

Members' Review 2024



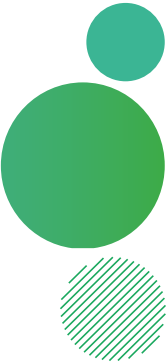
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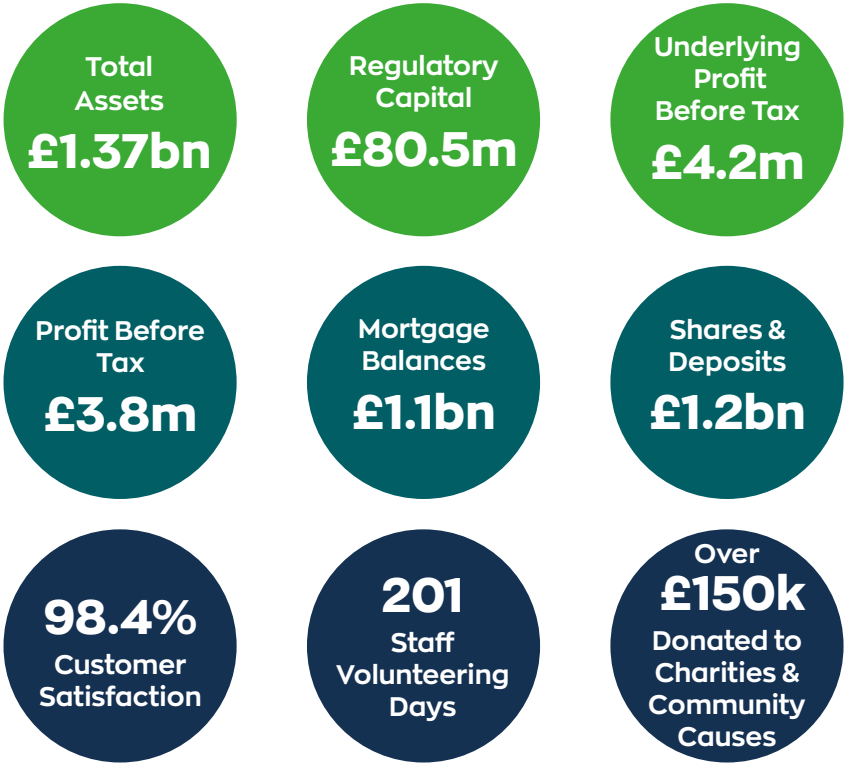
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Our Performance Highlights



Explanations for the above terms can be found in the Strategic Report on page 16.

Chair's Statement

RACHEL COURT



As Chair of Leek Building Society, I am delighted to introduce the 2024 Business Review and Summary Financial Statements for Leek Building Society for the last time as I reach the end of my final term of office shortly before April's AGM. Your Society has continued to perform strongly in a year when challenging macroeconomic conditions persisted. Our mutual values have ensured that we remain focused on you, our members, whilst the continued commitment, enthusiasm and dedication of our colleagues led to the Society delivering a strong performance for all of its stakeholders.

In 2024 we saw robust financial performance, strong risk management standards and high member and colleague satisfaction, whilst also continuing our strategic investment programme which will underpin our success and sustainability for many years to come.

The Society ended the year with a balance sheet in excess of £1.3 billion, record mortgage growth, strong levels of capital reserves and healthy liquidity. Significant detail regarding our financial performance, strategy and risk management can be found throughout this annual report, in particular in the Chief Executive's Review, Strategic Report and Risk Management Report.

Economic and market conditions remained challenging throughout the year, although inflation subsided significantly during 2024, with the Bank of England responding by starting to reduce the base rate in the summer. Cost of living pressures persisted and, in terms of our members' ability to repay their borrowings, interest rates

remained relatively high for those on variable rates or for those reaching the end of their fixed rate mortgage term.

"The Society ended the year with a balance sheet in excess of £1.3 billion, record mortgage growth, strong levels of capital reserves and healthy liquidity"

It is encouraging to report that we have seen only marginal increases in mortgage arrears during 2024, a result that has undoubtedly been helped by our prudent approach to underwriting and customer affordability. However, there is naturally a risk that higher arrears will materialise in 2025 as interest rates remain elevated. I would like to emphasise that we have a range of resources to support any members who are in financial difficulty or indeed who are concerned that they may experience difficulties in the future. Please get in touch with us if you feel this may apply to you.

Mortgage market activity showed signs of recovery through 2024, with gross lending higher nationally than in 2023,

but still well below pre-pandemic levels. This was due in significant part to the higher interest rate environment and the associated affordability challenges faced by borrowers, although the ongoing housing supply shortage saw prices remain more resilient than was anticipated. Against this backdrop, I am very pleased to report that, building on strong growth in 2023, the Society saw a record level of net mortgage lending, demonstrating the strength of our proposition to both borrowers and brokers.

The savings market experienced a range of dynamics during 2024. Cost of living pressures saw some customers draw down their savings to support everyday spending; whilst those who could afford to save tended to seek out competitive fixed rate products where the yields on offer appeared attractive relative to other investment types. At Leek, we are committed to offering a wide range of products to suit our Members' needs, and we launched new products during the year to enhance customer choice including a new notice saver account. We also worked to improve financial education in our communities, including supporting financial education in schools via the Young Enterprise initiative.

Usage of our online platform, Leek Online, continues to grow. This is both an alternative channel to access Leek savings products for Members in our heartland and a way of attracting Members outside of our heartland, where branch access isn't an option. In 2024, we also implemented a new mortgage platform, which is performing well, and enables a significantly improved mortgage application experience for our new borrowers and our broker partners.

2024 has been a year of great change and transition at the Society. In July 2024, Andrew Healy MBE, our Chief Executive for the past five years, stood down after a very successful tenure that included delivery of a multi-faceted transformation programme to modernise the Society, resulting in flexible new IT infrastructure, digital savings and mortgage platforms, remodelled branches and new products and services. Andrew was succeeded by Andrew Deeks, an established

"We also worked to improve financial education in our communities, including supporting financial education in schools via the Young Enterprise initiative"

Executive Director with many years' experience in Building Societies and in the wider financial services sector. I'm confident that Andrew will continue to pursue the journey of growth and modernisation that we've embarked on.

There were also a number of other changes to our Board through 2024. Our Chief Risk Officer, Andrew Davies signalled his intention to retire at the end of the year, and following a robust recruitment process, Marco Ruberto replaced Andrew at the start of 2025. Andrew Davies has been instrumental in building a strong risk culture at the Society, ensuring that our strong performance and transformation has not come at the expense of risk management standards, and Marco will ensure that those high standards are maintained going forwards.

Our Deputy Chief Executive, Darren Ditchburn was successful in being appointed as Chief Executive Officer of the Vernon Building Society during the year and left the Society in December 2024. Darren successfully led the implementation of much of our transformation work over the last few years and we wish Darren all the very best in his new role. Darren's responsibilities have been re-distributed across a re-shaped Senior Management team, including wider responsibilities for Steven Clarke, our Finance Director, who began a new role as Chief Financial Officer in December 2024, and the introduction of a new Distribution Director role.

John Leveson, Non-Executive Director and Chair of Board Remuneration Committee, retired from the Board in April 2024 when his tenure came to an end, with Jane Kimberlin taking over as Chair of Board Remuneration

Committee. Following an extensive recruitment process, John Gibson joined our Board as a Non-Executive Director in January 2024, following a distinguished Executive career in the building society sector.

I, too, am retiring from the Board in April 2025 after reaching the end of over ten years as a Non-Executive Director of the Society, the last nine of them as Chair. After a very thorough recruitment process, I am pleased to announce that John Gibson has been appointed as my successor as Chair. John's contributions over the last year since joining the Board have been outstanding and with his vast experience in the sector, I have every confidence that John will help take the Society on the next stage of its growth and development.

To maintain five Non-Executive Director positions following the transition of the Board Chair role, a further recruitment process has been undertaken, resulting in the appointment of Pak Chan, an experienced commercial Director in the retail banking and finance sector. Pak will join the Board in March 2025.

Your Society has grown and strengthened immensely since I joined the Board of Leek Building Society in November 2014 and I would like to take this opportunity to thank all the many outstanding colleagues, Directors, partners and members who have supported us through this transformation. I have been proud to be the Chair of such a fantastic organisation, which truly lives up to its values, and I'm delighted to leave the Society in great hands.

I wish you all prosperity, good health and happiness throughout 2025 and the years ahead, and look forward to seeing the Society continue to go from strength to strength.

R Court

Rachel Court
Chair
4 March 2025



Making a positive difference to our colleagues' lives

At Leek Building Society, our people are the foundation of everything we achieve. Supporting our colleagues' growth, health, and happiness is not just a responsibility; it's at the heart of who we are. Over the past year, we've focused on several key areas to make a meaningful impact on their lives.



Investing in growth

We're committed to helping every colleague reach their full potential by creating pathways for career progression, ensuring every individual feels empowered to grow within the Society. In 2024, we:

- Delivered a broad range of training through workshops, e-learning courses, and leadership development programmes.
- Supported professional qualifications for colleagues, providing financial assistance and study time to further their careers.

Belonging

We believe a diverse and inclusive workplace enriches our culture and drives better decision-making. Over the past year, we've:

- Introduced Menopause awareness sessions and been Menopause accredited.
- Enhanced our recruitment processes to attract and retain talent from underrepresented groups.
- Celebrated cultural awareness days and heritage months, creating opportunities for education and connection among colleagues.

Prioritising wellbeing

The wellbeing of our colleagues is a top priority and empowers our teams to thrive both professionally and personally. We've expanded our support with initiatives that include:

- Providing access to OpenUp.
- Hosting wellbeing events such as men's mental health sessions and football tournaments, yoga sessions.
- Enhancing flexible working arrangements, recognising the importance of balancing work and personal life.

Keeping colleagues connected

Over the past year, we've improved our internal communications to ensure every colleague feels informed and engaged in the Society's journey.

- We launched a new platform to streamline information sharing and keep colleagues updated.
- We introduced monthly team building days to encourage open dialogue.

Chief Executive's Review

ANDREW DEEKS

2025 marks the 250th anniversary of the world's first ever building society, Ketley's Building Society in Birmingham.

Whilst the world has changed immeasurably since 1775, the purpose of a building society is largely unchanged. We still exist to help borrowers buy homes, doing so by providing an attractive place for savers to invest, and where both savers and borrowers own the organisation without any external shareholders.

I'm proud to have become Chief Executive of Leek Building Society in August this year, a true 'modern mutual' with a proud history of serving both borrowing and saving members, now fit for the 21st Century with its roots firmly in Leek and surrounding areas, but with digital technology helping attract members all over the country. I'm grateful to my predecessor, Andrew Healy MBE, for the strong foundations which I inherit, the Board for giving me this opportunity and my colleagues for striving every day to make this the best organisation it can be.

Despite continued challenging economic and market conditions, I'm proud to report another year of strong performance by the Society. We delivered strong financial results as well as robust risk management standards and high customer service levels whilst continuing to invest for the long-term benefit of our members.

Record Mortgage Lending

Mortgage balances grew by 11% to £1,092m (2023: £984m) due to a record level of net lending of £105m (2023: £80m). This growth,



which was higher than the market overall, was driven by both strong demand for new loans and high retention levels among existing customers, both enabled by our excellent product and service proposition. In 2024, we launched a new proposition to enable reduced rate mortgages on new build properties, helping more first-time buyers to get on to the housing ladder by making owning their home more affordable.



High Quality Mortgage Book

Our mortgage book continues to be of high quality with arrears levels significantly below the market overall. Indeed, mortgage accounts which are in arrears by the equivalent of three or more monthly repayments represented just 0.20% of our book at the year end. Of course, there remains a heightened risk of increased arrears in the future given the pressure from both interest rates and inflation and



we remain vigilant. However, we believe our prudent lending policy, supported by our experienced colleagues in underwriting, will continue to provide a significant shield against these impacts. We review every mortgage case on an individual basis and cover all lending above 80% loan-to-value with mortgage indemnity insurance.

Strong Savings Growth

Savings balances grew by 9% to £1,200m (2023: £1,097m). We continued to offer a competitive range of savings accounts and offered rates to existing members that were at least equivalent to those on offer to new members.

We continued to offer a competitive range of savings accounts and offered rates to existing members that were at least equivalent to those on offer to new members"

We launched Leek Online at the end of 2022 which enables existing and new members to conveniently open and manage their accounts online. Demand for this service steadily increased since and it was pleasing to see this extend across a wide geographic

and demographic footprint, supporting growth levels and helping to diversify our savings base. Coupled with our twelve-strong branch network, which we finished refurbishing in 2023, we're proud to provide members with a range of face-to-face and digital channels, including access to cash on the high street where many banks are closing branches.

Supporting Members

The Bank of England base rate reduced in the year from 5.25% to 4.75% and we worked hard to balance the impact on mortgage customers with maintaining competitive fixed and variable rate products for savings members. With no external shareholders, our objective is only to support both our mortgage and savings members in every way possible whilst also maintaining the financial resilience that is necessary to protect the long-term viability of the Society.





We continue to be a signatory of HM Treasury's Mortgage Charter, introduced in June 2023, which helps borrowers who may be struggling or who may be worried about making their repayments when their mortgage deal comes to an end. Our website contains a range of resources to help members who are concerned about their finances. We also partnered with national charity, Young Enterprise, in 2024 to deliver financial education in each of the eleven towns where we have a branch and have delivered education to more than 400 school children to date.



Investing in the Future

I've already mentioned our investment in our branch network and Leek Online for saving members and we continue to invest in a range of technology, process and facilities enhancements.

In 2024, we launched a new digital mortgage platform, significantly enhancing the application process for both borrowers and brokers. We have been delighted with feedback to date and will continue to develop this platform. We also invested in our risk management infrastructure, implementing new systems to further improve both financial control and operational risk management. We will continue to invest in the coming years to improve services for existing members, both saving and borrowing, and attract new members to the Society.

Robust Profit

We do not seek to maximise profits, as evidenced through our measured approach to base rate movements and their impact on member product pricing, but it is in the interests of the Society's long-term competitiveness and sustainability that sufficient profits are generated to maintain our financial resilience and to ensure there is ongoing investment in our business. In 2024, Underlying Profit was £4.2m (2023: £6.4m) with the year-on-year reduction primarily due to lower net interest margin as a result of decreases in the Bank of England base rate, the increases of which inflated 2023 performance, though also reflecting greater investment. Profit Before Tax was £3.8m in 2024 (2023: £4.1m).

Delivering Great Customer Service

Whilst I only joined the Society in August 2024, I have already seen the difference my colleagues make to Members, delivering both outstanding customer service and strong financial performance. Our overall service score for 2024, as measured by the independent Smart Money People organisation, was 98.4%, which compares favourably with peers. Our Net Promoter Score, is a widely used measure of whether people would recommend us to their family, friends and colleagues, was also very positive at 91.4%, which remains in line with the previous year.



During 2023, the Financial Conduct Authority (FCA) raised the bar for the standard of care expected from financial institutions towards consumers when it introduced the Consumer Duty. We continue to align to the principles outlined in Consumer Duty, ensuring our products provide members with fair value, making sure our communications are clear and ensuring comprehensive customer support is available when needed, including support for vulnerable customers. We also have one of our Non-Executive Directors, David Cheeseman, as our Board Consumer Duty Champion.

Engaging with Members

Communicating effectively with our members and acting on feedback is extremely important to us. During the year, we used a range of methods to promote active engagement with members, including regular website and social media updates, member newsletters, community engagement activities, our annual member

survey and real-time member feedback via the independent Smart Money People platform. Such feedback, whilst generally extremely positive, was carefully listened to and acted upon where appropriate.

Creating a First Class Workplace

We fully recognise the importance of our people and an organisational structure is in place which supports the delivery of our strategic plan, augmented by appropriate succession planning and staff development. A real strength of our Society is the extent to which business decisions are examined not only through the lens of our members, but also from the perspective of our people and our values.

Our focus on our colleagues was recognised in the Top 100 Global Most Inspiring Places to Work, with us being rated eighth in the UK & Ireland, with special recognition awards for employee experience, voice and culture. We were also a finalist for responsible business of the year at the Staffordshire Chamber of Commerce awards, demonstrating our recognition through global and local lenses.

Our focus on our colleagues was recognised in the Top 100 Global Most Inspiring Places to Work"

We continue to offer a strong employee proposition that goes beyond financial reward, evidencing our deep ongoing commitment to staff welfare and to supporting our people. Funded health screenings, a workplace savings scheme and access to leading mental health resources ensure our proposition balances multiple aspects of employee wellbeing. In 2024, we gained accreditation as a Menopause Friendly organisation, with staff training to help build broader awareness for our colleagues and members.

Equality, Diversity and Inclusion (EDI) remains an important area of focus for the Society. As stated in the Board Nominations Committee report, we have a comprehensive strategy to make our



Society more diverse, inclusive and reflective of the communities we serve. Our staff EDI Forum is made up of a diverse range of colleagues from across our business.

Supporting our Local Community

Core to the Society's purpose is to be socially responsible and to make a positive difference to the local community. During 2024, we supported a broad range of local community groups, charities and organisations. I'm proud to report that we donated £150,000, including funds generated by members through our affinity savings accounts, and remain on track to reach our £500,000 target by 2027. Furthermore, our staff also provided 201 days of local community volunteering, ensuring we support with time as well as money.

“During 2024, we supported a broad range of local community groups, charities and organisations. I'm proud to report that we donated £150,000”

Our Charitable Foundation, has gone from strength to strength, helping us to increase the scale and scope of our charitable giving.

Its primary function is to provide grants of between £500 and £5,000 to local charities and community groups and during the year, £36,715 was donated to a number of worthy causes.

We are now one year into the landmark partnership with AEDdonate which will see 100 life-saving defibrillators installed in our heartland areas over the next four years. At the end of 2024, 34 defibrillators have been installed, including one which has already been used for an emergency.



Further details on our Environmental, Social and Governance (ESG) strategy and actions can be found in the ESG Report on page 24.

Thank You

I join the organisation at a time when the Society has gone from strength to strength, and this performance has been delivered through the commitment and capability of our colleagues. I would like to thank them all for their contribution to business performance, for consistently living our organisation's values and for holding high standards of service and risk management. As this report clearly demonstrates, this has been done whilst also making a positive difference to the lives of our members, colleagues and the local community.

To our loyal members, I would also like to say thank you for your continued support. We will continue to seek to anticipate and meet your needs. I firmly share the view of our Chair and wider Board that a bright and successful future lies ahead for Leek Building Society and I am honoured and excited to take the Society on the next stage of its evolution.

Andrew Deeks
Chief Executive
4 March 2025



Positively impacting our members

We work hard to protect members and enhance the level of customer service we offer.



Consumer Duty

In response to the Consumer Duty regulations that were introduced by the Financial Conduct Authority in 2023, the Society took the decision to review all customer-facing communications to ensure we were communicating to you effectively. We hope that our members feel that any contact we have with them is clear, fair and easy to understand.

Confirmation of Payee

With more of our members banking online and making digital payments, the risk of sending money to the wrong account—either by mistake or due to fraud—has increased. In 2024, we embarked upon our Confirmation of Payee (CoP) project offering members a service which now checks the details of your account when making a payment. Confirmation of Payee helps to protect you by alerting you if an account name doesn't match, or if you accidentally enter incorrect details, giving you the chance to amend them before a payment is made.

Authorised Push Payment (APP) Fraud

In October 2024, Authorised Push Payment (APP) fraud regulation was introduced to address the type of scam where someone is tricked into making a payment to a fraudster. With this new regulation in force, the Society is proud to now investigate any payments suspected of fraud or dishonesty.



“Fabulous customer service, felt at ease, all questions answered in an easy to understand way. Keep up the good work, thank you.”

1. Overall rating from 1 January 2024 - 31 December 2024 Smart Money People dashboard.
2. Net Promoter Score (NPS) is a measure of customer advocacy that ranges between -100 and +100, which represents how likely a customer is to recommend our products and services.

Strategic Report

The Strategic Report aims to provide a fair, balanced and understandable review of the Society's progress against its strategy together with an assessment of the environment in which it operates and the principal risks it faces, supplementing the Chair's Statement and Chief Executive's Review.

The Society's strategy is summarised pictorially below:



Our Values

Our values define how we behave, both as an organisation and individually. We have four values:

Members First

We ensure our members are our key focus. We always strive to exceed their expectations. We ensure fair customer outcomes.

Integrity

We adhere strictly to the highest standards of conduct, risk management, ethics and honesty in all that we do.

Collaboration

We collaborate with our colleagues and external partners to deliver our purpose and to ensure we operate to the highest possible standards.

Responsibility

We understand our role within the organisation and we take individual responsibility not only for meeting our performance objectives but also for continuously improving our business. In terms of Environmental, Social and Governance responsibilities, we play our individual part in supporting the Society to achieve its goals.

Key Strategic Objectives

The Society's primary objective is the provision of mortgage finance for the purchase and improvement of residential property while funding such lending through a range of personal savings accounts. We also provide access to general insurance, life insurance and long-term investments through a number of business partners.

As a mutual organisation, the Society has no shareholders and rather than focus on maximising profits, seeks to balance the requirement to offer competitive interest rates for savers and borrowers with ensuring sufficient profits are generated to maintain our strong capital position/financial resilience and to invest in our capability and infrastructure.

We continue to invest to ensure our propositions align with both existing and potential customer needs. Our ongoing investment programme aims to deliver improvements in the organisation's systems, processes and branch network, including a digital agenda which involves providing online solutions for our members and intermediary partners. Our online digital savings service, Leek Online, was introduced in 2022 and is growing in line with plans. This platform provides both existing and new members with the option to open new accounts with us, as well as to

manage their existing accounts online. In 2024, following detailed assessment and testing, we commenced implementation of our new mortgage platform, enhancing the mortgage journey experience for our new borrowers and broker partners. We also implemented a new finance system to enhance our financial control. In addition to technology changes, we completed our branch modernisation programme in 2023, whereby all our branches were upgraded to offer improved facilities, including more meeting points for discussions about our products and services, and continue to modernise our facilities for both employees and staff.

Key Performance Indicators

The Society delivered strong financial performance in 2024 despite the challenging economic and market conditions. The Board uses Key Performance Indicators (KPIs) to monitor the performance and development of the Society and a number of these are included below together with explanatory comment to help provide a good understanding of our performance and status.

		2024	2023
Balance Sheet	Total Assets	£1.37bn	£1.31bn
	Mortgage Balances	£1.092bn	£984m
	Shares and Deposits	£1.20bn	£1.10bn
Operating Performance	Underlying Profit before Tax	£4.2m	£6.4m
	Profit before Tax	£3.8m	£4.1m
	Net Interest Margin	1.52%	1.66%
	Management Expenses Ratio	1.19%	1.14%
	Mortgage Arrears	0.20%	0.16%
Financial Strength	Regulatory Capital	£80.5m	£77.9m
	Total Capital Ratio	17.4%	17.8%
	Liquid Assets	£249m	£298m

Measure	Explanation
Mortgage Balances	The total amount owed to the Society for mortgages by customers.
Total Assets	The value of all assets in the Group balance sheet.
Shares and Deposits	The total amount owed by the Society to shareholding members and depositors in respect of their account balances.
Underlying Profit before Tax*	The surplus profit before tax achieved from trading activity during the financial year excluding fair value movements resulting from hedging risk management activity.
Profit before Tax	The surplus before tax achieved from trading activity during the financial year. This includes fair value movements in derivatives that are designed to hedge the financial risk associated with fixed rate mortgage lending and fixed rate savings deposits.
Management Expenses Ratio	The aggregate of administrative expenses and depreciation as a percentage of the average total assets in the year.
Net Interest Margin	The net interest receivable by the Society as a percentage of the average total assets in the year.
Mortgage Arrears	The number of mortgage accounts which are in arrears by the equivalent of three or more monthly repayments.
Regulatory Capital	The Society's reserves and collective provisions net of any required deductions for regulatory purposes, e.g. intangible assets. Retained profits are the highest quality of capital.
Total Capital Ratio	Regulatory capital expressed as a percentage of the Society's risk weighted assets (RWAs).
Liquid Assets	The total cash in hand, loans and advances to credit institutions and debt securities.

* As is common industry practice, the Society uses derivative instruments that are designed to hedge the financial risk associated with fixed rate mortgage and savings products. Gains and losses arising from fair value movements reflect changes in market rates of interest which, in the view of the Society's Directors, are unrelated to the underlying performance of the Group and Society.

The Society prepares its results under Financial Reporting Standard (FRS) 102, "The Financial Reporting Standard applicable in the UK and Ireland" and elects to apply the measurement and recognition provisions of IAS39, "Financial Instruments: Recognition and Measurement".

Business Review

Mortgage balances

Total mortgage balances at the end of 2024 significantly surpassed the billion pound mark for the first time at £1,092m (2023: £984m) net of provisions, interest rate and fair value adjustments – an increase of 11%. Strong net lending of £105m was achieved (2023: £80m), which was a 32% increase on 2023 growth. This was underpinned by new lending of £227m (2023: £192m) and a relatively low level of mortgage redemptions of £83m (2023: £76m), the latter supported by strong retention levels of existing mortgage customers.

The Society's lending proposition remains focussed on providing a range of competitive mortgages to owner occupiers, including First Time Buyers, and Buy to Let landlords.



Total assets

The Society's assets continued their path of sustainable, measured growth, increasing by 4% from £1,313m at the end of 2023 to £1,365m at the end of 2024. The growth in total assets was lower than the significant growth in mortgage balances due to utilisation of liquid assets to deliver higher mortgage growth.



Shares and deposits

Primarily through the branch channel and the embedding of Leek Online, the Society continues to grow its savings base, with total balances at the end of 2024 of £1,200m (2023: £1,097m), a growth of 9%. We are, and will continue to be, primarily funded by individual retail savings (shares) via a range of competitive savings and ISA products. Existing customers are rewarded through preferential loyalty products and a number of new product propositions were launched in 2024 to broaden the support of Member needs.



Underlying profit before tax

The Society recorded an underlying profit before tax of £4.2m, a decrease of £2.2m on 2023 (£6.4m). The primary driver of the decrease was lower net interest margin, driven by the falls in base rate (whereas 2023 saw timing benefits of base rate increasing) and changing mix of funding as we saw significantly higher volumes of fixed rate savings. Furthermore, we also continued to invest in the Society, in particular transforming the mortgage journey for customers and brokers.

We do not seek to maximise profits, but it is in the interest of the Society's long-term competitiveness and sustainability that sufficient profits are generated to maintain our strong capital position/ financial resilience and to ensure there is ongoing investment in our capability and infrastructure.



Profit before tax

Profit before tax was £3.8m (2023: £4.1m) after accounting for fair value movements (2024 loss of £0.4m; 2023 loss of £2.3m) in derivatives that are designed to hedge the financial risk associated with fixed rate mortgage lending and which could be a gain or loss in any given accounting period.

The loss from fair value movements arises from how we reflect in any given year's financial accounts the approach to hedging risk management that we adopt relating to swaps that have not been matched against mortgages due to timing differences between the swaps being transacted and the associated mortgages completing. This is an industry practice which we have historically used and will continue to use. The loss in both 2024 and 2023 will reverse over the next few years as the relevant mortgages mature.

Underlying profit excludes fair value movements in derivatives and in the view of the Society's Directors, it represents a more accurate reflection of trading performance as well as a better measure to compare performance across accounting periods.



Net interest margin

The Society's net interest margin declined during the year to 1.52% (2023: 1.66%) due to a number of reasons:

- Falls in the Bank of England base rate reduced the yield generated on our asset and derivative portfolios and also impacted margin due to the timing requirements when reducing variable savings rates.
- In 2023 margin was also inflated by timing benefits from the base rate increases.
- In 2024 we reduced the risk appetite on our liquidity investment portfolio, moving investments from unsecured Certificates of Deposit to Covered Bonds programme, which are secured on residential loans.
- In 2024 more customers opted for fixed rate products in the higher interest rate environment, which further reduced net interest margin, given the competitive market pricing for these products.

A robust governance process is in place which involves the Board overseeing our response to movements in the base rate and we take a measured approach regardless of whether the base rate is increasing or decreasing.



Management expenses ratio (%)

The management expenses ratio is a very simple measure of efficiency. This increased in 2024 to 1.19% (2023: 1.14%), with total costs increasing by £1.3m (9%) reflecting our continued investment in technology systems, infrastructure and people capability. As well as investing in digital capabilities, we have further invested in staff rewards, cyber security, product development and people capability to ensure the Society remains able to adapt to the fast changing markets it operates in. The Society continues to be committed to achieving cost efficiency to sustain the required level of profitability to protect

members' interests, though this must be carefully balanced with investing for the future to ensure we have the capacity and capability to compete and grow.



Mortgage arrears

The Society is committed to responsible lending. Our mortgage book remains of high quality, as evidenced by the low level of arrears despite the ongoing challenging economic conditions. The number of mortgages in arrears by the equivalent of three or more monthly repayments totalled 15 accounts at 31 December 2024, representing 0.20% of mortgage accounts (2023: 14 accounts, 0.16%). There were 3 cases in arrears of 12 months or more at 31 December 2024 (2023: 1 case).

In certain circumstances, we offer forbearance measures to support customers who are experiencing financial difficulty to help them to get back on their feet. We are extremely sensitive to the challenges the current economic environment poses for our members and on the Society's website, there are a range of helpful resources including who to speak to if they are struggling with their mortgage repayments, tips on ways to reduce bills and details of external agencies which offer free help and support. For residential mortgage holders specifically, there are details of the Mortgage Charter which helps borrowers who may be under financial pressure or who may be worried about making their repayments when their mortgage deal comes to an end. This Charter is a voluntary agreement drawn up by HM Treasury which we are proud to have signed up to.

An impairment allowance is held where appropriate and cases that do not have an individual impairment allowance are included within the collective impairment

allowance. In 2024, 2 properties were taken into possession (2023: none).

Specific consideration has been given to the risk of losses due to the deterioration of economic conditions as household finances are being stretched by increases in inflation and energy prices. At 31 December 2023, a post model adjustment of £0.1m was added to the Society's impairment allowance to reflect the risk of losses within our mortgage portfolio, and this has been released through 2024 as a result of the improved projections of house prices.

Capital strength

The Society has continued to focus on ensuring its balance sheet is strong, secure and fit for purpose. The level of profit generated in 2024 has ensured that our capital position remains robust, with reserves at 31 December 2024 of £82.4m (2023: £79.6m). This outturn predominantly reflects the impact of our profit for the year.

Risk weighted assets increased to £461m from £437m, driven by increased mortgage growth in the year. The Common Equity Tier 1 ratio at year end stood at 17.4% (2023: 17.7%) and the leverage ratio stood at 6.3% (2023: 6.8%). Our strong capital position provides confidence that the Society can continue to grow and invest in the manner projected within our strategic plan.



The Society's policy is to maintain a strong capital base to sustain member, creditor and market confidence and to support the future development of the business. The Board manages the capital and risk exposure to ensure capital is maintained in line with regulatory requirements. Capital levels are subject to regular stress tests to ensure sufficient levels are held to protect against possible future events. The Society

complied with its Total Capital Requirement (TCR) plus capital buffers, as notified by the Prudential Regulation Authority, throughout the financial year and remained significantly above this required level at all times.

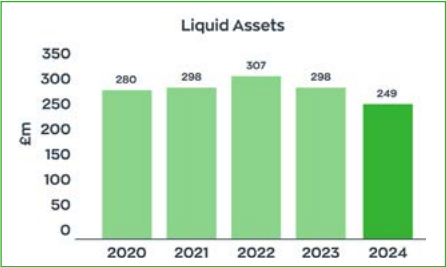
In 2024, the PRA published the near final rules for Basel 3.1 capital framework and a consultation on the capital rules for Small Domestic Deposit Taker firms (SDDT). Due to the Society's size, complexity and product strategy, the Society qualifies as a SDDT firm under the PRA's definition, and an application was made in 2024 to move to the new regulatory framework when it goes live in January 2027.

Basel 3.1 replaces the existing CRR framework and will also come into force on 1 January 2027.

Liquid assets

The Society continues to maintain strong and readily available levels of liquidity. Throughout the year, such levels were well in excess of regulatory requirements. As at the year end, total liquid assets stood at £249m (2023: £298m).

A key measure of liquidity introduced under the Capital Requirements Directive is the Liquidity Coverage Ratio (LCR). At 31 December 2024, the Society reported an LCR of 257% (2023: 323%), significantly in excess of minimum regulatory requirements. Through the end of 2023 and 2024, there has been a conscious effort to manage down the high levels of liquidity, through repaying TFSME early and supporting record mortgage growth. The Society anticipate running at these lower levels of liquidity as part of the transition to a market where lower levels of central bank funding are available, which still remain well above regulatory minimums.



Future outlook and uncertainties

The Society's Risk Management Report in the Annual Report and Accounts sets out in significant detail the principal risks and uncertainties faced by the Society with respect to the achievement of our strategic objectives, together with our comprehensive mitigating activities.

At the time of writing this report, the economic prospects for the year ahead remain difficult to predict, not least due to the ongoing conflicts in Ukraine and the Middle East. While inflation is projected to continue to remain close to the 2% target, interest rates remain elevated compared to recent historical periods, which will continue to put pressure on living costs and there remains the risk that this could lead to mortgage repayment difficulties.

The financial services market continues to see rapidly accelerating digital transformation and intense competition to meet the ever-evolving needs of customers. Notwithstanding our ongoing investment programme, these factors increase the risk of the Society failing to retain existing members and to attract new members. Associated risks also include increasing pressure on margins, higher future costs to deliver the level of investment necessary to keep pace with technological developments and increased risk management costs.

A competitive market is positive for members, and it remains our intention to offer fairly priced, transparent savings and mortgage products, to provide a safe home for members' savings, to promote a savings culture, to lend responsibly and to support borrowers to achieve their housing aspirations. We will continue to invest in enhancing the capability and resilience of our technology, ensuring that our systems remain well placed to deal with the challenges and risks posed by the modern world. But whilst technological development must be an ongoing area of focus, the Board remains fully committed to our branch network, as evidenced by our branch refurbishment programme, which completed in 2023.

The Society has a proud history of prudent management in difficult market conditions, and we do not intend to stray from our well-tested approach. As addressed under the Risk Management Report, all risks are monitored carefully through our Risk Management Framework. In addition, we perform regular stress testing as part of our Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP) regulatory assessments as well as our forward-looking corporate plan. Through these robust processes, we test a range of severe stresses across each of the Society's principal risks. These include house price reductions, lower mortgage book quality, net interest margin compression, cost pressures, regulatory pressures, liquidity changes and operational events which are significantly more severe than current external economic projections. Such testing continues to demonstrate that the Society is sufficiently strong to withstand the impacts of these stresses which have been assessed as part of the Going Concern Statement.

In summary, the Board considers that despite the challenging market conditions that are likely to prevail in 2025, the Society remains robustly positioned to navigate through the economic, competitive and other headwinds it may face.

R Court

Rachel Court
Chair
4 March 2025



Environmental, Social & Governance (ESG) Report

As a building society, we have an important social purpose. We were created to provide a safe home for members’ savings in order to fund mortgages, thereby supporting those seeking to put a roof over their heads but who may lack the necessary means to do so. As a result, since our inception over 160 years ago, we have been committed to being socially responsible and to making a positive difference to the lives of our members, employees and the local community. Our purpose forms the bedrock of our approach to our Environmental, Social and Governance (ESG) responsibilities.

The United Nations (UN) has called on governments, businesses and others around the world to end extreme poverty, fight inequality and injustice, and limit climate change through a range of sustainability development goals. Over recent years we have worked with an expert third party to develop our ESG strategy which aligns to the below UN sustainability goals that are considered most relevant to our business model.



Progress to date is summarised in the table below:

2022	2023	2024	2027 & beyond
<ul style="list-style-type: none"> Scope of Climate Working Group expanded to cover ESG Green Ambition announced on website Policies updated to cover ESG risks Carbon footprint assessment completed 100% energy obtained from renewable sources First Green Product (Holiday Let) launched Charitable Foundation launched. £13k donated to local causes Society commits to donate £500k (£100k pa) by 2027 to local clubs and causes 95 staff volunteering days completed Equality, Diversity and Inclusion Strategy approved by Board 	<ul style="list-style-type: none"> Mortgage portfolio EPC rating baselined Green Further Advance Mortgage launched Branch & Head Office refurbishments completed with accessibility measures LED lighting installed in all branches and head office leading to 90% reduction in energy required to light these buildings Charitable Foundation donated £25k to community causes Society donated £125k to local clubs and causes 180 staff volunteering days completed Agreement reached with AEDdonate to provide 100 defibrillators over 4-year period. Rollout commenced 41% of senior management positions held by women 	<ul style="list-style-type: none"> Charitable Foundation donated £37k to community causes Society donated £150k to local clubs and causes Over 200 staff volunteering days completed across a number of initiatives throughout our heartland Over 400 school pupils benefitted from financial education through our partnership with Young Enterprise 34 defibrillators installed to date as part of AEDdonate agreement 45% of senior management positions held by women Gas heating removed from Head Office and replaced with electricity sourced from 100% renewable energy Scope 1, 2 & 3 emissions to be measured and published as part of this Annual Report Plans to install solar panels on head office and branches are underway 	<ul style="list-style-type: none"> Target zero net carbon position for scope 1 and 2 emissions Net Zero by 2050

The Society’s full ESG Report for 2024 is on page 22 of the Annual Report and Accounts. Please scan the QR code to access this report.



Charitable Foundation



Our Charitable Foundation had another successful year in 2024, providing over £35k in charitable donations to 13 local community groups and charities that were in need of financial support. From foodbanks to mental health services and community gardens, we were able to make a meaningful difference across a variety of causes that matter most to our members and the wider community.

If you know a charity or community group that could benefit from funding to support a community initiative, we’d love to hear from them! The Foundation is welcoming applications that meet our eligibility criteria. For full details, including how to apply, visit leekbs.co.uk/charitable-foundation.

Leek Building Society Charitable Foundation donated
£36,715 in 2024



Directors' Remuneration Report

The purpose of the Directors' Remuneration Report is to provide details of the basic salary, variable pay and benefits earned by Directors. It includes the key disclosure requirements of the UK Corporate Governance Code and complies with the FCA Remuneration Code. The Board is committed to best practice in its Remuneration Policy for Directors and in the interests of transparency, this report will be the subject of an advisory vote at this year's Annual General Meeting.

The Directors' remuneration for the year is as follows:

Individual Directors' Emoluments

All figures are in £000's

	2024					2023				
	Salary/ Fees	Benefits /Other (iii) (iv)	Sub Total	Pensions	Total	Salary/ Fees	Benefits /Other (iii) (iv)	Sub Total	Pensions	Total
Non-Executive Directors (NEDs)										
Felicity Bambery (i) (ix) (v)	40	2	42	-	42	37	-	37	-	37
David Cheeseman (ix) (v)	40	2	42	-	42	39	1	40	-	40
Rachel Court (ix) (v)	57	1	58	-	58	55	1	56	-	56
John Gibson (from 25/01/2024) (vii) (v)	31	1	32	-	32	-	-	-	-	-
Jane Kimberlin (ix) (v) (x)	41	1	42	-	42	36	1	37	-	37
Keith Abercromby (ii) (v)	-	-	-	-	-	11	2	13	-	13
John Leveson (xiv) (v)	12	1	13	-	13	35	2	37	-	37
Executive Directors										
Steven Clarke (iv) (vi)	190	12	202	14	216	151	10	161	11	172
Andrew Davies (iv) (vi) (xi)	163	12	175	24	199	155	12	167	23	190
Andrew Deeks (from 26/09/2024) (iv) (viii)	83	4	87	6	93	-	-	-	-	-
Darren Ditchburn (iv) (vi) (xii)	179	10	189	13	202	171	11	182	13	195
Andrew Healy MBE (iii) (iv) (xiii)	173	11	184	26	210	283	18	301	42	343
	1,009	57	1,066	83	1,149	973	58	1,031	89	1,120

- (i) Felicity Bambery commenced as Chair of Board Audit Committee on 1 April 2023 and therefore the increase in the fee for this role noted in the Board Remuneration Committee report applied from this date.
- (ii) Keith Abercromby left the Society on 26 April 2023.
- (iii) Andrew Healy's salary was increased in 2024 and 2023 following detailed benchmarking by the Board Remuneration Committee of data from peer organisations. He waived his entitlement to receive the cost-of-living payment which was given to all staff.
- (iv) In addition to the cost-of-living payment, remuneration to the executives included in the 'Benefits/Other' column above relates to the provision of a car allowance, partner health screening and private medical insurance.
- (v) The remuneration for the Non-Executive Directors included in the 'Benefits/Other' column above relates to travelling expenses.
- (vi) Steven Clarke, Andrew Davies and Darren Ditchburn received an increase to their basic salary in 2024 and 2023 following detailed benchmarking by the Board Remuneration Committee of data from peer organisations.
- (vii) John Gibson was co-opted onto the Board from 25 January 2024.
- (viii) Andrew Deeks was co-opted on to the Board from 26 September 2024.
- (ix) The Non-Executive Directors and Chair received an increase to their basic fees in 2024 following detailed external benchmarking.
- (x) Jane Kimberlin commenced responsibilities as Chair of the Board Remuneration Committee on 1 April 2024 therefore the increase in the fee for this role is noted in the Board Remuneration Committee report applied from this date. Jane formally took over the role on 25 April 2024.
- (xi) Andrew Davies left the Society on 31 December 2024.
- (xii) Darren Ditchburn left the Society on 6 December 2024.
- (xiii) Andrew Healy left the Society on 31 July 2024.
- (xiv) John Leveson left the Society on 24 April 2024.

Loans to Directors

A register containing details of loans and transactions between the Society and its Directors, or persons connected with Directors, is available for inspection by members at the Society's principal office in the period of fifteen days prior to the Society's Annual General Meeting on 30 April 2025. There were no loans outstanding on 31 December 2024; during 2023 there was one amounting to £159k, in respect of one person.

Chair and Non-Executive Fees

Non-Executive Directors receive fees for the provision of their services, including additional fees for the chairing of the Board and Board committees. They do not have service contracts and do not receive any other benefits, bonus or pension entitlement. Relevant expenses are reimbursed and are included within the 'Benefits/Other' column shown in the above table.

Fees are set to reflect the time commitment and responsibilities of the roles. The fees payable to the Chair of the Board are determined by the Board Remuneration Committee. The Chair of the Board is a member of the Board Remuneration Committee, however the Chair takes no part in the discussion of their own fees and is not present when this matter is decided. The fees and expenses payable to all other Non-Executive Directors, including additional fees for the chairing of committees and acting as Senior Independent Director, are recommended by the Board Remuneration Committee for approval by the Chair of the Board and Executive Directors.

Fees are reviewed annually and if any recommended increase is more than the annual percentage increase payable to all staff, a clear rationale for the additional increase together with supporting market data must be provided. This review also takes into consideration the principles underpinning the annual Society staff salary review. As reported in the Board Remuneration Committee Report, the fees of the Society's Non-Executive Directors were increased during the year.

Executive Directors' Remuneration

The policy for Executive Director remuneration is included in the overarching Remuneration Policy. Executive remuneration is aligned to the Society's purpose and values and is clearly linked to the successful delivery of the Society's long-term strategy. The main elements of each Executive Director's remuneration package are basic salary, pension benefits, private medical insurance, and car allowance.

With effect from January 2024, as part of the annual salary review, the salary for the outgoing Chief Executive, Chief Risk Officer and Director of Lending increased by 5% in line with pay increases given to all staff.

The salaries of the Finance Director and Deputy Chief Executive were increased from January 2024 by more than the 5% given to all staff - by 18% and 11% respectively - following a comprehensive benchmarking exercise and Board Remuneration Committee review, as well as to reflect their development in their respective roles.

The Society's new Chief Executive also commenced his employment in August 2024 with salary also benchmarked against the sector. More details on the process for this appointment are included in the Board Nominations Committee report.

Following the departure of the Deputy Chief Executive in December 2024, this role was not replaced. Instead, a new Executive team structure was implemented. The Finance Director's role was expanded to include IT and Operations, and the salary for the expanded role was uplifted accordingly. New Executive roles were created as set out in the Board Nominations Committee Report. These are not Board positions, although their salary levels were approved by the Board Remuneration Committee. The newly appointed Chief Risk Officer role is also no longer a Board position. The overall cost of the restructured Executive Team as a whole, including Board and non-Board posts, is slightly lower than the previous structure.

In keeping with our philosophy of paying fair base salaries and not offering substantial variable pay which can distort Executive focus, no executive bonus scheme operated in 2024.

Of the Executive Directors' remuneration packages, only basic salary is pensionable. As at 31 December 2024, the Chief Executive and Chief Financial Officer are members of the Society's defined contribution pension scheme. Executive Directors receive the same percentage pension contribution as all other staff.

The Corporate Governance Code recommends that an Executive Director's notice period should be one year or less. All Executive Directors have a service contract with the Society which is terminable by either party giving six months' notice.

Reward and Incentives

The Society's remuneration schemes and policies enable the Board Remuneration Committee to override formulaic outcomes to any element of performance-related pay. However, as was the case in 2023, no formulaic schemes were in place during 2024. The Board Remuneration Committee did not appoint any external consultants during 2024.

Given the relative simplicity of the Society's Remuneration Structures, the Board Remuneration Committee did not appoint any external consultants during 2024.



Jane Kimberlin
Chair of the Board Remuneration Committee
4 March 2025



Summary Financial Statement

For the year ended 31 December 2024

The Summary Financial Statement is a summary of information in the audited Annual Accounts, 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 Building Society, or can be downloaded from www.leekbs.co.uk from 28 March 2025.

Summary Statement

Group results for the year

	2024 £000s	2023 £000s
Interest receivable	68,861	57,844
Interest payable	(48,488)	(36,663)
Net interest receivable	20,373	21,181
Other income and charges	(73)	(70)
Net gain/(loss) from derivative financial instruments	(404)	(2,303)
Administrative expenses and depreciation	(15,876)	(14,585)
Net finance credit/(charge) on pension scheme	(114)	(127)
Impairment credit/(charge) on loans and advances to customers	(67)	1
Profit for the year before taxation	3,839	4,097
Taxation	(909)	(1,009)
Profit for the year	2,930	3,088

Financial position at the end of the year

Assets	2024 £000s	2023 £000s
Liquid assets	249,487	298,188
Loans and advances to customers	1,092,308	984,485
Fixed and other assets	22,883	31,226
Total assets	1,364,678	1,313,899
Liabilities and Members Interests		
Shares	1,183,502	1,089,115
Amounts owed to credit institutions	76,280	128,993
Amounts owed to other customers	16,494	7,555
Other liabilities	3,605	5,825
Net pension liabilities	2,364	2,771
General Reserve	81,456	78,510
Available for Sale Reserve	(20)	138
Revaluation Reserve	997	992
Total liabilities and Members Interest	1,364,678	1,313,899

Summary of key financial ratios

	2024 %	2023 %
1. Gross capital as a percentage of shares and borrowings	6.48	6.50
2. Liquid assets as a percentage of shares and borrowings	19.63	24.33
3. Profit on ordinary activities after taxation as a percentage of year-end total assets	0.22	0.24
4. Management expenses as a percentage of mean total assets	1.19	1.14

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 Group's total assets at the year end.

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 Group is therefore able to operate safely with lower margins than a bank.

The **management expenses ratio** measures the proportion that the Group's administrative expenses bear 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.

Approved by the Board of Directors on 4 March 2025.


Rachel Court
Chair


Andrew Deeks
Chief Executive


Steven Clarke
Chief Financial Officer

Independent Auditor's Statement

Independent auditors' statement on the Summary Financial Statement to the members of Leek United Building Society

We have examined the Summary Financial Statement of Leek United Building Society (the ‘Society’) set out on pages 30 to 31, which comprises the results for the year, the financial position as at 31 December 2024 and summary of key financial ratios.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Summary Financial Statement, in accordance with the Building Societies Act 1986.

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

We also read the other information contained in the 2024 Business Review and Summary Financial Statement and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Summary Financial Statement. The other information comprises only the Chair's Statement, Chief Executive's Review, Strategic Report, Environmental, Social and Governance (ESG) Report, Directors' Remuneration Report and the other items listed on the contents page.

This statement, including the opinion, has been prepared for and only for the Society's members as a body in accordance with Section 76 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 into whose hands it may come save where expressly agreed by our prior consent in writing.

Basis of opinion

Our examination involved agreeing the balances in the Summary Financial Statement to the full Annual Accounts. Our report on the Society's full Annual Accounts describes the basis of our audit opinion on those Annual Accounts, the Annual Business Statement and the Directors' Report.

Opinion

In our opinion the Summary Financial Statement is consistent with the full Annual Accounts, the Annual Business Statement and the Directors' Report of Leek United Building Society for the year ended 31 December 2024 and complies with the applicable requirements of Section 76 of the Building Societies Act 1986, and the regulations made under it.

PricewaterhouseCoopers LLP.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

Information Relating to Directors

As at 31 December 2024

Name/Date of Birth	Occupation	Date of Appointment	Other Directorships
 Felicity Bambery BA, FCA 08/07/1976	Non-Executive Director	27/07/2022	TPT Retirement Solutions Limited (non-statutory) Verity Trustees Limited (non-statutory) Border to Coast Pensions Partnership
 David Cheeseman BSc 01/10/1968	Non-Executive Director	29/04/2021	Holloway Friendly Society Limited Amber River Group
 Steven Clarke BA, ACMA 27/11/1976	Building Society Chief Financial Officer	30/11/2022	Leek United Home Loans Limited
 Rachel Court JP, BA Oxon 27/06/1966	Non-Executive Director	26/11/2014	Invesco Pensions Limited Invesco Asset Management Limited Leek United Home Loans Limited
 Andrew Davies* 03/08/1967	Building Society Chief Risk Officer	29/09/2021	None
 Andrew Deeks BA, MBA 18/03/1981	Building Society Chief Executive	26/09/2024	None
 John Gibson BSc 23/02/1961	Non-Executive Director	25/01/2024	None
 Jane Kimberlin BA 25/09/1959	Non-Executive Director	23/11/2016	Creaton Consultants Limited Creaton Community Benefit Society

*Andrew Davies left the Society on 31/12/2024.

Documents may be served on the above-named Directors c/o Bowcock and Pursail, P.O. Box No.1, 54 St Edward Street, Leek, Staffordshire, ST13 5DJ.

Supporting our Community

Purposeful Partnerships

During 2024, we focused on building stronger connections within our communities by strengthening our partnerships. By collaborating locally, we're able to provide vital support and contribute to positive change within our community.

We remained committed to our community mission, with our dedicated staff volunteering over 200 days to support the local causes close to their hearts.

Our commitment extends beyond volunteering hours. In 2024, we allocated £150k through our community funding initiatives, directly supporting projects and organisations that enrich the lives of local residents.



Young Enterprise

Our collaboration with Young Enterprise has brought the power of financial education to life for **432** students through nine 'Learn to Earn' workshops in local secondary schools. The pupils gained valuable skills to navigate their financial futures with confidence and received support from 22 of our staff volunteers. We're proud to see the positive impact we're making in our communities, one workshop at a time!

“Working with Leek Building Society has been amazing, the volunteers have been so enthusiastic. It's been fabulous, fun and filled with enthusiasm. I really couldn't ask to be working with anybody better. - Teresa Fisher, Educational Partnerships Manager, Young Enterprise”



Staffordshire FA - Women and Girls' Football

We're proud of our partnership with Staffordshire FA, which is encouraging positive growth in women's and girls' football. In just one year, female participation has exceeded expectations, with a record of over 247 female coaches and 19 women's teams entering the County Cup. With the goal of increasing participation to 7,000, the future of women's football in Staffordshire looks bright!



AEDdonate - defibrillator roll out

Our pledge to install **100** defibrillators is progressing well, driven by a deep sense of responsibility and care for the communities we serve. 34 units have been installed in partnership with AEDdonate, with eight more in the pipeline for the coming months!

“After opening our new AEDdonate charity shop on Leek Derby Street on 29 May, we're pleased to now see an internal, portable AED unit available to support anyone positioned locally. - Jamie Richards from AEDdonate”



Sports Clubs

We're pleased to be able to sponsor a number of sporting clubs in and around Leek, Staffordshire. From golf to rugby and football to cricket, it's our local clubs that are the beating heart of our community, enabling local people to participate in the hobbies that are important to them.

Port Vale Foundation

After becoming headline sponsor of the Port Vale Foundation in 2022, we're pleased to have seen the partnership grow from strength to strength. Whether it's supporting the Foundation through staff volunteering days, or issuing home game tickets to the Foundation's members, our collaboration has contributed to the positive impact the Port Vale Foundation brings to Burslem and the surrounding areas.



Registered Principal Office

50 St. Edward Street,
Leek,
Staffordshire,
ST13 5DL

Registered No.

323B

Directors

Felicity Bambery BA, FCA
David Cheeseman BSc
Steven Clarke BA, ACMA
Rachel Court JP, BA Oxon
Andrew Davies*
Andrew Deeks BA, MBA
John Gibson BSc
Jane Kimberlin BA

**Andrew Davies left the Society on 31/12/2024.*

Chair

Rachel Court JP, BA Oxon

Chief Executive

Andrew Deeks BA, MBA

Internal Auditor

Deloitte LLP
Four Brindley Place
Birmingham
B1 2HZ

Independent Auditor

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory
Auditors
No 1 Spinningfields
1 Hardman Square
Manchester
M3 3EB

Member of the Building Societies Association

*Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority
and Prudential Regulation Authority*

Established 1863

Registered Principal Office:

50 St. Edward Street, Leek, Staffordshire ST13 5DL

Telephone: 01538 384151

E-mail: finance@leekbs.co.uk

Website www.leekbs.co.uk

2025

Notice of 162nd Annual General Meeting & Voting Details

Message from the Chair Designate

Dear Member,

Our Annual General Meeting (AGM) is your opportunity to influence how your Society is run. You can hear about the Society's performance, ask questions and exercise your voting rights in person.

At the front of this booklet, you will find our 2024 Business Review and Summary Financial Statement.

This year's meeting will be held at Westwood Golf Club in Leek at 11:00am on Wednesday, 30 April 2025.

You will be able to hear from representatives of organisations we work with in our local communities and also from the Leek Building Society Charitable Foundation. One of the community representatives will be from Your Emotional Support Service (YESS), a local charity which supports adults and children with their mental health and wellbeing. **Full details regarding the AGM, including how to get there, can be found on our website at leekbs.co.uk/agm.**

All the details of how you can vote are below.

Ways to vote

It is important to say that you do not need to attend the AGM in person to vote. In fact, most members tend to vote online or by post before the AGM.

01 ONLINE:

Go to leekbs.co.uk/agm. Online voting is available until 12 noon on 26 April 2025. You will need your user ID and password which you can find at the top of your proxy voting form.

02 BY POST:

You can fill in the proxy voting form and return it to us in the prepaid envelope provided. The closing date for receipt of votes is 12 noon on 26 April 2025.



03 IN PERSON AT THE AGM:

Information about how you can vote at the meeting can be found in the voting conditions and notes on voting on your proxy voting form.

Whether you vote online or by post, it only takes a minute. If you intend to vote via proxy, you can speed up the process even further by using the 'quick vote' option on the form. It is the recommendation of the Board that you vote in favour of all resolutions.

You can help local charities and community organisations

For every online vote received, we will donate 50 pence and for every vote received by post, we will donate 20 pence to this year's nominated charities – Your Emotional Support Service, which supports adults and children with their mental health and wellbeing, and the Leek Building Society Charitable Foundation, which assists a broad range of charities and community groups. Funds will be split evenly between these two wonderful organisations.

On behalf of everyone in Leek Building Society, I would like to thank you for your continued support in 2024.

Yours sincerely,

John Gibson
Chair Designate

Notice of Annual General Meeting 2025

162nd Annual General Meeting of the Members of Leek Building Society.

Notice is hereby given that the 162nd Annual General Meeting of Leek Building Society will be held at 11:00am on Wednesday, 30 April 2025 at Westwood Golf Club, Newcastle Road, Leek, Staffordshire, ST13 7AA for the following purposes:

Ordinary Resolutions

To consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

1. To receive the 2024 Annual Report and Accounts for the financial year ended 31 December 2024.
2. To re-appoint PricewaterhouseCoopers L.L.P as External Auditor until the conclusion of the next AGM.
3. To approve the Directors' Remuneration Report for the financial year ended 31 December 2024.

Election/Re-election of Directors

4. To consider and, if thought fit, to elect/re-elect the following Directors:
 - a) To elect Pak Chan
 - b) To elect Andrew Deeks
 - c) To re-elect Felicity Bambery
 - d) To re-elect David Cheeseman
 - e) To re-elect Steven Clarke
 - f) To re-elect John Gibson
 - g) To re-elect Jane Kimberlin

The following notes form part of the Notice of Annual General Meeting.

You may vote in person at the Society's Annual General Meeting. Alternatively, you may use the proxy voting form or go online to appoint a proxy to attend and vote at the meeting on your behalf. You may appoint the Chair 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. You may direct your proxy how to vote at the meeting. Your proxy may not speak at the meeting except to demand or join in demanding a poll.

By order of the Board of Directors.

Claire McCarthy
Company Secretary
28 March 2025

Directors standing for election



Pak Chan

**Independent
Non-Executive Director
since March 2025.**

Skills and Experience

Pak is a highly experienced financial services professional with over 30 years in the industry. During his executive career, he has worked in Retail and SME banking, Wealth and Asset Management and FinTech. He has extensive experience in board-level leadership, having served on regulated boards for seven years as a CEO and board attendee. He also has considerable experience in managing Regulator engagement and in digital technology.

Most recently and immediately prior to taking up his role with the Society, Pak was the CEO of Santander Asset Management UK. As the CEO he was accountable for all aspects of the firm from customer, commercial and asset management to finance, operations, risk management, regulatory, audit and people. He was a member of the Board and Board Risk Committee and Chair of the Board ACD Committee and the Executive Committee. Pak is a firm believer in fostering a strong culture of integrity, values, and customer-centric decision-making.

Pak was co-opted to the Board in March 2025 and is a member of the Board Audit Committee.

Current External Positions

None.



Andrew Deeks BA, MBA

**Chief Executive and
Executive Director since
August 2024.**

Skills and Experience

Andrew has twenty years' experience in financial services across mutual, plc and consultancy organisations. Prior to joining Leek Building Society as Chief Executive Officer, he was Chief Strategy Officer at LSL Property Services plc and spent a significant part of his career at Coventry Building Society, where he served on the main Board as Product, Marketing and Strategy Director for several years.

Andrew is a committed advocate of mutuality and purpose-led organisations more generally. He has either worked for - or as an adviser to - a number of building societies in the UK. Andrew has a first class honours degree from the University of Nottingham and also holds an MBA from Warwick Business School.

Andrew is a member of the Board Nominations Committee and attends the Board Risk Committee, Board Audit Committee and Board Remuneration Committee. In terms of management committees, Andrew chairs the Monthly Business Review and Credit Risk Forum. He also attends Asset and Liability Committee, All Risks Committee and Change Forum.

Current External Positions

None.

Directors standing for re-election



Felicity Bambery BA, FCA

**Independent
Non-Executive Director
since July 2022.**

Skills and Experience

Felicity is an audit and assurance professional who has specialised in financial services for over 25 years. She is a chartered accountant and accredited controls assurance provider who during her executive career has worked with building societies, banks, investment managers, custodians, administrators and pension schemes.

Immediately prior to taking up her role with the Society, Felicity was a partner in a global professional services firm and led numerous external and internal audit and controls assurance engagements, governance and regulatory reviews. She has also acted as the Head of Internal Audit for organisations and held a number of roles on committees for industry bodies. Felicity led a national team and her responsibilities included business and people development, risk and quality and relationship management.

Felicity is Chair of the Board Audit Committee and is a member of the Board Risk Committee and Board Remuneration Committee.

Current External Positions

Felicity currently holds the following external appointments:

- Co-opted Committee Member of the Audit, Risk and Compliance Committee for TPT Retirement Solutions Limited.
- Co-opted Committee Member of the Audit, Risk and Compliance Committee for Verity Trustees Limited.
- Non-Executive Director and Chair of Audit Committee at Border to Coast Pensions Partnership.



David Cheeseman BSc

**Independent
Non-Executive Director
since April 2021.**

Skills and Experience

David is an actuary with over 30 years' experience in financial services within the UK and overseas including life insurance, pensions and investment platforms. He has served as a Director of various regulated companies in the sector over the last 14 years, including Phoenix Life, Abbey Life, SunLife, AXA Isle Of Man and AXA Wealth.

During his executive career, David has held a wide range of roles including Finance Director, Strategy Director and Chief Operations Officer. He was responsible for running large finance and operational teams and for driving commercial growth and strategic change across organisations.

David chairs the Board Risk Committee and is a member of the Board Audit Committee and the Board Nominations Committee.

Current External Positions

Dave currently holds the following external appointments:

- Independent Non-Executive Director at Holloway Friendly Society Limited since 2020 where he chairs the Audit and Risk Committee.
- Independent Non-Executive Director at Amber River Group since September 2021, where he chairs the Audit and Risk Committee.

Directors standing for re-election



Steven Clarke BA, ACMA

Chief Financial Officer
and Executive Director
since December 2024.

Skills and Experience

A Chartered Accountant for almost 20 years, Steven has more than 14 years of experience in the Building Society sector as well as significant experience in broader financial services. Steven joined the Society in November 2022 as Finance Director and moved to the role of Chief Financial Officer in December 2024.

Steven's current responsibilities include IT, Change, Mortgage Operations and managing the Society's capital, funding and liquidity positions through leading the Finance & Treasury functions.

His mandate extends to ensuring the integrity of financial and regulatory reporting whilst ensuring the Society operates an effective stress testing framework. He is also responsible for formulating IT & Operations strategies that align and support the Society's corporate plan, as well as executive responsibility for managing the Society's exposure to the financial risks associated with climate change and for championing the overall ESG agenda.

Steven chairs the Change Forum, Operational Resilience Forum, Regulatory Reporting Forum, Pricing Forum, Asset and Liability Committee and ESG Committee. He is also a member of the Monthly Business Review, All Risks Committee and Credit Risk Forum.

Current External Positions

None.



John Gibson, BSc

Independent
Non-Executive Director
since January 2024
and Independent Chair
Designate from April
2025.

Skills and Experience

John has spent over 35 years in the building society sector with most of that time with the Skipton Building Society Group. He finished his executive career there in 2023 as Chief Conduct Risk Officer and Secretary where he was responsible for regulatory matters, a range of risk areas and Board governance. During his time at Skipton he held a range of other roles including Director of Group Risk, Group Commercial Director and General Manager Customer Services.

He served as an independent director on the boards of a range of Skipton subsidiaries including its IFA businesses, its international bank on the Channel Islands and chaired the boards of its Mortgage Packaging firms and Internal Audit and IT outsourcing businesses.

John is a member of the Board Audit Committee, Board Remuneration Committee and Board Nominations Committee. John will take over as Chair of the Board when Rachel Court retires from the position in April 2025.

Current External Positions

None.



Jane Kimberlin BA

Independent
Non-Executive Director
since November 2016
and Senior Independent
Director since March
2022.

Skills and Experience

Jane is an internationally experienced Board Chief Information Officer/Information Technology Director with over 30 years of delivering significant transformation across a wide range of companies including financial services, retail and utilities. She led the successful merger of IT for several major companies following acquisitions.

With her experience in retail, Jane is a strong advocate of the customer at the heart of the business. Having managed large teams who were responsible for the development and performance of various major digital platforms, Jane is able to leverage her change and technical skills. Jane is passionate about the appropriate use and development of technology and works voluntarily encouraging children and adults to have a successful career in IT.

Jane is a former IT Director of BNP Paribas, a former IT Director of Domino's Pizza, a former IT Director of Scottish and Newcastle/Spirit Group and a former IT Director of PowerGen (now E.ON). Jane is a former Fellow of the Institute of Directors.

Jane is Chair of the Board Remuneration Committee and is a member of the Board Risk Committee and Board Nominations Committee.

Current External Positions

Jane currently holds the following external appointments:

- Director and Society Secretary, Creaton Community Benefit Society.
- Director, Creaton Consultants.
- Liveryman, Worshipful Company of Information Technologists.

Outgoing Director



Rachel Court, JP, BA Oxon

Independent
Non-Executive Director
since November 2014 and
Independent Chair since
April 2016.

Rachel is retiring from the Board in April 2025 after reaching the end of over ten years term as a Non-Executive Director of the Society, the last nine of them as Chair. Rachel's formal departure date will be 25 April 2025 ahead of the Annual General Meeting. Non-Executive Director, John Gibson, has been appointed to the position of Chair of the Board and will Chair the AGM on 30 April 2025.

The Board would like to thank Rachel for all of her contributions to the Society over the last ten years. The Society has moved on tremendously under her leadership and we would like to wish her all the very best for the future.



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Leek Building Society is a trading name of Leek United Building Society, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority with firm reference number 100014. Our details can be found on the Financial Services Register at <https://register.fca.org.uk/s/>. Leek United Building Society's address for service is 50 St. Edward Street, Leek, Staffordshire ST13 5DL.