Annual Report & Accounts

31 October 2025

The Stafford
Building Society

Contents

This Annual Report and Accounts is for the legal entity of The Stafford Railway Building Society, although the trading name of the Society is The Stafford Building Society.

Chair's Statement

Dear Members of The Stafford Building Society,

It is my pleasure once again to present the Chair's Statement for The Stafford Building Society for the last financial year. It was another year of achievement and growth, despite continuing economic headwinds and global uncertainty. The recent Budget arguably makes matters more challenging for savers, with increases to savings tax rates and a reduction in the Cash ISA allowance. However, rest assured, your Society will stay abreast of any measures we can take to help our Members plan for their financial health and stability.

Financial Performance

Our financial performance has once again been strong. Assets have grown for a further year, together with an increase in Member savings and deposits. We have again maintained a strong capital position.

Total assets now stand at £346.54m (2024: £324.06m). New mortgage lending reached £72.46m (2024: £56.52m), a record for the Society, and our membership has also risen by some 1,009 new Members. Profit for the year, which enables our continued investment in the future for our Members, was £0.66m (2024: £1.01m), the drop reflecting in large part our technology investment which is referred to further below.

Community Engagement

This year, as detailed in the Chief Executive's report, we continued to focus our community work in areas that you, our Members, identified as being of key interest. This was through the survey we conducted around last year's AGM, as in the previous year. Yet again, those survey results have provided us with valuable guidance in knowing where to focus our improvement efforts to best serve our Members' needs.

Technology and Innovation

Following my comments last year that we had spent a lot of time thinking about our technological development and journey, in the year just ended that focus has moved to initial delivery and pilot testing. As I said, this means we are now in "a few years of major investment." However, I am hopeful that, in the course of the 2025/26 financial year, Members will start to see some changes and benefits that will make the investment worthwhile.

Customer-Centric Approach

The regulatory requirement around Consumer Duty has not gone away, nor should it. We have therefore continued our work on enhancing our Member journey and learning from feedback. We again gave our annual assessment in July, confirming that your Board believes we are taking appropriate and proportionate steps to continue our delivery of good customer outcomes. A very visible enhancement that we made during 2025 was the refurbishment of our branch in Stafford, for which we have received much positive feedback. We know it makes it easier for our Members, many of whom do use the branch, to deal with us and for their enquiries to be dealt with more speedily and efficiently.

Environmental and Social Responsibilities

As responsible stewards of our environment, we continue to take steps to reduce our ecological footprint where possible. Our commitment to sustainable and socially responsible business remains a fundamental part of our operations, ensuring we contribute positively to the world in which we live.

People

As ever, there have been, and continue to be, changes in the people who support the Society at Executive and Board level. Jonathan Farrington, whom I introduced last year as our new Audit Committee Chair, has made a very smooth transition from Gary Crowe, and the Committee therefore continues its good work in providing strong governance over our financial reporting. Ray is also making an excellent contribution as a Non-Executive Director and Matthew Rowell, whom I introduced as our new Chief Financial Officer, has made positive changes for us. We also appointed Michelle Pledger as our new Chief Risk Officer, a step forward for us in ensuring we give appropriate oversight to all the risks we face, and where possible minimise those affecting our Members.

During the course of the year, our Chief Executive Officer, Steven Jones, informed the Board of his plans to retire. May I take this opportunity to express my huge thanks to Steve for his many years of service, both as Finance Director and latterly as CEO, in supporting and helping to grow the Society. He leaves the Society in an enviable financial position following a year of record mortgage lending with strong capital and liquidity foundations for future growth. He retires with the heartfelt thanks of myself and the Board and our very best wishes for his retirement.

I'm also delighted to confirm the appointment of Sean Humphreys as Steve's successor as Chief Executive. Sean is a hugely experienced leader with over 30 years' in the banking industry. He will join the Board in January following a handover with Steve and we all very much look forward to working with him as he leads the Society into its next chapter.

Outlook

The year ahead again appears likely to bring considerable uncertainty, whether from global unrest or the domestic budget here in the UK. However, the Society remains in a strong financial position to withstand such shocks that may arise and to continue providing a secure institution for our Members' savings or for funding the purchase of their homes. Our plans for next year include further growth and delivery of IT changes that directly benefit Members.

In conclusion, I extend my thanks again to our Members, colleagues and the dedicated Board of Directors for their unwavering support and hard work.

Joanne Hindle,
Chair
18 December 2025

Chief Executive's Report

It is with pride that I can again report a strong performance during the year for your Society, marked not only by our robust financial results but also by the enhancement of our Member engagement, positive progress with our ongoing strategic investment in IT and digital capabilities, and the continued strengthening of colleague expertise though recruitment and ongoing personal development.

This year marks the 250th anniversary of the founding of the first building society, The Ketley in 1775, a significant milestone for the sector. From its origins as a group of individuals pooling resources to achieve home ownership, the movement has grown into a trusted cornerstone of financial services, serving millions of members across the UK. Across the sector we have celebrated this anniversary not only as a reflection on history but as a reaffirmation of our role in shaping a sustainable future for our Members and communities.

As a proud part of this tradition, your Society continues to uphold the principles that have sustained building societies for two and a half centuries, mutuality, fairness, and a commitment to Member value.

As a mutual, we are owned by and run for our Members. Our objective is not to maximise profit but simply to deliver long-term value and positive outcomes for Members, while maintaining financial strength and ensuring that profitability is optimised to support their interests.

The Society operates a clear and focused business model aligned with our purpose. We provide residential mortgages leveraging specialist underwriting expertise to personalised, individual assessment of Member requirements while maintaining prudent standards. These activities are funded through retail savings, ensuring a sustainable and Member-centric approach.

Financial Review

Our financial performance is considered in detail in the accompanying Strategic Report, but I would like to personally take this opportunity to share several highlights in the paragraphs that follow.

Total Assets Growth

During our financial year, the total assets of your Society grew by 6.94% (2024: 5.22%) to £346.54m (2024: £324.06m) the highest reported in the Society's history. True to our purpose, this growth was primarily funded by retail savings and reflects a commendable performance, particularly in the face of heightened competition for both savings and mortgage lending, as well as broader economic challenges we have all experienced, including fluctuating consumer confidence, ongoing pressures on disposable income, and uncertainty around interest rates.

This achievement is more than a numerical milestone; it reflects sound governance, disciplined execution, and a strategic commitment to building a resilient foundation for sustained growth. Looking ahead, this strengthened position enables us to advance our purpose with clarity and confidence.

Mortgage Balances

During 2025, the UK mortgage and housing markets demonstrated signs of recovery and stabilisation following a challenging period of elevated interest rates. Consecutive reductions in the Bank of England Base Rate improved affordability and bolstered borrower confidence, stimulating renewed lending activity, particularly among first-time buyers. House prices also recorded modest growth, although regional disparities continued to persist.

Against this backdrop your Society has again returned a strong performance having grown our mortgage book to £256.01m (2024: £237.10m), an uplift of 7.98% (2024: 6.23%), achieved by our record mortgage advances of £72.46m, again driven by our bespoke product offerings and personalised underwriting.

Throughout the year, our mortgage arrears have remained low, evidencing the effectiveness of our responsible lending practices and rigorous underwriting standards. Nevertheless, we remain attentive to the challenges that borrowers may encounter and are committed to supporting those who are facing financial difficulties by offering a range of tailored forbearance options.

Retail Savings

Thanks to the continued support of our Members, we have achieved strong growth in our savings balances which at a record £316.40m, represents a 6.98% increase on the previous year's £295.77m. This has been achieved by offering a flexible product portfolio designed to suit a range of individual circumstances, including instant access, notice, and ISA accounts. Looking forward, we remain committed to further enhancing our retail savings portfolio and refining the ways we deliver value to our Members.

Capital

Capital is fundamental to the Society's ability to operate securely, grow responsibly, and protect our Members' interests over the long term. During 2025, our capital reserves have increased by 2.54% to £28.15m (2024: £27.45m) and continue to demonstrate the financial health and resilience of your Society.

Profitability

Profit after tax remains the Society's sole source of capital and is reported at £0.66m for the year, compared to £1.01m in the prior period. This reduction reflects our ongoing investment in core IT systems and digital capabilities, which are strategically essential to maintaining operational resilience and delivering enhanced Member service. Underlying profit before tax, representing normal operating performance, stands at £1.14m (2024: £1.49m) and includes the costs associated with recruiting colleagues with the requisite skills and experience to complement and strengthen our existing colleague capabilities.

Looking ahead, the Board remains committed to balancing investment in technology and colleagues with sustainable profitability, to support long-term growth and Member value.

The key net drivers of profitability include:

Net Interest Income

Net interest income for the year was £6.64m (2024: £6.18m), the increase driven primarily by the growth in total assets referenced earlier. During the financial year, the Bank of England Base Rate was reduced to its current level of 4.00%. In responding to these changes, the Board has prudently managed interest margins, thus ensuring a balance between risk, return, and Member value. This disciplined approach reflects our commitment to safeguarding the Society's financial stability while serving the best interests of all Members.

Administration Expenses

The total administration expenses of £5.59m, include £0.28m in respect of IT-related costs and other non-recurring costs. In my 2024 commentary I highlighted the planned strategic investment in our IT capabilities mindful that in today's rapidly evolving digital landscape, success increasingly depends on technological resilience and adaptability. This investment is likely to continue over the next two financial years which, although it will result in a short-term dip in annual profitability, will not compromise the capital strength of your Society.

By way of a progress update, our internal IT change project team are currently undertaking due diligence and user acceptance testing on system releases. Based on our provider's release roadmap, it is envisaged that the first release, which is expected to positively impact on retail savings, will go live during the second half of 2026, with further functionality releases thereafter.

Colleague Engagement and Development

Attracting, developing and retaining exceptional talent remains a strategic priority for the Society. Over the past year, we welcomed 17 new colleagues across the Society, each bringing valuable expertise and fresh perspectives that strengthen our capabilities and enrich our culture. Alongside recruitment, we continue to invest in colleague development, recognising that professional growth is essential to building adaptability and resilience in a rapidly evolving financial services environment.

Key pillars of our Colleague strategy include:

Engagement and Inclusion: The voice of our colleagues is central to shaping a positive workplace. Our Colleague Engagement Forum brings together representatives from across the Society to review peer feedback and guide meaningful action. Equality, Diversity, and Inclusion ('EDI') and wellbeing remain at the heart of our culture, informing initiatives that foster an inclusive, supportive and high-performing environment.

Commitment to Fair Employment: Building on our recognition as a Living Wage Employer, we are proud to have achieved Living Pension Employer status, reinforcing our commitment to fair and sustainable employment practices.

Community Impact: Our impact extends beyond the confines of our Head Office. We combine financial contributions to local organisations with active participation by colleagues, supported by five paid volunteer days each year, enabling colleagues to make a meaningful difference within our community.

I am immensely proud of our team's dedication, expertise, and professionalism. These qualities are integral to our continued success. To every colleague, I again extend my heartfelt thanks and appreciation for their outstanding contributions over the past year.

Member Engagement

Member engagement is fundamental to the Society's success and underpins our mutual purpose. By actively listening to Members and incorporating their feedback into our decision-making, we ensure that our products, services, and strategic priorities deliver meaningful value. Engagement initiatives, including surveys, workshops, and direct communication channels, enable us to understand evolving needs and respond effectively. This commitment to dialogue and transparency supports positive outcomes through competitive savings rates, responsible lending, and enhanced digital services, all of which reinforce trust and strengthen long-term relationships. We similarly remain focused on supporting vulnerable Members and customers, tailoring our approach to meet individual needs where additional assistance is required.

During the year, we partnered with Smart Money People, a leading financial services review platform, to make it easier for Members to share feedback on their experiences, such as opening a savings account or receiving a mortgage offer. In addition, we sponsored a series of independently facilitated workshops involving a diverse cross-section of individuals. These sessions provided valuable insights into expectations of financial service providers and the market outlook across different segments. The feedback gathered has been instrumental in shaping our strategy and ensuring we remain responsive to evolving Member needs.

The Member feedback we received from the survey accompanying the 2025 AGM included a resounding call to retain both our branch and savings passbooks. Our commitment to a high street presence was no better demonstrated than our refurbishment of the branch, the results of which were well received by visiting Members. Similarly, we will retain passbooks, complemented by digital channels for those Members with a preference for the latter.

I would encourage all Members to take an active role in shaping our future by participating in the surveys and engagement initiatives that we conduct. Your input is essential to delivering positive outcomes and sustaining our shared success.

Climate Change

We acknowledge the significant challenge that climate change presents globally and remain committed to addressing its implications for the Society. We actively monitor our carbon footprint and continually seek opportunities to reduce it through initiatives proportionate to our size and operations. Taking a long-term perspective, we regularly assess the potential risks climate change poses to our capital and business model, with particular attention to physical threats such as flooding and coastal erosion. These evaluations inform our strategic planning and ensure resilience in the face of environmental change.

Economic Outlook

Looking ahead to 2026, commentators' forecasts suggest that the UK economy is expected to experience a degree of growth, with inflation continuing to ease toward 2.5%. Against this backdrop, and ever mindful of potential external and domestic downside risks, the Bank of England is likely to adopt a more dovish stance on monetary policy, implementing a gradual, stepwise reduction in the base rate from its current level of 4%. Housing prices are projected to rise at an annual rate of around 2.5%, although transaction volumes may remain subdued due to affordability constraints and the ongoing freeze on tax thresholds. In the short term, housing supply will remain tight, but planned reforms could improve availability over time. For savers, nominal returns should remain relatively attractive, and real returns will improve as inflation declines, though forthcoming tax changes from 2027 may erode net gains.

Overall, 2026 is set to deliver steady yet cautious growth, slightly lower borrowing costs, and improved savings conditions, albeit with persistent fiscal drag and affordability challenges in the housing market.

AGM

I am proud that in 2025, your Society achieved an exceptional Member voting participation rate of 14.32%. I strongly encourage all Members to exercise their right to vote at our forthcoming Annual General Meeting, scheduled for 17 February 2026.

I look forward to welcoming you to this event, where my fellow Directors, colleagues, and I will be available to discuss the Society's performance and address any feedback that you may have.

Leaving Comments with Gratitude and Confidence for the Future

After approaching eight enormously rewarding years with The Stafford, I have, with no small amount of regret, taken the decision to retire. It has been a tremendous honour to serve an organisation with such a proud heritage, founded on mutual values that have endured to this very day.

I am immensely proud of what the Society has achieved during my tenure and would like to take this opportunity to express my sincere thanks to colleagues for their dedication, professionalism and unwavering commitment, and of course to our Members for their continued trust, support and engagement.

As I hand over to my successor, Sean Humphreys, I do so with complete confidence that his experience, leadership and strong community focus will ensure the Society continues to thrive as it embarks on its next chapter.

I look forward to following its progress with great pride and affection.

Steven Jones
Chief Executive
18 December 2025

Strategic Report

The Directors are pleased to present their Annual Report, together with the Society's Accounts and Annual Business Statement for the year ended 31 October 2025

Business Strategy and Objectives

The principal business objective of the Society is to provide a safe and secure home for Members' savings whilst offering secured lending on residential property to support home ownership. Mortgage activity is funded by offering traditional retail savings products that are competitive, easy to understand and designed to attract savings from individuals and businesses alike.

To enable us to adhere to our core values, we put the Member at the forefront of everything we do. The brand positioning statement for the Society, which underpins all of our activities, and acts as a guiding principle for all that we do as a mutual organisation, is as follows:

'Your Home. Your Money. Your Stafford.
Owned by our Members. Built around you.'

Business Review and Key Performance Indicators

The Society's performance against its key performance indicators has been robust in the financial year ended 31 October 2025. The Society has continued to grow retail savings and mortgage balances, doing so with a continued focus on development and its long-term strength and stability.

The Society enters the forthcoming financial year well positioned with regards to its mortgage pipeline, with a controlled level of growth planned for the mortgage book, consistent with our current approach and risk appetite.

Key Performance Indicators

The Board uses a number of key performance indicators to monitor the development, performance and position of the Society. These are included below to allow Members to gain a more comprehensive understanding of the Society's performance over the last three years.

Key Performance Indicators	2025	2024	2023
Balance Sheet			
Total assets growth	6.94%	5.22%	5.64%
Gross mortgage advances	£72.46m	£56.52m	£57.09m
Mortgage assets growth	7.98%	6.23%	10.36%
Funding growth	6.98%	5.38%	5.59%

Key Performance Indicators	2025	2024	2023
Financial Performance			
Net interest margin (% of mean total assets)	1.98%	1.96%	2.19%
Administrative expenses - recurring (% of mean total assets)	1.61%	1.54%	1.46%
Underlying cost / income ratio	81.24%	78.71%	66.18%
Statutory profit for the financial year	£0.66m	£1.01m	£1.60m
Underlying profit for the year	£1.14m	£1.49m	£2.23m
Financial Strength			
CET 1 Ratio	23.24%	25.96%	27.13%
Liquid assets (% of shares and amounts owed to other customers)	28.24%	29.11%	29.92%
Total reserves	£28.15m	£27.45m	£26.46m

Key Performance Indicators: Three years to 31 October 2025

Total assets

Total assets have increased by 6.94% (2024: 5.22%) to £346.54m (2024: £324.06m). This is a combination of mortgage growth coupled with maintaining a suitable level of liquidity.

Loans and advances to customers

Following record gross mortgage advances in the year of £72.46m, which exceeded our previous record set in 2023 by £15.37m, mortgage balances increased by £18.91m during the year to £256.01m (2024: increase of £13.90m). This equates to 7.98% mortgage assets growth in the year (2024: 6.23%).

All our mortgage cases are individually assessed by our internal Underwriting Team, based on the specific circumstances of each case. This personalised approach means we can lend to people with complex income profiles or on complex properties, such as mixed-use properties, which other lenders that rely on credit scoring are unable to do.

We have also had a record year for our self-build lending portfolio, which continues to perform strongly and allows us to demonstrate how we can flex our lending approach to meet the requirements of our Members.

Liquidity

The Society maintains a portfolio of liquid assets to manage its liquidity risk in accordance with the Board's risk appetite and regulatory requirements. These assets are invested very conservatively and are available to meet the Society's payment obligations as they fall due.

Total liquid assets as at 31 October 2025 amounted to £89.64m (2024: £86.10m), as liquidity increased by 4.12% (2024: 2.53%). Total liquid assets include £56.79m (2024: £64.44m) deposited in the Bank of England Reserve Account and invested in Government Treasury Bills, which are classed as a high-quality liquid asset and qualifies for the Society's liquidity buffer. The reflects the proactive investment of an element of this surplus liquidity into fixed-rate bonds to protect interest margin as the Bank of England base rate falls.

The ratio of total liquid assets to total shares and amounts owed to other customers was subject to a controlled reduction during the financial year to 28.24% (2024: 29.11%), in line with the Society's target.

The Society conducts an Internal Liquidity Adequacy Assessment Process ('ILAAP') at least annually, and the resulting key performance and key risk indicators are embedded in the Society's ongoing monitoring of its liquidity position. This enables the Board to identify and monitor the potential liquidity-related risks and risk drivers it may face under both normal and stressed conditions. The level of liquidity held at 31 October 2025 is significantly in excess of the Board's internal assessment of minimum requirements.

The Society monitors and reports its levels of liquidity in relation to the measures introduced by the Prudential Regulation Authority ('PRA') in 2015. The key measure is the Liquidity Coverage Ratio ('LCR') which for the Society was 351.08% as at 31 October 2025 (2024: 447.67%), significantly above the regulatory minimum of 100%.

Funding

The Society aims to attract a level of savings balances that enables the funding of both mortgage advances and liquidity requirements, whilst offering a mix of products that meet the needs of our Members.

Our core approach remains to focus on operating fairly, with simple product design, attractive terms and conditions, and delivering long-term Member value. Current interest rates are benchmarked against the marketplace to monitor trends and, most importantly, to ensure our Members remain at the heart of any decisions that we make.

Retail funding balances at 31 October 2025 were £316.40m (2024: £295.77m), an increase of £20.63m, or 6.98% (2024: increase of 5.38%) on the previous year. This level of increase was targeted to support the higher levels of growth in the mortgage book during the financial year and to ensure sufficient ongoing funding to support the mortgage pipeline.

During the year, the Society also completed its first wholesale funding deal from the money markets since 2012, so as to diversify the funding sources available to the Society.

Capital

The Society's capital position is one of the key indicators of its financial strength and security. Total capital as at 31 October 2025 stood at £28.15m (2024: £27.45m) and consists of reserves built up from the accumulation of profit, plus the balance on the Available for Sale reserve.

The Society has grown its assets as set out above, which increases its regulatory capital requirement. The Common Equity Tier 1 ratio has therefore fallen from 25.96% to 23.24% but still remains well in excess of regulatory minimums. Capital is also stress tested at least annually via the Internal Capital Adequacy Assessment Process (ICAAP), this shows that the Society has significant capital surpluses, over and above that which would be sufficient to absorb losses in a range of severe but plausible stresses.

A further important regulatory metric is the Leverage Ratio, although this is not binding for entities of our size. This is the ratio of regulatory capital to defined liabilities. The Society's Leverage Ratio at 31 October 2025 was 7.85% (2024: 8.33%).

The Building Societies Act also requires societies to monitor and report tier 1 gross and free capital ratios. These are defined in the Annual Business Statement at the back of this report and are 8.87% (2024: 9.28%) for gross capital and 8.78% (2024: 9.19%) for free capital.

Capital is an area of regulatory change, in the form of the new Strong and Simple framework for small deposit takers. The Society has applied for, and been accepted into, the framework, which is due to come into effect from 1 January 2027. The Society has undertaken an assessment of the capital impacts of the new framework, based upon the current proposals, and is satisfied that there should not be a negative impact on its capital position.

Profitability

As a mutual organisation, the Society does not seek to maximise profit in order to pay a dividend to shareholders. Instead, the focus is on balancing attractive rates for both borrowing and savings Members with a level of profit managed to maintain the Society's capital strength against possible losses and to provide the basis for future investment.

Given the non-recurring nature of the additional expenditure on the core system and CEO recruitment, we have considered it appropriate to report on both underlying and total profit this year. We will continue this approach in FY2026 and FY2027 as the core system project completes. This allows us to show the operational performance of the Society without it being clouded by non-recurring items. This will be particularly important next year, when we expect the overall result to be a loss for the year, given the additional investment planned in your Society.

This represents a strategic decision by the Board to use capital resources built up over a number of years to invest in the future of your Society, so that we can continue to meet the needs of our Members in a rapidly changing marketplace.

The table below shows the underlying profit of the Society and how it compares to overall profit before tax:

Reconciliation of underlying profit to Statutory Profit	2025 £'000	2024 £'000
Total net income	6,658	6,192
Underlying administrative expenses	(5,315)	(4,803)
Depreciation	(94)	(71)
Underlying operating profit before impairment losses and provisions	**1,249**	**1,318**
Impairment provisions on loans and advances	(109)	174
Underlying profit before tax	**1,140**	**1,492**
Non-recurring administrative expenses	(279)	(144)
Statutory profit before tax	**861**	**1,348**
Tax Charge	(204)	(343)
Statutory Profit after tax recorded in the income statement	**657**	**1,005**

Reconciliation of underlying profit to Statutory Profit: Two years to 31 October 2025

The Society has delivered a robust performance this year, with underlying profit before tax of £1.14m (2024: £1.49m) and statutory profit after tax of £0.66m (2024: £1.01m). The decline in statutory profit compared to the prior year was due to further investment in the core system project and additional costs associated with the appointment of the new CEO. Underlying profit before tax fell compared to the prior year, in line with expectations following the investment we made in our team last year to enhance the service we provide for our Members.

Total net income

Total net income represents net interest income plus the net amount earned through fees and commissions. Net interest income is by far the main source of income for the Society and is the amount of interest the Society receives on its mortgages and liquidity balances, less the interest it pays savers and other depositors for funding.

Net interest income increased during the year and represents an interest margin of 1.98% (2024: 1.96%) which expresses net interest income as a percentage of the average of total assets at the beginning and end of the financial year.

More proactive management of the Society's liquidity portfolio has contributed to the net interest margin increasing slightly, despite considerable and ongoing competition for retail funds. This has also allowed new and existing Members to take advantage of some excellent savings rates. Going forward, as base rates change, we will continue to balance the needs of saving and borrowing Members alongside the requirement to run a sustainable business.

Administrative expenses

As we noted in last year's Annual Report, we have continued our investment in your Society through the addition of new roles. Last year also saw the commencement of our core system project, which will result in enhanced capabilities once completed. Coupled with continued inflation and additional spend on recruitment, this has resulted in core administrative expenses of £5.32m (2024: £4.80m). Together with depreciation, they represent the total operating costs of the Society and, expressed as a percentage of the average of total assets at the beginning and end of the financial year, represent a management expenses ratio of 1.61% (2024: 1.54%).

Non-recurring administrative expenses of £279k (2024: £144k) relate to the ongoing investment in our core IT system and recruitment costs relating to the appointment of the new Chief Executive. This IT investment will provide considerable benefit to our Members through the enhancement of online account capabilities and the launch of a mobile savings app, and we are hopeful that Members will start to see the benefit of these developments in the coming year.

Impairment provisions on loans and advances

The Society's mortgage impairment policy makes provision for any estimated losses resulting from loans that are impaired on either an individual or collective basis. The provision stood at £534k at 31 October 2025 (2024: £429k).

Overall arrears remain at low levels, reflecting the Society's robust underwriting approach, which stress-tests future borrower affordability. As at 31 October 2025, the Society had nil (2024: nil) mortgage accounts 12 months or more in arrears. There were eight mortgage accounts over three months in arrears (2024: five). As at 31 October 2025 the Society had nil properties in possession (2024: nil).

In certain circumstances, the Society uses forbearance measures to assist those borrowers who are experiencing financial difficulty, for example, agreeing a temporary transfer to interest-only payments to reduce the borrower's financial pressures. At all times, an individual assessment is made to ensure forbearance is in the best interests of both the borrower and the Society. It is expected that the borrower will resume normal payments once they are able.

The Society's Credit Committee, chaired by the Chief Operating Officer, assesses the impact of forbearance and monitors whether there is a possibility of loss, in which case an impairment provision is made in accordance with the Society's policy. As at 31 October 2025, there were 11 (2024: 13) accounts under forbearance measures, with those accounts assessed individually for impairment.

Other criteria, alongside forbearance, are used as triggers for inclusion in individual impairment modelling, with a total of six (2024: three) individual impairment provisions required. This resulted in an individual impairment provision of £191k (2024: £173k), where the Society's model indicated a potential shortfall in collateral compared to the outstanding balance.

In addition to individual impairment modelling, which is subject to specific criteria being met, the Society regularly undertakes an assessment on a collective basis across its full mortgage book. There has been an increase in the level of loan impairment provisions applied using this methodology, with the collective provision increasing to £343k (2024: £256k).

Risk Management Report

Risk Overview

The Board recognises that risk is inherent in the nature of being a Building Society. Risk can never be eliminated entirely; however, through effective risk management, risks can be mitigated to levels aligned to the Board's risk appetite.

The Board has agreed a risk appetite that establishes the amount of risk acceptable to the business in pursuit of its strategy, helping the Society achieve sustainable growth and deliver good outcomes for our Members. The Board's risk appetite is reviewed at least annually to ensure that it continues to align with the Society's operating environment, strategy and risk management framework.

The Board is responsible for establishing procedures to manage risk, oversee the internal control framework, and determine the nature and extent of risks the Society is willing to take in order to achieve its long-term strategic objectives, ensure operational resilience and make effective risk-based decisions. The Board meets these responsibilities by ensuring an effective Risk Management Framework (RMF) is in place and using that framework to promote a risk-aware culture, ensuring that all material risks are identified and mitigated in the pursuit of strategic objectives. The Board reviews the RMF annually.

Risk Strategy

Through the RMF, the Society aims to deliver the following strategic risk objectives:

- Clear articulation of the level of risk the Society is willing to take in pursuit of its long-term strategic objectives;
- Risk is taken into account in every decision, from day-to-day operations to strategic resource allocation;
- Risk management activities are proportionate to the nature, scale, and complexity of the Society as it changes over time;
- A culture of compliance in which regulatory requirements are followed in spirit and letter;
- Operational incidents and failures of internal control are seen as a source of risk intelligence and an opportunity to learn and improve;
- The principles of risk management applied to the Society are extended to the wider enterprise, including key third-party suppliers and fourth-party impact; and
- To add value through challenge and independent oversight of business activities.

Risk Culture

An appropriate risk management culture is key in supporting the effective operation of the RMF and to enable informed, risk-based decision-making in the Society.

The Society encourages risk-taking within controlled boundaries, where the expected rewards exceed the expected cost of that risk. The Board has created an environment for colleagues where integrating ownership and accountability, Member interests and respect are at the heart of the Society's objectives, values and business practices.

Risk Governance Structure

The Board retains overall accountability and ownership of the RMF and delegates to the Board's Risk Committee the responsibility for ensuring the ongoing development, implementation, and enhancement of the Framework. The governance structure is robust and designed to promote open and constructive challenge and day-to-day risk oversight.

The Society also operates a management Executive Risk Committee (ERC), which supports the Executive team in managing the Society's day-to-day risks. The responsibilities of the Committee include the assessment and control of risk, with matters raised at this Committee elevated, if warranted, to the Board's Risk Committee or directly to the Board, as appropriate.

Clear reporting lines from the management risk committees to Risk Committee are defined to ensure focus remains on areas that could significantly impact the Society, whilst enabling responsible colleagues to fulfil their accountabilities and responsibilities.

Three Lines of Defence Model Approach

The Society's RMF is based on a 'Three Lines of Defence' model. This embeds a structured approach throughout the Society, ensuring that frameworks are in place with defined responsibilities, and that reporting lines are resourced with experienced individuals who have a clear understanding of the risks facing the Society. The model is summarised below.

First Line of Defence: Individual Risk Owners	Individuals and business areas identify, own and manage risks. They are responsible for: • Implementing and monitoring adequate controls for mitigating identified risks; • Identifying new and emerging risks; and • Reporting both actual and potential risk events.
Second Line of Defence: Risk & Compliance Functions	The Risk and Compliance functions facilitate the implementation of effective risk management by, providing proactive challenge and oversight to operational business areas. This includes: • Conducting independent risk-based monitoring and quality assurance reviews; • Advising the First Line on business initiatives; • Reviewing and acting on reported actual or potential risk events; • Reporting to the Risk Committee; and • Ensuring that the RMF remains up to date and aligned with the Society's objectives.
Third Line of Defence: Internal Audit	Internal Audit provides independent review and assurance on the effectiveness of the governance of risk management and internal controls.

Principal Risks and Uncertainties

The Society's Risk Team conducts horizon scanning on an ongoing basis to identify new or emerging areas of risk that could impact the delivery of the Board's strategy. These risks are then investigated by the relevant business area and reported back to the ERC, as appropriate. When a risk develops to a point where it can be reliably assessed, it is transitioned into active risk management within the RMF.

The Society's exposure to current and emerging risks is closely monitored through the formal risk governance structure. Risks are kept under close observation through risk reporting and measuring of performance against key risk indicators.

The most significant risks to the Society's strategy are detailed below, together with the actions being taken to mitigate those risks.

Credit Risk

The Society is exposed to credit risk where mortgage customers or treasury counterparties being unable to meet their obligations as they fall due. All loan applications are assessed with reference to the Society's Lending Policy, and lending mandates are strictly controlled. The Lending Policy is reviewed by Credit Committee and approved by the Risk Committee. The Society underwrites each loan on an individual basis and does not rely on automated credit scores. This means that the specific circumstances of each borrower are considered as part of the decision to lend.

For Treasury exposures, the Society's Treasury Policy includes limits on individual counterparties driven by credit ratings and location. This is supported by regular monitoring of exposures by the Assets and Liabilities Committee (ALCO).

Strategic Risk

The risk that the Society's Corporate Plan fails to achieve its objectives. This risk arises from the impact of changes to the Society's business model due, to macroeconomic, geopolitical, regulatory or other factors such as the pace of technological innovation and development.

The risk is managed through the Society's annual business planning process, including Board approval, ongoing monitoring of key performance indicators and risk appetite measures, and business planning stress testing. This is supported by investment in underlying processes, systems and people to support new business developments.

Financial Sustainability Risk

The risk that the Society does not have adequate financial resources, in terms of either amount or quality, to meet liabilities as they fall due or is unable to secure appropriate funding. This risk incorporates Capital Risk, Funding Risk and Liquidity Risk.

This risk is overseen by the Internal Capital Adequacy Assessment (ICAAP) and Internal Liquidity Adequacy Assessment (ILAAP) processes, resulting in Board-approved risk appetites, tolerances and limits. These are constantly monitored at level well in excess of regulatory requirements to ensure sufficient buffers in times of stress. Robust stress testing is also performed regularly to confirm that the Society can withstand normal and abnormal cash outflows and capital stresses.

Interest Rate Risk

The risk arising from changes in the interest rates on the Society's assets and liabilities, including mortgages, savings accounts and treasury exposures. For example, the risk to interest margin arising from a mismatch between the repricing duration of the Society's assets and liabilities.

The vast majority of the Society's mortgage assets and savings accounts are on administered rates, so reducing the Society's exposure to interest rate risk. However, the Society also operates within Board-approved risk appetites and tolerances that are monitored on an ongoing basis with ALCO oversight.

Operational Risk

Operational risk is the risk of financial loss or customer detriment resulting from inadequate, ineffective, or failed internal processes, people, or systems, or from external events. The scope of operational risk includes cyber security, outsourcing and third-party suppliers, business continuity, legal risk, and financial crime.

The Society has continued to invest in its operational resilience to ensure the delivery of important business services through plausible stress scenarios. This includes regular testing of business continuity plans and strengthening internal controls. As part of this process, the Society reviews its third-party relationships to ensure they continue to deliver an appropriate level of service to our Members. The Society also maintains a strong focus on legal and financial crime prevention through robust policies, monitoring, and colleague training.

Conduct Risk

The Society is committed to ensuring fair outcomes for all Members and maintaining the highest standards of integrity in its dealings. Conduct risk arises from the potential for actions, behaviours, or decisions that could lead to poor customer outcomes or breach regulatory expectations. To mitigate this, the Society operates a robust conduct risk framework supported by clear policies, training, and monitoring. All colleagues are required to comply with the Financial Conduct Authority's Conduct Rules, which set standards for honesty, integrity, due skill, care, and diligence. Regular training and oversight ensure that these principles are embedded in day-to-day activities, and any breaches are promptly addressed through established governance processes.

Members are placed at the heart of the Society's decision-making process, aligned to our values. The Society has fully implemented the requirements of the FCA's Consumer Duty regulations. This is underpinned by the Society's conduct risk framework and related Consumer Duty management information, which is regularly reviewed by the Board. The Society strives to ensure that our products and services provide good customer outcomes, represent fair value, avoid foreseeable harm and operate as Members would expect to support their financial objectives.

Climate change risk

The risks to the Society arising from climate change are recognised in terms of both physical risks (climate and weather-related events) and transition risks (arising from the process of adjustment towards a low-carbon economy).

The Board acknowledges the impact of climate change on the Society and commits to a risk appetite that prioritises sustainability and resilience. The Society will continue to strive to minimise the environmental impacts of its operations, adapt to changing climate conditions and seize opportunities arising from the transition to a low-carbon economy.

The Society has modelled the potential financial impact of climate change in the ICAAP, which indicates that its exposure to physical risks is low. However, as part of our risk management processes, the Society continues to assess and monitor the impacts and potential mitigations for credit, market and operational risks that may arise.

Emerging Risks

Emerging risks are threats or opportunities for which the impact upon the Society cannot yet be reasonably measured or assessed. Timely identification and monitoring of these emerging risks enable the Society to take appropriate steps to begin mitigating the emerging threat or move to position the Society in such a way as to be ready to take advantage of an emerging opportunity.

The ERC receives a summary of emerging risks relevant to their respective responsibilities, including the current approach to monitoring or mitigating each emerging risk. When a risk develops to a point where it can be reliably assessed, it is transitioned into active risk management within the RMF. The Board, Risk Committee and management-level committees also discuss emerging risks and opportunities as a standing agenda item, contributing to the regular update of the Society's Risk Register.

On behalf of the Board.

Joanne Hindle,
Chair
18 December 2025

Directors' Report

For the year ended 31 October 2025

The Directors have pleasure in presenting their Annual Report, together with the audited Annual Accounts and Annual Business Statement of the Society for the year ended 31 October 2025.

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

a. Business objectives and activities: Strategic Report;
b. Business review and future developments: Strategic Report;
c. Principal risks and uncertainties: Strategic Report;
d. Disclosure requirements under CRD IV Country-by-Country Reporting;
e. Disclosure of gross and free capital: Strategic Report and;
f. Mortgage arrears: Strategic Report.

The Strategic Report can be found on pages 10 to 17, and the Country-by-Country Reporting can be found on page 66.

Directors

The following persons were Directors of the Society during the year and up to the date of signing the Annual Report and Accounts:

Non-Executive Directors	*Executive Directors*
Joanne Hindle (Chair) Gary C D Crowe (resigned 18 February 2025) David J Grant (Senior Independent Director) Alison Tattersall Ian A Craig Jonathan G Farrington Raymond J H Milne	Steven Jones (Chief Executive) Robert I Hassall (Chief Operating Officer) Matthew D Rowell (Chief Financial Officer & Society Secretary)

Tenure of Office

The tenure of office for the Board is as follows.

Directors	Non-Executives	Executives
0 - 3 years	2	2
Up to 6 years	3	-
Up to 9 years	1	1
Over 9 years	-	-

Director Tenure as at 31 October 2025

Having regard to the United Kingdom Corporate Governance Code 2018, all Directors will resign and, being eligible, will seek re-election at the AGM.

Equality, Diversity and Inclusion

The Society operates a policy on Equality, Diversity and Inclusion to provide equal opportunity for all colleagues and Directors. No formal parameters are deemed appropriate due to the Society's size, and the Society always seek to appoint the most appropriate candidate. The gender breakdown is detailed in the following table.

Role	Male (Number)	Female (Number)	Total (Number)	Male (%)	Female (%)	Total (%)
Board (Excluding the Executives)	4	2	6	66.7	33.3	100.0
Leadership Team (Including the Executives)	5	5	10	50.0	50.0	100.0
Colleagues	9	34	43	20.9	79.1	100.0
Total	**18**	**41**	**59**	**30.5**	**69.5**	**100.0**

Gender Breakdown as at 31 October 2025

Creditor Payment Policy

The Society's continuing policy concerning the payment of its trade creditors is to pay invoices within the agreed terms of credit once suppliers have discharged their contractual obligations. Amounts due to relevant creditors of the Society are paid, on average, within 36 days of receipt of invoice (2024: 34 days).

Charitable and Political Donations

During the year, the Society made donations of £9,042 (2024: £5,258) to charities and community groups. No contributions were made for political purposes. The Society sponsors, and its colleagues commit their time to, a range of local charitable and community causes.

Colleagues

The Directors are extremely appreciative of the contribution made by colleagues to the Society's successful performance. The Society obtains feedback from both borrowers and investing Members throughout the year in order to monitor our performance and make improvements where appropriate. The feedback we have received indicates a high level of satisfaction with the service provided by our colleagues.

The Society in the Community

The Society remains firmly committed to conducting all its affairs in an ethical and socially responsible manner. In particular, it recognises that a major part of its business and membership is drawn from the local community in which it operates. Consequently, the Society actively endeavours to identify with and support the community. The Society sources goods and services locally if possible, and provides support in terms of both finance and practical assistance, to local charities, worthwhile causes and community-based organisations.

The Society also actively pursues environmentally friendly initiatives with the aim of mitigating the environmental impact of its operations.

Events since the Year End

The Directors consider that there has been no event since the end of the financial year that has a significant effect on the position of the Society.

Going Concern

The Directors are required to consider whether the Society will continue as a going concern for a period not less than twelve months from the date of signing the accounts. In making this assessment, the Directors have reviewed the Society's corporate plan and considered risks that could impact on the Society's capital position, financial position and liquidity over that period. The Directors have also prepared stress scenarios to consider the effects on the Society's business, financial position, capital and liquidity of operating under severe but plausible downside scenarios. Having reviewed these forecasts, alongside the Society's ICAAP and ILAAP documents, the Directors are satisfied that the Society has adequate resources to continue in business for the foreseeable future. Accordingly, the accounts continue to be prepared on a going concern basis.

External Auditors

The Society's External Auditors, PricewaterhouseCoopers LLP (PWC), who were re-appointed at the 2025 AGM, have expressed their willingness to continue in office and, in accordance with Section 77 of the Building Societies Act 1986, a resolution to this effect will be proposed at the 2026 AGM.

Each of the persons who is a Director at the date of approval of this report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Society's auditors are unaware; and
- The Director has taken all the steps that should be taken as a Director in order to be aware of any relevant audit information and to establish that the Society's auditors are aware of that information.

On behalf of the Board.

Joanne Hindle,
Chair
18 December 2025

Corporate Governance Report

The Board is committed to best practice in corporate governance as it affects the Society. The Board has regard for the principles of the UK Corporate Governance Code 2018 where they are considered relevant (and the Board deems them appropriate) to an organisation of this size and complexity.

The Board assumes full responsibility for the overall strategy, the operation of the Society and the monitoring of performance. The Directors continue to believe that Members are best served by the Society retaining its mutual status.

The Board notes that a revised version of the UK Corporate Governance Code was published in January 2024, and which will apply for in-scope companies for financial years beginning on or after 1 January 2025. For the Society, this will be the next financial year. The Board will ensure it continues to have regard to the Code's Principles and reflect any applicable revisions in its approach to corporate governance during the coming financial year.

The Board

The principal functions of the Board, whilst always acting in the best interests of the Society's Members, are to:

- Provide leadership of the Society within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board sets the Society's strategic aims and ensures that the necessary financial and human resources are in place for them to be met. It also reviews management performance, sets the Society's behavioural standards, and ensures the Society's obligations to its Members and others are understood and met;
- Commit to complying with best practice in corporate governance, where the board believes that there is a justifiable reason to depart from the Code, it will do so in line with the 'comply or explain' approach. The Terms of Reference documents Board's responsibilities, authority, organisation, and composition. These Terms of Reference have been aligned to the Code, Rules of the Society and regulatory requirements; and
- Satisfy itself on the integrity of financial information at the same time ensuring financial controls and risk management systems are robust and reviewed at least annually.

The Board meets regularly throughout the year and separately undertakes a formal review of strategy at least annually. Additional Board meetings take place when required.

The Board Chair is responsible for the leadership of the Board, setting its direction and culture, and ensuring effective contributions from all Directors. As of 31 October 2025, the Board consisted of three Executive Directors and six Non-Executive Directors who provide the appropriate mix of skills and professional expertise required.

The Board has five key Board Committees. The Board reviews the composition of the Committees and their Terms of Reference annually to ensure they remain relevant and up to date. The Terms of Reference are available on request from the Society's Secretary and on the Society's website at **www.srbs.co.uk.**

Audit Committee

The principal functions of the Audit Committee are to:

- Consider all matters of an audit and compliance nature applying to the Society, including the effectiveness of internal quality control and risk management systems and financial reporting processes;
- Be responsible for the integrated assurance framework incorporating Second and Third Lines of Defence reviews;
- Approve and monitor the progress of the scope and content of Second and Third Lines of Defence;

- Review and monitor the independence of External Audit work, with responsibility for the selection and appointment of an External Audit firm; and
- Monitor the annual audit of the Society's Annual Report and Accounts, informing the Board of the outcome of the annual external audit together with an explanation of how the audit contributed to the integrity of financial reporting and what the role of the Committee was in that process.

The Audit Committee consists entirely of Non-Executive Directors. The following Non-Executive Directors served during the year: Jonathan G Farrington (Chair), Raymond J H Milne and Ian A Craig. In addition, the Executive Directors, representatives from the Society's Finance and Risk and Compliance functions, External Audit and the outsourced Internal Audit attend by invitation. The Audit Committee meets at least four times a year. Further details of this Committee are provided within the Audit Committee Report on pages 29 to 31.

Risk Committee

The principal functions of the Risk Committee are to:

- Advise the Board on the overall risk appetite, tolerance and strategy and review certain policies. In particular, the Committee monitors and reviews the consolidated risk picture across the Society;
- Consider the principal and emerging risks of the Society. The risks are identified and recorded in the Risk Register which is reviewed and monitored to ensure compliance with the Board's Risk Appetite and achievement of the Corporate Plan;
- Receive standing reports on the Risk Register along with detailed risk management information that enables it to track performance against the risk appetite;
- Ensure the ongoing development and maintenance of the stress testing that underpins the ICAAP, ILAAP and Recovery Plan; and
- Ensure the ongoing development and maintenance of the RMF.

The Risk Committee consists entirely of Non-Executive Directors. The following Non-Executive Directors served during the year: David J Grant (Chair), Joanne Hindle, Gary C D Crowe, Alison Tattersall and Ray J H Milne. In addition, the Executive Directors and representatives from the Society's Risk function attend by invitation. The Risk Committee meets at least four times a year.

Nominations and Governance Committee

The principal functions of the Nominations and Governance Committee are to:

- Lead the process for appointments to the Board (Non-Executive and Executive) and ensuring plans are in place for orderly succession to the Board and the Leadership Team whilst being mindful of the regulatory regime for Senior Managers and Certified Staff (SM&CR); and
- Provide oversight for the Society's governance structure and an independent review of the Board effectiveness, as well as compliance with the Society Rules and the latest applicable version of the Corporate Governance Code.

The Nominations and Governance Committee consists of Joanne Hindle (Chair), David J Grant (Senior Independent Director) and Alison Tattersall. The Chief Executive attends by invitation. The Nominations and Governance Committee meets when there is an appropriate vacancy to fill and at least twice a year to review the skills mix of the Board.

Remuneration and Engagement Committee

The principal functions of the Remuneration and Engagement Committee are to:

- Review and make recommendations to the Board in respect of the remuneration of the Board Chair and Executive Directors, together with oversight of Senior Management and wider Society remuneration, to ensure the alignment of incentives and rewards with the values of the Society; and
- Review the broader people strategy, respecting that people are one of the Society's most valuable resources, to drive and deliver the right culture throughout the Society. This covers all areas of the people strategy to effectively deliver the Corporate Plan, including for example colleague engagement, performance management and training.

Further details of this Committee are provided within the Directors' Remuneration Report on pages 32 to 34. The Remuneration and Engagement Committee consists entirely of Non-Executive Directors. The following Non-Executive Directors served during the year: Alison Tattersall (Chair), David J Grant (Senior Independent Director) and Jonathan G Farrington. The Committee meets at least annually.

Information Technology ('IT') Committee

The principal functions of the IT Committee are to:

- Provide oversight and advice to the Board in respect of IT strategy, IT investment, IT architecture, IT operating model effectiveness, delivery performance and resilience controls (including IT elements of cyber risk); and
- Advising and supporting the Chief Executive Officer and the Executive team on all aspects of technology operations and investment.

The IT Committee consists of Non-Executive Directors, Chief Executive Officer and the Chief Operating Officer. The following Non-Executives Directors served during the year: Ian A Craig (Chair), David J Grant and Ray J H Milne; with the IT team attending via invitation. The IT Committee meets at least five times a year.

Attendance at the Board and Committee meetings

All Committee meetings are formally documented, with the minutes being reviewed at the next meeting. Attendance of members of the Board and Committees at meetings are as follows (November 2024 - October 2025):

Name	Board	Remuneration & Engagement	Audit	Risk	Nominations & Governance	Information Technology
Joanne Hindle (Chair)	10/(10)	1/(1)	*	5/(5)	2/(2)	*
Gary C D Crowe (resigned 18 February 2025)	4/(5)	1/(1)	1/(1)	2/(2)	*	*
David J Grant	10/(10)	*	*	4/(5)	2/(2)	4/(5)
Alison Tattersall	10/(10)	3/(3)	*	4/(5)	2/(2)	*
Ian A Craig	10/(10)	*	4/(4)	*	*	5/(5)
Jonathan G Farrington	10/(10)	3/(3)	4/(4)	*	*	*
Raymond J H Milne	8/(10)	*	3/(3)	4/(5)	*	4/(5)
Steven Jones	10/(10)	*	*	*	*	4/(5)
Robert I Hassall	10/(10)	*	*	*	*	5/(5)
Matthew D Rowell	10/(10)	*	*	*	*	*

Board Committee Attendances: Year ended 31 October 2025

Figures in brackets represent maximum possible attendance and * denotes not a member of the Committee.

Balance and Independence

The offices of Board Chair and Chief Executive Officer are distinct and are required to perform different duties. No one person may fulfil both roles. The Board Chair is responsible for leading the Board, ensuring its effectiveness and communicating with the Society's Members on behalf of the Board. The Chief Executive Officer is responsible for implementing the strategy agreed by the Board and managing the Society's business and operations within the parameters set by the Board.

The Senior Independent Director is David J Grant who is available to Members should they have concerns regarding their membership of the Society and do not wish to contact either the Board Chair or Chief Executive Officer.

The Non-Executive Directors periodically meet without the Executive Directors in attendance.

Application of the UK Corporate Governance Code 2018

The Code, which the Society has regard to but is not required to comply with, has five sections, each setting out 'Principles' that should be followed, with further detailed 'provisions', explaining in more depth how the principles should be applied. To assist Members, the principles of each section are reproduced below and an explanation of how these have been applied / not applied follows. For ease of reading, the principles are shown in italic text and are labelled alphabetically from A to R, appearing under five section headings, following the format of the Code.

If you wish to read more about the UK Corporate Governance Code 2018, you can view it at **https://www.frc.org.uk/directors/ corporate-governance-and-stewardship/uk- corporate-governance-code**

1. Board Leadership and Company Purpose

'**A**. A successful company is led by an effective and entrepreneurial Board, whose role is to promote the long term sustainable success of the company, generating value for shareholders and contributing to wider society. The Board should ensure that the necessary resources, policies and practices are in place for the company to meet its objectives and measure performance against them.'

The requirement for and composition of the Society's Board is contained in the Society's Rules. Established law requires the Board to have regard to the Society's present and future membership, to ensure a sustainable business that continues to generate economic value, from intermediating between saving and borrowing Members, creating capital from retained profit to support present and future Members who wish to save, or to borrow to help them buy and improve their own homes.

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

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

The Society's purpose is defined by the Building Societies Act 1986. The Board may not act beyond that purpose. The Board defines and monitors the Society's strategy and culture, which are linked to providing Members with savings and mortgages. Directors are required to lead with integrity at all times, being consistent with the established legal duty of a building society Director to act in the best interests of its Members, and to recognise that all Directors are regulated by SM&CR, enforced by the PRA and FCA.

The Society operates a framework to provide assurance that Directors meet the fitness and propriety standards required by SM&CR. The Board considers its strategy annually together with the Society's purpose and values, to ensure our culture is aligned. More detail is set out in the Strategic Report beginning on page 10. The Board through its Committees regularly receives information to provide assurance that culture is aligned to our purpose and values.

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

The Board must ensure the Society can operate effectively at all times. The Society has implemented a robust Risk Management Framework to monitor and mitigate risk where possible. A comprehensive Committee structure is in place to facilitate this control mechanism via the Three Lines of Defence model.

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

The Board reports formally to its Members at the AGM of the Society each year. All Members are invited to attend and may pose questions on the Annual Report and Accounts and the Auditors Report as well as the general business of the Society. Members are given voting rights on key decisions, as required by the Society's Rules. Voting is by post, online, in branch or by proxy for where a Member cannot attend in person, with voting overseen by independent scrutineers.

The Society's other two key stakeholders are its Regulators, the PRA and the FCA. The Regulators are active in monitoring the Society's performance and operations in order to ensure it observes the extensive regulations, to which all building societies are subject (designed to ensure the safety and soundness of the financial services sector, protect Members and promote competition).

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

The Board is satisfied that its human resources policies are consistent with ensuring the long-term success of the Society. For instance, it rewards colleagues by reference to prevailing market rates for the Society's locality and does not have any form of bonus schemes that might encourage unethical practices or otherwise target sales of its products by incentivisation.

The Society has an established Whistleblowing Policy designed to support our values and ensure colleagues can raise concerns, in confidence, without fear of suffering retribution or victimisation, providing a transparent and confidential process for dealing with concerns. This complies with the Public Interest Disclosure Act 1998, as amended.

2. Division of Responsibilities

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

The Board Chair is responsible for leadership of the Board and the Board Chair must be satisfied that the Board is properly advised at all times. The Board Chair's performance is subject to annual review, conducted by the Society's Senior Independent Director, but involving all other members of the Board. The annual fee payable for the Board Chair's role is recommended to Board by the Remuneration and Engagement Committee in a meeting, which, for this item, the Board Chair does not attend. No other incentives of any kind are payable. The Board Chair is subject to annual re-election by the Board, and approval to hold the position of Board Chair is required under the SM&CR, given jointly by the PRA and the FCA.

It is expected that a Board Chair would normally only act in that capacity for a maximum of nine years (whether as Board Chair or taking into account any initial period as an independent Non-Executive Director before being elected to become Board Chair) after which they are expected to retire. The Society's Senior Independent Director along with the Nominations and Governance Committee will be expected to lead the process to select a successor to the incumbent Board Chair (usually due to their proposed retirement or the completion of the maximum term of nine years), upon which all members of the Board, including the incumbent Board Chair, may vote, as permitted by the Society's Rules. The final appointment of a successor will be by majority vote and provided the electee has received approval to hold the office of Board Chair from the PRA and the FCA.

The Board Chair must facilitate constructive relationships among Directors and allow and encourage all members of the Board to contribute to its business, supported by appropriate reporting from the Executive Directors. The Board Chair conducts an annual review of the performance of the members of the Board, save for the Chief Financial Officer and Chief Operating Officer who are direct reports of the Chief Executive, who is responsible to conduct their performance review.

The Board Chair has regular meetings with the Chief Executive and if necessary, communicates timely information to all Directors.

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

At 31 October 2025, the Board comprised of nine Directors, six of whom are independent Non-Executives and three of whom are Executives. This ensures the Society's Executives can be held to account at all times.

The Board's composition and skills are reviewed annually by its Nomination and Governance Committee, chaired by the Board Chair. The Nomination and Governance Committee Chair is also responsible for recommending all future appointments to Executive and Non-Executive positions (for example, following retirement, or resignation), subject in each case to the final approval of the Board.

The Society's Rules 12(4)(a) requires: 'The Board shall ensure the direction and management of all affairs and business of the Society by a sufficient number of individuals fit and proper to be Directors or other Officers, in their respective positions, with prudence and integrity, in the best interests of the Society, in accordance with the Statutes, the Memorandum and these Rules.'

This Rule imposes an accountability for the direction and management of all affairs and business of the Society upon the Board itself. In practice, the Board delegates the management of the Society to its Executive Directors but subjects them to oversight and makes them responsible to report to the Board and its Sub-Committee meetings on all aspects of the Society's business.

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

Appointment to the Board is subject to a Director being made aware of the time commitment that will be expected of them, and the Board being satisfied that the appointee will be able to honour that expectation throughout their tenure, particularly having regard to any other business commitments they may have from time to time.

Directors are required to annually disclose other business commitments including time spent, which is then subject to oversight by the Board Chair, together with review by the Nominations and Governance Committee and ultimate approval by the Board.

Where Directors have other significant commitments, these are set out in the Annual Business Statement on page 70 in Section 3, Information Relating to Directors.

'**I**. The Board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.'

The Board operates under detailed procedures set out in the Board Manual and Charter, maintained by the Society's Secretary. The Board considers its effectiveness annually and challenges itself on all aspects of its efficiency and the oversight it provides.

3. Composition, Succession and Evaluation

'J. Appointments to the Board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained for Board and senior management. Both appointments and succession plans should be based on merit and objective criteria. They should promote diversity, inclusion and equal opportunity.'

The Board's Nominations and Governance Committee meets at least twice a year (and more frequently when required) to consider succession plans, the requirements for new appointees, and the desired experience when a new Director is to be appointed.

The Committee is responsible for interviewing candidates for appointment and making a recommendation to the Board. As a minimum, all prospective appointees must possess the required experience.

The Society has a policy on equal opportunities and will consider applications from all sectors of society but subject in all instances to a prospective candidate demonstrating the desired experience and an understanding of the significant duties to which a Director is subject in law and the accountabilities which the role will impose upon them. In this respect, the Society does not actively promote 'diversity' in the context mentioned, since to do so may limit an appropriate appointment based on the experience and skills which the Society seeks. However, its policy on equal opportunities fully reflects the Equality Act 2010 and ensures that it does not discriminate against any one societal segment because of race, gender or social and ethnic backgrounds, and will always seek to appoint the most appropriate candidate.

All opportunities to join the Board as a Director are generally advertised, usually through a specialist recruitment agency or by open advertisement. Applications are welcomed from the Society's membership, in accordance with its Rules.

'**K**. The Board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the Board as a whole and membership regularly refreshed.'

The Society has chosen to apply annual re-election of its Directors. The performance of all Directors is subject to annual appraisal by the Board Chair on behalf of the board, who must also be satisfied and able to certify that each Director continues to exhibit the 'fit and proper' requirement of SM&CR.

The Board Chair's annual recertification of a Director must be thoughtful and given in utmost good faith, having regard to the Director's continuing ability to contribute to the stewardship and effective governance of the Society, in the interest of its Members.

All Directors are given appropriate training following their appointment and are encouraged to attend industry events, seminars and training courses to maintain an up-to-date knowledge of the industry and the regulatory framework within which the Society operates. The Society also operates a continuous training programme for the Board and Senior Management to ensure that skills are maintained, and new regulatory requirements are clearly understood.

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

The Society has developed a detailed process of evaluating the Board's effectiveness which it normally employs each year, tested against a range of criteria which explore all aspects of its purpose. From time to time, the Society will consider using an external facilitator for this process. The requirement to ensure each Director is annually appraised (including the Board Chair) is referred to in the responses to principles F and K.

4. Audit, Risk and Internal Control

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

The Audit Committee implements the Society's policy on the use of External Audit for non-audit work. Other than providing the Country-By-Country Reporting opinion in this set of accounts, the external auditor, PwC, did not undertake any non-audit work in the year.

The Board Chair is not a member of the Audit Committee. The Audit Committee Report on pages 29 to 31 describes how the Audit Committee applies the Code principles in relation to corporate reporting and internal control.

The Society also employs professional Auditors to fulfil the expectation of an internal audit function, and the Internal Auditors work on an annual programme, testing the design of controls and the effectiveness of their operation. Both Internal and External Auditors report to the Board's Audit Committee, chaired by a Non-executive Director. That Committee reports to the Board.

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

The responsibility of the Directors in respect of preparation of the Annual Report and Accounts, accounting records and internal controls and the statement that the Society's Accounts are prepared on a going concern basis, are set out on page 18 in the Directors' Report. The Chief Executive's Review on pages 6 to 9 and the Strategic Report on pages 10 to 17 provides Members with a detailed review of the position of the Society and its future prospects.

The Board's Audit Committee reviews in detail the Society's annual financial statements. This ensures that feedback is given to help these documents be fair, balanced and understandable. The Audit Committee then recommends these documents to Board for approval.

The Audit Committee report on pages 29 to 31 describes the main areas of accounting judgement considered by the Audit Committee.

'**O**. The Board should establish and maintain an effective risk management and internal control framework and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.'

The Board has a duty to ensure the Society operates within a framework of prudent controls which enables risk to be assessed and managed. The Board has overall responsibility for the Society's internal control system and for reporting its effectiveness to the Members in the Annual Report and Accounts. The Board is also responsible for defining and influencing the culture of risk management across the Society.

The Board has overall responsibility for ensuring the Society maintains adequate financial resources, both in terms of capital and liquidity, through review and approval of both the Society's ICAAP and the ILAAP. The Board monitors the role of management in identification, monitoring and review of major risks facing the Society through the Board Sub Committee and management committee structure including the ALCO, ERC and the Product Development and Credit Committees.

The Society operates a Three Lines of Defence model as set out on page 15. The Board Risk Committee has been delegated responsibility for oversight of risk management for the Society.

The Leadership Team is responsible for designing, implementing, maintaining and monitoring the systems of internal control. The Board and each Board Committee has oversight responsibility for risks within its remit. The Society's internal auditors provide assurance that systems and controls are effectively applied.

5. Remuneration

'P. Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to company purpose and values and be clearly linked to the successful delivery of the company's long-term strategy.'

The Board is ultimately accountable for the determination of the Society's strategy and promoting its long-term sustainable success. Execution of the strategy is delegated to the Chief Executive Officer, subject to Board oversight.

The Society rewards its Executive Officers by reference to market rates for a comparable society or equivalent and taking account of skills, attributes, and flight risk. The performance of the Chief Executive Officer is reviewed by the Board (led by the Board Chair) annually and that process has regard to the delivery of the strategy and the financial standing of the Society at the end of its business year.

Remuneration rewards are considered, as appropriate, by the Remuneration and Engagement Committee in accordance with its Terms of Reference and recommended to the Board, as necessary. They generally reflect annual price inflation and evidence of pay awards at comparator firms.

Details of the Executive Directors' incentive scheme are set out on pages 32 to 34 in the Directors' Remuneration Report.

'Q. A formal and transparent procedure for developing policy on Executive remuneration and determining Director and senior management remuneration should be established. No Director should be involved in deciding their own remuneration outcome.'

Remuneration is considered, as appropriate, by the Remuneration and Engagement Committee in accordance with its Terms of Reference and recommended to the Board as necessary. The Chair of that Committee reports upon its activities on pages 21 to 28 of this report. The Board Chair and the Chief Executive Officer determine the Non-Executive Directors' fees and certain personnel who are not part of the Executive and not a Director, by reviewing data provided by the Remuneration and Engagement Committee.

'R. Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.'

The Remuneration and Engagement Committee is comprised of three Non-Executive Directors and, amongst other things, takes account of the expectations of this principle.

Joanne Hindle,
Chair
18 December 2025

Audit Committee Report

The Audit Committee forms part of the Society's corporate governance framework, to which the Board has delegated oversight of financial reporting, internal controls, Internal Audit and External Audit. The Committee consists of three independent Non-Executive Directors.

This report provides an overview of the Committee's work and details how it has discharged its responsibilities during the year. The principal functions of the Audit Committee and composition are set out in the Corporate Governance Report.

At least one member of the Committee has recent, relevant financial experience and the Committee as a whole has experience of the Society's industry.

Following each Committee meeting, the Committee Chair reports back to the Board on key matters discussed. The Committee met five times during the year and focused on the following matters:

1. Financial Reporting

In relation to financial reporting, the role of the Committee is to monitor the integrity of the financial statements. In order to discharge this responsibility, the Audit Committee considered the accounting policies adopted by the Society, the presentation and disclosure of financial information and key accounting judgements made by management. During the year, the Committee focused on matters that, having regard to the significance of their impact on the reported position, involved a high degree of complexity, judgement or estimation by management with specific focus in the following areas.

Provisioning for Loan Impairment

The Committee monitored loan impairment provisions through review of the key inputs and assumptions to the Society's provisioning model. In the absence of historical loss experience by the Society, the Committee focused closely on the methodology and model inputs developed by management, including the appropriateness of any external information used. The Committee paid attention to the sensitivity of key provision input assumptions on the final provision outcome, including assumptions for probability of default.

Effective Interest Rate

Income and expense, in the form of fees earned and incurred respectively as a result of bringing mortgages onto the balance sheet, are measured under the effective interest rate method. This approach involves consideration of the effective life of the loan. The Committee reviewed empirical data prepared by management on effective life and conclusions formed for utilisation in determining the approach taken and judgements applied by management in recognition of income and expense on mortgages, and is satisfied that the accounting treatment is appropriate.

2. Internal Controls and Internal Audit

The Board recognises that robust systems of internal control are essential to the achievement of its objectives and the safeguarding of Members' money and the Society's assets. Internal control also contributes to the effectiveness and efficiency of operations, helps to ensure the reliability of internal and external reporting, and enables compliance with applicable laws and regulations. The Society operates in a dynamic business environment and, as a result, the risks it faces are continually changing. The internal control framework has been designed to ensure thorough and regular evaluation of the nature and extent of risk, and the Society's ability to react accordingly. It is the role of Management to implement the Board's policies on risk and control. It is also recognised that all colleagues have responsibility for internal control as part of their accountability for achieving objectives. Colleague training and induction are designed to ensure that they are clear on their accountabilities in this area and are competent to operate and monitor the internal control framework.

RSM UK Risk Assurance Services LLP deliver internal audit services to the Society and provides independent assurance to the Board, via the Audit Committee, on the effectiveness of the Internal Control Framework. The information received and considered by the Committee during the year provided reasonable assurance that there were no material breaches of control and that, overall, the Society maintained an adequate internal control framework that met the principles of the UK Corporate Governance Code. The Committee receives, considers and approves the Internal Audit Strategy and Plan, including the budget for, and focus of, assurance activity. Internal Audit provides the Committee with reports on its findings and recommendations as part of its work and updates on progress by management in implementing agreed actions, including verification that actions have been implemented as agreed. The Committee is satisfied that, throughout the year, Internal Audit had an appropriate level of resource to deliver its plan of work and that it discharged its responsibilities effectively.

The outsourced Internal Audit function operates in accordance with an Internal Audit Charter. The Committee considers the reappointment of Internal Audit each year and also assesses their independence on an ongoing basis. Internal Audit is required to rotate the Audit Partner responsible for the Society's audit at least every five years.

To preserve the independence of Internal Audit, the Committee holds periodic private meetings with its Internal Auditors during the year without the Executive Directors present.

3. External Audit

The Committee is responsible for providing oversight of the external audit process by monitoring the relationship with the external auditor, agreeing its remuneration and terms of engagement, and making recommendations to the Board on the appointment, reappointment or removal of the external auditor as appropriate. As part of the external audit process, PricewaterhouseCooper will highlight any material control weaknesses that come to their attention. The Committee is also responsible for monitoring the performance, objectivity and independence of the external auditor. This is addressed via evidence provided by the external auditor as well as a review performed by the Committee. The Committee also ensures that the policy regarding the external audit firm providing non-audit services is appropriately applied. No non-audit services were provided during the year.

The effectiveness of the External Audit process is dependent on appropriate risk identification. At the start of the audit cycle, the Committee receives from External Audit a detailed audit plan, identifying their assessment of the key risks. Matters discussed with the External Auditor typically include the Auditor's assessment of financial reporting risks and key financial reporting judgements and estimates, the transparency and openness of interactions with management and confirmations that there have been no restrictions in scope placed on them and the independence of their audit. To assist with the latter, meetings are held between the Committee and the External Audit without management being present. The Committee considers the re-appointment of the External Audit each year and also assesses their independence on an ongoing basis. External Audit is required to rotate the Audit Engagement Leader responsible for the Society's audit at least every five years. Accordingly, there was a change in Audit Engagement Leader in the year.

4. Audit Committee Effectiveness

The Committee conducts a self-assessment review annually to monitor its performance against its Terms of Reference. The resulting effectiveness report is presented by the Chair of the Committee, with any relevant recommendations addressed. The Committee's Terms of Reference were reviewed during the year and found to be fit for purpose. The Board continues to be satisfied that the Committee members have the requisite levels of knowledge and understanding relevant to the markets in which the Society operates.

Jonathan G Farrington,
Chair of Audit Committee
18 December 2025

Directors’ Remuneration Report

The purpose of this Report is to inform Members about the current policy on the remuneration of Executive and Non-Executive Directors. The Report provides details of the different elements of the Executive Directors’ remuneration and explains the process for determining them.

The Society has adopted a remuneration policy that describes how it has complied with the requirements of both the supervisory statements issued by the PRA and FCA relating to remuneration and the Corporate Governance Code. The Board is committed to best practice in corporate governance and will ask Members to vote, on an advisory basis, on the Directors’ Remuneration Report at the forthcoming AGM.

The Remuneration and Engagement Committee

The overarching purpose of the Committee is to ensure that remuneration policies and the reward structure are in line with the Society’s business strategy, risk appetite, and long-term objectives. This ensures the alignment of incentives and rewards with the values of the Society. The Committee is satisfied that the basis of remuneration is consistent with sound and effective risk management and does not encourage excessive risk-taking.

The Committee, with its broadened engagement scope, also considers the overarching culture of the Society, together with its performance in attracting and retaining the best colleagues to serve Members. This includes oversight of the key people risks, ensuring these are effectively mitigated.

The Committee takes account of the Code, as far as it is relevant and appropriate to an organisation of the Society’s size.

The Committee comprises of three Non-Executive Directors, with Alison Tattersall as Chair, and is responsible for making recommendations to the Board in respect of remuneration for the Chair of the Board and Executive Directors, together with oversight of Senior Management and wider Society remuneration, to ensure the alignment of incentives and rewards with culture. The Chief Executive attends by invitation only and takes no part in discussions relating to his remuneration. The remuneration of the Chair of the Board is set at a meeting of the Board where the Chair of the Board is not present. The remuneration of all other Non-Executive Directors is set by the Chief Executive and Chair of the Board.

The Committee meets at least annually to consider the remuneration and other terms of service of the Executive Directors and make recommendations to the Board where appropriate.

Executive Directors’ Remuneration

The Society’s policy is to set remuneration levels that will attract and retain Executive Directors with appropriately high levels of skill and expertise, and to reward the achievement of stretching objectives in line with the Society’s Corporate plan. It comprises:

Basic Salary

This takes into account the role and position of individuals, including professional experience, responsibilities, the complexity of the role, and market conditions. Basic salary is reviewed annually and includes external benchmarking against data from within the building society sector.

Incentives

A bonus scheme is determined and recommended to the Board by the Remuneration Committee. This is based on a range of financial and non-financial corporate performance objectives, including appropriate risk management objectives.

Bonus payments are payable annually and are set at a maximum of 20% of contractual gross salary for the Chief Executive Officer, and with a maximum of 15% for the Chief Financial Officer and Chief Operating Officer. In order to provide an incentive to remain with the Society and deliver our current strategy, the Chief Financial Officer and Chief Operating Officer have also been paid a retention bonus of 25% of salary. This is repayable by the Executive to the Society if the Executive leaves the Society within a pre-agreed time period.

Pensions

The Society contributes to the personal pension arrangements of its Executive Directors. The Society does not have a Defined Benefit / Final Salary Pension Scheme.

Benefits

Executive Directors receive other benefits as afforded to colleagues, including private medical insurance, death-in-service and income protection. The Society does not provide concessionary home loans to Directors.

Contractual Terms

The Executive Directors are employed on open-ended service contracts. The notice period for the Chief Executive is twelve months, to be given by both the Society and the individual. The notice period for the Chief Financial Officer and Chief Operating Officer is six months, to be given by both the Society and the individual.

As at 31 October 2025, the Chief Executive, Steven Jones, had served notice of his intention to retire and so will step down as Chief Executive on 31 December 2025.

Non-Executive Directors' Remuneration:

All Non-Executive Directors are remunerated by fees, which are reviewed annually, with periodic external benchmarking against data from within the building society sector. The Board Chair and Chairs of each of the sub-committees, also receive additional payments reflecting the additional duties and responsibilities of their roles. There are no bonus schemes for Non-Executive Directors, and they do not qualify for pension entitlement or other benefits. Non-Executive Directors do not have service contracts but are entitled to claim reimbursement of expenses incurred on behalf of the Society.

Total emoluments of the Society's Directors are listed below.

	2025 £'000	2024 £'000
Non-Executive Directors' fees	234.8	229.0
Executive Directors' remuneration	641.6	539.0
Total	**876.4**	**768.0**

Non-Executive Directors

Fees	2025 £'000	2024 £'000
Joanne Hindle (Chair)	45.4	44.1
David J Grant (Senior Independent Director)	36.7	35.6
Gary C D Crowe (to 18 February 2025)	11.0	35.6
Mary A Kerr (to 19 February 2024)	-	9.3
Alison Tattersall	36.7	35.6
Ian A Craig	36.7	35.6
Jonathan G Farrington (from 1 May 2024)	36.7	17.8
Raymond J H Milne (from 1 May 2024)	31.6	15.4
Total	**234.8**	**229.0**

Executive Directors

Executive Directors 31 October 2025	Salary £'000	Benefits Including Bonus* £'000	Pension £'000	Total £'000
Steven Jones	193.0	31.4	22.2	246.6
Robert I Hassall	113.3	48.8	13.0	175.1
Matthew D Rowell	141.7	61.9	16.3	219.9
Total	**448.0**	**142.1**	**51.5**	**641.6**

* Includes retention bonuses for both Robert I Hassall and Matthew D Rowell.

Executive Directors 31 October 2024	Salary £'000	Benefits Including Bonus ** £'000	Pension £'000	Total £'000
Steven Jones	188.1	38.0	21.7	247.8
Christopher I Reid *(To 30 August 2024)*	113.6	2.6	12.7	128.9
Robert I Hassall *(From 1 November 2023)*	110.0	18.9	12.4	141.3
Matthew D Rowell *(From 7 October 2024)*	9.7	10.2	1.1	21.0
Total	**421.4**	**69.7**	**47.9**	**539.0**

** Matthew D Rowell succeeded Christopher I Reid as Chief Financial Officer on 7 October 2024. The Society agreed to compensate Matthew for the forfeiture of variable pay awards from his previous employment. This replacement award was not more generous in terms or amounts than he would otherwise have received.
The comparative disclosure has been amended to include benefits available to all Society colleagues.

Alison Tattersall,
Chair of Remuneration and Engagement Committee
18 December 2025

Statement of Directors' Responsibilities

Statement of Directors' Responsibilities in respect of the Annual Report, the Annual Business Statement, the Directors' Report and the Annual Accounts.

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

The Building Societies Act 1986 (the Act) requires the Directors to prepare Society annual accounts for each financial year. Under that law they have elected to prepare the Annual Accounts in accordance with United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including FRS102, The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

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

In preparing these Annual Accounts, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the Annual Accounts;
- Assess the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

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

Directors' Responsibilities for Accounting Records and Internal Control

The Directors are responsible for ensuring that the Society:

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

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Society's website. Legislation in the United Kingdom governing the preparation and dissemination of Annual Accounts may differ from legislation in other jurisdictions.

On behalf of the Board,

Joanne Hindle,
Chair
18 December 2025

Independent Auditors' Report to the Members of The Stafford Railway Building Society

Report on the audit of the annual accounts

Opinion

In our opinion:

- The Stafford Railway Building Society's annual accounts (the "annual accounts") give a true and fair view of the state of the Society's affairs as at 31st October 2025 and of the Society's income and expenditure and cash flows for the year then ended;
- The annual accounts have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- The annual accounts have been prepared in accordance with the requirements of the Building Societies Act 1986.

We have audited the annual accounts, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the statement of financial position as at 31st October 2025; the statement of comprehensive income, the statement of cash flows, and the statement of changes in members' interests for the year then ended; the accounting policies; and the notes to the annual accounts, which include a description of the significant accounting policies .

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the annual accounts section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Society in accordance with the ethical requirements that are relevant to our audit of the annual accounts in the UK, which includes the FRC's Ethical Standard applicable to public interest entities and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the Society.

Other than those disclosed in note 4 to the annual accounts, we have provided no non-audit services to the Society in the period from 1st November 2024 to 31st October 2025.

Our audit approach

Overview

Materiality	• £281,300 (2024: £274,500) • Based on 1% of net assets
Scoping	• The scope of our audit and the nature, timing and extent of audit procedures performed were determined by our risk assessment. • We performed audit procedures over relevant business activities of the company, using the materiality levels set out below
Key audit matter	• Impairment provision for loans and advances to customers.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the annual accounts. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Capability of the audit in detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined in the Auditors' responsibilities for the audit of the annual accounts section, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Society/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles such as those governed by the Prudential Regulation Authority and Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the annual accounts. We also considered those laws and regulations that have a direct impact on the annual accounts such as the Building Societies Act 1986. We evaluated management's incentives and opportunities for fraudulent manipulation of the annual accounts (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates. Audit procedures performed included:

- Reviewing correspondence with the Financial Conduct Authority and Prudential Regulation Authority;
- Assessing assumptions and judgments made by management in respect of accounting estimates (see key audit matter below);
- Testing of journal entries with unusual account combinations;
- Making enquiries of management and those charged with governance in relation to non compliance with laws and regulation and fraud;
- Incorporating unpredictability into the nature, timing and/or extent of our testing.
- Review of internal audit reports in so far as they relate to the annual accounts.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the annual accounts. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion.

Key audit matter

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

The key audit matter below is consistent with last year.

Key Audit Matter	How our audit addressed the key audit matter
Impairment provision for loans and advances to customers. The Society holds an impairment provision of £534k (2024: £429k) to account for impairment losses on mortgage assets which have been incurred. This is split between a collective impairment provision and specific impairment provision for individual loans. The collective impairment provision is calculated using year end data from the mortgage book, combined with assumptions for the portfolio default rate, collateral values and time to recovery. These are based on management judgement given the limited loss experience of the Society. The individual impairment provision is calculated separately from the collective provision model to individual accounts where management has identified indicators of impairment. This includes accounts where the borrower appears to be suffering financial distress for example accounts with a history of arrears or having been offered forbearance arrangements. The Society has limited experience of loan losses being incurred and therefore assumptions used in the models, comprising portfolio default rate, future collateral values and time to recovery, involve a greater degree of management judgement. The disclosures are given in note 11. Managements' associated accounting policies are given in note 1. Managements' judgements in the application of the accounting policy and critical estimate are disclosed in note 1.11. The Audit Committee's consideration of the matter is described on pages 29 to 31.	We discussed the basis of impairment provision for loans and advances to customers with management and the Audit Committee, including rationale for the accounts identified within the individual assessed provision. We tested the data used within the calculations to evidence from underlying customer records. This included obtaining evidence on a sample basis over the charge held by the Society on the mortgaged properties. We tested the accuracy of collateral values used to third party independent valuations and recalculating the period end collateral valuations using independently sourced house price indices. We confirmed that the provision calculations were mathematically accurate and captured all loan data through reconciliation of the models to the loan book. We read the impairment disclosures given by management and re-performed the disclosed sensitivity analysis. With regards to the collective provision we understood, evaluated and challenged the appropriateness of the assumptions used by management by considering alternative assumptions based on industry data, market forecasts and the actual loss experience of the Society. We tested the completeness of the individually assessed provision by selecting a sample of loans and assessing whether or not they had forbearance measures or were in arrears and therefore required inclusion within the provision.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the annual accounts as a whole, taking into account the structure of the Society, the accounting processes and controls, and the industry in which it operates.

All of the Society's business takes place in the United Kingdom. The principal activity of the Society is to provide savings products to individuals to fund secured lending on residential property. The majority of the Society's mortgage book is secured on UK residential property with a small portion secured on UK commercial property. The Society is a stand-alone entity and the accounting records are maintained at their Head Office in Stafford.

Audit procedures were performed over all material balances and financial information of the Society by a single audit team from Manchester and Birmingham. The team visited the Stafford office and conducted the audit with a blend of in person and remote working.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the process management adopted to assess the extent of the potential impact of climate risk on the Society's financial statements and support the disclosures made in relation to climate change in the Annual Report and Accounts.

In addition to enquiries with management, we also:

- Considered the exposure of the Society's mortgage portfolio to physical and transition risks by examining the output of assessments performed by management during the year; and
- Considered the consistency of the disclosures in relation to climate change within the Annual Report and Accounts with the financial statements and our knowledge obtained from our audit.

Our procedures did not identify any material impact in the context of our audit of the financial statements as a whole, or our key audit matter for the year ended 31 October 2025.

Materiality

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

Based on our professional judgement, we determined materiality for the annual accounts as a whole as follows:

Overall materiality	£281,300 (2024: £274,500).
How we determined it	1% of net assets
Rationale for benchmark applied	The Society's principal activity is to provide residential mortgage loans financed by retail savings products. The strategy is not one purely of profit maximisation but to provide a secure place for customer savings in a mutual environment. The soundness of the Society is based on its regulatory capital, which is closely aligned to accounting reserves. As such we consider a benchmark based on net assets to be appropriate.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to £210,900 (2024: £205,900).

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount in the middle of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £14,000 (2024: £13,700) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the Society's ability to continue to adopt the going concern basis of accounting included:

- We critically assessed the directors' conclusions on their going concern assessment, including any key assumptions used by the directors in their determination of the going concern of the Society;
- We reviewed the impact of management's stress test scenarios and considered the likelihood of successful implementation of management actions to mitigate the impacts. We considered whether the Society would continue to operate above required regulatory capital and liquidity minima during times of stress;
- We challenged the reasonableness of the scenarios used by the directors in their going concern assessment and checked the appropriateness of the assumptions used within their forecasting;
- Corroborated legal and regulatory correspondence with audit procedures performed to ensure that there are no compliance issues which may impact the going concern of the Society; and
- We evaluated management's disclosures in the Annual Report and checked the consistency of the disclosures with our knowledge of the Society based on our audit.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Society's ability to continue as a going concern for a period of at least twelve months from the date on which the annual accounts are authorised for issue.

In auditing the annual accounts, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the annual accounts is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Society's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the annual accounts and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the annual accounts does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the annual accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Annual Business Statement and Directors' Report we also considered whether the disclosures required by the Building Societies Act 1986 have been included.

Based on our work undertaken in the course of the audit, the Building Societies Act 1986 requires us also to report certain opinions and matters as described below.

Annual Business Statement and Directors' Report

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

- The Annual Business Statement and the Directors' Report have been prepared in accordance with the requirements of the Building Societies Act 1986;
- The information given in the Directors' Report for the year ended 31st October 2025 is consistent with the accounting records and the annual accounts; and
- The information given in the Annual Business Statement (other than the information upon which we are not required to report) gives a true representation of the matters in respect of which it is given.

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

Responsibilities for the annual accounts and the audit

Responsibilities of the directors for the annual accounts

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the annual accounts in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Directors are responsible for assessing the Society's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the annual accounts is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Building Societies Act 1986 exception reporting

Under the Building Societies Act 1986 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the audit committee, we were appointed by the directors on 24th February 2020 to audit the annual accounts for the year ended 31st October 2020 and subsequent financial periods. The period of total uninterrupted engagement is 6 years, covering the years ended 31st October 2020 to 31st October 2025.

Gareth Amison (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
18 December 2025

Statement of Comprehensive Income

For the year ended 31 October 2025

	Note	2025 £'000	2024 £'000
Interest receivable and similar income	2	16,493	17,078
Interest payable and similar charges	3	(9,850)	(10,894)
Net interest income		**6,643**	**6,184**
Fees and commissions receivable		26	26
Fees and commissions payable		(11)	(18)
Total net income		**6,658**	**6,192**
Administrative expenses	4	(5,315)	(4,803)
Administrative expenses - Non-recurring	4	(279)	(144)
Depreciation	12	(94)	(71)
Operating profit before impairment losses and provisions		**970**	**1,174**
Impairment movement on loans and advances	11	(109)	174
Profit before tax		**861**	**1,348**
Tax expense	7	(204)	(343)
Profit for the financial year		**657**	**1,005**
Other comprehensive income/(expense)			
Gain/(Loss) in fair value	9	54	(14)
Taxation on other comprehensive income/(expense)		(14)	4
Total comprehensive income for the year		**697**	**995**

Profit for the financial year arises from continuing operations. Both the profit for the financial year and other comprehensive income/(expense) for the year are attributable to the Members of the Society.

The notes on pages 46 to 65 form an integral part of these Annual Report and Accounts.

Statement of Financial Position

At 31 October 2025

	Note	2025 £'000	2024 £'000
Total Assets			
Liquid assets			
Cash in hand and balances with the Bank of England	8	49,976	54,756
Loans and advances to credit institutions	8	2,834	7,328
Debt securities	9	36,831	24,011
Loans and advances to customers	10	256,011	237,101
Tangible fixed assets	12	617	538
Other debtors	13	240	303
Deferred tax assets	14	30	27
Total assets		**346,539**	**324,064**
Total Liabilities			
Shares	15	304,183	281,354
Amounts owed to other customers	16	12,216	14,411
Amount owed to credit institutions	17	1,006	-
Other liabilities	18	218	183
Accruals and deferred income		767	664
Total liabilities		**318,390**	**296,612**
Reserves			
General Reserve		28,121	27,464
Available-for-sale-reserve		28	(12)
Total reserves attributable to Members of the Society		**28,149**	**27,452**
Total liabilities and reserves		**346,539**	**324,064**

The financial statements on pages 42 to 65 were approved by the Board of Directors on 18 December 2025 and signed on its behalf by:

Joanne Hindle,
Chair

Steven Jones,
Chief Executive

Matthew Rowell,
Chief Financial Officer and Society Secretary

The notes on pages 46 to 65 form an integral part of these Annual Report and Accounts.

Statement of Changes in Members' Interests

	2025 General Reserve £'000	2025 Available for Sale Reserve £'000	2025 Total £'000	2024 General Reserve £'000	2024 Available for Sale Reserve £'000	2024 Total £'000
Balance at the beginning of the year	27,464	(12)	27,452	26,459	(2)	26,457
Total comprehensive income for the year						
Profit for the financial year	657	-	657	1,005	-	1,005
Other comprehensive income/(expense)						
Gain/(Loss) in fair value	-	54	54	-	(14)	(14)
Taxation on other comprehensive income/(expense)	-	(14)	(14)	-	4	4
Total comprehensive income/(expense) for the year	**657**	**40**	**697**	**1,005**	**(10)**	**995**
Balance at the end of the year	**28,121**	**28**	**28,149**	**27,464**	**(12)**	**27,452**

Cash Flow Statement

For the year ended 31 October 2025

	Note	2025 £'000	2024 £'000
Cash flows from operating activities			
Profit before tax		861	1,348
Adjustments for			
Depreciation	12	94	71
Increase/(Decrease) in impairment of loans and advances	11	105	(202)
Movement in premium and accrued interest on debt securities	9	(1,011)	(654)
Total		**49**	**563**
Changes in operating assets and liabilities			
Decrease/(Increase) in prepayments, accrued income and other assets	13	63	(84)
Increase in accruals, deferred income and other liabilities		103	46
(Increase) in loans and advances to customers	10	(19,015)	(13,693)
Increase in shares	15	22,829	14,855
(Decrease)/Increase in amounts owed to other credit institutions and other customers	16	(2,195)	235
Increase in amounts owed to credit institutions	17	1,006	-
Taxation paid		(186)	(382)
Net cash generated from/(used in) operating activities		**2,654**	**1,540**
Cash flows from investing activities			
Purchase of debt securities	9	(38,888)	(23,644)
Maturity of debt securities	9	27,133	10,537
Purchase of tangible fixed assets	12	(173)	(53)
Net cash (used in)/generated from investing activities		**(11,928)**	**(13,160)**
Net (Decrease)/Increase in cash and cash equivalents		**(9,274)**	**(11,620)**
Cash and cash equivalents at the beginning of the year	8	62,084	73,704
Cash and cash equivalents at the end of the year	**8**	**52,810**	**62,084**

Notes to the Accounts

The principal accounting policies adopted and applied consistently in the preparation of the Annual Accounts of the Society are set out below.

1. Accounting policies

The Annual Report and Accounts have been prepared in accordance with the Building Societies Act 1986, the Building Societies (Accounts and Related Provisions) Regulations 1998 and Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS 102'). The Society has also chosen to apply the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement (as adopted for use in the United Kingdom).

Judgements made by the Directors, in the application of these accounting policies that have a significant effect on the Annual Report and Accounts and estimates with a significant risk of material adjustment in the next financial year are discussed in note 1.11.

1.1 Going Concern

The Directors are required to consider whether the Society will continue as a going concern for a period not less than twelve months from the date of signing the accounts. In making this assessment, the Directors have reviewed the Society's corporate plan and considered risks that could impact on the Society's capital position, financial position and liquidity over that period. The Directors have also prepared stress scenarios to consider the effects on the Society's business, financial position, capital and liquidity of operating under severe but plausible downside scenarios. Having reviewed these forecasts, alongside the Society's ICAAP and ILAAP documents, the Directors are satisfied that the Society has adequate resources to continue in business for the foreseeable future. Accordingly, the accounts continue to be prepared on a going concern basis.

1.2 Measurement convention

The Annual Report and Accounts are prepared on a going concern basis under the historical cost convention with the exception that the Society has elected to adopt IAS 39 Financial Instruments: Recognition and Measurement, which requires the Society to measure its debt securities that it has classified as 'Available-For-Sale' at fair value, with interest and amortisation recognised using the effective interest rate method.

The presentation currency of these Annual Report and Accounts is sterling. All amounts in the Annual Accounts have been rounded to the nearest £1,000. There are no foreign currency transactions.

1.3 Interest

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Society estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes transaction costs and fees paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

1.4 Fees and commission

Fees payable and receivable, other than relating to mortgage loans (which are recognised in accordance with effective interest rate accounting as set out in section 1.3) are recognised when the relevant service is provided.

1.5 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those they are included in the financial statements.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.6 Financial instruments recognition

The Society initially recognises loans and advances, deposits and debt securities on the date on which they are originated at fair value. All other financial instruments are recognised on the trade date, which is the date on which the Society becomes a party to the contractual provisions of the instrument.

Classification

Financial assets

The Society classifies its financial assets into one of the following categories:

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market and that the Society does not intend to sell immediately or in the near term. Loans and receivables include loans and advances to customers.

The Society measures its loans and advances at amortised cost, less impairment. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus principal repayments, plus the cumulative amortisation using the effective interest rate method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

The initial value may, if applicable, include certain fees which are recognised over the average life of mortgage assets, as noted above. Throughout the year and at each year-end, the mortgage life assumptions for each product are reviewed for appropriateness. Any changes to the expected life assumptions of the mortgage assets are recognised through interest receivable and similar income and reflected in the carrying value of the mortgage assets.

- Available-for-sale

Available-for-sale investments are non-derivative investments that are designated as available-for-sale or are not classified as another category of financial assets. Available-for-sale investments comprise debt securities and are measured at fair value after initial recognition.

Interest income is recognised in profit or loss using the effective interest method. Impairment losses are recognised in profit or loss.

Other fair value changes, other than impairment losses, are recognised in Other Comprehensive Income and presented in the available-for-sale reserve within our reserves. When the investment is sold, the gain or loss accumulated in equity is recycled to profit or loss.

- Financial liabilities

The Society classifies its financial liabilities as measured at amortised cost.

Derecognition

Financial assets are derecognised when the contractual rights to receive cash flows have expired or where substantially all the risks and rewards of ownership have been transferred. The Society derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Measurement

Amortised cost measurement

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Identification and measurement of impairment

At each reporting date, the Society assesses whether there is objective evidence that financial assets not carried at fair value are impaired. A financial asset or a group of financial assets is 'impaired' when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s) and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired includes:

- Significant financial difficulty of the borrower or issuer;
- Default or delinquency by a borrower;
- The restructuring of a loan or advance by the Society on terms that the Society would not consider otherwise;
- Indications that a borrower or issuer will enter bankruptcy;
- The disappearance of an active market for a security; or
- Observable data relating to a group of assets such as adverse changes in the payment status of borrowers.

The Society considers evidence of impairment for loans and advances at both an individual asset and a collective level. All individually significant loans and advances are assessed for specific impairment. Those found not to be individually impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and advances that are not individually significant are collectively assessed for impairment by grouping together loans and advances with similar risk characteristics.

In assessing collective impairment, the Society uses benchmarking to external factors, given our limited loss experience for the probability of default, the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or less than those suggested by historical trends. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate. Impairment losses on assets measured at amortised cost are calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

Where certain emerging impairment characteristics are considered significant but not assessed as part of the impairment calculation, the Board may elect to apply an overlay to the impairment provision.

The amount of impairment loss is recognised immediately through the income statement and a corresponding reduction in the value of the financial asset is recognised through the use of provisions.

Forbearance strategies and renegotiated loans

A range of forbearance options are available to support customers who are in financial difficulty. The purpose of forbearance is to support customers who have temporary financial difficulties and help them get back on track. The main options offered by the Society include:

- Moving to an interest only arrangement; and
- Payment plans.

Members requesting a forbearance option will need to provide information to support the request which is likely to include a budget planner, statement of assets and liabilities, bank/credit card statements, payslips etc in order that the request can be properly assessed. If the forbearance request is granted, the account is monitored in accordance with our policy and procedures. At the appropriate time the forbearance option that has been implemented is cancelled, with the exception of capitalisation of arrears, and the customer's normal contractual payment is restored.

Loans that are subject to restructuring may only be classified as restructured and up-to-date once a specified number and/or amount of qualifying payments have been received. These qualifying payments are set at a level appropriate to the nature of the loan and the customer's ability to make the repayment going forward.

Impairment losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. If an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, then the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale investment securities are recognised by reclassifying the losses accumulated in the available for sale reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss. Changes in impairment attributable to application of the effective interest method are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss; otherwise, any increase in fair value is recognised through Other Comprehensive Income.

1.7 Cash and cash equivalents

For the purposes of the Cash Flow Statement, cash comprises cash in hand, unrestricted loans and advances to credit institutions repayable on demand and funds held in the Society's Bank of England reserve account.

Cash equivalents comprise highly liquid, unrestricted investments that are readily convertible into cash, with an insignificant risk of changes in value with original maturities of less than three months.

1.8 Tangible fixed assets

Tangible fixed assets are stated at cost, less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example, land is treated separately from buildings.

The Society assesses at each reporting date whether tangible fixed assets are impaired. Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

- Freehold Buildings, 50 years
- Computer equipment 3 years
- Office equipment, Fixtures and fittings 10 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the Society expects to consume an asset's future economic benefits. The Society assesses at each reporting date whether any tangible fixed assets are impaired.

1.9 Employee benefits

A defined contribution plan is a post-employment benefit plan under which the Society pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income in the periods during which services are rendered by employees.

1.10 Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

1.11 Judgements and estimation uncertainties

Certain asset and liability amounts reported in the Accounts are based on management estimates, judgements and assumptions. There is, therefore, a risk of changes to the carrying amounts for these assets and liabilities within the next financial year. The most significant areas where judgements and assumptions are made are as follows:

Loan impairment

In determining whether an impairment loss should be recorded, the Society is required to exercise a degree of judgement. Impairments are calculated as the difference between the present value of expected future cash flows and the current outstanding balance, using management's best estimate of propensity to default using all available data. Estimates and assumptions are around the probability of any account defaulting, the time taken to complete the sale of properties in possession and the eventual loss incurred in the event of sale, including realisation costs and any forced sale discount that may be applied. They are updated as the Board consider appropriate to reflect the prevailing economic environment.

The average probability of default used in the collective impairment model is 4.80%. A 2.50% increase in the outcome of probability of default would result in an increase in the collective impairment provision of £179k (2024: £145k). A more aggressive stress based on a 5% increase would result in an increase of £357k (2024: £291k).

The forced sale discount used in the collective impairment model is in a range of 30% to 45% based on the key mortgage segment. A 5% increase in the forced sale discount would result in an increase in the collective impairment provision of £226k (2024: £173k). Conversely a 5% decrease would result in a decrease in the collective impairment provision of £159k (2024: £123k).

The realisation period used in the provision varied between 18 months to 24 months dependent on the type of lending / market segment. A six-month increase in the realisation period would result in an increase in the collective impairment provision of £67k (2024: £58k).

2. Interest receivable and similar income

	2025 £'000	2024 £'000
On loans fully secured on residential property	12,681	12,911
On other loans	10	15
On debt securities and other liquid assets	3,802	4,152
Total	**16,493**	**17,078**

There is no interest income (2024 none) outstanding in respect of specifically impaired loans.

3. Interest payable and similar charges

	2025 £'000	2024 £'000
On shares held by individuals	9,548	10,458
On other deposits	296	436
On amount owed to credit institutions	6	-
Total	**9,850**	**10,894**

4. Administrative expenses

	2025 £'000	2024 £'000
Wages and salaries	1,800	1,596
Social security costs	326	250
Contributions to defined contribution plans	208	169
Total Colleague cost	**2,334**	**2,015**
Other Administrative expenses	2,981	2,788
Administrative expenses - Non-recurring	279	144
Total	**5,594**	**4,947**

The remuneration of the external auditor, which is included within other administrative expenses above, is set out below (excluding Value Added Tax):

	2025 £'000	2024 £'000
Statutory audit of the Annual Report and Accounts	109	109
Audit related assurance services	1	1
Total	**110**	**110**

5. Colleague numbers

The average number of persons employed by the Society during the year, analysed by category, was as shown in the below table.

Average number of colleagues	2025	2024
Full-time	37	32
Part-time	13	13
Total	**50**	**45**

6. Directors' remuneration

Total remuneration of the Society's Directors for the year was £876.40k (2024: £768.00k). Full details are given in the tables within the Directors' Remuneration Report on pages 32 to 34.

Fees for Non-Executive Directors are not pensionable, and they do not participate in any incentive scheme or receive any other benefit.

7. Tax Expense

Total tax expense recognised in the profit and loss account.

Analysis of tax charge in the year:	2025 £'000	2024 £'000
Current tax		
United Kingdom corporation tax on income for the period	221	327
Total Current Tax	**221**	**327**
Deferred tax (see note 14)		
Origination and reversal of timing differences	(17)	16
Total deferred tax	**(17)**	**16**
Total tax	**204**	**343**

Factors affecting the current tax charge in the year:	2025 £'000	2024 £'000
Profit on ordinary activities before tax	**861**	**1,348**
Tax or profit on ordinary activities at United Kingdom standard rate of 25.00% (2024: 25.00%)	215	337
Expenses not deductible for tax purposes	5	6
Origination and reversal of timing differences	(16)	-
Current tax charge for the year	**204**	**343**

Both the current tax charge for the period and closing deferred tax balance sheet items have been calculated using a corporation tax rate of 25% being the standard rate of corporation tax in the UK during the financial year ended 31 October 2025.

8. Cash and cash equivalents

	2025 £'000	2024 £'000
Loans and advances to credit institutions repayable on demand	2,834	7,328
Total loans and advances to credit institutions	**2,834**	**7,328**
Cash in hand	79	66
Bank of England reserve account	49,897	54,690
Total cash in hand and balances with the Bank of England	**49,976**	**54,756**
Total cash and cash equivalents	**52,810**	**62,084**

Loans and advances to credit institutions includes £1.5m (2024: £1.7m) of cash-in-transit.

9. Debt securities

	2025 £'000	2024 £'000
Debt securities have remaining maturities as follows:		
In not more than one year	31,936	21,541
In more than one year	4,895	2,470
Total	**36,831**	**24,011**
Transferable debt securities comprise:		
Listed on a recognised investment exchange	36,831	24,011
Unlisted	-	-
Total	**36,831**	**24,011**
Movements in debt securities during the year are summarised as follows:		
At the beginning of the year	24,011	10,264
Additions	38,888	23,644
Disposals and maturities	(27,133)	(10,537)
Movement in premium and accrued interest	1,011	654
Gain/(Loss) in fair value recognised as other comprehensive expense	54	(14)
At the end of the year	**36,831**	**24,011**

10. Loans and advances to customers

	2025 £'000	2024 £'000
Loans fully secured on residential property	255,885	236,954
Loans fully secured on land	126	147
Total	**256,011**	**237,101**
The remaining maturity of loans and advances to customers from the reporting date is as follows:		
On call and at short notice	192	284
In not more than three months	1,692	1
In more than three months but not more than one year	553	2,057
In more than one year but not more than five years	14,561	14,928
In more than five years	239,547	220,260
Total	**256,545**	**237,530**
Less: allowance for impairment (note 11)	(534)	(429)
Total	**256,011**	**237,101**

The maturity analysis above is based on contractual maturity.

11. Impairment movement on Loans and Advances

Loans fully secured on residential property £'000	
Impairment provision at 1 November 2024	
Individual impairment	173
Collective impairment	256
Total	**429**
Utilised in the year	
Individual impairment	-
Collective impairment	(4)
Total	**(4)**
Charge for the year	
Individual impairment	18
Collective impairment	91
Total	**109**
At 31 October 2025	
Individual impairment	191
Collective impairment	343
Total	**534**

Loans fully secured on residential property £'000	
Impairment provision at 1 November 2023	
Individual impairment	306
Collective impairment	325
Total	**631**
Utilised in the year	
Individual impairment	(28)
Collective impairment	-
Total	**(28)**
Credit for the year	
Individual impairment	(105)
Collective impairment	(69)
Total	**(174)**
At 31 October 2024	
Individual impairment	173
Collective impairment	256
Total	**429**

12. Tangible fixed assets

	Freehold land and buildings £'000	Computer equipment £'000	Office equipment / fixtures & fittings £'000	Total £'000
Cost				
Balance at 1 November 2024	643	241	890	1,774
Additions	-	40	133	173
Disposals	-	-	-	-
Balance at 31 October 2025	**643**	**281**	**1,023**	**1,947**
Accumulated Depreciation				
Balance at 1 November 2024	344	186	706	1,236
Depreciation charge for the year	15	32	47	94
Disposals	-	-	-	-
Balance at 31 October 2025	**359**	**218**	**753**	**1,330**
Net book value				
At 31 October 2024	299	55	184	538
At 31 October 2025	**284**	**63**	**270**	**617**

The net book value of land and buildings occupied for the Society's own activities at 31 October 2025 was £284k (2024: £299k).

13. Other debtors

	2025 £'000	2024 £'000
Prepayments and accrued income	240	303
Total	**240**	**303**

14. Deferred tax

	2025 £'000	2024 £'000
Excess of capital allowances over depreciation	(45)	(39)
Effective Interest Rate transitional adjustment	-	(2)
Collective impairment allowance	85	64
Taxation on other comprehensive (expense) / income	(10)	4
Deferred tax assets / (liabilities)	**30**	**27**

The deferred tax asset is recognised at the substantively enacted rate of 25.00% (2024: 25.00%).

	2025 £'000	2024 £'000
At 1 November	27	39
Income statement income / (expense)	17	(16)
Taxation on other comprehensive (expense) / income	(14)	4
At 31 October	**30**	**27**

15. Shares

	2025 £'000	2024 £'000
Held by individuals	304,183	281,354
Shares are repayable with remaining maturities from the balance sheet date as follows:		
Repayable on demand	195,701	197,981
In not more than 3 months	69,464	60,058
In more than 3 months but not more than 1 year	39,018	23,315
Total	**304,183**	**281,354**

16. Amounts owed to other customers

	2025 £'000	2024 £'000
Repayable on demand	12,216	14,411
Total	**12,216**	**14,411**

17. Amounts owed to credit institutions

	2025 £'000	2024 £'000
In not more than 3 months	1,006	-
Total	**1,006**	**-**

18. Other liabilities

	2025 £'000	2024 £'000
Corporation tax	218	183
Total	**218**	**183**

19. Employee benefits: Defined contribution plans

During the year, the Society has contributed to the personal pension plans of its colleagues. The pension charge in relation to these plans for the year was £208,318 (2024: £169,079). There were nil accrued contributions as at 31 October 2025 (2024: £21,848).

20. Financial instruments

A financial instrument is a contract that gives rise to a financial asset or financial liability. The Society is a retailer of financial instruments in the form of mortgage and savings products. The Society does not run a trading book. The Society has a formal structure for managing risk, including established risk limits, reporting lines, mandates, credit risk appetite and other control procedures. The Board delegated Risk Committee is responsible for managing the Society's overall exposure to risk.

ALCO reviews treasury and balance sheet risk related activities and the Product Development Committee examines market movements to discern changes required to the Society's product range.

Financial assets and liabilities are measured on an on-going basis either at fair value or at amortised cost. Note 1.6 'Financial instruments' describes how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following tables analyse the Society's assets and liabilities by financial classification.

Carrying values by category 31 October 2025	Held at amortised cost			Held at fair value	
	Loans and receivables £'000	Financial liabilities at amortised Cost £'000	Other non financial assets and liabilities £'000	Available for sale £'000	Total £'000
Financial assets					
Loans and advances to credit institutions	2,834	-	-	-	2,834
Cash in hand and balances with the Bank of England	49,976	-	-	-	49,976
Debt securities	-	-	-	36,831	36,831
Loans and advances to customers	256,011	-	-	-	256,011
Total financial assets	**308,821**	**-**	**-**	**36,831**	**345,652**
Financial liabilities					
Shares	-	304,183	-	-	304,183
Amounts owed to other customers	-	12,216	-	-	12,216
Amounts owed to credit institutions	-	1,006	-	-	1,006
Total financial liabilities	**-**	**317,405**	**-**	**-**	**317,405**

Carrying values by category 31 October 2024	Held at amortised cost			Held at fair value	
	Loans and receivables £'000	Financial liabilities at amortised Cost £'000	Other non-financial assets and liabilities £'000	Available for sale £'000	Total £'000
Financial assets					
Loans and advances to credit institutions	7,328	-	-	-	7,328
Cash in hand and balances with the Bank of England	54,756	-	-	-	54,756
Debt securities	-	-	-	24,011	24,011
Loans and advances to customers	237,101	-	-	-	237,101
Total financial assets	**299,185**	**-**	**-**	**24,011**	**323,196**
Financial liabilities					
Shares	-	281,354	-	-	281,354
Amounts owed to other customers	-	14,411	-	-	14,411
Amounts owed to credit institutions	-	-	-	-	-
Total financial liabilities	**-**	**295,765**	**-**	**-**	**295,765**

Valuation of financial instruments carried at fair value

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

Valuation techniques

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

Level 1: The most reliable fair values of financial instruments are quoted market prices in an actively traded market.

Level 2: These are valuation techniques for which all significant inputs are taken from observable market data. These include valuation models used to calculate the present value of expected future cash flows and may be employed when no active market exists, and quoted prices are available for similar instruments in active markets.

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

The Society holds £36.83m (2024: £24.01m) in debt securities. These securities are accounted for at fair value using the Level 1 valuation methodology.

Credit risk

Credit risk is the risk of loss or delay if a customer or counter-party fails to perform their obligations, such as the timely repayment of a loan or other credit arrangement. This is controlled through credit quality standards, underwriting rules, as well as limits by exposure to counter-party, sector, country and instrument. The Society's maximum credit risk exposure is detailed in the following table:

	2025 £'000	2024 £'000
Loans and advances to credit institutions	2,834	7,328
Cash and cash equivalents	49,976	54,756
Debt securities	36,831	24,011
Loans and advances to customers	256,011	237,101
Total statement of financial position exposure	**345,652**	**323,196**
Off-balance sheet exposure - mortgage commitments	31,249	19,264
	376,901	**342,460**

The Society does not use credit derivatives, or similar instruments, to manage its credit risk.

Loans and advances to credit institutions and debt securities

ALCO is responsible for approving treasury counterparties for investment purposes. The credit risk appetite for liquid assets is defined by: the minimum counterparty credit rating; the permissible instruments; the maximum percentage of total liquid assets held at each credit risk level; and the investment term. This is monitored daily by the Society's Executive and Management and reviewed by ALCO.

An analysis of the Society's liquid asset concentration is shown in the table below:

	2025		2024	
	£'000	%	£'000	%
Industry sector				
Banks	25,525	28.5	19,188	22.3
Bank of England	49,897	55.6	54,690	63.5
Building Societies	7,328	8.2	2,470	2.9
Government Treasury Bills	6,891	7.7	9,747	11.3
Total	**89,641**	**100.0**	**86,095**	**100.0**

Geographic Region	2025 £'000	AA- £'000	A+ £'000	A £'000	A- £'000
United Kingdom	84,722	59,102	10,721	10,093	4,806
USA	2,477	-	-	2,477	-
Canada	2,442	2,442	-	-	-
Total	**89,641**	**61,544**	**10,721**	**12,570**	**4,806**

Geographic Region	2024 £'000	AA- £'000	A+ £'000	A £'000	A- £'000
United Kingdom	86,095	66,705	16,920	2,470	-
USA	-	-	-	-	-
Canada	-	-	-	-	-
Total	**86,095**	**66,705**	**16,920**	**2,470**	**-**

The Society has no exposure to foreign exchange risk. All instruments are denominated in sterling. There are no impairment charges against any of the Society's liquid assets at 31 October 2025 (2024: none).

Loans and advances to customers

An analysis of the Society's industry sector concentration is shown in the table below:

	2025		2024	
Industry sector - Residential mortgages	£'000	%	£'000	%
Owner occupied	223,385	87.1	206,232	86.8
Buy-to-let	33,034	12.9	31,151	13.1
Commercial Mortgages	126	0.0	147	0.1
Total	**256,545**	**100.0**	**237,530**	**100.0**

The Society operates throughout England and Wales.

An analysis of the Society's geographical concentration is shown in the table below:

	2025		2024	
	£'000	%	£'000	%
Stafford ST16 - ST18	14,826	5.8	16,537	7.0
Rest of Staffordshire	23,350	9.1	23,739	10.0
Rest of United Kingdom	218,369	85.1	197,254	83.0
Total Gross Mortgages	**256,545**	**100.0**	**237,530**	**100.0**

The tables below stratify credit exposures from mortgage loans and advances to retail customers by ranges of the LTV (Loan-to-Value) ratio. LTV is calculated as the ratio of the gross amount of the loan or the amount committed for loan commitments to the value of the collateral. The gross amounts exclude any impairment allowance. The valuation of the collateral excludes any adjustments for obtaining and selling the collateral. The value of the collateral for residential mortgage loans is based on the collateral value at origination updated based on changes in house price indices.

LTV ratio	2025 £'000	2025 %	2024 £'000	2024 %
Less than 50%	127,591	49.7	130,331	54.8
50 - 70%	80,971	31.6	74,232	31.3
71 - 90%	46,591	18.2	32,759	13.8
91 - 100%	1,392	0.5	208	0.1
Total Gross Mortgages	**256,545**	**100.0**	**237,530**	**100.0**
Average LTV	**33.0%**		**32.4%**	

Credit risk

The table below sets out information about the credit quality of financial assets and the allowance for impairment / loss held by the Society against those assets.

Loans fully secured on residential property	2025 Loans fully secured on residential property £'000	2025 Loans fully secured on land £'000	2025 Total loans £'000	2024 Loans fully secured on residential property £'000	2024 Loans fully secured on land £'000	2024 Total loans £'000
Neither past due nor impaired	**252,938**	**54**	**252,992**	**233,746**	**77**	**233,823**
Past due but not impaired						
0 - 60 days	1,445	72	1,517	2,664	70	2,734
60 - 90 days	28	-	28	493	-	493
90 - 180 days	1,183	-	1,183	181	-	181
180 days +	-	-	-	125	-	125
Total past due but not impaired	**2,656**	**72**	**2,728**	**3,463**	**70**	**3,533**
Individually impaired						
0 - 60 days	473	-	473	174	-	174
60 - 90 days	-	-	-	-	-	-
90 - 180 days	110	-	110	-	-	-
180 days +	242	-	242	-	-	-
Total Individually impaired	825	-	825	174	-	174
Total Gross mortgages	**256,419**	**126**	**256,545**	**237,383**	**147**	**237,530**
Allowance						
Individual	(191)	-	(191)	(173)	-	(173)
Collective	(343)	-	(343)	(256)	-	(256)
Total allowance for impairment	**(534)**	**-**	**(534)**	**(429)**	**-**	**(429)**
Totals Loans and advances to customers	**255,885**	**126**	**256,011**	**236,954**	**147**	**237,101**

Individual assessments are made of all mortgage loans where objective evidence indicates that losses are likely (for example when loans are past due) or the property is in possession, or where fraud or negligence has been identified.

The status 'past due but not impaired' includes any asset where a payment due is received late or missed but no individual provision has been allocated. The amount included is the entire loan amount rather than just the overdue amount. The status also includes cases in forbearance measures, which as at 31 October 2025 totalled £3.02m (2024: £1.22m).

Possession balances would represent those loans where the Society has taken ownership of the underlying security pending its sale. Repossessed properties are made available-for-sale in accordance with statutory guidelines with proceeds used to reduce or repay the outstanding loan. Any collateral surplus on the sale of repossessed properties, after a deduction for costs incurred in relation to the sale, would be returned to the borrower.

Forbearance

The Society has various forbearance options to support Members who may find themselves in financial difficulty. These include payment plans, capitalisations, term extensions, temporary transfer to interest-only and reduced payment concessions. All forbearance arrangements are formally discussed with the Member and reviewed prior to acceptance of the forbearance arrangement. By offering Members in financial difficulty the option of forbearance, the Society potentially exposes itself to an increased level of risk by prolonging the period of non-contractual payment and/or potentially placing the Member into a detrimental position at the end of the forbearance period.

Regular monitoring of the level and different types of forbearance activity are reported on a monthly basis. In addition, all forbearance arrangements are reviewed and discussed with the Member on a regular basis to assess the ongoing potential risk to the Society and suitability of the arrangement for the Member. The table below analyses residential mortgage balances under forbearance arrangements at the year-end:

	2025 £'000	2024 restated * £'000
Payment plan	2,921	1,023
Transfers to interest-only	96	198
Total	**3,017**	**1,221**

* The 2024 balances have been restated to align with the current year presentation

These represent a total of eleven accounts in forbearance at 31 October 2025 (2024: thirteen). These accounts are shown above as impaired.

Liquidity risk

Liquidity Risk is the risk that the Society, although solvent, has insufficient financial resources available to meet its obligations as they fall due, or can only secure those resources at excessive cost.

The Society must at all times have sufficient liquidity to meet its liabilities over all reasonable market-wide and Society-specific stress scenarios (both short-term and long-term) over the economic cycle, expressed in terms of a survival period. The Society has a conservative approach to managing liquidity risk and requires sufficient liquid assets to be maintained in order to:

- Meet day-to-day business needs;
- Cater for an unexpected funding stress scenario; and
- Ensure maturity mismatches are provided for.

Balance sheet and liquidity risk limits (including counterparty limits) are set to support this risk appetite within the Society's suite of treasury and liquidity policies. The monitoring of liquidity, in line with the Society's policy framework, is performed daily by the Executive and Management.

The Society's Liquidity and Funding Policy is designed to ensure that the Society has sufficient liquid resources to withstand a range of stressed scenarios. A series of liquidity stress tests have been developed as part of the Society's ILAAP. They include scenarios that fulfil the specific requirements of the PRA, the idiosyncratic, market-wide and combination stress tests and scenarios identified by the Society which are specific to its business model.

Stress tests are performed monthly and reported to ALCO to confirm that the Policy remains appropriate. The Society's liquid resources comprise high quality liquid assets, which consists of the Bank of England Reserve Account and can include Gilts and Treasury Bills. As at 31 October 2025 the ratio of liquid assets to shares and amounts owed to other customers was 28.24% compared to 29.11% at 31 October 2024.

The Society maintains a Contingency Funding Plan (integrated within the Recovery Plan) to ensure that it has so far as possible, sufficient liquid financial resources to meet liabilities as they fall due under each of the scenarios. All Society liquid assets are unencumbered as at the balance sheet date. The tables below set out maturity analysis for financial liabilities that show the remaining contractual maturities at undiscounted amounts. The analysis of gross contractual cash flows differs from the analysis of residual maturity due to the inclusion of interest accrued at current rates, for the average period until maturity on the amounts outstanding at the statement of financial position date.

Financial Liabilities	On demand £'000	Not more than three months £'000	More than three months but not more than one year £'000	More than one year but not more than five £'000	More than five £'000	Total £'000
At 31 October 2025						
Shares	195,701	69,951	39,676	-	-	305,328
Amounts owed to other customers	12,216	-	-	-	-	12,216
Amounts owed to credit institutions	-	1,014	-	-	-	1,014
Total Financial Liabilities	**207,917**	**70,965**	**39,676**	**-**	**-**	**318,558**
At 31 October 2024						
Shares	197,981	60,577	23,741	-	-	282,299
Amounts owed to other customers	14,411	-	-	-	-	14,411
Amounts owed to credit institutions	-	-	-	-	-	-
Total Financial Liabilities	212,392	60,577	23,741	-	-	296,710

Market risk

Market risk is the risk that the value of, or income arising from, the Society's assets and liabilities changes as a result of changes in market prices, the principal elements being interest rate risk, foreign currency risk and equity risk.

The Society only deals with products in sterling so is not directly affected by currency risk. The Society's products are also only interest orientated products so are not exposed to other pricing risks.

The Society's interest rate risk arises from the impact changes in interest rates have on the Society's cash flows. The Society's savings and mortgage products are predominately variable and therefore the interest rate risk for the Society is significantly less than for other similar institutions. The Society's main exposure to interest rates arises from its investment in Government gilts, certificates of deposit and other corporate bonds with approved counterparties which are at fixed rates of interest. The Society uses specialist external treasury advisers for investing surplus funds and has a good spread of maturity of its invested monies to manage this risk effectively.

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Society's financial assets and financial liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100-basis point (bp) parallel fall or rise in the SONIA yield curve and a 50bp rise or fall in the greater than 12-month portion of the SONIA yield curve. The following is an analysis of the Society's sensitivity to an increase or decrease in market interest rates, assuming no asymmetrical movement in yield curves and a constant financial position. The impact to profit would be the same to equity.

Sensitivity of projected net interest income	100bp parallel increase £'000	100bp parallel decrease £'000	50bp increase after 1 year £'000	50bp decrease after 1 year £'000
At 31 October 2025				
Average for the period	584	194	423	355
Maximum for the period	600	196	432	361
Minimum for the period	567	192	413	349
At 31 October 2024				
Average for the period	444	148	312	279
Maximum for the period	455	149	318	283
Minimum for the period	432	146	306	274

The Society is exposed to movements in interest rates and manages this exposure on a continuous basis, within limits set by the Board, using only instruments recorded on the balance sheet. The results are reported to ALCO, the Risk Committee and the Board.

Capital

The Society's policy is to maintain a strong capital base to support Member, creditor and market confidence and to sustain future development of the business. The formal ICAAP assists the Society with its management of capital. The Board monitors the Society's capital position regularly to assess whether adequate capital is held to mitigate the risks it faces in the course of its business activities. The Society's capital requirements are set and monitored by the PRA. However, the Society's actual and expected capital position is reviewed against the Board's stated risk appetite, which aims to maintain capital at a level that equates to or exceeds its Total Capital Requirements.

There were no reported breaches of capital requirements during the year. The following table shows the composition of the Society's regulatory capital:

	2025 £'000	2024 £'000
Tier 1 Capital		
General reserves	28,121	27,464
Available-for-sale reserve	28	(12)
Total reserves	**28,149**	**27,452**
Tier 2 Capital		
Collective provision	343	256
Total Regulatory Capital	**28,492**	**27,708**

21. Commitments

There were no contractual commitments to purchase tangible fixed assets at the year-end (2024: none) for the Society.

The Society had £31.25m (2024: £19.26m) of contractual mortgage commitments at the year-end.

22. Related parties

Related parties comprise of key management personnel, being the Executive Directors and Non-Executive Directors who are responsible for ensuring that the Society meets its strategic and operational objectives. In the normal course of business, key management personnel, and their close family members, transacted with the Society. The balances of transactions with key management personnel and their close family members are disclosed below.

As required under Section 68 of the Building Societies Act 1986, a Register is maintained at the Head Office of the Society which shows details of all loans, transactions and arrangements between the Society and its Directors and connected persons. A statement, for the current financial year, of the appropriate details contained in the Register will be available for inspection at the Head Office for a period of fifteen days up to and including the day of the AGM.

At 31 October 2025 there were no outstanding mortgage loans granted in the ordinary course of business (2024: None).

During the year, the Society paid £1,800 to a firm controlled by David J Grant to undertake a piece of consultancy work.

Directors and connected parties hold savings balances with the Society; all accounts have the same terms and conditions as those available to Members of the Society. The savings balances are not detailed in the register unlike loans and transactions above, due to their sensitive nature. The aggregate amount of all savings balances at 31 October 2025 was £314,083 (2024: £189,591 restated). The prior year comparative has been adjusted from the previously reported figure of £121,861 to include the accounts of individuals closely connected to Directors, in line with the current year presentation.

23. Subsequent events

The Directors consider that there has been no event since the end of the financial year that has a significant effect on the position of the Society.

Country-by-Country Reporting

The reporting obligations set out in Article 89 of the European Union's Capital Requirements Directive IV have been implemented in the United Kingdom by the Capital Requirements (Country-by-Country Reporting) Regulations.

1. Basis of preparation

The Stafford Railway Building Society's principal activity is the provision of mortgage and savings products. All business is conducted within the United Kingdom. Note 1 to the 2025 Annual Report and Accounts details the basis of preparation relating to going concern.

2. Accounting policies

Note 1 to the 2025 Annual Report and Accounts details the accounting policies used.

For the year ended 31 October 2025

The Society's Annual Report and Accounts report:

- Total operating income was £6.66m (2024 £6.19m);
- Total operating income is defined as net interest income plus fees and commissions receivable (net of fees and commissions payable);
- Profit before tax was £0.86m (2024: £1.35m) all of which arising from United Kingdom based activity;
- The average number of Society full-time equivalent colleagues was 50 (2024: 45) all of which were employed in the United Kingdom;
- Corporation tax of £0.19m was paid in the year, and is all within the United Kingdom tax jurisdiction; and
- No public subsidies were received in the year.

Independent Auditors' Report to the Directors of The Stafford Railway Building Society

Report on the audit of the country-by-country information

Opinion

In our opinion, The Stafford Railway Building Society's country-by-country information for the year ended 31st October 2025 has been properly prepared, in all material respects, in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

We have audited the country-by-country information for the year ended 31st October 2025 in the Country-by-Country Report.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800 and ISA (UK) 805, and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the country-by-country information section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Society in accordance with the ethical requirements that are relevant to our audit of the country-by-country information in the UK, which includes the FRC's Ethical Standard, as applicable to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - Basis of preparation

In forming our opinion on the country-by-country information, which is not modified, we draw attention to note 1 of the country-by-country information which describes the basis of preparation. The country-by-country information is prepared for the Directors for the purpose of complying with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013. The country-by-country information has therefore been prepared in accordance with a special purpose framework and, as a result, the country-by-country information may not be suitable for another purpose.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Society's ability to continue to adopt the going concern basis of accounting included:

- We critically assessed the Directors' conclusions on their going concern assessment, including any key assumptions used by the Directors in their determination of the going concern of the Society;
- We reviewed the impact of management's stress test scenarios and considered the likelihood of successful implementation of management actions to mitigate the impacts. We considered whether the Society would continue to operate above required regulatory capital and liquidity minima during times of stress;
- We challenged the reasonableness of the scenarios used by the Directors in their going concern assessment and checked the appropriateness of the assumptions used within their forecasting;
- Corroborated legal and regulatory correspondence with audit procedures performed to ensure that there are no compliance issues which may impact the going concern of the Society; and
- We evaluated management's disclosures in the Annual Report and checked the consistency of the disclosures with our knowledge of the Society based on our audit.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Society's ability to continue as a going concern for a period of at least twelve months from the date on which the country-by-country information is authorised for issue.

In auditing the country-by-country information, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the country-by-country information is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Society's ability to continue as a going concern.

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

Responsibilities for the country-by-country information and the audit

Responsibilities of the Directors for the country-by-country information

The Directors are responsible for the preparation of the country-by-country information in accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013 as explained in the basis of preparation in note 1 and accounting policies in note 2 to the country-by-country information, and for determining that the basis of preparation and accounting policies are acceptable in the circumstances. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of country-by-country information that is free from material misstatement, whether due to fraud or error.

In preparing the country-by-country information, the Directors are responsible for assessing the Society's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the country-by-country information

It is our responsibility to report on whether the country-by-country information has been properly prepared in accordance with the relevant requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Our objectives are to obtain reasonable assurance about whether the country-by-country information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this country-by-country information.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Society/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles such as those governed by the Prudential Regulation Authority, and we considered the extent to which non-compliance might have a material effect on the country-by-country information. We also considered those laws and regulations that have a direct impact on the country-by-country information such as applicable tax legislation and the Capital Requirements (Country-by-Country Reporting) Regulations 2013. We evaluated management's incentives and opportunities for fraudulent manipulation of the country-by-country information (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates.

Audit procedures performed included:

- Reviewing correspondence with the Financial Conduct Authority and Prudential Regulation Authority;
- Assessing assumptions and judgments made by management in respect of accounting estimates;
- Testing of journal entries with unusual account combinations;
- Making enquiries of management and those charged with governance in relation to non compliance with laws and regulation and fraud;
- Incorporating unpredictability into the nature, timing and/or extent of our testing;
- Review of internal audit reports in so far as they relate to the annual accounts.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the country-by-country information. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the country-by-country information is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the Society's Directors in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013 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 report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
18 December 2025

Annual Business Statement

For the year ended 31 October 2025

1. Statutory Percentages

	Percentage as at 31 Oct 2025 %	Statutory Limit %
Proportion of business assets not in the form of loans fully secured on residential property (the 'Lending Limit')	0.16	25
Proportion of shares and deposits not in the form of shares held by individuals (the 'Funding limit')	4.17	50

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

Business assets are the total assets of the Society as shown in the balance sheet, plus collective loan loss impairment, less fixed assets and liquid assets.

Loans fully secured on residential property are the amount of the principal owing by borrowers and interest accrued not yet payable. This is the amount shown in the balance sheet plus collective loan loss impairment.

2. Other Percentages

	31 Oct 2025 %	31 Oct 2024 %
Gross capital as a percentage of shares and deposits liabilities	8.87	9.28
Free capital as a percentage of shares and deposits liabilities	8.78	9.19
Liquid assets as a percentage of shares and deposits liabilities	28.24	29.11
Cost / income ratio	81.24	78.71
Cost / income ratio - Including non recurring	85.43	81.04
As a percentage of mean total assets:		
Profit for the financial year (% of mean total assets)	0.20	0.32
Administrative expenses (% of mean total assets)	1.61	1.54
Administrative expenses - Including non-recurring (% of mean total assets)	1.70	1.59

The percentages above have been prepared from the Society's Accounts and in particular:

- Shares and deposits represent the total of shares, amounts owed to credit institutions and amounts owed to other customers.
- Gross capital represents the general reserves, including the available-for-sale reserve.
- Free capital represents the aggregate of gross capital and collective loan loss impairment, less tangible fixed assets.
- Mean total assets represents the amount produced by halving the aggregate of total assets at the beginning and end of the financial year.
- Liquid assets represent the total cash in hand, treasury bills, loans, advances to credit institutions, debt securities and funds held in the Society's Bank of England reserve accounts.
- Administrative expenses represent the aggregate of administrative expenses, depreciation and amortisation.

3. Information relating to the Directors at 31 October 2025

Name	Occupation and Date of Appointment	Other Directorships
Joanne Hindle, LLB **Chair**	Non-Executive Director 24.03.21	Bank of London and Middle East Co-op Funeral Plans Limited GT Bank UK
David J Grant, MBA FCIB FISMM FRSA **Senior Independent Director**	Company Director and Consultant 22.05.17	BLAKK Limited Stonebridge Mortgage Solutions Limited
Ian A Craig	Non-Executive and Director and Trustee 24.02.22	Willowbrook Hospice, St Helens The Brain Charity, Liverpool Medical and Dental Defence Union of Scotland, Glasgow Gamstop
Jonathan G Farrington, BSc MSc MBA Cert Dip AF	Professor of Practice Director 01.05.24	Nottingham University Business School Farrington Associates Limited
Ray J H Milne, FFA C.Act	Non-Executive Director and Trustee 01.05.24	Foresters Friendly Society Charities Aid Foundation (CAF) Bank Lions Club of Huddersfield CIO
Alison Tattersall, BA DipM	Non-Executive and Director and Trustee 24.02.22	The People's Dispensary for Sick Animals (PDSA) Recognise Bank University Hospital of Southampton
Steven Jones, BSc (Hons.) MBA FCA	Chief Executive 06.06.18	Newcastle and Stafford Colleges Group The Staffordshire Yeomanry (QORR) Museum Trust
Matthew D Rowell, BA (Hons) FCA	Chief Financial Officer 07.10.24 Society Secretary 18.11.25	The South East Stafford Academy Trust Walton Multi-Academy Trust
Robert I Hassall, BSc (Hons) CeMap	Chief Operating Officer 01.11.23	Shavington Academy

Documents may be served on the above Directors C/O Deans (Staffordshire) Ltd, Gibson House, Hurricane Court, Hurricane Close, Stafford, ST16 1GZ.

Service Contracts: None of the Non-Executive Directors has a service contract. Steven Jones is employed under a contract that is terminable by either the Society or the Director on twelve months' notice. Matthew Rowell and Robert Hassall are on six months' notice.

Society Officers and Qualifications	Occupation	Directorships
M.N.Davies BA (Hons), FCCA, (Resigned 18.11.25)	Head of Risk, MLRO and Secretary	Staffordshire Cricket Limited
R.Dulson BA (Hons), CeMap, Assoc. CIPD	Head of Human Resources and Communications	-
G.C. Hawkins, BSc	Head of Technology and Change Management	-
S.J. Hendley, FCCA	Head of Finance	-
B.R.Palfreyman BA (Hons), CeMap	Head of Mortgage Underwriting	-
M.V. Pledger, FCCA, CeMap, CFSP	Chief Risk Officer	Moulton College
C. Thornley-Yates, BA (Hons), Advanced CeMap, MSc	Chief Customer Officer	-

The Officers of the Society are referred to as Senior Management and, along with the Executive Directors, constitute the Leadership Team.

Ways To Get In Touch:

Visit: The Stafford Railway Building Society, 4 Market Square, Stafford, ST16 2JH.

Call: 01785 223212 **Email:** mutual@srbs.co.uk **Web:** www.srbs.co.uk

The Stafford Railway Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Registered no 206063).

The Stafford Railway Building Society is covered by the Financial Services Compensation Scheme and the Financial Ombudsman Service.

The Stafford Building Society