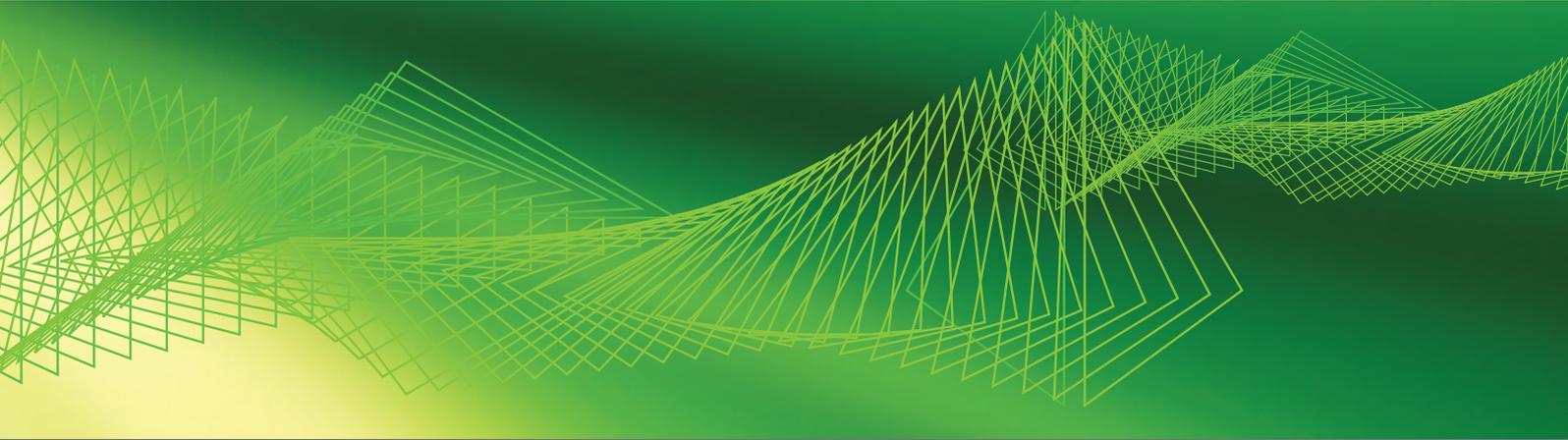




The *friendlier* face of finance



NOTICE OF AGM AND SUMMARY FINANCIAL STATEMENT 2007

Savings Interest Rates

From 2 March 2008

	PREVIOUS			NEW		
	Gross %	Net %	AER %	Gross %	Net %	AER %
PERFORMANCE BONDS						
£2000+ 1YEAR	5.50	4.40	5.50	5.25	4.20	5.25
£2000+ 2YEAR	5.75	4.60	5.75	5.50	4.40	5.50
£2000+ 3YEAR	6.00	4.80	6.00	5.75	4.60	5.75
MONTHLY INCOME OPTION						
£2000+ 1YEAR	5.37	4.29	5.50	5.13	4.10	5.25
£2000+ 2YEAR	5.60	4.48	5.75	5.37	4.29	5.50
£2000+ 3YEAR	5.84	4.67	6.00	5.60	4.48	5.75
PYRAMID 90						
£1,000+	3.75	3.00	3.75	3.50	2.80	3.50
£10,000+	4.25	3.40	4.25	4.00	3.20	4.00
£25,000+	4.50	3.60	4.50	4.25	3.40	4.25
£50,000+	4.75	3.80	4.75	4.50	3.60	4.50
£100,000+	5.00	4.00	5.00	4.75	3.80	4.75
MONTHLY INCOME OPTION						
£1,000+	3.69	2.95	3.75	3.45	2.76	3.50
£10,000+	4.17	3.34	4.25	3.93	3.14	4.00
£25,000+	4.41	3.53	4.50	4.17	3.34	4.25
£50,000+	4.65	3.72	4.75	4.41	3.53	4.50
£100,000+	4.89	3.91	5.00	4.65	3.72	4.75
PYRAMID SHARES						
£1+	1.60	1.28	1.60	1.35	1.08	1.35
£500+	2.25	1.80	2.25	2.00	1.60	2.00
£5,000+	2.50	2.00	2.50	2.25	1.80	2.25
£10,000+	2.75	2.20	2.75	2.50	2.00	2.50
£25,000+	3.00	2.40	3.00	2.75	2.20	2.75
MONTHLY INCOME OPTION						
£5,000+	2.47	1.98	2.50	2.23	1.78	2.25
£10,000+	2.72	2.17	2.75	2.47	1.98	2.50
£25,000+	2.96	2.37	3.00	2.72	2.17	2.75
HUMPHREY CLUB						
£1+	5.50	4.40	5.58	5.25	4.20	5.32
PYRAMID MAX						
£1+	5.50	4.40	5.50	5.25	4.20	5.25
MINI CASH ISA/TESSA ONLY ISA						
£1+	5.75	N/A	5.75	5.75	N/A	5.75
CHARITIES						
£10+	3.75	3.00	3.75	3.50	2.80	3.50
£10000+	4.25	3.40	4.25	4.00	3.20	4.00
£25000+	4.50	3.60	4.50	4.25	3.40	4.25

	PREVIOUS			NEW		
	Gross %	Net %	AER %	Gross %	Net %	AER %
LIMITED EDITIONS						
1 YEAR FIXED RATE REGULAR SAVINGS						
£10+	7.50	6.00	7.50	7.50	6.00	7.50
1 YEAR FIXED RATE BOND						
£1,000+	-	-	-	6.25	5.00	6.25
MONTHLY INCOME OPTION						
£1,000+	-	-	-	6.08	4.86	6.25
CLOSED ACCOUNTS						
PYRAMID BONUS						
£1,000+	3.25	2.60	3.25	3.00	2.40	3.00
£10,000+	3.75	3.00	3.75	3.50	2.80	3.50
£25,000+	4.00	3.20	4.00	3.75	3.00	3.75
£50,000+	4.25	3.40	4.25	4.00	3.20	4.00
£100,000+	4.50	3.60	4.50	4.25	3.40	4.25
MONTHLY INCOME OPTION						
£1,000+	3.20	2.56	3.25	2.96	2.37	3.00
£10,000+	3.69	2.95	3.75	3.45	2.76	3.50
£25,000+	3.93	3.14	4.00	3.69	2.95	3.75
£50,000+	4.17	3.34	4.25	3.93	3.14	4.00
£100,000+	4.41	3.53	4.50	4.17	3.34	4.25
OVERSEAS						
£10+	3.75	3.00	3.75	3.50	2.80	3.50
£10000+	4.25	3.40	4.25	4.00	3.20	4.00
£25000+	4.50	3.60	4.50	4.25	3.40	4.25
ORDINARY SHARES						
£1+	1.59	1.27	1.60	1.35	1.08	1.35
£500+	2.24	1.79	2.25	1.99	1.59	2.00
£5,000+	2.48	1.99	2.50	2.24	1.79	2.25
£10,000+	2.73	2.19	2.75	2.48	1.99	2.50
£25,000+	2.98	2.38	3.00	2.73	2.19	2.75
REGULAR SAVINGS						
5 Year £10+	3.25	2.60	3.28	3.00	2.40	3.02
LOYALTY TESSA ONLY ISA						
£1+	6.00	N/A	6.00	6.00	N/A	6.00

Pyramid Bonus rates illustrated do not include the 0.5% gross p.a. (0.40% net p.a.) anniversary bonus payable if you do not make a withdrawal during the preceding 12 month period.

Full details of all other investment accounts are available from any branch office of the Society or from www.leekunited.co.uk. Rates are variable.

Annual interest is paid 1st January and half yearly interest is paid 1st July. Interest will be paid net of the appropriate rate of income tax (currently 20%, which may be reclaimed by non-taxpayers), or, subject to the required certification, can be paid gross. Net rates are illustrative only and have been rounded.

Gross rate % is the contractual rate of interest payable before the deduction of income tax at the rate specified by law.

Net rate % is the rate of interest payable after allowing for the deduction of income tax at the appropriate rate from the gross rate.

AER rate % stands for the Annual Equivalent Rate and illustrates what the interest would be if interest was paid and compounded once each year.

All rates maintained on Fixed Rate Bond, Regular Saver and Cash ISA accounts.



I am delighted to present the Summary Financial Statement for 2007 and reflect on another successful year for Leek United Building Society

In a changing marketplace, dominated in the second half of the year by liquidity turmoil in the wholesale markets, we proved to our members the robustness of their society. We delivered excellent results whilst providing our members with uncompromising service, fairness and value for money products. Our success is derived from a balanced portfolio of business activities but primarily from our core residential mortgage products and savings accounts.

In his Chief Executive's report Kevin Wilson details our successes in key areas and I endorse his sentiments in both recognising and thanking our staff for their professionalism and dedication.

As we include our Notice of AGM within this document, it would be remiss of me not to mention that at the 2007 Annual General Meeting the number of votes cast, together with completed questionnaires, allowed us to present a cheque to the Douglas Macmillan Charity for £1,514. A photograph of the donation is shown opposite.

You will already have seen from the accompanying letter that for 2008 the society plans to help two charities – the Douglas Macmillan Charity and Donna Louise Trust. A brief outline of the work undertaken by both these charities is also shown opposite. Please help us to help them by using your vote – details of how are shown in the attached letter.

On behalf of the board and staff, I would like to take this opportunity to thank all our members for choosing and supporting Leek United.

E W Hodkinson

Chairman

The Donna Louise Trust

The Donna Louise Trust became a registered charity in 1999. Its main aim is to give respite and end of life care to children and young people within the Staffordshire and South Cheshire area who have life limiting conditions.

The Trust also provides a community nursing service within the children's own home and also bereavement support to the whole family. The hospice goes under the name of Treetops and is situated at Trentham Lakes near Newcastle-under-Lyme. The cost of running the Trust's services is now close to £2m per year and 88% of this income comes from voluntary fundraising.

The hospice is open 24 hours, 7 days a week and a total of 6 beds are available. Their aim for the near future is to open a further 2 beds making a total of 8 beds.



Douglas Macmillan Charity

The Douglas Macmillan Hospice is an adult hospice, which provides care and support for the people of North Staffordshire and surrounding villages. It was established in 1973 and offers a range of care services. The hospice relies mainly on voluntary donations of £5.25m to meet its total annual running costs of £6.5m.

The hospice, which is situated in Barlaston, Stoke-on-Trent, primarily gives palliative care to people suffering from cancer and other life limiting illnesses. It also offers much needed help and support to families and carers as well as providing other services, such as social workers, therapists and care in the home nursing service.



Review of the year

“Our results in 2007 demonstrate considerable success in key areas, as we continue to achieve growth at sustainable levels but within a prudent risk framework, with reducing operating costs and a genuine desire to excel in customer service.”

Introduction

As we embark on a new financial year I can confidently report that our journey to serve you as a modern business, steeped in traditional values, is very much on track.

Our products are now widely recognised as being competitive in an often-congested marketplace and we will continue in our pursuit to build strong, lasting relationships with our members and be recognised for the excellent service we provide. We operate in the ever-changing arena of Retail Financial Services with increasing regulatory obligations and wider consumer choice for both products and services. Given this environment, I am therefore delighted to report a year of significant success to our members.

Group Financial Performance

A programme of efficiency, in all our operations and the development of our staff, provided the foundation for your society to deliver against its key financial objectives. Total group assets increased to £799.7m representing a 29% increase in the past 3 years (2004: total group assets £620.5m), and our group profitability increased by £1.3m for the year to £4.2m before tax. This growth provides the financial strength to absorb the rising costs of regulation and ensures we have the capacity to further invest in our business. Equally important is the containment of costs and I am pleased to announce that our group management expenses ratio reduced for the fourth consecutive year to 0.87%.

Borrowers

A year of change would best describe the housing market - not least for our borrowers. In 2007 the bank rate changed on four occasions, with the Monetary Policy Committee attempting to contain and balance a buoyant housing market with rising personal indebtedness and growing inflation figures. In the autumn of 2007 the industry experienced new and wider challenges in the form of maintaining appropriate liquidity and funding availability via the wholesale markets. Leek United practices a business model that is both risk mapped and stress tested in terms of liquidity where borrowing for residential property is funded largely by our savers. This model, coupled with our appetite for responsible lending, protects us from some of the global issues facing the mortgage market. We have no exposure to the US mortgage market nor to any structured investment vehicles and we do not undertake sub-prime lending. Our lending policy is built on a solid foundation of common sense and affordability and we have diligently resisted the opportunity to seek both growth and margin in pursuing higher risk lending. The turbulent marketplace and the liquidity issues I alluded to earlier have and will continue to test the skill and resolve of many businesses. In this environment it is particularly pleasing to report gross lending results of £171.9m.

Our prudent approach has ensured we maintained an enviable record of arrears history with total arrears greater than 2.5% as at 31 December 2007 being 0.31% of our total balances. We recorded only four properties in possession against a mortgage book of approaching 11,000 members and the society's processes and controls ensured that we maintained our previous history and recorded no financial loss for the fourth successive year.

Retail Savings

Against a background of increasingly competitive products, our retail savings grew at a strong and healthy pace. We took record net savings inflow of £42m during the year and by the year end members' balances had increased, taking into account accrued interest, by £64.3m to £595.7m. The most popular offerings were our fixed rate bonds and cash ISA and we received national recognition acknowledging our products as giving good long-term value for money.

Savers were certainly the winners in 2007 with rising interest rates and Leek United was able to pass on every bank rate increase, in full, to our savers. Our savings account numbers have now grown to over 104,000, which is conducive to our objectives of both a growing membership and improving customer retention levels.

Economic Outlook/Strategy

Global uncertainty currently dominating our marketplace will present many challenges to all businesses in 2008. Talk of a widespread recession together with a very volatile US economy is prominent and regular features in the world of the financial analysts and we are starting to witness warning signs of an economic slow down. Interest rates will be critical to our planning and medium term strategy in 2008, with businesses and consumers needing to prepare themselves for change as competition and margin compression continue unabated. For Leek United such challenges bring opportunities and, as a responsible independent mutual, we are committed to a robust set of values, which ensures that our customers will continue to be treated fairly.

Diversification in integral business areas provides member benefit by providing more choice of both products and services and we will therefore continue to invest in our wholly owned subsidiaries.

Leek United Financial Services Limited enjoyed a very successful 2007 with an increase in demand for medium term and tax efficient products for those members wishing to extend their savings and investment portfolios. We will also extend our mortgage advice proposition in 2008 in order to provide customers with a much wider product range from the whole of the market via our subsidiary, The Mortgage Outlet Limited.

Group total assets up **8%** to **£799.7m**
 Group pre-tax profit up **45%** to **£4.2m**
 Group management expenses ratio reduced to **0.87%**
 Mortgage balances up **7%** to **£641.3m**
 Savings balances up **12%** to **£595.7m**

Our branch and agency network was widened in 2007 with the opening of a new agency in Stone, Staffordshire. We have been delighted with the response from both our existing members and the many new members attracted to Leek United.

We have progressed plans to reduce our carbon footprint in the years ahead and we intend for these to be real and sustainable as opposed to just gestures. Our strategy will focus on areas where we can make a lasting contribution to the environment.

Our people and the community we serve

We are extremely proud of the professionalism, dedication and motivation of our people. Our excellent results are ultimately dependent on our staff delivering a timely, caring and efficient service and we are fortunate to have a team who display a genuine passion for the business and its members. The pace of change in our industry presents many challenges to our staff and their collective ability is the foundation for our success.

As a successful business we are pleased to be able to support our local communities and our activities and fund raising throughout 2007 encompassed schools, hospitals, sports, under privileged children and non government funded charities such as the Douglas Macmillan Charity and the County Air Ambulance Trust.

In closing, I trust our members will feel assured that they are part of a successful and growing organisation equipped to deliver exceptional value and service to a growing membership.

K Wilson

Chief Executive

27 February 2008

SUMMARY FINANCIAL STATEMENT

For the year ended 31 December 2007

This financial statement is a summary of information in the audited annual accounts, the directors' report and annual business statement, all of which will be available to members and depositors free of charge on demand at every office of Leek United Building Society from 2 April 2008.

Approved by the board of directors on 27 February 2008.

E W Hodkinson Chairman
P Marriott Vice-Chairman
K Wilson Chief Executive

Summary Directors' Report

Financial Performance

Total Assets

The total assets of the group at the end of 2007 were £799.7m, an increase of £58.3m in the year.

Profit and Capital

The profit after tax of £3.0m was transferred to the general reserve together with the net actuarial gain recognised in the pension scheme of £2.8m. Gross capital amounted to £44.2m at 31 December 2007.

Liquid Assets

Liquid assets, in the form of cash securities, amounted to £154.8m, representing 20.63% of shares and borrowings.

Mortgages

The total amount outstanding on mortgages at the end of the year was £641.3m.

Shares and Deposits

Investors' and depositors' balances at 31 December 2007 totalled £750.4m, an increase during the year of £55.5m.

Interest Rates

The residential mortgage base rate was increased from 6.99% to 7.24% on 1 February 2007, from 7.24% to 7.49% on 1 June 2007, from 7.49% to 7.74% on 1 August 2007 and decreased from 7.74% to 7.49% on 1 January 2008.

Summary Statement

Group Results for the Year	2007 £000's	2006 £000's
Net interest receivable	9,747	8,572
Other income and charges	1,542	1,012
Administrative expenses	(6,723)	(6,526)
Net finance charge on pension scheme	(188)	(192)
Provision for bad and doubtful debts	(200)	-
Recoveries	9	29
Profit for the year before taxation	4,187	2,895
Taxation	(1,213)	(891)
Profit for the year	2,974	2,004

Financial position at the end of the year

Assets	2007 £000's	2006 £000's
Liquid assets	154,807	139,701
Mortgages	641,268	598,033
Fixed and other assets	3,674	3,705
Total assets	799,749	741,439
Liabilities		
Shares	595,704	531,439
Borrowings	154,742	163,487
Other liabilities	2,045	1,682
Net pension liabilities	3,077	6,459
General reserve	43,068	37,259
Revaluation reserve	1,113	1,113
Total liabilities	799,749	741,439

Summary of key financial ratios at the end of the year	2007 %	2006 %
1. Gross capital as a percentage of shares and borrowings	5.89	5.52
2. Liquid assets as a percentage of shares and borrowings	20.63	20.10
3. Profit for the year as a percentage of mean total assets	0.39	0.29
4. Management expenses as a percentage of mean total assets	0.87	0.93

Summary of key financial ratios at the end of the year (continued)

Gross capital as a percentage of shares and borrowings measures the proportion which the group's capital bears to the group's liabilities to holders of shares, depositors and other providers of funds (investors).

The group's capital consists of profits accumulated over many years in the form of reserves together with the revaluation reserve. Capital provides a financial cushion against any losses which might arise from the group's activities and therefore protects investors.

The liquid assets ratio measures the proportion that the group's assets, which are held in the form of cash, short-term deposits and securities readily convertible into cash, bears to the group's liabilities to investors.

Most of the group's assets are long-term mortgages, while many of its liabilities to investors are repayable on demand. Liquid assets are generally readily realisable, enabling the group to meet requests by investors for withdrawals from their accounts, to make new mortgage loans to borrowers and to fund its general business activities.

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

The group needs to make a reasonable level of profit each year in order to maintain 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.

The management expenses ratio measures the proportion that the group's administrative expenses bears to the average of the group's total assets during the year. Management expenses consist mainly of the costs of employing staff and of running the society's branches. Expenses need to be controlled so that the group operates as efficiently as possible while providing the service that members require.

Independent Auditors' Statement on the Summary Financial Statement

Independent Auditors' statement to the members and depositors of Leek United Building Society.

We have examined the summary financial statement of Leek United Building Society on pages 4 to 11.

Respective Responsibilities of Directors and Auditors.

The summary financial statement is the responsibility of the directors. Our responsibility is to report to you our opinion on its consistency with the full annual accounts, annual business statement and directors' report and its conformity with the requirements of section 78 of the Building Societies Act 1986 and regulations made under it.

This statement, including the opinion, has been prepared for and only for the society's members as a body and depositors as a body in accordance with Section 78 of the Building Societies Act 1986 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this statement is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

Basis of Opinion

We performed our work in accordance with the Bulletin 1999/6 'The Auditors' Statement on the Summary Financial Statement' issued by the Auditing Practices Board for use in the United Kingdom.

Opinion

In our opinion the summary financial statement is consistent with the full annual accounts, annual business statement and directors' report of Leek United Building Society for the year ended 31 December 2007 and conforms with the requirements of Section 78 of the Building Societies Act 1986 and regulations made under it.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Manchester
27 February 2008

Corporate Governance Report

The society's board is accountable to members for the careful direction of society affairs, safe stewardship of funds held on members' behalf and the provision of high quality products and services which meet the needs of individual members whilst offering a fair deal to all.

At the beginning of 2007, the board consisted of six non executive and two executive directors. Following the retirement of James Stevenson in April and the resignation of Barbara Rimmer as a non executive on her appointment as Finance Director in May, the board complement became five non executive and two executive directors for the remainder of the year.

In striving towards ever higher standards of service to members, the board focuses not only on members' interests as customers for the society's products and services but also their interests as shareholding members of a mutual enterprise. In regard to this latter relationship, we take account of the guidance contained in the Combined Code on Corporate Governance. Whilst this code is addressed to plc's, many of its provisions can be directly applied to the board and management arrangements in a mutual building society.

A formal system of board appraisal is in place and each director's personal contribution to board proceedings and society progress in the year has been the subject of rigorous review by the Chairman. Performance evaluation of the Chairman has been conducted by non executive directors led by the Vice-Chairman and taking account of the views of the executive directors.

The overall effectiveness of the board and its committees is monitored throughout the year and is subject to formal review on an annual basis.

All directors participate in a programme of training and professional development designed to keep their knowledge and skills up to date in a fast changing, highly regulated business environment. All directors are entitled to obtain independent professional advice at the society's expense.

The offices of Chairman and Chief Executive are separate and held by different people.

The board considers that all members are independent and carry out their duties with complete objectivity. Non executive directors with over nine years service offer themselves for re-election on an annual basis. All other directors are required to submit themselves for re-election at least once every three years.

All directors conform to the requirements of the Approved Persons regime instituted by the Financial Services Authority (FSA) and pass the "fit and proper" test specified in the FSA's Handbook.

The Combined Code recommends that a non executive director should be designated as the Senior Independent Director with responsibility for leading non executive directors in the performance appraisal of the Chairman and to act as a contact for any member who may feel that contact with the Chairman or Chief Executive would not be appropriate. The board considers that the duties of this role are encompassed within the role of the society's Vice-Chairman, Paul Marriott, who is pleased to act as an alternative contact point for members.

Register of Candidates for Board Vacancies

The society maintains a register of potential candidates for future board vacancies. Members who believe they have the skills, experience and commitment to serve effectively as a director of the society are invited to write, in confidence, to the Chairman of the Nominations Committee at the society's head office.

Board Committees

Supervision and direction is facilitated by the operation of a number of board committees which meet regularly to consider issues specific to key business areas.

The **Audit and Risk Committee** receives reports from the society's Internal Auditor and its remit includes matters relating to compliance with the Building Societies Act 1986 and the Financial Services and Markets Act 2000, systems of control, risk management, Internal Capital Adequacy Assessment Process (ICAAP), external audit arrangements and all regulatory issues. At 31 December 2007 the Committee comprised the following non executive directors:

D A W Stevens (Chair)
P Marriott
J Washington

The **Remuneration Committee** considers and approves general policy on staff salaries and benefits, with particular reference to remuneration arrangements for senior management and executive and non executive directors. The Committee makes an annual report to members – this can be found on page 10. The Committee is comprised entirely of non executive directors and Committee membership at 31 December 2007 was as follows:

E W Hodkinson (Chair)
D J Lyons
P Marriott

The **Board Nominations Committee** leads the process for board appointments, ensuring a thorough search and selection process based on their evaluation of the balance of skills, knowledge and experience required on the board. All non executive board vacancies are advertised in the press/media with a regional or national scope as appropriate. The Committee also acts in the nomination of new board appointments. At 31 December 2007 the Committee comprised:

E W Hodkinson (Chair)
D J Lyons
P Marriott
K Wilson

Other Committees operated by the board, each with its own terms of reference, are as follows:-

Assets and Liabilities Committee monitors and controls balance sheet risk, funding and liquidity.

Information Technology Committee approves and monitors major IT projects.

Attendance at Board and Board sub-committee meetings - 2007

	Board	IT	Remuneration	Audit & Risk	Assets & Liabilities	Nominations
E W Hodkinson	12 (12)	-	4 (4)	-	4 (5)	3 (3)
P Marriott	10 (12)	2 (3)	4 (4)	4 (5)	3 (5)	3 (3)
K Wilson	12 (12)	3 (3)	-	-	5 (5)	3 (3)
D Lyons	11 (12)	-	4 (4)	-	4 (5)	3 (3)
D A W Stevens	11 (12)	3 (3)	-	5 (5)	-	-
B Rimmer	11 (12)	2 (2)	1 (1)	2 (2)	3 (3)	-
J Washington	11 (12)	3 (3)	-	4 (4)	4 (5)	-
J B Stevenson (Retired 30/4/07)	3 (4)	1 (1)	-	-	-	-

Figures in brackets denote number of meetings for which eligible to attend during the year.

On behalf of the board of directors

E W Hodkinson

Chairman

27 February 2008

Directors' Remuneration Report

The society's Remuneration Committee is composed solely of non executive directors. E W Hodkinson, P Marriott, D J Lyons and B Rimmer (until 13 May 2007) served on the Committee during 2007.

The Committee's principal responsibility is the determination of the terms and conditions of employment of executive directors and the level of fees payable to non executive directors. In making its determinations the Committee is guided by the recommendations of the Combined Code on Corporate Governance and so aims to set remuneration at levels that are sufficient to attract, retain and motivate directors of the quality required to run a successful building society such as Leek United.

When considering the remuneration of both the executive and non executive directors, the Remuneration Committee takes into account comparative data from a range of independent sources covering building societies and firms in the wider financial services sector where the scale and complexity of business operations are similar to those of Leek United.

Executive Directors

The main elements of each executive director's remuneration package are - basic salary, pension benefits, private medical insurance and the provision of a company car or car allowance. Executive directors participated in a society-wide bonus scheme in 2007. This non-contractual scheme enabled individuals to earn a bonus of up to £500 subject to achievement of specific corporate and personal targets and time apportioned from date of appointment.

The Chief Executive is a member of the Leek United Building Society Pension and Assurance Scheme under which he currently contributes 10% of basic salary subject to salary cap restrictions. Due to these restrictions on his defined benefit pension scheme, the Chief Executive also contributes into a personal pension scheme to maintain an overall level of his total contribution to both schemes of 10% of salary. The society made an annual gross payment of £8,400 into the Chief Executive's personal pension plan in 2007 and further similar annual contributions are proposed in the future.

The Finance Director, who was appointed in May 2007, was a member of the Remuneration Committee in her capacity as a non executive director up to 13 May 2007. However, she was not involved in the decision making for her remuneration on her appointment as Finance Director. She is a member of the defined contribution stakeholder pension scheme and currently contributes 5% of basic salary.

The Combined Code recommends that a director's service contract period should be set at 12 months or less. The contractual notice period for existing and new executive director appointments conforms to this limit.

Non Executive Directors

Non executive directors receive fees for the provision of their services. They do not have service contracts and do not receive any other benefits, bonus or pension entitlement.

Directors' Remuneration

The table below summarises directors' pay and benefits for the year ended 31 December 2007:

	2007 Salary/ Fees £000's	2007 Other Benefits £000's	2007 Total £000's	2006 Total £000's
Non-Executive directors				
E W Hodkinson (Chairman)	27	-	27	26
D J Lyons	18	-	18	18
P Marriott	23	-	23	22
C A L Rayner (to 25 April 2006)	-	-	-	6
B Rimmer (until 13 May 2007)	7	-	7	18
D A W Stevens	20	-	20	20
J Washington	18	-	18	18
Executive directors				
K Wilson	133	19	152	137
J B Stevenson (to 30 April 2007)	28	85*	113	91
B Rimmer (from 14 May 2007)	57	11	68	-
	331	115	446	356

* Includes £75,000 special one-off pension contribution paid on retirement in April 2007 but accrued for in the year ended 31 December 2006.

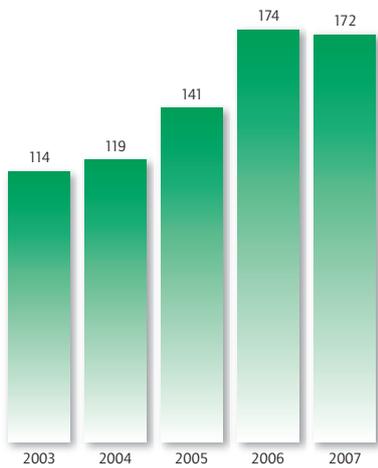
Member Consultation

The Directors' Remuneration Report will be the subject of an advisory vote at this year's AGM.

E W Hodkinson

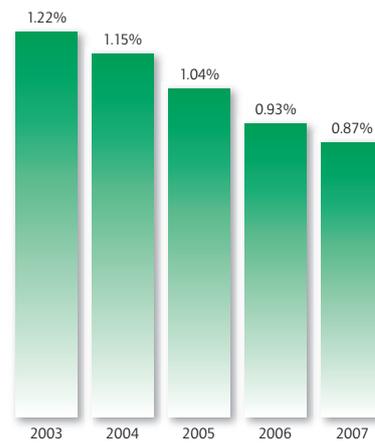
Chair of the Remuneration Committee
27 February 2008

Some of the key performance indicators that help us describe your society's progress in recent years.



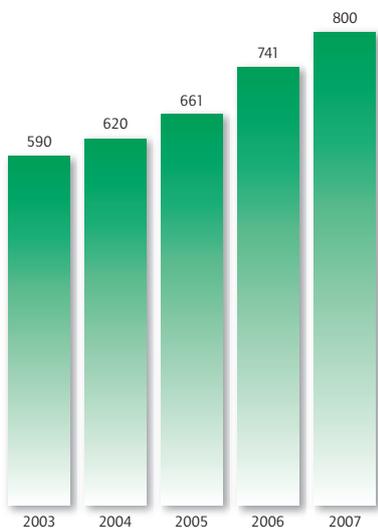
Gross Mortgage Lending (£millions)

Great mortgage deals for members maintained high gross lending in 2007.



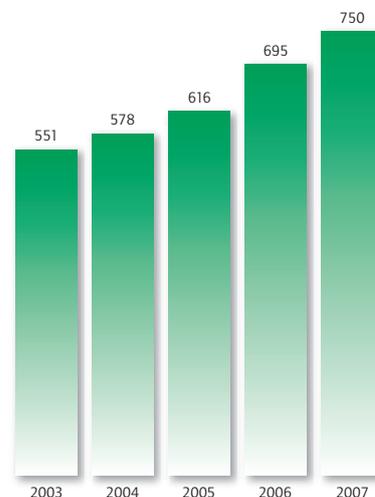
Ratio of Administrative Expenses

(including depreciation) to mean assets. A reducing ratio reflects improvements in efficiency and cost control.



Total Assets (£millions)

Outstanding support from members continued to deliver healthy growth for 2007.



Shares and Deposits (£millions)

Continued growth. Members' accounts passed the 104,000 mark in 2007.

Directors Seeking Re-Election

Notice is given that the one hundred and forty-fifth Annual General Meeting of the members of Leek United Building Society will be held on 23 April 2008 at the society's principal office, 50 St Edward Street, Leek, Staffordshire, at 12 noon for the following purposes:-

1. To receive the Annual Report and Accounts for the year ended 31 December 2007.
2. To re-appoint PricewaterhouseCoopers LLP as auditors.
3. To approve the Directors' Remuneration Report.
4. To consider and, if thought fit, to re-elect the following directors:
 - (a) Eric Hodkinson
 - (b) Derek Lyons MSI
 - (c) Paul Marriott FCA
 - (d) David Stevens
5. To transact any other business permitted by the Rules of the Society.

By order of the board

K WILSON

Secretary

March 2008



Eric Hodkinson

Age 63

Eric Hodkinson is the society's Chairman and has been a non executive director since 1993.

He is a local man born in Caudon Lowe, Staffordshire, into a farming family.

He joined the Leek based legal firm of Bowcock & Pursaill in 1962 and qualified as a solicitor in 1971. He has been a partner in the firm since 1973 and its senior partner for the last seventeen years. He has wide experience of the law, including civil and criminal litigation, together with agricultural, commercial and residential property law.

Eric is a past President of the North Staffordshire Law Society and is Chairman of the Governors of Leek First School.

He currently chairs the Board Nominations and Remuneration Committees and is a member of the Assets and Liabilities Committee.



Derek Lyons
Age 64

Derek Lyons joined Leek United as a non executive director in 2002. A former managing director of Union Discount Company Limited, Derek is actively engaged in independent consultancy, providing specialist advice on treasury management to local authorities and housing associations. He is also a Board member of Paragon Community Housing Group.

Derek's wide experience of the City and the financial services market, and his particular expertise in relation to treasury management in a building society context, are highly relevant to Leek United's operations.

Derek is currently a member of the Assets and Liabilities Committee, the Remuneration Committee and the Board Nominations Committee.



David Stevens
Age 64

David Stevens joined the society as a non executive director in 1998. He previously held a senior post at the Building Societies Commission where he was responsible for various policy matters and the regulatory supervision of a number of societies. This expertise is extremely valuable in his role as director and is supplemented by experience gained during a distinguished career at the Bank of England.

David chairs the Audit and Risk Committee and serves on the Information Technology Committee.



Paul Marriott
Age 55

Paul Marriott has been a non executive director of the society for the past thirteen years and has served as Vice-Chairman since 1999. As senior independent director he is also the board level contact point for members.

A qualified Chartered Accountant, he is experienced in all aspects of that profession and is the senior partner of local accountancy firm, Fearn's Marriott, which was established in September 1992.

Paul plays an active role in the community. He is involved with several local charities and supports local causes through his membership of Leek Rotary Club.

Paul chairs the Information Technology Committee at Leek United and also serves on the Assets and Liabilities, Audit and Risk, Remuneration and Board Nominations Committees.

Performance Appraisal

The performance of each director has been the subject of a formal and rigorous evaluation by the board. The board considers that each director is independent in character and judgement and continues to demonstrate a high level of skill and commitment in their contribution to the work of the board.

E W Hodkinson	P Marriott	
Chairman	Senior Independent Director	March 2008

Remember you can vote online at www.leekunited.co.uk/agm

NOTICE OF ANNUAL GENERAL MEETING

Notes

1. These Notes form part of the Notice of the Meeting.
2. A member entitled to attend the Meeting and vote may appoint a proxy to attend and vote on his or her behalf. You may appoint the Chairman of the Meeting or anyone else as your proxy, and your proxy does not have to be a member of the society. Your proxy may vote for you at the Meeting but only on a poll. A poll is a formal vote which may take place after an initial vote by a show of hands. Your proxy may not speak at the Meeting, except to demand or to join in demanding a poll.
3. You may instruct your proxy how to vote at the Meeting. Please read the instructions on the proxy form.
4. The voting date is the date of the Meeting, if voting in person, and 21 April 2008 if voting by proxy.
5. In order to attend and vote at the Meeting, or appoint a proxy, you must qualify as either a shareholding member or a borrowing member.

Shareholding Members

- (a) To qualify as a shareholding member, you must -
 - (i) if you are an individual, be at least 18 years old on 23 April 2008; and
 - (ii) have held shares to the value of not less than £100 at midnight at the end of 31 December 2007; and
 - (iii) not have ceased to hold a share or shares at any time between midnight at the end of 31 December 2007 and the voting date; and
 - (iv) hold a share or shares on the voting date.
- (b) Where the shares are held jointly by two or more persons, only the first named in the records of the society, in respect of those shares, can have any voting rights.

Borrowing Members

- (a) To qualify as a borrowing member, you must -
 - (i) be at least 18 years old on 23 April 2008; and
 - (ii) have owed the society not less than £100 in respect of a mortgage debt at midnight at the end of 31 December 2007; and
 - (iii) owe the society not less than £100 in respect of a mortgage debt on the voting date.
 - (b) Where a mortgage debt is owed jointly by two or more persons, only the first named in the records of the society, in respect of that mortgage, can have any voting rights.
6. In addition, you can vote only once as a members, irrespective of -
 - (a) the number of accounts you hold and whether you hold accounts in different capacities (for example, on your own behalf and as a trustee); and
 - (b) whether you qualify to vote as both a shareholding member and a borrowing member.

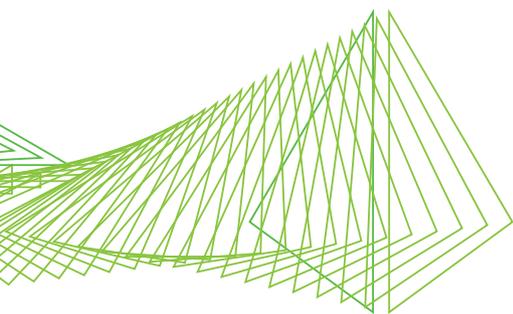
7. Members attending the Meeting will be requested to produce their passbooks or other evidence of membership in order to obtain admission. If you are appointing a proxy, other than the Chairman of the Meeting, to attend the Meeting and vote on your behalf, please ensure that your proxy brings an appropriate form of identification to the Meeting.

Online Voting

To use this facility, please go to www.leekunited.co.uk/agm and click on the link. You will need your user ID and password and these can be found on the enclosed proxy voting form.

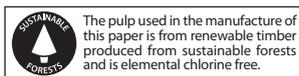
Registered Principal Office	50 St. Edward Street Leek, Staffs. ST13 5DL
Registered No.	323B
Directors	E W Hodkinson D J Lyons MSI P Marriott FCA B Rimmer BSc ACA D A W Stevens J Washington ACIB K Wilson
Chairman	E W Hodkinson
Chief Executive	K Wilson
Finance Director	B Rimmer BSc ACA
Internal Auditor	I Boston
Other Officers	R Bebington S Boulton PGDip Mgmt, ACMI K Brightmore FCII J Foxall M Williams D Wilson
Bankers	HSBC plc Girobank plc
Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Registered Auditors 101 Barbirolli Square Lower Mosley Street Manchester M2 3PW.

Member of the Building Societies Association
Member of the Council of Mortgage Lenders
We subscribe to the Banking Code
The Society is authorised and regulated by the Financial
Services Authority.



The *friendlier* face of finance

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The pulp used in the manufacture of this paper is from renewable timber produced from sustainable forests and is elemental chlorine free.