

MINUTES OF THE 166th ANNUAL GENERAL MEETING OF THE CHORLEY & DISTRICT BUILDING SOCIETY

- DATE** Tuesday, 20 May 2025 at 12.00 noon
- VENUE** Shaw Hill Golf & Spa Hotel, Whittle-le-Woods, Chorley, PR6 7PP
- CHAIRS WELCOME** The Chair, Peter Brickley (PB) opened the meeting, introduced himself, and welcomed Members and attendees to the Society's 166th Annual General Meeting (AGM).
- PB presided over 30 attendees, including 10 members of the Society's Board of Directors, 9 voting members of staff, 16 members, 3 Society employees who were non-members, and 1 guest from the Derian House Children's Hospice. The total number of Society members attending met quorum requirements of the Society's Rules.
- PB provided some brief housekeeping rules, then proceeded to thank everyone for coming along to the AGM.
- PB introduced his colleagues on the Board. He noted that David Bagley (DB), Vice Chair, would be retiring after the meeting, having completed almost nine years of service.
- PB noted that in the lead up to the meeting several Members had sent in questions which he would respond to as part of his opening remarks and arrange a written response directly to the asking member in due course.
- Firstly, PB addressed a question as to the size of the Board. He explained the key drivers and importance of the Society having access to a range of subject matter experts. He summarized that the Board sought to be as small as possible but as large as necessary and highlighted that the Board aims to evolve its capabilities rather than make abrupt changes in direction.
- PB went on to summarise the year's financial performance, emphasising the importance of generating profits to support capital. He noted the small in-year loss before tax of £181k in the context of an ongoing circa £5m investment in the society's core computer systems. This investment is a forced decision as the current provider's system is becoming obsolete. The small in-year loss can be accommodated without impact of the Society's security and soundness because of its strong balance sheet and capital base build up over many years. He assured the meeting that once this investment is complete the Society will return to overall profitability.

The importance of the Society's High Street presence, providing exceptional face to face service and access to cash, was reinforced. PB referred to the recent refurbishment of Leyland branch, photographs of which were on display.

PB highlighted the continued growth in both savings and mortgage balances throughout the year and referenced savings products that had featured prominently in the national media over that period.

PB then invited Members and attendees to ask any further questions or points of clarification.

Q&A SESSION

Question from Member, Mr. M Bolderson

I would like the Board to look at Interest Rates. As a Senior Citizen every penny counts. The way the government has treated this group in the last 12 months means that they are losing out considerably. I have a Fixed Rate ISA (not with Chorley), and the interest rate is not very good. Sometimes good rates are available but not at times to match my maturity profile. I have spoken to the CEO previously who has taken on board some of my points, particularly in relation to a 1 Year Fixed Rate ISA.

Stephen Penlington (SP). CEO, responded as follows:

This is a great question, and we hear you. I think the question is representative of many Members. On a broader point, building societies have a very simple business model, and while banks typically pay out 30-40% of profits to shareholders, building societies give member value instead. In doing this we need to balance the interests of both savers and borrowers, and our growth in both areas during the year suggests that we are broadly satisfying both groups. However, when the housing market changes our lending changes, and we have to balance the level of funding against this. We are also impacted by what the competition is doing. We do constantly monitor the market to remain competitive. Bank of England Base Rate changes impact too. This means that inevitably we spend some time in the 'Best Buys' and sometimes not, but we do always try and offer the best savings rates that we can.

PB added:

As a small player, we are inherently rate takers, not setters. We have targeted niches, but it remains a very competitive market.

Question from Member Mrs. J Mafi

In relation to the ongoing IT development, can you outline what will be the tangible benefits to Members. I would make an observation around Probate arrangements – the Society's forms are not geared up for circumstances such as where there are multiple accounts.

Kim Roby (KR), Customer Services Director, responded as follows:

The IT project is a huge transformation that will benefit both the team and Members. It will make it possible for the Society to offer a mobile App, and it will increase the efficiency of the back-office and so make staff more available to provide direct customer service (e.g. there could be more staff available in branches and to answer the phones).

The probate process is a great example of a customer experience that we can focus more on, and I will ask the Head of Operations to do so.

Question from member Mr I Horsfield

I am fully supportive of updating IT systems but concerned about liability costs for ongoing maintenance and if things go wrong. Is there provision for this?

PB responded as follows:

I have been a global CIO for over 30 years, and I believe success in these projects is a result of applying discipline and diligence. The Society has followed a detailed systematic process to minimise the risk of problems. On the cost side, we did not choose the cheapest option, but the best fit for our needs and this did include full consideration of the ongoing maintenance commitment.

Additional Question from Member Mr. M Bolderson

Will the new IT system be as secure as possible?

PB responded as follows:

The transition to digital is a world-wide phenomenon, and sadly cyber-attacks are inevitable. We look to make them as difficult as possible, and to be able to detect and respond as quickly as possible when they happen. The time taken for bad actors to exploit a discovered weakness has come down from days to minutes. 92% of cyber events are on the back of a phishing email to either staff or customers and we are ever alert.

SP added:

Prevention is our core focus, and security was a key consideration in our supplier due diligence. We have our own IT department, and we spend whatever is necessary. This includes engaging 'ethical hackers' to test the resilience of our protections. We also maintain business recovery plans and learn from others. This helps us both identify and test vulnerabilities. We also engage third-party specialists on standby to assist in any response that may become necessary.

PB added:

In simple terms, we have in effect a 'big red button' and if we think we are under attack we would effectively shut down while the issue was addressed.

There being no further questions, the meeting moved on to the formal Agenda.

**NOTICE OF THE
AGM**

The Notice of the Meeting was taken as read.

**MINUTES OF THE
AGM**

The Minutes of the AGM dated 21 May 2024 were taken as read and the Chair invited any questions from the audience.

There were no questions.

The Minutes were *agreed* and electronically signed by the Chair, to be made available for Members to view on the Society's website shortly after the AGM.

**PROCEDURE FOR
RESOLUTIONS**

The Chair explained the procedure for the Resolutions which required a Member poll in addition to the votes already received by way of proxy and asked for Members who had not yet voted to complete their Voting Form for collection later.

The Chair advised that there would be an opportunity to ask questions after each item.

The Chair confirmed once voting had been completed, the meeting would be adjourned to allow any additional votes to be counted and verified, during which time a presentation would be given by the Society's Charity of the Year.

ITEM 1:

To Receive the Auditors' Report

The Chair referred to the Auditors Report.

The Chair invited questions.

There were no questions.

The Auditor's Report was received.

VOTING RESULTS

After the presentation, the Chair re-convened the meeting and announced the results of the poll as follows:

Item 1: To Receive the Auditors Report: **the motion was carried.**

Item 2. To receive the Directors Report, Annual Accounts and Annual Business Statement for the year ended 5 February 2024: **the motion was carried.**

Item 3. To approve the Directors' Remuneration Report: **the motion was carried.**

Item 4: To reappoint Mazars LLP as Auditor: **the motion was carried.**

Item 5. To re-elect Julia Mary Cattanaach as Director: **the motion was carried.**

Item 6. To elect Janat Hulston as Director: **the motion was carried.**

PB declared that all the Resolutions had been carried and advised that the final results would be made available on the Society's website in due course.

FURTHER MEMBER Q&A

PB highlighted that there were some final questions sent in by Members unable to attend that had not been addressed earlier and invited David Shelley (DS), Finance Director, to summarise and respond.

DS noted a question around the principle of making a charitable donation linked to the number of Votes received. It had been suggested that this was a donation from Member funds and could be seen as a charge for voting. Perhaps there should be equality of donation for paper and online voting, and an option to vote without a charitable donation being made at all. DS highlighted that the encouragement of voting by offering the opportunity to support a charitable cause was common across the sector and was part of the Society's overall charitable giving. However, we would take this feedback on board as part of our review of all issues raised at the AGM.

In response to a question as to why the AGM was not available to attend online DS noted that there had not previously been any demand for this, but again it is something that will be considered as part of our review of all issues raised at the AGM.

A Member had observed that the Remuneration Report was considerably shorter than what they saw from some larger Societies and asked why this was. DS stated that the Society's Report complied with all regulatory requirements and was audited. As the Society operates a simple business model, with a simple remuneration structure, it is relatively simple to explain in that Report.

DS noted a series of technical questions that had been raised relating to the Society's management of liquidity. He highlighted that there were strict regulatory requirements in this area with which the Society fully complies and committed to responding to the individual Member in more detail in due course.

**CLOSURE OF
THE MEETING**

As the formal part of the AGM was drawn to a close, PB highlighted that at the end of the meeting DB would step down from the Board after almost 9 years of service. During this time, he has been involved in a wide range of roles and sub-committees. He noted DB's background in corporate finance and M&As and complemented his ability to provide great challenge and to tease apart an argument. He thanked DB personally, on behalf of the Board and the membership, for his service.

DB responded, noting that he had served on a number of Boards with some quality people and Chorley is no exception. He foresaw interesting times for the Chorley and said that he was confident that the Society is in safe hands. He wished the Board well for the future.

In summary, PB said that he was pleased with the annual results in the context of the ongoing investments and service improvements. He remained upbeat that this investment can be made thanks to the capital base built up by our predecessors. Looking forward, he committed the Board to focusing on strategy and hunting out benefits for members. He noted that while 166 years old the Society aspires to be evergreen.

PB thanked everyone for their attendance and the Society's staff and Members for their continued support.

PB declared the formal meeting closed and invited everyone to share some light refreshments with the Directors and staff.

The meeting closed at 12.55pm.



Signed

Chair: Peter Brickley

Date of Meeting: 20 May 2025

Date of Approval: 20 May 2026