgage assets, the Society uses historical redemption data as well as management judgement.

At regular intervals throughout the year, the expected life of mortgage assets is reassessed for reasonableness. Any variation in the expected life of mortgage assets will change the carrying value in the statement of financial position and the timing of the recognition of interest income.

A three month increase in the expected life profile of mortgage assets would result in an increase in the value of loans on the statement of financial position by approximately £0.41m (2023: £0.34m), and a corresponding increase in interest receivable. A three month decrease in the expected life profile of mortgage assets would result in a decrease in the value of loans on the statement of financial position by approximately £0.27m (2023: £0.43m) and a corresponding decrease in interest receivable.

The carrying value of mortgage assets is impacted by the assessment of the effective interest rate and revenue recognition. The carrying value of mortgages can be seen in note 12.

C COLLEAGUE BENEFITS

The Society operates a defined benefit pension scheme, which is currently closed to new members. Significant judgements (on such areas as future interest rates, inflation rates and mortality rates) have to be exercised in estimating the value of the assets and liabilities of the scheme, and hence of its net surplus.

The assumptions and associated sensitivities for the net surplus are outlined in note 32 to the accounts on pages 84 to 86.

D DETERMINATION WHETHER CONFIGURATION AND CUSTOMISATION SERVICES ARE DISTINCT FROM THE SAAS ACCESS

The Society has determined that Configuration and Customisation expenditure incurred during the set-up of SaaS software is distinct from the provision of that SaaS arrangement and is therefore expensing these costs through the income statement as they are incurred.

NOTES TO THE ACCOUNTS (CONTINUED)

2 INTEREST RECEIVABLE AND SIMILAR INCOME

	2024 £000	2023 £000
On loans fully secured on residential property	23,036	19,959
On loans fully secured on land	2,215	1,745
Interest and other income on debt securities (all fixed income)	708	262
Interest and other income on other liquid assets	4,040	3,813
Net income on derivatives	1,663	2,327
	31,662	28,106

Included within interest income is £566,879 (2023: £459,742) in respect of interest income accrued on impaired loans, two or more months in arrears. Debt security interest received of £707,510 (2023: £262,212) relates to interest earned from UK Government Treasury Bills and GILTs held during the year.

3 INTEREST PAYABLE AND SIMILAR CHARGES

	2024 £000	2023 £000
On shares held by individuals	15,361	10,813
On deposits and other borrowings	3,517	4,047
Net expense on derivatives	39	(3)
	18,917	14,857

4 FEES AND COMMISSIONS

A FEES AND COMMISSIONS RECEIVABLE

	2024 £000	2023 £000
Insurance commission	12	11
Other commissions	8	7
Fees receivable	105	104
	125	122

B FEES AND COMMISSIONS PAYABLE

	2024 £000	2023 £000
Bank charges	82	63
Other mortgage administration fees payable	374	371
	456	434

The above fees are those which do not form part of the effective interest rate and are recognised on an accruals basis when the service has been provided or on the completion of an act to which the fee relates. Fees which are considered to form part of the effective interest rate include, for example, mortgage arrangement and procuration fees which are recorded in interest income.

NOTES TO THE ACCOUNTS (CONTINUED)

5 NET GAINS / (LOSSES) FROM DERIVATIVE FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 £000	2023 £000
Movement in derivatives in designated fair value hedge relationships	(239)	(2,688)
Movement in hedged items in fair value hedge accounting relationships	222	2,317
Net Matched Position	(17)	(371)
Gain / (Loss) on derivatives not in designated fair value relationships	87	(66)
	70	(437)

The net fair value gain from matched derivative financial instruments of £17k (2023: loss of £371k) represents the net fair value movement on derivative instruments that match risk exposures on an economic basis. Some accounting volatility arises on these items due to accounting ineffectiveness on designated hedges. The gain of £87k (2023: loss of £66k) on derivatives not in a designated fair value relationship represents the change in fair value of unmatched derivatives arising from timing differences between the execution of the derivatives and the completion of the associated underlying hedged items.

The above numbers are based on an average effectiveness of 104.82% (2023: 103.85%) for SONIA based derivatives taken to hedge underlying assets and 88.61% (2023: 98.72%) for SONIA based derivatives taken to hedge underlying liabilities.

6 ADMINISTRATIVE EXPENSES

	2024 £000		2023 £000	
	Recurring	Non-recurring	Recurring	Non-recurring
Wages & salaries	4,540	196	4,446	31
Social security costs	495	21	483	3
Contributions to defined contribution pension scheme	589	44	534	6
Operating leases	37	-	37	-
Other administrative expenses	3,339	1,363	3,276	888
Total administrative expenses	**9,000**	**1,624**	8,776	928

Included in other recurring administrative expenses are the following:

Auditor's remuneration (stated exclusive of VAT)

	2024 £000	2023 £000
Payments to the Auditor for:		
Audit of these financial statements	184	171
Amounts receivable by the Society's Auditors and its associates in respect of:		
Other audit services	10	5

The Society began its Digital Transformation journey (Project Sherwood) in 2023, and to enable members to better understand financial performance over the coming years as we execute this, we will be presenting the non-recurring costs related to this transformation separately, as shown above. During 2024, Project Sherwood costs comprised consultant and recruitment costs, legal and assurance fees in relation to contract negotiations and vendor implementation fees.

NOTES TO THE ACCOUNTS (CONTINUED)

7 COLLEAGUE NUMBERS

The average number of persons employed during the year was as follows:

	2024	2023
FULL TIME		
Principal Office	77	79
Branch Offices	14	13
	91	92
PART TIME		
Principal Office	18	16
Branch Offices	11	12
	29	28

8 DIRECTORS' REMUNERATION

REMUNERATION OF DIRECTORS

	2024 £000	2023 £000
For services as Non-Executive Directors	207	193
For services as Executives	469	426
	676	619

The highest paid Director in the Society is Paul Wheeler (CEO).

Further details of the Directors' remuneration are given in the Directors' Remuneration Report on pages 40 to 42.

A DIRECTORS' LOANS AND TRANSACTIONS

At 31 December 2024, there were no outstanding mortgage loans granted in the ordinary course of business to any Directors or their connected persons (2023: £nil).

A register is maintained at the Principal Office of the Society, under Section 68 of the Building Societies Act 1986, which shows details of all loans, transactions and arrangements with Directors and their connected persons.

A statement of the appropriate details contained in the register, for the financial year ended 31 December 2024, will be available for inspection at the Principal Office for a period of 15 days up to and including the Annual General Meeting.

B RELATED PARTY TRANSACTIONS

During the year there were no services provided to the Society by any connected business of a serving Director. At 31 December 2024, there were no amounts outstanding to any connected businesses (2023: £nil).

There were no significant contracts with the Society subsisting during or at the end of the financial year in which a Director of the Society (or a person connected with a Director of the Society) is, or was, interested.

At 31 December 2024 a total of £156,170 (2023: £141,634) was held in Society savings by the Directors and their connected parties.

9 TAX ON PROFIT ON ORDINARY ACTIVITIES

ANALYSIS OF CHARGE IN YEAR	2024 £000	2023 £000
CURRENT TAX		
Corporation tax at 25.00% (2023: 23.52%)	368	586
Adjustments relating to prior year	(33)	-
Total current tax	**335**	586
DEFERRED TAX		
Origination and reversal of timing differences	(5)	11
Adjustment to prior year estimates	-	-
Effects of changes in tax rate	-	1
Total tax	**330**	598

FACTORS AFFECTING THE TAX CHARGE FOR THE CURRENT PERIOD	2024 £000	2023 £000
Profit on ordinary activities before tax	1,340	2,413
Current tax at 25.00% (2023: 23.52%)	335	567
Effects of:		
Expenses not deductible for tax purposes	29	30
Effects of super deduction element of capital allowances	(1)	-
Impact of different tax rates	-	1
Adjustments relating to prior year	(33)	-
Total tax	**330**	598

	2024			2023		
	Current tax £000	Deferred tax £000	Total tax £000	Current tax £000	Deferred tax £000	Total tax £000
Recognised in statement of comprehensive income	335	(5)	330	586	12	598
Total tax	**335**	**(5)**	**330**	586	12	598

The March 2021 Budget announced an increase to the main rate of corporation tax to 25% from April 2023. This rate was substantively enacted on 24 May 2021 and, as the date of the statement of financial position falls after the date of this enactment, the UK corporation tax rate for the year has been taken as 25%.

10 LIQUID ASSETS

A CASH AND CASH EQUIVALENTS

	2024 £000	2023 £000
Cash in hand and balance with the Bank of England	61,469	86,823
Loans and advances to credit institutions	4,324	5,987
Cash and cash equivalents per Cash Flow Statement	**65,793**	92,810

B LOANS AND ADVANCES TO CREDIT INSTITUTIONS

Loans and advances to credit institutions have remaining maturities as follows:

	2024 £000	2023 £000
Repayable on demand	4,426	6,207
In not more than three months	11,998	3,071
In more than three months but not more than one year	-	1,014
Total	16,424	10,292
Of which, included within cash and cash equivalents	**4,324**	5,987

Loans and advances to credit institutions which are included within cash and cash equivalents in the Cash Flow Statement comprise current accounts held at other credit institutions utilised for the Society's daily operations.

C DEBT SECURITIES

Debt securities have remaining maturities as follows:

	2024 £000	2023 £000
Repayable on demand	-	-
In not more than three months	5,079	-
In more than three months but not more than one year	14,804	4,950
Total	**19,883**	4,950

Movements in debt securities are summarised below:

	2024 £000	2023 £000
At 1 January	4,950	-
Additions	39,944	14,950
Impairments	(11)	-
Maturities	(25,000)	(10,000)
At 31 December	**19,883**	4,950

NOTES TO THE ACCOUNTS (CONTINUED)

11 DERIVATIVE FINANCIAL INSTRUMENTS

	2024		2023	
	Positive market value £000	Negative market value £000	Positive market value £000	Negative market value £000
Derivatives designated as fair value hedges:				
Interest rate swaps	810	516	1,578	1,045
Derivatives not designated as fair value hedges:				
Interest rate swaps	41			46
At 31 December	**851**	**516**	1,578	1,091

The movements in the market value of interest rate swaps have been driven by changes in the market's forward view of interest rates.

Unmatched derivatives relate to swaps which have not matched against either mortgages or savings for hedge accounting purposes at the balance sheet date and reflect short-term timing differences between the transacting of the interest rate swap and the completion of the associated mortgages / savings.

NOTES TO THE ACCOUNTS (CONTINUED)

12 LOANS AND ADVANCES TO CUSTOMERS

	2024 £000	2023 £000
Loans fully secured on residential property	433,665	408,188
Loans fully secured on land	13,439	11,155
Fair value adjustment for hedged risk	(406)	(403)
At 31 December	**446,698**	418,940

The remaining maturity of loans and advances to customers from the date of the balance sheets is as follows:

MATURITY ANALYSIS	NOTE	2024 £000	2023 £000
On call and at short notice		2,134	40
Repayable with remaining maturity:			
In not more than three months		6,551	4,159
In more than three months but not more than one year		12,693	13,405
In more than one year but not more than five years		54,079	54,259
In more than five years		372,275	348,136
		447,732	419,999
Less allowance for impairment for bad and doubtful debts	13	(1,034)	(1,059)
		446,698	418,940

The maturity analysis is based on contractual maturity not actual redemption levels experienced by the Society. Included within the above allowance for impairment is an individual mortgage which is more than 12 months in arrears and has a specific provision of £177k against it. It is secured by a residential property which we are in the process of repossessing.

At at 31 December 2024 the Society had pledged £101.4m (2023: £99.1m) of mortgage assets and £0m (2023: £5.0m) of Debt Securities to the Bank of England as collateral under the Bank of England Sterling Monetary Framework.

The Society operates throughout England, Scotland and Wales and an analysis of the geographical concentration is shown in the table below:

GEOGRAPHICAL ANALYSIS	2024 %	2023 %
North East	3.1	3.0
North West	12.3	12.4
Yorkshire and Humberside	8.9	9.6
East Midlands	12.8	13.5
West Midlands	8.9	9.0
East Anglia	5.3	5.2
South West	11.6	10.7
London	9.6	9.8
South East	15.6	16.5
Wales	5.3	4.9
Scotland	6.6	5.4
	100.0	100.0

NOTES TO THE ACCOUNTS (CONTINUED)

13 ALLOWANCE FOR IMPAIRMENT

Provisions against loans and advances to customers have been made as follows:

	Loans fully secured on residential property		Loans fully secured on land		Total	
	2024 £000	2023 £000	2024 £000	2023 £000	2024 £000	2023 £000
AT 1 JANUARY						
Individual impairment	316	187	17	48	333	235
Collective impairment	690	569	36	32	726	601
	1,006	756	**53**	80	**1,059**	836
AMOUNT UTILISED						
Individual impairment	(47)	-	-	-	(47)	-
Collective impairment	-	-	-	-	-	-
	(47)	-	**-**	-	**(47)**	-
CHARGE / (CREDIT) FOR THE YEAR						
Individual impairment	247	129	(11)	(31)	236	98
Collective impairment	(211)	121	(3)	4	(214)	125
	36	250	**(14)**	(27)	**22**	223
AT 31 DECEMBER						
Individual impairment	516	316	6	17	522	333
Collective impairment	479	690	33	36	512	726
	995	1,006	**39**	53	**1,034**	1,059

The collective provision balance has reduced over the year reflecting our current estimates of probabilities of default. Included within the allowance is a mortgage which is more than 12 months in arrears and has an individual provision of £177k against it. It is secured by a residential property which we are in the process of repossessing.

NOTES TO THE ACCOUNTS (CONTINUED)

14 TANGIBLE FIXED ASSETS

	Freehold land and buildings £000	Equipment, fixtures and fittings £000	Assets in the course of construction £000	Total £000
COST				
At 1 January 2024	1,358	1,678	5	3,041
Additions/Transfers	-	42	-	42
Disposals/Transfers	-	(9)	(2)	(11)
Impairment	-	-	-	-
At 31 December 2024	**1,358**	**1,711**	**3**	**3,072**
DEPRECIATION				
At 1 January 2024	(185)	(997)	-	(1,182)
Charge for year	(16)	(160)	-	(176)
Disposals	-	8	-	8
Impairment	-	-	-	-
At 31 December 2024	**(201)**	**(1,149)**	-	**(1,350)**
NET BOOK VALUE				
At 1 January 2024	1,173	681	5	1,859
At 31 December 2024	**1,157**	**562**	**3**	**1,722**

Included within freehold land and buildings above is £476,143 (2023: £476,143) of non-depreciable land.

The net book value of land and buildings occupied by the Society for its own activities is £1,156,516 (2023: £1,173,141). The Society's assessment demonstrated that previous impairments of the Society's premises had reversed in 2023.

A review of equipment, fixtures and fittings during the year has prompted the disposal of £8,846 (2023: £8,556) of fixed assets which had a £591 net book value and which had become obsolete during the year.

Assets in the course of construction, are assets which are not brought into immediate use upon purchase. Depreciation is not applied to such assets until they become useful, at which time the assets are removed from the construction pool and transferred into the main pool of assets to which they belong. During the year no assets in the course of construction were purchased with £2,317 being transferred into the main equipment, fixtures and fittings pool during the year. This number is included within the £41,972 of additions for this pool.

NOTES TO THE ACCOUNTS (CONTINUED)

15 INTANGIBLE ASSETS

	Software £000	Assets in the course of construction £000	Total £000
COST			
At 1 January 2024	1,084	114	1,198
Additions/Transfers	229	27	256
Disposals/Transfers	(165)	(10)	(175)
Impairment	-	(131)	(131)
At 31 December 2024	**1,148**	-	**1,148**
AMORTISATION			
At 1 January 2024	(983)	-	(983)
Charge for year	(142)	-	(142)
Disposals/Transfers	165	-	165
Impairment	-	-	-
At 31 December 2024	**(960)**	-	**(960)**
NET BOOK VALUE			
At 1 January 2024	101	114	215
At 31 December 2024	**188**	-	**188**

A review of intangible assets during the year has prompted the disposal of £164,672 (2023: £170,495) of intangible assets with a nil net book value. These assets were either obsolete or had been replaced with upgrades during the year. Transfers from assets in the course of construction of £10,428 are included in additions/transfers in software of £229,417 and represent assets which were brought into use by the Society during the year. The Society has recognised no amounts (2023: £nil) relating to the research and development of an intangible asset in the Statement of Comprehensive Income during the year.

Assets in the course of construction, relate to software assets which are not brought into immediate use upon purchase. Amortisation is not applied to such assets until they become useful, at which time the assets are removed from the construction pool and transferred into the main pool of software assets.

During the year, the Society recognised two impairment and amortisation adjustments related to its legacy core banking system, which will be replaced by Project Sherwood.

First, software under construction totalling £130,634, intended for upgrades to the existing core banking system, was assessed for impairment. As these upgrades are no longer expected to be implemented, the full £130,634 was written off and recognised as an impairment expense in the income statement.

Second, the remaining useful life of operating licenses for existing software, with a net book value of £185,659, was reassessed in light of the expected go-live date of the new software. This reassessment resulted in a reduction of the useful economic life of these licenses and an additional amortisation charge of £57,529. This additional charge is included within the total amortisation expense of £142,335 for the year.

NOTES TO THE ACCOUNTS (CONTINUED)

16 PREPAYMENTS AND ACCRUED INCOME

	2024 £000	2023 £000
Prepayments	1,018	722
	1,018	722

17 SHARES

	2024 £000	2023 £000
Held by individuals	434,386	396,085
Fair value of hedged risk	34	257
	434,420	396,342
Shares are repayable from the balance sheet date in the ordinary course of business as follows:		
Accrued interest	3,539	2,452
Repayable on demand	120,067	129,362
Other shares by residual maturity repayment:		
In not more than three months	121,301	126,497
In more than three months but not more than one year	117,190	75,530
In more than one year but not more than five years	70,120	60,591
In more than five years	2,203	1,910
	434,420	396,342

18 AMOUNTS OWED TO CREDIT INSTITUTIONS

	2024 £000	2023 £000
Amounts owed to credit institutions are repayable from the balance sheet date in the ordinary course of business as follows:		
Accrued interest	441	674
Repayable with agreed maturity dates or period of notice:		
On demand	150	690
In not more than three months	1,750	-
In more than three months but not more than one year	33,000	17,500
In more than one year but less than two years	-	34,000
In more than two years but not more than five years	-	-
	35,341	52,864

Included in the amounts above is £30.0m (2023: £50.0m) of funding drawn from the Bank of England Sterling Monetary Framework, of which £30.0m (2023: £50.0m) was from the Term Funding Scheme with additional incentives for SME's (TFSME). This also included £nil (2023: £nil) from the Index Long-Term Repo (ILTR). TFSME and ILTR are schemes within the Bank of England Sterling Monetary Framework, which involve pledging mortgage assets to the Bank of England as collateral. The amount of collateral relating to this scheme is shown in note 12 on page 66.

Interest on the TFSME scheme is charged at Bank of England Base Rate and paid on a quarterly basis. Since the balance sheet date, the Society repaid a further £16m of TFSME during January 2025.

NOTES TO THE ACCOUNTS (CONTINUED)

19 AMOUNTS OWED TO OTHER CUSTOMERS

	2024 £000	2023 £000
Amounts owed to other customers are repayable from the balance sheet date in the ordinary course of business as follows:		
Accrued interest	65	86
On demand	14,191	6,278
With agreed maturity dates or period of notice:		
In not more than three months	8,273	21,222
In more than three months but not more than one year	14,304	7,397
In more than one year but not more than five years	355	1,077
Fair value hedged risk	(1)	1
	37,187	36,061

20 ACCRUALS

	2024 £000	2023 £000
Accruals falling due in less than one year	330	373
	330	373

21 OTHER LIABILITIES

	2024 £000	2023 £000
Falling due within one year:		
Corporation tax	166	141
Other creditors	1,813	1,073
	1,979	1,214

22 DEFERRED TAX ASSETS AND LIABILITIES

	Assets		Liabilities		Net	
	2024 £000	2023 £000	2024 £000	2023 £000	2024 £000	2023 £000
Accelerated capital allowances	-	-	133	138	133	138
Short term timing differences	(53)	(53)	-	-	(53)	(53)
Tax (assets) / liabilities	**(53)**	(53)	**133**	138	**80**	85

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised, based on tax rates and laws that have been enacted or substantively enacted by the date of the statement of financial position. Deferred tax balances in respect of fixed asset timing difference, tax losses and short-term timing difference have been calculated at 25%.

23 PROVISIONS

	Bonus Provision > 1 yr £000	Rental Dilapidations £000	Total £000
Balance at 1 January 2024	159	11	170
Provisions charged during the year	40	1	41
Provisions utilised during the year	-	-	-
Provisions released to profit and loss	-	-	-
Balance at 31 December 2024	**199**	**12**	**211**

BONUS PROVISION

The Society pays a medium-term bonus to all senior colleagues subject to satisfactory personal performance and based on Society targets. The bonus relates to annual performance and is payable 50% in the year following the year of earning and 25% in each of the following two years subject to meeting Society medium-term and personal targets. The bonus is awarded as a percentage of the individual's salary at the time of payment.

DILAPIDATIONS

The rental dilapidations provision relates to an assessment of the branches that the Society leases and any potential work that would be required in the event that the Society allowed these leases to end. The review has led to a £12,201 (2023: £10,560) provision for these works as a result. The provision is expected to be utilised between 2024 and 2029 as the leases terminate.

24 CONTINGENT LIABILITIES

VIRGIN MEDIA CASE

The Society is aware of the ongoing "Virgin Media (VM) Ltd and others" case and that there is a potential for the outcome of the case to have an impact on the Society's defined benefit pension scheme. The case affects defined benefit schemes that provided contracted-out benefits before 6 April 2016 based on meeting the reference scheme test. Where scheme rules were amended, potentially impacting benefits accrued from 6 April 1997 to 6 April 2016, schemes needed the actuary to confirm that the reference scheme test was still being met by providing written confirmation under Section 37 (s37) of the Pension Schemes Act 1993. In the Virgin Media case the judge ruled that alterations to the scheme rules were void and ineffective because of the absence of written actuarial confirmation required under s37. The case has been taken to the Court of Appeal with the hearing having taken place in July 2024. As there still appear to be uncertainty as to the wider impact this could have on defined benefit schemes across the whole industry, the potential impact on the Society is not yet known and continues to be assessed.

25 COMMITMENTS

FINANCIAL COMMITMENTS

COLLEAGUE PENSIONS

Under the Trust Deed of the colleague pension scheme, the Trustees have a claim on the assets of the Society if there are insufficient assets available to meet all benefits payable by the scheme.

CAPITAL COMMITMENTS

No material capital expenditure has been contracted for or authorised at 31 December 2024 (2023: £nil).

COMMITTED EXPENDITURE

At the balance sheet date the remaining forward-looking commitment in relation to the TCS implementation contract amounted to £0.6m (2023: £nil), all of which is contractually due in 2025.

NOTES TO THE ACCOUNTS (CONTINUED)

26 OPERATING LEASES

Non-cancellable operating lease rentals are payable as follows:

	2024		2023	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Less than one year	34	-	34	-
Greater than one year less than five years	114	-	125	-
Greater than five years	-	-	20	-
	148	-	179	-

27 GENERAL RESERVES

	2024 £000	2023 £000
At 1 January	37,179	35,364
Profit for the financial year	1,010	1,815
At 31 December	**38,189**	37,179

NOTES TO THE ACCOUNTS (CONTINUED)

28 FINANCIAL INSTRUMENTS

Instruments used for risk management purposes include derivative financial instruments (derivatives), which are contracts or agreements whose value is derived from one or more underlying price, rate or index inherent in the contract or agreement, such as interest rates.

The Society's principal derivatives used in balance sheet risk management are interest rate swaps, which are used to hedge balance sheet exposures arising from fixed rate mortgage lending and savings products. These derivatives are only used by the Society in accordance with the Building Societies Act 1986 (as amended by the Building Societies Act 1997) to limit the extent to which the Society will be affected by changes in interest rates or other factors specified in the legislation. Derivatives are not used in trading activity or for speculative purposes; consequently all such instruments are classified as hedging contracts.

Financial assets and liabilities are measured on an ongoing basis either at fair value or at amortised cost as shown in the following table.

Financial Instrument	Terms and Conditions	Accounting Policy
Loans and advances to credit institutions	▪ Fixed interest rate ▪ Fixed term ▪ Short to medium term maturity	▪ Loans and receivables at amortised cost ▪ Accounted for at settlement date
Debt securities	▪ Fixed interest rate ▪ Fixed term ▪ Short to medium term maturity	▪ Amortised cost ▪ Accounted for at settlement date
Loans and advances to customers	▪ Secured on residential property or land ▪ Typical standard contractual term of 25 years ▪ Fixed or variable rate of interest	▪ Loans and receivables at amortised cost ▪ Accounted for from date of advance
Shares	▪ Fixed or variable term ▪ Fixed or variable interest rates	▪ Amortised cost ▪ Accounted for from the date of deposit
Amounts owed to credit institutions	▪ Fixed or base rate linked interest rate ▪ Fixed term ▪ Short to medium term maturity	▪ Amortised cost ▪ Accounted for at settlement date
Amounts owed to other customers	▪ Fixed or variable rate of interest ▪ Fixed or variable term ▪ Short to medium term maturity	▪ Amortised cost ▪ Accounted for at settlement date or date of deposit
Derivative financial instruments	▪ Fixed interest received / paid converted to variable interest paid / received ▪ Based on the notional value of the derivative	▪ Fair value through profit and loss ▪ Accounted for at trade date

The Society's accounting policies, set out in Note 1, describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The tables below analyse the Society's assets and liabilities by financial classification:

NOTES TO THE ACCOUNTS (CONTINUED)

CARRYING VALUES BY CATEGORY
31 DECEMBER 2024

	Held at amortised cost		Held at fair value	
	Loans and Receivables £000	Financial liabilities £000	Derivatives £000	Total £000
FINANCIAL ASSETS				
Cash in hand and balances with Bank of England	61,469	-	-	61,469
Loans and advances to credit institutions	16,424	-	-	16,424
Debt securities	19,883	-	-	19,883
Derivative financial instruments	-	-	851	851
Loans and advances to customers	446,698			446,698
Total Financial Assets	**544,474**	-	**851**	**545,325**
Non-financial assets				2,928
Total Assets				**548,253**
FINANCIAL LIABILITIES				
Shares	-	434,420	-	434,420
Amounts owed to credit institutions	-	35,341	-	35,341
Amounts owed to other customers	-	37,187	-	37,187
Derivative financial instruments	-	-	516	516
Other liabilities	-	2,143	-	2,143
Total Financial Liabilities	-	**509,091**	**516**	**509,607**
Non-financial liabilities				457
Total Liabilities				**510,064**
RESERVES				
General reserves				38,189
Total				**548,253**

CARRYING VALUES BY CATEGORY 31 DECEMBER 2023

	Held at amortised cost		Held at fair value	
	Loans and Receivables £000	Financial liabilities £000	Derivatives £000	Total £000
Financial Assets				
Cash in hand and balances with Bank of England	86,823	-	-	86,823
Loans and advances to credit institutions	10,292	-	-	10,292
Debt securities	4,950	-	-	4,950
Derivative financial instruments	-	-	1,578	1,578
Loans and advances to customers	418,940	-	-	418,940
Total Financial Assets	521,005	-	1,578	522,583
Non-financial assets				2,796
Total Assets				525,379
Financial Liabilities				
Shares	-	396,342	-	396,342
Amounts owed to credit institutions	-	52,864	-	52,864
Amounts owed to other customers	-	36,061	-	36,061
Derivative financial instruments	-	-	1,091	1,091
Other liabilities	-	1,446	-	1,446
Total Financial Liabilities	-	486,713	1,091	487,804
Non-financial liabilities				396
Total Liabilities				488,200
Reserves				
General reserves				37,179
Total				525,379

VALUATION OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE

The Society holds certain financial assets and liabilities at fair value, grouped into Levels 1 to 3 of the fair value hierarchy (see below).

Fair values are determined using the following fair value hierarchy that reflects the significance of the inputs in measuring fair value:

Level 1: The most reliable fair values of financial instruments are quoted market prices in an actively traded market. The Society does not hold any Level 1 assets/liabilities.

Level 2: These are valuation techniques for which all significant inputs are taken from observable market data. These include valuation models used to calculate the present value of expected future cash flows and may be employed when no active market exists, and quoted prices are available for similar instruments in active markets. The Society's Level 2 portfolio comprises interest rate swaps for which market informed yield curves have been used in their fair value.

Level 3: These are valuation techniques for which one or more significant inputs is not based on observable market data. Valuation techniques include net present value by way of discounted cash flow models. The Society does not hold any Level 3 assets/liabilities.

The table below summarises the fair values of the Society's financial assets and liabilities that are accounted for at fair value, analysed by the valuation methodology used by the Society to derive the financial instruments fair value:

FAIR VALUE AT 31 DECEMBER	2024 Level 2 £000	2023 Level 2 £000
Financial Assets		
Interest rate swaps	851	1,578
	851	1,578
Financial Liabilities		
Interest rate swaps	516	1,091
	516	1,091

FINANCIAL ASSETS PLEDGED AS COLLATERAL

The total financial assets recognised in the statement of financial position that had been pledged as collateral for liabilities at 31 December 2024 and 2023 are shown in the following table:

	2024 £000	2023 £000
Loans and advances to customers	101,393	99,147
Debt securities	-	5,000
	101,393	104,147

The mortgage loans and debt securities are pledged as collateral against any loans received from the Bank of England under the Bank of England Sterling Monetary Framework.

29 CREDIT RISK

Credit risk is the risk of default by counterparties to transactions. Appropriate credit limits have been established for individual counterparties, sectors and countries and the Board ensures that the Society adheres to these limits.

The Society's maximum credit risk exposure is detailed in the table below:

	2024 £000	2023 £000
Cash in hand and balances with Bank of England	61,469	86,823
Loans and advances to credit institutions	16,424	10,292
Debt securities	19,883	4,950
Derivative financial instruments	851	1,578
Loans and advances to customers - fully secured on residential property	434,660	409,194
- fully secured on land	13,478	11,208
Total statement of financial position exposure	546,765	524,045
Off balance sheet exposure - mortgage commitments	33,640	35,902
	580,405	559,947

Off balance sheet mortgage commitments are mortgage offers and retentions which are outside the scope of IAS 39 and therefore held off balance sheet.

NOTES TO THE ACCOUNTS (CONTINUED)

MORTGAGE BOOK CREDIT RISK

Credit quality analysis of loans and advances to customers excluding commitments to lend:

	NOTE	2024 Loans fully secured on residential property £000	2024 Loans fully secured on land £000	2023 Loans fully secured on residential property £000	2023 Loans fully secured on land £000
Not Impaired					
Neither past due nor impaired		413,600	12,567	384,546	9,698
Past due under 3 months but not impaired		4,365	-	7,928	-
Past due 3 months and over but not impaired		4,009	-	3,274	18
Impaired					
Not past due		5,805	911	7,835	1,492
1-2 months		4,308	-	3,986	-
2-4 months		733	-	195	-
4-6 months		655	-	162	-
6 months +		1,185	-	1,268	-
		434,660	**13,478**	409,194	11,208
Allowance for Impairment					
Individual		(516)	(6)	(316)	(17)
Collective		(479)	(33)	(690)	(36)
	13	**(995)**	**(39)**	(1,006)	(53)
Loans and Advances to Customers	12	**433,665**	**13,439**	408,188	11,155

	2024 £000	2023 £000
Indexed Value of Collateral Held		
Neither past due nor impaired	978,337	966,906
Past due but not impaired	18,087	25,400
Impaired	26,408	23,696
	1,022,832	1,016,002

The collective provision balance has reduced over the year reflecting our current estimates of probabilities of default. Included within the allowance is a mortgage which is more than 12 months in arrears and has an individual provision of £177k against it. It is secured by a residential property which we are in the process of repossessing.

The allowance for impairment category includes cases in forbearance and arrears cases and customers who have entered into an IVA or bankruptcy. Individual assessments are made of all mortgage loans where objective evidence indicates that losses are likely (for example when loans are past due) or the property is in possession, or where credit scoring evidence suggests an impairment trigger has occurred due to the customer's inability to afford repayments. Further consideration is given in the accounting policies on pages 55 to 59.

NOTES TO THE ACCOUNTS (CONTINUED)

The collateral consists of residential and commercial property. Collateral values are adjusted by the latest price index produced by the Land Registry to derive the indexed valuation at 31 December 2024. This index takes into account regional data from 11 different regions within the UK. The Society uses this index to update its mortgage portfolio on a monthly basis. Current economic conditions and their impact on the cost of living have resulted in an increase in the provision.

The value of collateral held against impaired loans at 31 December 2024 is £26,408k (2023: £23,696k) against outstanding debt of £13,597k (2023: £14,938k).

The value of collateral held against loans past due but not impaired as at 31 December 2024 is £18,087k (2023: £25,400k) against outstanding debt of £8,373k (2023: £11,220k).

COLLATERAL HELD AND OTHER CREDIT ENHANCEMENTS

The Society holds collateral and other credit enhancements against certain of its credit exposures. The table below sets out the principal types of collateral held against different types of financial assets.

	Percentage of exposure that is subject to collateral requirements		Principal type of collateral held
	2024 %	2023 %	
Loans and Advances to Customers	**100**	100	Property

The table below stratifies exposures from loans and advances to customers by ranges of loan-to-value (LTV) ratio for mortgages fully secured on residential properties (FSRP) and mortgages fully secured on land (FSOL). LTV is calculated as the ratio of the gross amount of the loan to the value of the collateral. The gross amounts exclude any impairment allowance. The valuation of the collateral excludes any adjustments for obtaining and selling the collateral. The value of the collateral for residential mortgage loans is based on the collateral value at origination updated based on changes in house price indices.

	2024		2023	
	FSRP £000	FSOL £000	FSRP £000	FSOL £000
LTV Ratio				
Less than 50%	120,605	10,926	126,027	8,917
51 – 70%	143,040	1,415	136,609	2,291
71 – 90%	140,530	-	121,950	-
91 – 100%	29,134	1,137	22,856	-
More than 100%	1,351		1,752	-
	434,660	**13,478**	409,194	11,208

The average LTV for the total loan book is 43.8% (2023: 41.1%). The amount showing in the table as more than 100% LTV for 2024 relates to six self-build mortgages, one self-build arrears, one shared ownership mortgage which was revalued during a transfer of equity agreement. The amount showing in the table as more than 100% LTV for 2023 relates to four self-build accelerator mortgages, one shared ownership mortgage which was revalued during a transfer of equity agreement and two mortgages on family assist mortgage products

Self-build products allow the borrower to draw funds in advance of the completion of the property. During the build it is possible therefore for the LTV to be greater than 100%. This is a short-term timing difference which is removed on the completion of the build. Valuations are carried out at each stage of the build, and the LTV shown here is prudently based on the last stage valuation. The above table includes £29.5m (2023: £28.78m) of self-build mortgages where the customer receives their funds in stages.

Family assist mortgages require the borrower to have a family member deposit an amount equivalent to 20% of the property's value or provide equivalent collateral in the form of equity in their own property. We do not include this additional security when calculating the above LTV figures.

NOTES TO THE ACCOUNTS (CONTINUED)

The loans included in the 91-100% LTV banding include standard residential mortgages that are insured using High Loan to Value Insurance. There are also shared ownership customers in this banding, whose loans are shown as the mortgage balance versus the value of the share that the customer has purchased, as opposed to the percentage of the loan compared to the value of the property. A Housing Association will own the remaining share and a guarantee exists between the Society and the Housing Association which allows the Society to access the full equity in the property in a default situation.

FORBEARANCE

Borrowers experiencing payment difficulties are encouraged to contact the Society as a number of forbearance measures are available to assist them with what, in most cases, are temporary problems. These measures include:

TEMPORARY CONCESSION	a temporary transfer to interest only or underpayments on a temporary basis.
AGREED FORMAL ARRANGEMENT	includes cases where there is an agreed arrears repayment plan.
LOAN MODIFICATION	includes cases where there is a term extension.

The table below analyses residential mortgage borrowers with renegotiated terms at the year end date:

	2024 Number	2023 Number
Temporary concession	3	1
Agreed formal arrangements	9	8
Loan modification	11	11
	23	20

At 31 December 2024 £1.80m (2023: £1.36m) of loans were subject to forbearance.

30 LIQUIDITY RISK

Liquidity risk is the risk that the Society will not have sufficient financial resources available to meet its obligations as they fall due, under either normal business conditions or a stressed environment. The Society's policy is to maintain sufficient funds in a liquid form at all times to ensure that liabilities can be met as they fall due. The objective of liquidity is to help smooth mismatches between maturing assets and liabilities and to provide a degree of protection against any unexpected event that may arise.

Monitoring of liquidity, in line with the Society's prudential policy framework, is performed daily. Compliance with these policies is reported to the Management Assets and Liabilities Committee 11 times per year and to the Board's Risk Committee quarterly.

The table below sets out the maturity analysis for financial liabilities. It shows the remaining contractual maturities at undiscounted amounts. The analysis of gross contractual cash flows differs from the analysis of residual maturity due to the inclusion of interest accrued at current rates, for the average period until maturity on the amounts outstanding at the statement of financial position date.

YEAR END 2024	On Demand £000	Not more than three months £000	More than three months but not more than one year £000	More than one year but not more than five years £000	More than five years £000	Total £000
FINANCIAL LIABILITIES						
Shares	120,943	123,408	122,257	76,317	3,087	446,012
Amounts owed to credit institutions	152	1,774	38,842	-	-	40,768
Amounts owed to other customers	14,211	8,348	14,663	379	-	37,601
Derivative financial instruments	-	26	(75)	2,094	-	2,045
Total Financial Liabilities	**135,306**	**133,556**	**175,687**	**78,790**	**3,087**	**526,426**

YEAR END 2023	On Demand £000	Not more than three months £000	More than three months but not more than one year £000	More than one year but not more than five years £000	More than five years £000	Total £000
FINANCIAL LIABILITIES						
Shares	130,448	128,091	78,331	65,814	2,705	405,389
Amounts owed to credit institutions	696	-	20,890	41,141	-	62,727
Amounts owed to other customers	17,172	10,452	7,655	1,163	-	36,442
Derivative financial instruments	-	(41)	(662)	(1,991)	(28)	(2,722)
Total Financial Liabilities	148,316	138,502	106,214	106,127	2,677	501,836

31 MARKET RISK

Market risk is the risk of changes to the Society's financial condition caused by market interest rates. The Society is exposed to movements in interest rates reflecting the mismatch between the dates on which interest receivable on assets and interest payable on liabilities are next reset to market rates or, if earlier, the dates on which the instruments mature. The Society manages this exposure continually by using both on and off-balance sheet instruments.

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Society's financial assets and financial liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 200 basis point (bp) parallel fall or rise in the yield curve. The following is an analysis of the Society's sensitivity to an increase or decrease in market interest rates, assuming no asymmetrical movement in yield curves and a constant financial position.

SENSITIVITY OF PROJECTED NET INTEREST INCOME

	2024		2023	
	200bp parallel increase £000	200bp parallel decrease £000	200bp parallel increase £000	200bp parallel decrease £000
As at 31 December	(352)	352	(448)	448
Average for the year	(418)	418	(237)	237
Maximum for the year	(721)	721	(448)	448
Minimum for the year	(67)	67	(24)	24

DERIVATIVES HELD FOR RISK MANAGEMENT

The Society uses derivatives to assist in managing interest rate risk. The only derivatives used are interest rate swaps to hedge its exposure to changes in the fair values of its fixed rate mortgages, its fixed rate savings and its exposure to market interest rates on certain treasury deposits.

The fair values of derivatives designated as fair value hedges are shown in note 11 on page 65.

NOTES TO THE ACCOUNTS (CONTINUED)

32 PENSIONS

DEFINED CONTRIBUTION SCHEMES

The Society operates two personal pension plans, The Mansfield Building Society 2007 Group Personal Pension Plan and The Mansfield Building Society 2014 Auto Enrolment Plan. Both schemes are available to all colleagues. During the year ended 31 December 2024, the Society made contributions of £633,521 (2023: £539,973), which are included in the Statement of Comprehensive Income and shown in Note 6 within colleague costs. At 31 December 2024, 12 months of contributions, paid in arrears, had been made for the year.

DEFINED BENEFIT SCHEME

Additionally, the Society operates a defined benefit pension scheme, The Mansfield Building Society 1978 Retirement & Death Benefit Scheme (the Scheme). The Scheme funds are administered by Trustees and are independent of the Society's finances. Contributions are paid to the Scheme in accordance with the recommendations of an independent actuarial adviser. The Scheme was closed to future accruals for all colleagues with effect from 28 February 2007.

Details in respect of the Scheme are provided below. A professional qualified actuary carries out an actuarial valuation every three years. The latest valuation of the Scheme was undertaken as at 1 March 2022 using the projected unit credit method and both the assets and liabilities include the value of those pensions in payment which are secured with insured annuities. In accordance with FRS 102, this latest actuarial valuation was updated to the accounting date by an independent qualified actuary.

The following tables set out the principal actuarial assumptions underlying the Scheme.

	Year to 31 December	
	2024	2023
Price inflation	3.15%	2.95%
Discount rate	5.50%	4.80%
Pension increase (RPI)	2.98%	2.85%

In valuing the liabilities of the Scheme at 31 December 2024, assumptions have been made as indicated above. If the discount rate were to decrease by 0.50%, the value of the reported liabilities would have increased by approximately £0.23m (2023: £0.30m) before adjustment for deferred taxation. Similarly, if the life expectancies shown below increased by one year an increase of £0.12m (2023: £0.14m) would be seen in liabilities, and if the inflation rate shown were to increase by 0.25%, then an increase of £0.08m (2023: £0.08m) would be seen in liabilities.

The principal underlying assumption (shown below) relating to longevity is based on standard actuarial mortality tables and includes an allowance for future improvements in longevity.

	As at 31 December	
Assumed Life Expectancies on Retirement at Age 65	2024	2023
Male retiring immediately	20.6 years	20.6 years
Female retiring immediately	22.6 years	22.5 years

Amounts Recognised in the Balance Sheet:	2024 £000	2023 £000
Liabilities	-	-
Assets	-	-
Net Asset	-	-

NOTES TO THE ACCOUNTS (CONTINUED)

The table below provides a reconciliation of the present value of the defined benefit obligation.

DEFINED BENEFIT OBLIGATION	2024 £000	2023 £000
Fair value of plan assets	8,613	8,752
Present value of defined benefit obligation	(4,464)	(4,771)
Surplus in plan	4,149	3,981
Unrecognised surplus	(4,149)	(3,981)
Deferred tax	-	-
Net Defined Benefit Asset to be Recognised[1]	-	-

(1) Under FRS 102, where a scheme is in surplus according to FRS 102 assumptions, the surplus may only be recognised if it is available to the Society. A surplus is only deemed available to the extent that the Society can take a contribution holiday or if the Trustees have agreed to provide a refund to the Society. The Scheme is now closed and has no active members and no agreement has been made with the Scheme Trustees to make any refunds. Accordingly, it has been assumed that none of the surplus is currently available to the Society, unless the Scheme were to be wound up and therefore no asset was recognised at the balance sheet date. The surplus is not deemed to be available to the Society as the Trustees have the ultimate right to apply the Scheme's assets to settle the Scheme's liabilities in respect of pension and other benefits.

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	As at 31 December	
	2024 £000	2023 £000
Defined benefit obligation at start of period	4,771	4,865
Expenses	-	-
Interest expense	223	237
Actuarial gains	(254)	(88)
Benefits paid and expenses	(276)	(243)
Losses due to benefit changes	-	-
Defined Benefit Obligation at End of Period	**4,464**	4,771

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	As at 31 December	
	2024 £000	2023 £000
Fair value of plan assets at start of period	8,752	8,408
Interest income	414	414
Actuarial (losses) / gains	(278)	172
Contributions by the Society	9	8
Administrative expenses	(8)	(7)
Benefits paid and expenses	(276)	(243)
Fair Value of Plan Assets at End of Period	**8,613**	8,752

The actual return on the plan assets over the period ended 31 December 2024 was a gain of £136,000 (2023: a gain of £586,000).

NOTES TO THE ACCOUNTS (CONTINUED)

	As at 31 December	
	2024 £000	2023 £000
Defined benefit costs recognised in profit or loss		
Contributions by the Society	9	8
Net interest income	191	177
Administration expenses	(8)	(7)
Effect of asset ceiling	(183)	(170)
Defined Benefit Costs Recognised in Profit and Loss Account	**9**	8

Over the year to 31 December 2024, contributions by the Society of £8,500 were made to the Scheme (Year to 31 December 2023: £8,050).

The total amount recognised in other comprehensive income in respect of actuarial gains and losses is £nil (2023: £nil).

The English High Court ruling in Lloyds Banking Group Pension Trustees Limited vs Lloyds Bank PLC and others was published on 26 October 2018 and held that UK pension schemes with Guaranteed Minimum Pensions (GMPs) accrued from 17 May 1990 must equalise for the different effects of these GMPs between men and women. The impact of this adjustment was a £49k increase to the liabilities of the Scheme, which was taken through profit and loss in 2018. Management have continued to monitor ongoing legal cases across the industry in relation to GMP, and do not consider that any cases have arisen that materially change the liability that has been recognised in the accounts.

	As at 31 December	
	2024 £000	2023 £000
Defined Benefit Costs Recognised in Other Comprehensive Income		
Return on plan assets (excluding amounts included in net interest cost) – gain / (loss)	278	(172)
Experience gains / (losses) arising on the plan liabilities	10	(78)
Effect of changes in the demographic and financial assumptions underlying the present value of the plan liabilities – (loss)	(264)	(10)
Effects of changes in the amount of surplus that is not recoverable – (loss) / gain	(24)	260
Total Amount Recognised in Other Comprehensive Income	-	-

The following table sets out the fair value of assets together with a breakdown of the assets into the main asset classes as at the accounting dates.

	As at 31 December	
	2024 Fair value £000	2023 Fair value £000
Components		
Equities	2,701	2,770
Bonds	4,143	4,246
Property	630	807
Cash	894	649
Other	245	280
Total	**8,613**	8,752

None of the fair values of the assets shown above include any direct investments in the Society's own financial instruments or any property occupied by, or other assets used by, the Society. Pension assets are valued by a third-party based on their surrender value.

NOTES TO THE ACCOUNTS (CONTINUED)

33 CAPITAL

The Society's policy is to retain a strong capital base to maintain member, creditor and market confidence and to sustain future development of the business. The Board has strategies and controls to ensure that both capital and liquidity are maintained at appropriate levels. Rules implemented by world banking authorities, for example the Capital Requirements Directive IV (CRDIV), have put a higher emphasis on improving our capital strength and it is therefore important for the Society to return strong levels of profitability in order to organically grow our capital base. Adopting this capital strengthening strategy ensures that we have protection against future risks and that we exceed regulatory capital requirements so that we can continue to offer a wide range of mortgage products to our members.

The Society's capital requirements are set and monitored by the Prudential Regulation Authority (PRA) following the formal Internal Capital Adequacy Assessment Process (ICAAP). However, the Society aims to maintain its capital above this requirement, the Total Capital Required (TCR), and it is monitored regularly to ensure that this is the case. There were no reported breaches of capital requirements during the year. Capital comprises the Society's reserves and collective provisions net of any required deductions for regulatory purposes, e.g. Intangible Assets.

	2024 £000	2023 £000
COMMON EQUITY TIER 1 CAPITAL		
General reserve	38,189	37,179
Intangible assets	(188)	(215)
TOTAL COMMON EQUITY TIER 1 CAPITAL	**38,001**	36,964
TIER 2 CAPITAL		
Collective provision	512	726
TOTAL REGULATORY CAPITAL	**38,513**	37,690

34 COUNTRY BY COUNTRY REPORTING

The regulations under Article 89 of the CRDIV require the Society to disclose the following information about the source of the Society's income and the location of its operations.

For the year ended 31 December 2024:

- the Society's principal activities are mortgage lending and the provision of savings accounts;
- the Society's turnover (defined as net interest receivable) was £12.7m (2023: £13.2m) and profit before tax was £1.3m (2023: £2.4m), all of which arose from UK based activity;
- the average number of Society full-time equivalent employees was 113 (2023: 112), all of whom were employed in the UK;
- corporation tax of £331k (2023: £563k) was paid in the year and is all within the UK tax jurisdiction; and
- no public subsidies were received in the year.

ANNUAL BUSINESS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

1 STATUTORY PERCENTAGES

	As at 31 December 2024 %	Statutory Limit %
Proportion of business assets other than in the form of loans fully secured on residential property – 'Lending limit'	3.11	25.00
Proportion of shares and borrowings other than in the form of shares held by individuals – 'Funding limit'	8.28	50.00

EXPLANATION

The statutory limits are prescribed in building society legislation and ensure that the principal purpose of a building society is that of making loans which are secured on residential property and are funded substantially by its members.

The percentages are calculated in accordance with, and the statutory limits are those prescribed by, Sections 6 and 7 of the Building Societies Act 1986 (as amended by the Building Societies Act 1997).

Business assets are the total assets of the Society as shown in the statement of financial position plus provisions for impaired debts, less fixed assets and liquid assets.

Loans fully secured on residential property are the amount of principal owing by borrowers and interest accrued not yet payable. This is the amount shown in the statement of financial position plus provisions for impaired debts.

2 OTHER PERCENTAGES

	As at 31 December	
	2024 %	2023 %
As a percentage of shares and borrowings:		
Gross capital	7.53	7.66
Free capital	7.26	7.38
Liquid assets	19.29	21.03
Profit after taxation as a percentage of mean total assets	0.19	0.36
Management expenses as a percentage of mean total assets	2.04	1.98

EXPLANATION

The above percentages have been calculated from the Society's Statement of Financial Position and Statement of Comprehensive Income. 'Gross capital' represents the general reserves as shown in the Statement of Financial Position.

'Free capital' represents gross capital and collective provisions for impaired debts less tangible and intangible fixed assets as shown in the Statement of Financial Position.

'Shares and borrowings' represent the total of shares, amounts owed to credit institutions and amounts owed to other customers.

'Mean total assets' are the average of the 2024 and 2023 total assets.

'Liquid assets' represent the total of cash in hand, treasury bills and debt securities and loans and advances to credit institutions and other liquid assets shown in the Statement of Financial Position.

'Management expenses' represent the aggregate of administrative expenses and depreciation in the Statement of Comprehensive Income.

ANNUAL BUSINESS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

3 INFORMATION RELATING TO THE DIRECTORS AT 31 DECEMBER 2024

NON-EXECUTIVE DIRECTORS

NAME	YEAR OF BIRTH	DATE OF APPOINTMENT AS DIRECTOR	BUSINESS OCCUPATION	OTHER DIRECTORSHIPS
Alison Chmiel FCMA *Board Chair*	1964	21.02.2013	Building Society Director	The Alexander Workshop Ltd The Two Counties Trust
Nick Baxter DipMan (Open), DipM	1956	23.01.2017	Building Society Director	Rockstead Ltd Rockstead Group Ltd
Rachel Haworth FCIM	1972	16.12.2021	Building Society Director	Phoenix Group IGC Mortgage Advice Bureau (Holdings) plc
Lucy McClements FCCA	1976	30.07.2020	Consultant	Finwell Coaching & Consulting Ltd Isle of Man Financial Services Authority (Board Member)
Jeff Picton ACA	1958	18.03.2024	Building Society Director	-

EXECUTIVE DIRECTORS

NAME	YEAR OF BIRTH	DATE OF APPOINTMENT AS DIRECTOR	BUSINESS OCCUPATION	OTHER DIRECTORSHIPS
Paul Wheeler FCA	1967	21.07.2011	Building Society Chief Executive	Trustee of The Mansfield Building Society Charitable Trust Corporation Board Member – Vision West Notts College
Daniel Jones FCA	1975	30.04.2020	Building Society Finance Director	Trustee of The Mansfield Building Society 1978 Retirement & Death Benefit Scheme

Documents may be served on the above-named Directors at the offices of Harrop White, Vallance & Dawson, 9/11 Albert Street, Mansfield, Nottinghamshire NG18 1EA.

DIRECTORS' SERVICE CONTRACTS

The Executive Directors, Paul Wheeler and Daniel Jones, have service contracts with the Society dated 30 April 2020 and 5 November 2019, respectively.

The Chief Executive, Paul Wheeler, has a service contract which can be terminated by the individual giving six months' notice in writing or the Society giving 12 months' notice. The Finance Director, Daniel Jones, has a service contract which can be terminated by the individual giving six months' notice in writing or the Society giving 12 months' notice.

In the event of amalgamation, transfer of engagements or transfer of business where the Executive Director's employment is to be terminated, the Society shall give not less than 12 months' notice.

ANNUAL BUSINESS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

Board Chair
Alison Chmiel, FCMA

Senior Independent Director and Vice Chair
Nick Baxter, DipMan (Open) DipM

Non-Executive Directors
Rachel Haworth, FCIM
Lucy McClements, FCCA
Jeff Picton, ACA

Chief Executive
Paul Wheeler, FCA

Finance Director and Secretary
Daniel Jones, FCA

Risk and Compliance Executive and Money Laundering Reporting Officer
Jim Stevens

Customer Service Executive
Dave Newby

Commercial Development Executive
Richard Crisp, DipFSM

IT Executive
Iain Lister

Head of Products and Marketing
Mike Taylor, LLB, ACIB

Head of People
Vickie Preston

Head of Mortgage Operations and Specialist Lending
Linda Herbert

Head of Savings Operations
Danie Mayne

Auditor
Forvis Mazars LLP

Bankers
Barclays Bank Plc

Solicitors
Harrop White, Vallance & Dawson

Established 1870

Member of the Building Societies Association with Trustee status

Member of the Financial Ombudsman Service Scheme

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority - reference number 206049

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SUTTON IN ASHFIELD

22-26 Low Street
Sutton-in-Ashfield, Nottinghamshire
NG17 1DG
t: 01623 676350

KIRKBY IN ASHFIELD

48 Station Street,
Kirkby-in-Ashfield, Nottinghamshire
NG17 7AS
t: 01623 676350

CHESTERFIELD

91 New Square
Chesterfield, Derbyshire
S40 1AH
t: 01623 676350

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