



**MANSFIELD**  
BUILDING SOCIETY

For you | With you | Always

For the year ended  
31 December 2025

# Summary Financial **Statement**



## THE DIRECTORS ARE PLEASED TO PRESENT THEIR SUMMARY FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

This financial statement is a summary of information in the audited Annual Accounts, the Directors' Report and the Annual Business Statement, all of which will be available to Members and depositors free of charge on demand at every office of The Mansfield Building Society and on our website from 23 March 2026.

### STATEMENT FROM THE BOARD CHAIR

2025 has been my first year as Chair and what an exciting one it has been. I have been particularly encouraged by the great strides the Society has made with its transformation programme. While part of this is about ensuring we can serve Members with modern technology, we have always been keen that this isn't just about software and computers. As a mutual organisation, Members and therefore people are central to who we are, and that will remain the case regardless of what technology we use to enable this. We were established over 150 years ago to connect people who wanted a safe place for their savings, with people who wanted to own a home. A focus on people remains at the core of our vision for The Mansfield and that is driving how we shape our culture, processes, and, yes, our technology via our ongoing transformation, Project Sherwood.



This is why I was so pleased to be able to attend the Society's all colleague event, "Mansfield Forward", in July. We launched our new Purpose and Vision for the Society at this event and also our *Mansfield Story*, which brings this to life, and articulates why we're here, what we do and why we're on this transformation journey. Community and people are central to this, and along with the whole Board, I was delighted to see that our colleagues who serve you on a day-to-day basis, already see this as their purpose; they can't wait to do an even better job of giving you a great customer experience, centred on people. What strikes me in presenting this report is how much of this is a story of continuity; our Member newsletter, 'Your Mansfield', highlights the great things we're able to do in collaboration with our community, and our excellent customer satisfaction score demonstrates that we offer a great experience already.

Of course, this report also talks to our financial performance, which continues to be strong. Mortgage growth and underlying profitability both exceeded the Board's expectations for the year. A big thank you to all colleagues for your hard work to achieve these results in 2025. As we signposted in last year's report, the overall loss we are reporting is an expected consequence of the investment we are making in Project Sherwood; the loss is more than covered by our very adequate capital resources.

During 2025, the Government reaffirmed its manifesto commitment to double the size of the co-operative and mutuals sector. As one would imagine, we clearly agree that mutuals like us, add huge value to both society and the economy, with our unique ability to provide services, unhindered by the need to issue dividends to investors. It was pleasing to see some fruit from this Government initiative in the form of the Prudential Regulation Authority's (PRA) removal of the Building Societies Sourcebook, which took effect on 1 January 2026. This document has provided sound guidance since the financial crisis but more recently, the limits in the document have made it harder for building

societies to compete in the ever-changing world of financial services. We will continue to track the Government's progress with its agenda and consider any opportunities it may offer us to grow, while staying true to our purpose. Certainly, the strong growth we delivered in 2025 will have played its part already.

Finally, I want to extend my thanks to you, our Members and customers, for your business this year. It has enabled us to deliver a strong financial performance, while taking positive steps towards the completion of our transformation programme. I hope you feel confident in the direction we're taking. We are after all, your Building Society.

**Jeff Picton**

*Board Chair*

5 March 2026



## 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 geopolitical turmoil, uncertain financial markets and during a time in which we have been working hard on our digital transformation programme, Project Sherwood, alongside keeping the business running. This programme is all about building the best experience for our customers and ensuring we still feel like an organisation built around people that retains its human touch.

As we expected and as we signposted in last year's report, this investment is being written off as the costs have been incurred rather than capitalised over future years. This prudent approach means that whilst there is a loss after tax of £(0.5)m for 2025, we have delivered a strong underlying profit of £1.5m before Sherwood one-off costs have been accounted for.

As Jeff highlights in his Chair's statement, this transformation is not just about technology, but the whole organisation. So, we have also reviewed our Purpose and our Vision for the Society and have redesigned our target operating model, which describes how our colleagues will be organised and what their roles and responsibilities will be, once we are live with the new systems. This is all critical to ensuring that the benefits of the new technology are harnessed to benefit our Members.

## BUSINESS PERFORMANCE

I'm pleased to report that the Society continues to grow with record mortgage lending of £148.4m leading to 10.6% growth in mortgage assets and underlying profit before Project Sherwood costs of £1.5m.

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. We continue to support first-time buyers to purchase high loan to value first homes and also have a range of shared ownership products as an alternative way to get Members onto the housing ladder. Our underwriting capabilities continue to evolve and our manual approach, supported by technology, has allowed us to expand our lending to borrowers with historical credit issues and those with complex incomes. This new lending is designed to assist those that have struggled during these difficult economic times to continue with home ownership, or who have unusual credit profiles. Along with Self-Build, these new areas of lending have seen the strongest growth in 2025, as we find that more borrowers have fallen into the underserved market due to the economic conditions prevailing. We also believe that it is important as a mutual, to offer products to people at all stages of life. 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, as we progressed through the programme, we planned the heaviest demand for internal testing resource to be in 2026 rather than 2025, and that allowed us to take advantage of strong demand in the market.



Despite the challenges of the economy and the continued 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 58 (2024: 63) and the value in arrears has increased slightly to £435k (2024: £430k) on mortgage balances of £8.49m (2024: £8.09m). With a book of £495m, this remains a very small portion of lending. 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 two repossessions during the year (2024: one).

Our credit risk is partially mitigated by restrictions on loan to value (LTV) with higher risk business being written at low maximum LTVs and this prudence has led to a low average LTV of 44.1%, which will give us significant headroom if house prices do not continue with their slow increase.

Our savings business saw strong growth in 2025 as well. Overall retail shares and deposits grew by 7.3%, rising to over £500m for the first time, and closing at £503m (2024: £469m). It's heartening in such a competitive market that customers, new and old, still see value in putting their savings with an organisation that is rooted in its community.

Our customer satisfaction scores also continued to rise. Smart Money People support a survey process which gives us feedback from our customers on how we're doing, and our 2025 score increased to 4.78 out of 5, even though it was already a very healthy 4.74 out of 5 in 2024. In the small number of cases where we fall short, it is often our technology that is at the root of this, so the investment in Project Sherwood will address these cases and this will drive further increases in customer satisfaction.

In summary, 2025 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.

As a mutual building society, we are always keen to ensure that our savers and borrowers are receiving and paying competitive rates. The Bank of England Bank Rate (Base Rate) fell across 2025, and we have reduced interest rates for both mortgage and savings customers during that time. Lower interest rates for mortgage customers help them with the challenges of continued cost-of-living pressures, and these are accompanied by reduced savings rates to ensure that we take a balanced approach. We continue to regularly assess the competitiveness of our rates for both groups of customers and ensure that they offer good value in the market.

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.



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.

The Society will be continuing its significant investment in technology during the coming year, and this will transform our digital offering, providing a more efficient service to our Members, in a way that supplements our existing branch network. This programme has made good progress in 2025, and we will begin to go live with some of the new software capabilities in 2026. This investment has impacted our reported profitability this year and will continue to do so over the next two years, initially through continued spend to complete the programme, and then also via diminished mortgage growth in 2026, which will have a consequential impact on interest income in 2027. Nonetheless, this has been planned for, and we will continue to be very well capitalised as we deliver this important transformation.

**Paul Wheeler**  
*Chief Executive*  
5 March 2026



# SUMMARY FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

## FINANCIAL REVIEW

### RESULTS FOR THE YEAR

	2025 £000	2024 £000
Net Interest Income	13,281	12,745
Other Income and Charges	(703)	(258)
Recurring Administrative Expenses	(10,751)	(9,318)
Non-recurring Administrative Expenses	(2,097)	(1,624)
Impairment Provisions	(266)	(33)
Non-recurring Impairment Losses	-	(131)
Other Provisions	(31)	(41)
(Loss)/ Profit before Tax	(567)	1,340
Tax Expense	110	(330)
<b>Loss/(Profit) for the Year</b>	<b>(457)</b>	<b>1,010</b>

### FINANCIAL POSITION AT END OF YEAR

#### ASSETS

Liquid Assets	85,905	97,776
Mortgages	495,496	446,698
Derivative Financial Instruments	161	851
Fixed and Other Assets	3,021	2,928
<b>Total Assets</b>	<b>584,583</b>	<b>548,253</b>

#### LIABILITIES

Shares	455,291	434,420
Borrowings	87,624	72,528
Derivative Financial Instruments	1,364	516
Other Liabilities	2,572	2,600
Reserves	37,732	38,189
<b>Total Liabilities</b>	<b>584,583</b>	<b>548,253</b>

### SUMMARY OF KEY FINANCIAL RATIOS

	2025 %	2024 %
Gross Capital as a % of Shares and Borrowings	6.95	7.53
Liquid Assets as a % of Shares and Borrowings	14.76	19.29
(Loss)/Profit for the Year as a % of mean Total Assets	(0.08)	0.19
Management Expenses as a % of mean Total Assets	2.27	2.04

## GROSS CAPITAL AS A PERCENTAGE OF SHARES AND BORROWINGS

The gross capital ratio measures the proportion that the Society's capital bears to the Society's liabilities to holders of shares, depositors and other providers of funds (investors).

The Society's capital consists of the profits accumulated over many years in the form of general reserves. Capital provides a financial cushion against difficulties that might arise in the Society's business and therefore protects investors.

## LIQUID ASSETS AS A PERCENTAGE OF SHARES AND BORROWINGS

The liquid assets ratio measures the proportion that the Society's assets held in the form of cash and short-term deposits bear to the Society's liabilities to investors.

Most of the Society's assets are long-term mortgages which cannot be converted quickly into cash, while many of its liabilities to investors are repayable on demand. Liquid assets are generally readily realisable, enabling the Society to meet requests by investors for withdrawals from their accounts, to make new mortgage loans to borrowers and to fund its general business activities.

## PROFIT FOR THE YEAR AS A PERCENTAGE OF MEAN TOTAL ASSETS

The profit to assets ratio measures the proportion that the Society's profit after taxation for the year bears to the average of the Society's total assets during the year.

The Society needs to make a level of profit each year which maintains its capital ratio at a suitable level to protect investors. However, a building society does not have to pay dividends to equity shareholders as a company does.

## MANAGEMENT EXPENSES AS A PERCENTAGE OF MEAN TOTAL ASSETS

The management expenses ratio measures the proportion that the Society's administrative expenses bear to the average of the Society's total assets during the year.

Management (or administrative) expenses consist mainly of the costs of employing colleagues and running the branches, systems and other office costs, advertising and depreciation, etc. The management expenses included in this calculation also include non-recurring items relating to the Society's digital transformation project. Expenses need to be controlled to enable the Society to operate as efficiently as possible whilst providing the service that Members require.

## 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.



## OVERVIEW OF PERFORMANCE

The Society delivered a resilient underlying financial performance during 2025 alongside continued strong growth in its core mortgage lending and retail saving activities. The statutory loss reported for the year reflects a planned and deliberate investment strategy, with significant transformation expenditure relating to Project Sherwood being expensed directly through the income statement rather than being capitalised onto the balance sheet. This accounting treatment has reduced reported statutory profitability in the short-term but will mean that future years' performance is not encumbered by amortising a large capital investment. Underlying profit remains strong and continues to support the Society's long-term strategy.

## UNDERLYING PROFITABILITY

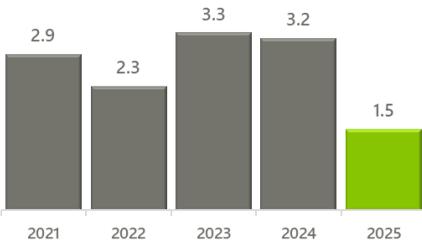
To enable Members to better understand financial performance over the coming years as we execute Project Sherwood, Underlying Profit Before Tax is stated before netting off the non-recurring costs related to this transformation. The below table shows this underlying profit and how it compares to overall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

	2025 £000	2024 £000
Net Interest Income	13,281	12,745
Fees, Commissions & Other Income	(703)	(258)
<b>Total Underlying Income</b>	<b>12,587</b>	<b>12,487</b>
Underlying Administrative Expenses	(10,430)	(9,000)
Underlying Depreciation & Amortisation	(321)	(261)
<b>Underlying Operating Profit before Impairment &amp; Other Provisions</b>	<b>1,827</b>	<b>3,226</b>
Impairment Provisions on Loans and Advances, Properties & Other Provisions	(297)	(74)
<b>Underlying Profit before Tax</b>	<b>1,530</b>	<b>3,152</b>
Non-Recurring Administrative Costs	(2,097)	(1,624)
Non-Recurring Impairment Losses	-	(131)
Non-Recurring Accelerated Amortisation	-	(57)
<b>(Loss) / Profit before Tax recorded in the Income Statement</b>	<b>(567)</b>	<b>1,340</b>

During 2025, Project Sherwood progressed further through its build phase, with delivery activity accelerating following the mobilisation of the programme team in the prior year. The Society continued to utilise a dedicated project team combining experienced programme management, specialist contractors with wider industry expertise and internal subject matter experts.

The non-recurring Project Sherwood costs also include ongoing implementation and delivery costs, including core banking configuration and the development of digital interfaces for customers, brokers and branch colleagues. Tata Consultancy Services (TCS) are providing a team of experienced technology specialists to support delivery. Non-recurring administrative costs also include fees paid to external legal and procurement advisers, together with external assurance support from Partners in Change.

**UNDERLYING PROFIT BEFORE TAX (£M)**



investment in people and processes to support the ongoing balance sheet growth the Society is managing to generate. Process efficiencies delivered by Project Sherwood will enable future growth to come without such a large rate of increase in the cost base.

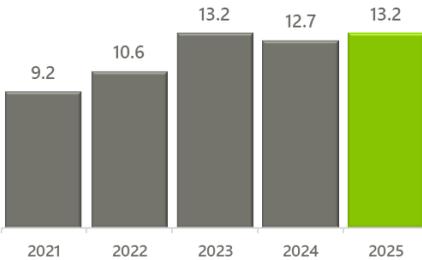
**UNDERLYING PROFIT BEFORE TAX**

2025 underlying profit remained strong, although not quite as high as 2021-2024 which was a period where interest rates rose. During the rising rate environment, we tended to see positive revaluations in our interest rate swaps, and the reverse is true as the rate environment is now falling. Resulting from this, a gain of £70k from derivative financial instruments in 2024 became a loss of £126k in 2025. Our cost base has also continued to increase in 2026 driven by continued

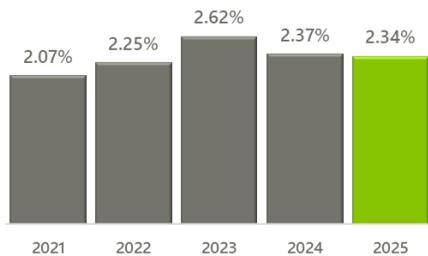
**NET INTEREST INCOME**

Net Interest Income is the Society's main source of income. It represents the difference between the interest the Society earns on mortgages and its liquidity investments, and the interest rate it pays to Members and other providers of funding. The level of net interest income varies depending on the size of the Society's lending and savings balances and changes in interest rates during the year. Net Interest Income for the year ended 31 December 2025 increased to £13.2m (2024: £12.7m) and remained resilient despite a significant fall in Bank Base Rate and highly competitive savings and mortgage markets.

**NET INTEREST MARGIN (£M)**

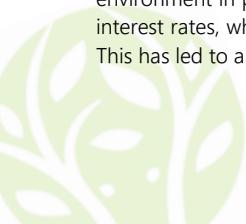


**NET INTEREST MARGIN**



Net Interest Margin shows net interest income as a percentage of the Society's average assets during the year and reflects how effectively the Society balances offering competitive rates to savers and borrowers while still generating sufficient income to maintain the Society's financial health and to support further growth and investment.

Net Interest Margin reduced modestly during the year to 2.34% (2024: 2.37%). This primarily reflects the natural run-off of mortgages and interest rate swaps that were written in a higher interest rate environment in previous years. New mortgage lending is now being completed and hedged at lower interest rates, which generates lower returns than the older mortgages that have matured or repaid. This has led to a gradual reduction in average margin during the year.

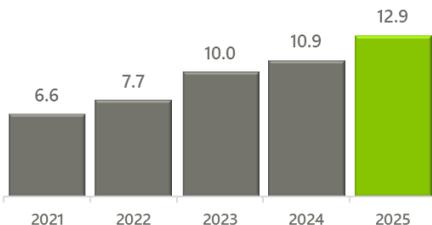


## SUMMARY FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

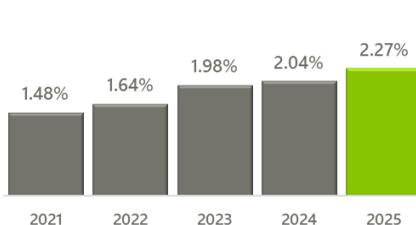
Net Interest Margin was also influenced by continued competition across both mortgage and retail savings markets and by higher overall funding costs. Reductions in Bank Base Rate were felt immediately and also reduced returns on interest rate derivatives, which are held for risk management purposes. In addition, the Society made deliberate reductions to its Standard Variable Rate to support borrowers. Together, these factors placed downward pressure on margin.

### ADMINISTRATIVE EXPENSES AND DEPRECIATION

#### ADMINISTRATIVE EXPENSES (£M)



#### MANAGEMENT EXPENSES RATIO



Administrative expenses include all of the Society's day-to-day operating costs and overheads, including staff costs, IT expenditure, premises costs and other running expenses. Depreciation and amortisation reflect the gradual write-down of the cost of the Society's property, equipment and intangible assets over their useful lives.

Underlying administrative expenses increased during the year to £10.4m (2024: £9.0m) reflecting planned and deliberate investment in people, premises and processes to support the Society's growth ambitions, with staff cost growth primarily driven by targeted recruitment in key roles, pay progression and inflationary pressures through the year. In addition, the Society incurred £2.1m of non-recurring administrative expenses relating to Project Sherwood.

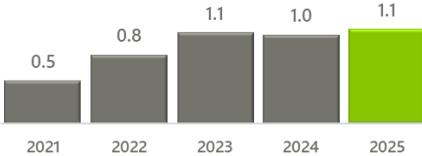
Total Administrative Expenses for the year amounted to £12.9m. As a result, the cost-to-income ratio increased to 85.54% (2024: 74.16%), reflecting targeted investment in cyber security and resilience and inflationary uplifts in key supplier contracts, consistent with the wider economic environment. These increases were partially offset by lower depreciation and amortisation in the year.

The Board continues to closely monitor the cost base and recognises that a significant proportion of current cost pressures are temporary in nature and directly linked to Project Sherwood. As the transformation programme completes and the Society transitions into a new operating model, the Board expects operating efficiency to improve over the longer term.

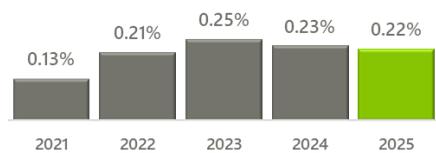


LOAN IMPAIRMENT PROVISION

IMPAIRMENT PROVISION ON LOANS AND ADVANCES (£M)



ALLOWANCE FOR LOAN IMPAIRMENT



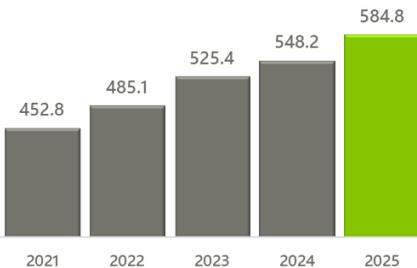
The Society continues to maintain a prudent and conservative approach to credit risk management. The Society’s collective impairment provision has increased to £0.7m (2024: £0.5m), reflecting an increase in the size of the mortgage book, including growth in newer and more specialist lending segments. Specific impairment provision reduced to £0.4m (2024: £0.5m), reflecting a lower level of individually identified problem accounts.

The level of arrears on the book remains low with the number of cases 12 months or more in arrears totalling seven (2024: six), comprising arrears of £118k (2024: £125k) on mortgage balances of £950k (2024: £1,148k).

During the year, £0.1m of provision was reclassified from specific to collective, to improve alignment with market practice and peer comparators, representing a presentational change rather than a change in underlying credit risk. Overall, arrears levels remain low and asset quality across the mortgage portfolio continues to demonstrate resilience, supported by stable market conditions and prudent underwriting.

The Board remains satisfied that impairment provisioning remains appropriate and proportionate to the Society’s risk profile.

TOTAL ASSETS (£M)



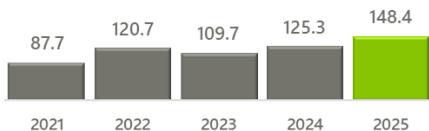
TOTAL ASSETS

The Society’s total assets increased to £585m (2024: £548m), representing growth of 6.62% (2024: 4.35%). This growth was driven primarily by the continued expansion of the Society’s mortgage book. Total liquidity reduced to £85.9m (2024: £97.8m) at the year end, reflecting the deliberate deployment of liquidity to support increased mortgage lending during the year.

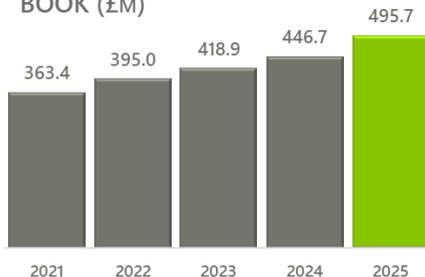


MORTGAGES

MORTGAGE  
NEW BUSINESS (£M)



MORTGAGE  
BOOK (£M)

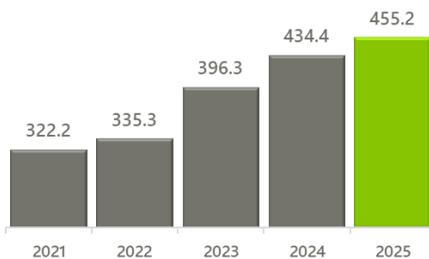


The Society delivered strong growth in mortgage lending during the year, reflecting sustained demand for its products and effective pricing strategies. Loans and advances to customers increased to £495m as of 31 December 2025 (2024: £446m).

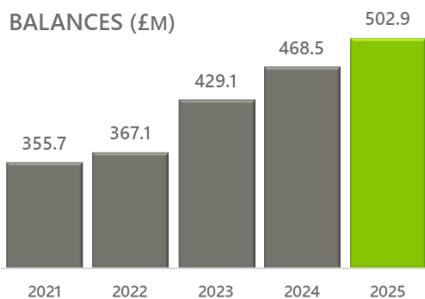
Gross mortgage lending for the year amounted to £148m, exceeding prior year level of new mortgage lending, reflecting continued momentum across both residential and specialist lending segments. This growth demonstrates the continued strength of the Society’s lending proposition.

FUNDING

SHARE BALANCES (£M)



TOTAL SAVINGS  
BALANCES (£M)



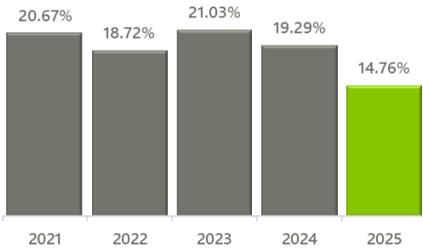
Retail share balances increased by £20.8m during the year to £455m (2024: £434m), reflecting continued Member confidence and inflows into savings products. Retail funding continues to be derived predominantly from individual Members and is underpinned by Society’s commitment to providing competitive saving products through its branch network and online channels.

The Society continued to maintain a diverse funding base and uses wholesale funding to smooth out fluctuations in retail savings balances. The Society maintains access to the Bank of England’s Sterling Monetary Framework, including a reserve account.



LIQUID ASSETS

LIQUID ASSETS AS A % OF SHARES AND BORROWINGS



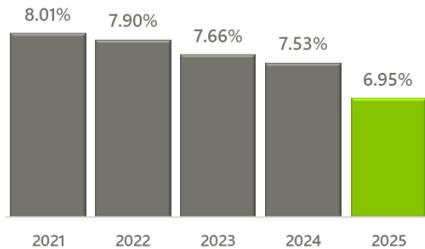
The Society’s liquid assets consist primarily of cash deposits, debt securities and other high quality liquid assets and are held to provide a prudent liquidity buffer, to support day to day operations, to meet regulatory liquidity requirements and to ensure the Society can meet its obligations as they fall due. Liquid assets represented 14.76% (2024: 19.29%) of Shares, Deposits and Liabilities (SDL) as at the 31 December 2025 reflecting deliberate deployment of liquidity to support increased mortgage lending during the year. Stress testing continues to demonstrate that the Society holds sufficient liquidity to withstand severe stress scenarios.

CAPITAL

Strong capital levels remain central to the Society’s financial strength and its ability to support Members, absorb economic shocks and invest confidently in its future. The Society’s capital levels must also meet requirements set out and monitored by the Prudential Regulation Authority (PRA).

The Society’s total reserves as at 31 December 2025 were £37.7m (2024: £38.2m). Gross Capital is defined as general reserves as shown in the Society’s Statement of Financial Position. Free capital represents total capital plus collective loan

GROSS CAPITAL RATIO



loss impairment provision, less tangible and intangible fixed assets. The Society’s gross capital stood at 6.95% of total shares and borrowings (2024: 7.53%), with free capital of 6.73% (2024: 7.26%). The reduction in the Gross Capital Ratio reflects balance sheet growth outpacing reserves during the year, together with the impact of planned strategic investment, rather than any material erosion of capital.

Although the Society reported a statutory loss for the year, this reflects planned and deliberate strategic investment in Project Sherwood. The Society’s capital levels have remained stable and continue to provide significant headroom above regulatory requirements.

The Society’s annual Internal Capital Adequacy Assessment Process (ICAAP) showed that the Society holds significant capital surplus sufficient to withstand a range of severe but plausible stresses, while continuing to support lending growth and strategic investment.



## STRATEGIC TRANSFORMATION AND FUTURE DEVELOPMENTS

Significant progress has been made during the year on Project Sherwood, the Society's core banking transformation programme, delivered in partnership with Tata Consultancy Services (TCS).

Project Sherwood represents a fundamental modernisation of the Society's core banking platform, designed to enhance operational resilience, improve efficiency and deliver an improved experience for Members and colleagues.

During the year, major system builds, testing and data migration activities were completed, and the programme remains on track for go-live in 2026. The first part of the system, the broker portal has been successfully launched, marking a key programme milestone. This broker portal is fundamental to ensuring the continued success of the mortgage business, and we are delighted to have launched it.

Strong governance and oversight continue to operate throughout the programme to ensure risks are effectively managed and delivery remains aligned to the Society's strategic objectives.

The Board considers this investment essential to ensuring that the Society remains competitive in a rapidly evolving financial services environment and is confident that the programme will deliver long-term benefits through scalability, efficiency and service quality for Members.

The overall loss after tax in 2025 is a planned consequence of expensing the costs relating to the Project Sherwood implementation. To reiterate, the Society made a healthy underlying profit of £1.5m during 2025. The Society has a robust capital base, and the Board reviews the capital position regularly, to ensure that its strategy of paying for the investment out of capital in this way remains viable. In 2026, the Board expects to report underlying profit, but with a loss after accounting for Sherwood, for the same reason, as part of this strategy.

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 reinvestment, 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.



## DIRECTORS

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

### NON-EXECUTIVE DIRECTORS

Jeff Picton ACA	Board Chair
Nick Baxter, DipM, DipMan (Open)	Vice Chair and Senior Independent Director
Lucy McClements, FCCA	
Rachel Haworth, FCIM	
Neil Tinagate (from 27.03.25)	
Sarah Binstead, ACA (from 26.05.25)	
Carolyn Porretta, FCA (from 26.05.25)	

### EXECUTIVE DIRECTORS

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

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

At 31 December 2025 no Director held any interest in the shares or debentures of any connected undertaking.

Approved by the Board of Directors on 5 March 2026 and signed on its behalf by:

**Jeff Picton**  
*Board Chair*

**Dan Jones**  
*Finance Director*

**Paul Wheeler**  
*Chief Executive*



# INDEPENDENT AUDITOR'S REPORT

## INDEPENDENT AUDITOR'S STATEMENT TO THE MEMBERS AND DEPOSITORS OF THE MANSFIELD BUILDING SOCIETY



We have examined the Summary Financial Statement of The Mansfield Building Society (the "Society") set out on pages 1 to 16.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The Directors are responsible for preparing the Summary Financial Statement, in accordance with applicable United Kingdom law.

Our responsibility is to report to you our opinion on the consistency of the Summary Financial Statement with the Annual Report and Accounts, the Annual Business Statement and the Directors' Report and its conformity with the relevant requirements of Section 76 of the Building Societies Act 1986 and regulations made under it.

### BASIS FOR OPINION

Our examination of the Summary Financial Statement consisted primarily of:

- Agreeing the amounts included in the Summary Financial Statement to the corresponding items within the Annual Report and Accounts, the Annual Business Statement and the Directors' Report of the Society for the year ended 31 December 2025 including consideration of whether, in our opinion, the information in the Summary Financial Statement has been summarised in a manner which is not consistent with the full Annual Report and Accounts, the Annual Business Statement and Directors' Report of the Society for the year;
- Checking that the format and content of the Summary Financial Statement is consistent with the requirements of Section 76 of the Building Societies Act 1986 and regulations made under it; and
- Considering whether information has been omitted which although not specifically prescribed by Section 76 of the Building Societies Act 1986 and regulations made under it, in our opinion, is necessary to ensure consistency with the Annual Report and Accounts, the Annual Business Statement and the Directors' Report of the Society for the year ended 31 December 2025.

We also read the other information contained in the Directors' Remuneration Report and consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the Summary Financial Statement.

Our report on the Society's Annual Report describes the basis of our opinion on those Annual Report and Accounts, the Annual Business Statement and the Directors' Report.

### OPINION

In our opinion, the Summary Financial Statement is consistent with the Annual Report and Accounts, the Annual Business Statement and the Directors' Report of The Mansfield Building Society for the year ended 31 December 2025 and complies with the applicable requirements of Section 76 of the Building Societies Act 1986 and regulations made under it.



# INDEPENDENT AUDITOR'S REPORT

## USE OF THE STATEMENT

This statement is made solely to the Society's Members as a body and the Society's depositors as a body in accordance with Section 76(5) of the Building Societies Act 1986. Our audit work has been undertaken so that we might state to the Society's Members and depositors those matters we are required to state to them in such a statement 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 and the Society's depositors as a body for our audit work, for this statement, or for the opinions we have formed.

**Martin Orme** (*Senior Statutory Auditor*) for  
*and on behalf of Forvis Mazars LLP*  
Chartered Accountants and Statutory Auditor  
30 Old Bailey,  
London,  
EC4M 7AU

5 March 2026



# DIRECTORS' REMUNERATION REPORT

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 Financial Conduct Authority's (FCA) Remuneration Code. A resolution will again be put to the Annual General Meeting (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 met three times during 2025 and is made up entirely of Non-Executive Directors. The Membership of the Committee during 2025 was:

- Rachel Haworth - Committee Chair
- Jeff Picton (from 31.01.25)
- Alison Chmiel (until 19.02.25)
- Neil Tinegate (from 27.03.25)

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, Dan Jones and Head of People 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 20% of basic salary as reward under this scheme during 2025.

## DIRECTORS' REMUNERATION REPORT

**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 2025, the Society introduced an improved pension contribution for colleagues which paid up to 10% from the Society. This reduced the gap between contributions made for Executives and other colleagues.

**OTHER BENEFITS:** notably the provision of a car allowance, access to the electric vehicle scheme 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 2025.

**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.

These contracts do not include Malus and Clawback provisions, which form part of the Corporate Governance Code. The committee considers that the service contracts, combined with the processes to review the performance of the Executive Directors, are sufficient to cover the risks that such clauses are intended to mitigate.

### 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 REPORT

## DIRECTORS' REMUNERATION

Details of Directors' emoluments for the financial year ended 31 December 2025 are shown below:

	2025 £000	2024 £000
Non-Executive Directors' fees	230	207
Executive Directors' remuneration	497	469
<b>TOTAL</b>	<b>727</b>	<b>676</b>
<b>NON-EXECUTIVE DIRECTORS' FEES</b>		
Alison Chmiel (retired 24.05.25)	15	43
Nick Baxter	36	35
Lucy McClements	34	32
Rachel Haworth	35	33
Jeff Picton (appointed 18.03.24)	45	24
Neil Tinegate (appointed 27.03.25)	27	-
Sarah Binstead (appointed 26.06.25)	19	-
Carolyn Porretta (appointed 26.06.25)	19	-
Collin Bradley (retired 28.03.24)	-	11
Keith McLeod (resigned 01.11.24)	-	29
<b>TOTAL</b>	<b>230</b>	<b>207</b>

Fees include an allowance for travel and expenses.

2025 EXECUTIVE DIRECTORS	Salary £000	Annual Bonus £000	Deferred Bonus £000	Benefit £000	Pension £000	TOTAL £000
Paul Wheeler (CEO) <sup>1</sup>	184	20	16	24	46	290
Dan Jones (FD) <sup>2</sup>	140	15	12	17	23	207
<b>TOTAL</b>	<b>324</b>	<b>35</b>	<b>28</b>	<b>41</b>	<b>69</b>	<b>497</b>

2024 EXECUTIVE DIRECTORS	Salary £000	Annual Bonus £000	Deferred Bonus £000	Benefit £000	Pension £000	TOTAL £000
Paul Wheeler (CEO) <sup>1</sup>	173	17	15	23	43	271
Dan Jones (FD) <sup>2</sup>	131	13	11	21	22	198
<b>TOTAL</b>	<b>304</b>	<b>30</b>	<b>26</b>	<b>44</b>	<b>65</b>	<b>469</b>

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

- 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.
- 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.

On behalf of the Board of Directors

**Rachel Haworth**

*Chair of the Remuneration Committee*

5 March 2026



## HEAD OFFICE:

Regent House, Regent Street  
Mansfield, Nottinghamshire  
NG18 1SS  
t: 01623 676300  
e: enquiries@mansfieldbs.co.uk  
w: mansfieldbs.co.uk

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## BRANCHES:

### MANSFIELD

25 Market Place  
Mansfield, Nottinghamshire  
NG18 1JA  
t: 01623 676350

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### SUTTON-IN-ASHFIELD

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

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### KIRKBY-IN-ASHFIELD

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

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### CHESTERFIELD

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



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BUILDING SOCIETY

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