

Here for our Members, guided by our values.



Business Review including the Summary Financial Statement

For the 52-week period ended 5 February 2024
and notice of the 165th Annual General Meeting

**Chorley
Building
Society**

TRUSTED SINCE 1859



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A Message from our Chief Executive



I am pleased to advise that the Society has successfully navigated yet another very challenging year, and produced another solid set of business results.

Despite a backdrop of economic uncertainties and unprecedented challenges, including a cost of living crisis and affordability challenge, high inflation and multiple Bank of England Base Rate increases, I am pleased to announce that our building society has weathered the storm and has emerged stronger than ever. We have not only produced record trading results but also continued our investment in the modernisation of the Society for the benefit of our members. Along the way we have won industry awards and achieved yet another 5-star Broker Rating from Smart Money People, an independent financial services review company.

Financial Performance

In the face of a challenging macro-economic environment, our building society has achieved a 22% increase in total assets compared to the previous year and record levels of mortgage lending. Our prudent risk management and high-quality mortgage assets, funded almost entirely by retail funding, has resulted in a robust balance sheet, with an increase in reserves ensuring the security of our members' deposits.

Profitability and Sustainability

Even with the headwinds of the broader economy, I am pleased to report that our building society has reported a net profit result of £271k. This is lower than in previous years due to several one-off factors, including substantial investment in the modernisation of the Society. This is a testament to our commitment to long term sustainability and responsible financial practices. By maintaining a balanced portfolio and embracing innovative solutions, we have also set the stage for sustainable growth in the years to come.

Strong Investment in Core Technology

Our dedication to enhancing member experience and operational efficiency has driven additional investments in our core technology. Over the past year, we have successfully implemented various digital solutions, such as the use of 'Open Banking' in our mortgage operations and the introduction of 'Chorley Online,' our online digital savings solution. The introduction of these technology initiatives has not only modernised our operations but has also positioned us as a forward-thinking institution in the financial services landscape. In addition, this year we have embarked upon the early stages of a core system migration, and this will be a key project for the Society in the coming financial year. This investment in the Society will position us to thrive in the evolving market conditions. These strategic moves align with our vision for long-term success and sustainability. The Board are aware that this investment will continue to

impact negatively our net surplus in future years but recognises that this is vital for the delivery of our strategy and that the Society has more than adequate capital strength to deliver our IT investment strategy for the long-term benefit of our members.

Community Impact

As a building society deeply rooted in community values, our commitment to making a positive impact remains unwavering. Despite economic challenges, we have continued our support for local initiatives and community development projects. This year, we were able to contribute £83k to various local causes via our Chorley High Five initiative, underscoring our dedication to the well-being of the communities we serve.

Looking Ahead

In addition to the planned core system migration, we also have other exciting plans, including the refresh of our Branch Network commencing with our High Street Branch later this year.

As we reflect on the achievements of the past year, I want to express my gratitude to our members, whose trust and loyalty have been the driving force behind our success. We remain committed to adapting to changing landscapes, embracing innovation, modernising and investing in the Society and fostering financial well-being for our members.

To conclude, I am confident that the resilience and strength demonstrated by these results will serve as a solid foundation for the opportunities and challenges that lie ahead. Together, we will continue to build a prosperous and sustainable future.

Thank you for your continued support.

Stephen Penlington
Chief Executive

27 March 2024

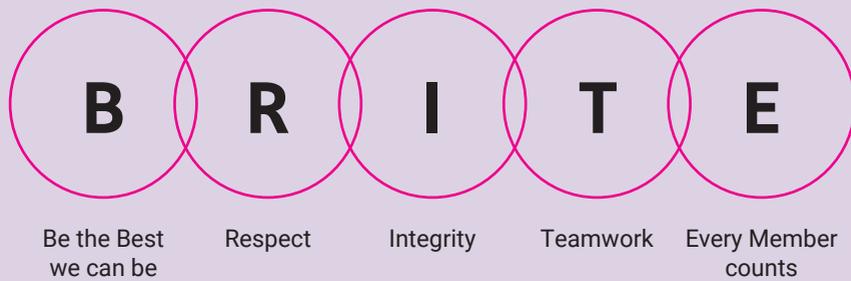
Our Vision

To be the provider of choice for savings and residential mortgages whilst remaining true to our mutual values.

Our Values

- › Security and Stability
- › Trust
- › Investment in our People and in our Systems
- › Customer Service

Employee Values, Behaviours and Conduct



Our Highlights



Total assets increased by
21.7%
(2023: 7.1%)



Mortgage balances increased by
17.1%
(2023: 3.2%)



Savings balances increased by
26.5%
(2023: 7.5%)

Ambassador at
Inspire, Chorley Youth Zone



Net profit
£0.27m
(2023: £1.22m)



Capital increased to
£23.5m
(2023: £23.2m)



Donated
£83.0k
to local charities and
community groups

Charity and Community Support

During 2023 we continued with our mission to make a difference to the lives of our Members and the local community. We donated 5% of operating profits to local charities and community groups. Due to the recent economic challenges, many of these groups have struggled to continue to offer the much needed support which is so valued by our community and so it was important to us to provide as much help as we could to ensure their vital work could continue. Guided by our values, in total we have donated £83,021 to 29 groups that we know support many of our Members and the local community.

Chorley High Five

In 2023, our Chorley High Five initiative awarded £27,195 to charities and community groups in Lancashire.

During 2023, we invited organisations to apply for a donation by visiting our webpage www.chorleybs.co.uk/high-five

We ask that they align with our values of:

- › Supporting Member and community wellbeing
- › Tackling poverty and homelessness
- › Supporting grassroots sporting activities

Our charity committee meet throughout the year to review the applications and award donations.



Here are a few examples of those who have received a donation to help our community...



Chorley Help The Homeless - £5500

Chorley Help the Homeless is a small independent charity, working hard to support those at risk of or affected by being homeless in the Chorley area.

Founded almost 30 years ago, the small team of highly committed staff and volunteers have supported thousands of individuals and families experiencing homelessness (in the widest sense)

with practical help and advice. This has included the provision of food, clothing and household items as well as advice focusing on getting support with homelessness and providing counselling where needed.

Our donation of £5500 has enabled for much needed food supplies to be purchased.

Cash for Kids Lancashire - £250

Cash for Kids Lancashire is a grant making charity who raise money for disadvantaged children and young people. This includes young people living in poverty, living with a life limiting illness, suffering from abuse or neglect as examples. Our donation of £250 went towards the 'Mission Christmas Gift Appeal' to provide presents for young people aged 0-18.



Beside you in Bereavement - £550

Beside you in Bereavement is a group that has been developed in partnership with the NHS community asset development team to support people in Chorley and Preston who have lost a loved one to suicide. It offers support and a weekly routine for people, at a time when they may feel that there isn't any. During the sessions, the group produces artwork, detailing their experiences of grief and continuing life after bereavement. The artwork is set to be displayed at Preston bus station to honour 'World Suicide Prevention Day.'

Our donation was used to pay for supplies for the group, such as paints, clay and associated costs for firing the clay.



Circus Starr - £300

For over 35 years Circus Starr has been holding accessible and inclusive circus shows. They do this because there are vulnerable and disabled children who, through no fault of their own, sadly miss out on the chance to enjoy live arts.

Circus Starr work hard to make sure that the Big Top show is accessible in every way, including sensory accessibility.

Our donation provided tickets for a number of children to attend the event in Preston.

Genesis Care NW - £200

Genesis Care NW is a not-for-profit charity that provides daycare support for older people and those living with dementia and other disabilities. There is a team of dedicated staff, with a wealth of experience in supporting individuals with differing degrees of disability. The team focus on providing a homely environment promoting independence, strategies for maintaining life skills, social activities and reminiscence.



A proud ambassador of Inspire, Chorley Youth Zone

For over five years we have been very proud to support Inspire, Chorley Youth Zone. This charity is a purpose built facility that provides young people in the borough aged 8-19 (and up to 25 for those with disabilities) with a fun and safe environment where young people can visit and enjoy themselves.

Over the past year, we know that many families have struggled to afford food and therefore making healthy hot meals at home was difficult. The team at Chorley Building Society were very keen to do as much as possible to ensure no young person in our community went hungry. We therefore provided a financial donation of £17,000 to Inspire, to continue our support of the 'Learning Kitchen' and to provide hot meals to those who need them.



At Christmas, Inspire asked if we could help provide gifts for those young people, who otherwise may not have received anything. Our colleagues and Members wanted to ensure that no young person woke up on Christmas Day without a gift and so bought hundreds of gifts including hot water bottles, Christmas jumpers and socks, hooded blankets, gift cards, pyjamas and much, much more. We also purchased 500 selection boxes for the young people to unwrap and enjoy on Christmas Day.

Affinity Accounts

The Society was delighted to raise £21,959 across eight affinity account partners. These accounts are a great example of how our Members contribute so generously to local charities and organisations.



Derian House



St Catherine's Hospice



Age UK Lancashire



Galloways



Rosemere Cancer Foundation



Age Concern



Chorley FC



North West Air Ambulance Charity

Chorley Fundraising Group for Guide Dogs – our Charity of the Year for 2023

A guide dog's lifetime cost is £56,000 and sadly people can be on the waiting list for over two years, until there is a perfect match. This local group raises money to support children from birth and their families.

Guide dogs are there to help someone live the life they choose, creating exceptional partnerships between people, dogs and community.

Throughout the year we were very pleased to receive many four-legged visitors to our branches.

Our colleagues took on many challenges and fundraising activities, all with the aim of raising a minimum of £2,500 so we can sponsor and name a guide dog puppy. From raffles to bake-offs, our colleagues and Members were determined to raise the money needed to name our own puppy – and they did it, raising an amazing £4,106.

We are currently holding a Member vote to choose the name of our puppy. We can't wait to find out more about them and hear all about the progress that they make.

For 2024, Chorley Colleagues have decided to support a number of charities that are close to their hearts. We will be raising money (supported by the Society) through a number of activities, from skydiving to sponsored walks - there are already a number of challenges planned.



A Day in the Life of... Nina Mort



Mortgage Underwriter

My Typical Day

I'm responsible for manually underwriting (which is evaluating the risk of) mortgage applications. I strive to deliver the highest level of customer service to make sure that the Society achieves its goals and our Members achieve their dream of home ownership.

I start my day with an online meeting with my Manager and other colleagues from the underwriting team. This is when we catch-up together and is a great opportunity to find out how everyone is and also what they watched on TV the night before! Once we've caught up, we are allocated our work for the day. It may be that we assess 'Decision in Principles' that have come in from brokers, or full mortgage applications. Assessing a full application involves checking the loan fits within our lending criteria, assessing bank statements, income and making sure everything about the application 'makes sense'.

I predominately work from home but regularly travel into our head office - Key House, for meetings and team building sessions. In this role, working from home is a huge benefit, as some of the cases we underwrite are complex and need to be given undivided attention but seeing colleagues face to face at Key House is always enjoyable.

My Background

I started work with a large bank and remained there for over 20 Years. I left when I had my second child. I started off as a junior and then progressed to roles such as Cashier, Personal Banker, Head Cashier, Branch Training Manager, Premier Banking Manager and then Mortgage and Protection Adviser.

I returned to full time work at another regional building society as a Mortgage Adviser and Manual Mortgage Underwriter. I was there for 4 years and then left to live in Singapore for 2 years. Singapore was an amazing experience. Being a multi-cultural country, I learnt so much about different ways of life, food, and religions. I used the time there to study for my DipMAP 4, which I really enjoyed. I also volunteered at Acres Animal rescue Centre, an amazing place that looks after animals that have been intercepted by the illegal animal trade. They rehabilitate them, with the hope they can be returned to their native country. I took care of monkeys, giant tortoise, monitor lizards and learnt how to catch snakes!

Just before my return, I found out that Chorley Building Society were seeking an underwriter. I was put in contact with Liz, our Head of Operations, and had an interview the day after I landed in the UK! I knew immediately after speaking with her that I wanted to work at the Chorley, albeit I didn't expect to start work so soon after my return! I knew the opportunity of working for a friendly and experienced team may not arise so soon again, and having worked for a large lender, and then for a building society, there was no doubt that manual underwriting was what I preferred. The Chorley way of underwriting was how I felt risk should be approached, a personal touch, not a computer says no.

What I enjoy the most...

Every day is different, and every application is unique. I like the variety of scenarios that we have with each application. Every day is a challenge and a learning day!

I really enjoy the interaction with our brokers and helping them to achieve their clients' goals. Sometimes, if we get a complex case, we get to discuss the scenario and possible solutions, it's a great feeling when an application is sent in and approved, knowing where it all started from!

Underwriting is an evolving role which is super exciting and unpredictable, and if you are someone that embraces change and new challenges then it's the perfect job!

Member Journeys

Sam Doyle

I was renting for 8 years, paying around £800 per month whilst saving using my Help-to-Buy ISA.

I lived in a one bedroom flat which had a combined living and dining area, no outdoor space (other than communal areas). It wasn't ideal for my needs, and I wanted to move to a property that would give me more space, inside and outside. Due to my bills and expenses, I had little, if any, chance of raising a deposit large enough to buy a house. So, thankfully, my mum stepped in and gifted me a deposit.

Unfortunately, despite having the deposit, I was struggling to find a provider that would offer me a mortgage. Most lenders believed I couldn't afford the monthly repayments due to the loan-to-income ratio that they use. However, affordability wasn't an issue, as the cost of the mortgage was still less than I was paying in rent, even in a time of high interest rates.

Chorley Building Society listened to me and took the time to understand my individual circumstances. They were able to take into account that I was due a pay rise and that I also receive a number of annual allowances and bonuses. When put together with my good track record of making rent payments every month Chorley were able to offer me a mortgage, allowing me to secure my first home!

My property is a 3 bedroom house, with front and back gardens and two reception rooms, with my mortgage payment costing me less than my old rental payment! My bills are lower than the flat I rented, as it wasn't very energy efficient, and the council tax was more. I'm so grateful for Chorley's help in making this a reality, as without them, I really don't think I could have got on the housing ladder!

Thank you Chorley Building Society.



Sam's house



Liz Pearson, Head of Operations, said:

"At Chorley Building Society we take the time to understand the mortgage applications that we receive. We manually underwrite all of our mortgages and always provide a personal touch. Many other providers use automated systems, which is why Sam struggled to secure a mortgage elsewhere. We take a common sense approach and I'm delighted that we were able to help Sam move into her new home. We all hope she has many happy years there."

Summary Financial Statements

This financial statement is a summary of information in the audited Annual Accounts, the Directors' Report and Annual Business Statement, all of which are available to Members and depositors, free of charge on demand at every branch of The Chorley and District Building Society and from its website www.chorleybs.co.uk from 10 April 2024.

Summary Directors' Report

The Directors have pleasure in presenting the Business Review, including the Summary Financial Statements, for the 52-week period ended 5 February 2024.

Introduction from the Chair of the Board

Welcome to our 2024 Business Review. It has been another challenging and eventful year for the Society with subdued housing market activity, multiple Bank of England base rate changes, extraordinary geopolitical events, the cost of living crisis and a highly competitive savers and mortgages market. Despite this, the Society has achieved record levels of mortgage growth, and has been able to offer a comprehensive range of easy access, notice and fixed rate savings products throughout the year. Despite all of the challenges, I am very proud of what has been accomplished.

As a mutual organisation, owned by our Members, our aim is to pay a fair return to our saver Members and charge a fair price to our borrower Members. We retain a surplus to keep our Members' money safe and to invest to improve services for our Members and the local communities where we live and work. I am pleased to advise that we have increased the number of Members we support and will continue to build both financial resilience and to help Members buy or build homes.

Your Directors have worked hard on putting into action the five-year, forward looking business plan they set out to achieve in 2023 that continues to support our aims. We have made investments in our technology, people, data management and strengthened operational resilience. We are also working to reduce the carbon footprint left by the Society and our Members, by adopting best practices on climate change throughout our operations.

I am delighted that the Society has won two exceptional accolades for the Best Specialist Mortgage Provider from the British Bank Awards,

and Later Life Lender of the Year from the MoneyAge Awards, which truly reflects our commitment to and understanding of our Members.

We have also recently made changes to our governance process and introduced one key new sub-committee of the Board, the Board Risk Committee, and made consequential changes to the Audit, Risk & Compliance Committee that has now become the Board Audit Committee. This will improve the Board's effectiveness in providing oversight in key financial, operational, strategic and risk areas across the business.

I am pleased that Steven Melbourne, our Chief Risk Officer, joined the Board as an Executive Director in October 2023. He joined the Society six years ago and his extensive experience of risk and compliance equips him ideally to lead our ambitions in these areas.

I am also delighted that Lee Bambridge was appointed to the Board as a Non-Executive Director in November 2023, following a career as the Finance Director and then Chief Risk Officer at the Newbury Building Society. Lee is a qualified Accountant and holds a wealth of knowledge and experience in the mutuality sector.

Sadly, Kevin Bernbaum and I will retire from the Board after nine years of service to the Society. I would like to thank Kevin for his dedication and support to the Society, the Executive Directors and the rest of the Board over this extended period.

However, it gives me great pleasure to announce that Peter Brickley, currently a Non-Executive Director for the Society, has been appointed the Chair in succession, after my departure in May 2024. Peter was co-opted to the Board in October 2022 and has a depth of knowledge and experience for his new role as the incoming Chair, having served seven years as the Chair of the Newbury Building Society, as well as holding several other executive positions in a number of global businesses.

Over the last nine years the Society has transformed itself to respond to the needs of Members, it needs to continue to transform so that it can continue to meet those needs. The Society has a strong balance sheet and capital base. In Peter and the rest of the Board I am very confident in the future of the Society as we continue to deliver on our purpose to serve you, our Members. It has been an honour and a privilege to serve you over the last nine years.

The Board will continue to focus on delivering its business strategy and the benefits to you, our Members, and to our local community as we move forward into 2024.

Business Review

The main Key Performance Indicators used by the Board to monitor the performance of the Society are detailed in the table below.

Key Performance Indicators	2024	2023
Total assets	£406.3m	£333.9m
Total asset growth	21.7%	7.1%
Profit before taxation	£0.37m	£1.55m
Net interest margin	1.9%	2.1%
Management expenses as a percentage of mean total assets	1.8%	1.6%
Gross mortgage lending	£87.7m	£70.1m
Net mortgage balances	£312.4m	£267.2m
Mortgage asset growth	17.1%	3.2%
Shares and deposit balances	£368.1m	£291.4m
Capital	£23.5m	£23.2m
Gross capital as a percentage of shares and borrowings	6.2%	7.5%
Free capital as a percentage of shares and borrowings	5.7%	7.0%
Tier 1 capital ratio	17.7%	20.2%
Liquid assets as a percentage of shares and borrowings	23.8%	20.6%

A Successful Year of Achievements

The Society continues to place great value on offering a professional and personalised experience for all Members, both through our friendly and highly skilled employees in our branches as well as our online offerings. During the past year we have continued to improve our online services with Members now having the option to request payments from their savings account through the Chorley Online service.

We are also delighted that we have committed to refurbishing our High Street branch with work due to commence during 2024 which will improve the branch environment for all of the members who choose to visit us.

Despite the backdrop of challenging economic conditions and geopolitical events, the Society achieved record levels of gross advances in the year. Our teams have been dedicated to supporting our Members, providing a high quality service and a flexible approach. During the year we helped 47 Members purchase their first home and continued to offer a range of mortgage products such as 'Advance Self Build' as well as 'Green Home Improvement' products for existing borrowers, which acknowledge the ever changing needs of our Members, whilst remaining a responsible lender. Our product range for saver Members continued to include both easy access and a range of notice and fixed rate products with attractive rates.

The Society keeps its savers and mortgage product offerings and market positioning under constant review and makes changes accordingly. Total interest paid to saver Members in the year increased from £3.4m to £10.9m as the Society passed on the benefit of base rate increases through increased savers rates.

We were delighted to continue numerous initiatives during the year to provide added value to our Members. These included providing regular Member e-newsletters, a Knowledge Hub on our website, as well as providing our Members with access to a will writing service through our relationship with Accord Legal Services.

The Society's service proposition is founded upon highly qualified and well-trained employees who are motivated to act in the best interests of our Members, equipped with the appropriate training, systems and tools to do the job properly. We were delighted to be recognised in numerous industry awards throughout the year including winner of the category 'UK's Best Specialist Mortgage Provider' in the British Bank Awards and winner of the 'Later Life Lender of the Year' category at the MoneyAge Awards.

Charitable and Political Donations

The communities in which we operate form the heart of the Society. During the year, supporting local community groups and charities has been more important than ever. As a Society we have continued to support charities with much needed donations through Chorley High Five and our employees have been involved in many activities to raise money for our chosen charity of the year.

During the year, £83,021 (2023: £59,741) was donated and comprised 29 (2023: 29) beneficiaries including our Member voted Charity of the Year, Chorley Fundraising Group for Guide Dogs. In addition, we donated Christmas gifts to local children who would not otherwise receive presents at Christmas. We also gave to the following affinity savings partners during the year; Rosemere Cancer Foundation, Age Concern, The North West Air Ambulance Charity, Derian House, St Catherine's Hospice, Galloways Society for the Blind, Chorley Football Club and Age UK Lancashire.

No donations were made for political purposes. Further details on the Society's charitable giving during the year can be found in the Charity and Community Support section starting on page 6.

Profitability

The Society seeks to make sufficient profit in order to invest in and grow the business for the benefit of its current and future Members.

Profit enhances our financial strength and is necessary to meet the levels of capital, including protection buffers, required under the Capital Requirements Directive. Financial strength also protects the Society against its principal risks and uncertainties and safeguards Members' funds. The Society prepares its results under Financial Reporting Standard (FRS) 102.

Profit before tax decreased from £1.6m to £0.4m during the year mainly due to higher costs, which include £0.4m of costs relating to the core banking system migration project that the Society has begun, as well as a £0.3m impact from a change in assumption in the effective interest rate methodology due to a change in Member behaviour and £0.2m increased impairment provisions charge.

Profits in future years will be reduced further due to the core banking system migration, however sufficient capital will be maintained to meet our capital requirements. The migration is expected to facilitate future growth and enhance our Member experience.

Income Statement Overview	2024 £m	2023 £m
Total income	7.2	6.7
Management expenses	(6.5)	(5.0)
Loan impairment provisions	(0.3)	(0.1)
Profit before tax	0.4	1.6

The Future Outlook

Economic conditions in 2024/25 are expected to improve as inflation continues to fall and the expectation that the Bank of England will reduce its interest rates, gradually easing pressures on consumers and businesses. However, the Society is cognisant of the current geopolitical risks and therefore the level of uncertainty remains high. As the UK has moved out of a period of ultra-low interest rates and while interest rates remain heightened, there is also uncertainty regarding the impact of higher interest rates, especially for borrowers

approaching the end of a fixed rate mortgage, which can be reasonably expected to impact mortgage affordability and therefore may impact profitability. As a mutual organisation and as a responsible lender we strongly encourage our mortgage Members who are in financial difficulty, or who think they may enter financial difficulty in the future, to make contact with us as early as possible so we can assess what support we can provide.

The Board considers the Society to be well positioned for future adverse events, as evidenced in severe stress tests carried out. The Society maintains adequate levels of liquidity and capital and is able to withstand the severe stresses it has undertaken. Our Board remains vigilant and continues to watch for any adverse economic indicators. Whilst there may be challenges on the horizon, the Society is well placed to continue its successful business performance. Our business model remains viable and the risks to our business are understood, well controlled and our underwriting and assets are of high quality, with low levels of arrears and substantial equity. We have more than sufficient levels of capital and liquidity to meet our objectives and our underlying profitability performance is strong, allowing us to invest in modernising our core systems and branches to enhance member experience and this will impact negatively our net surplus in the short term. The Board believes that a successful future outlook lies ahead.

Going Concern

As outlined above, the current economic conditions present risks and uncertainties for all businesses. The Directors have carefully considered the risks and uncertainties and the extent to which they might affect the preparation of the financial statements on a going concern basis.

The Directors consider that:

- › The availability and quality of liquid assets is such that funds are available to repay

exceptional demand from retail saver Members;

- › Other assets are primarily in the form of mortgages secured on residential property. Regular assessment of the recoverability of all mortgage assets is undertaken and provisions are made where appropriate and;
- › Reasonable profits have been generated in order to keep gross capital at a suitable level to meet regulatory requirements.

The Society has considered the financial impacts of the risks arising from the current level of uncertainty by undertaking rigorous stress-testing of the potential outcomes, the results of which demonstrate that it has sufficient capital resources to withstand a range of severe stress scenarios. The Directors are therefore satisfied that the Society has adequate resources to continue in business for the foreseeable future and at least twelve months from 27 March 2024.

For this reason, the accounts are prepared on a going concern basis.

Provision of Information to the Auditor

Each person 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 Auditor is unaware and;
- › Each Director has taken all the steps that they ought to have taken as a Director to be aware of any relevant audit information and to establish that the Society's Auditor is aware of that information.

Independent Auditor

The Society regularly assesses the effectiveness of the external audit process and the approach taken to the appointment and reappointment of the external Auditor. This assessment is done on an annual basis, after

the completion of the year end audit. This is reported to and discussed at the Board Audit Committee meeting.

Mazars LLP has expressed its willingness to continue in office as Auditor and in accordance with Section 77 of the Building Societies Act 1986, a resolution for the reappointment of Mazars LLP as Auditor will be proposed at the Annual General Meeting on 21 May 2024.

On behalf of the Board

John Sandford
Chair of the Board

27 March 2024



Summary Statement

For the 52-week period ended 5 February 2024 and for the 52-week prior period ended 6 February 2023.

Results for the year	2024 £000	2023 £000
Net interest income	7,096	6,703
Other income and charges and fair value movements	127	28
Administrative expenses	(6,564)	(5,082)
Operating profit before provisions and taxation	659	1,649
Provisions for impairment losses	(294)	(96)
Profit for the year before taxation	365	1,553
Tax on profit on ordinary activities	(94)	(331)
Profit for the financial year	271	1,222

Financial Position at end of year	2024 £000	2023 £000
Assets		
Liquid assets	90,764	63,890
Mortgages	312,420	267,228
Fixed and other assets	3,143	2,771
Total Assets	406,327	333,889
Liabilities and Reserves		
Shares	367,439	290,557
Borrowings	14,352	19,185
Other liabilities	1,025	907
General reserves	23,511	23,240
Total Liabilities and Reserves	406,327	333,889

Summary of Key Financial Ratios	2024 %	2023 %
Gross capital as a percentage of shares and borrowings	6.16	7.50
Liquid assets as a percentage of shares and borrowings	23.82	20.63
Profit for the year as a percentage of mean total assets	0.07	0.38
Management expenses as a percentage of mean total assets	1.77	1.58

Notes

The percentages shown on the previous page are taken from the Society's Annual Report and Accounts for the financial year ended 5 February 2024.

Gross Capital

Gross capital represents the general reserves. The gross capital ratio measures the proportion of which the Society's capital bears to the Society's liabilities to investors. The Society's capital consists of profits accumulated over many years in the form of reserves. Capital provides a financial cushion against unforeseen eventualities which might arise in the Society's business and ensures that Members are properly protected.

Liquid Assets

The liquid assets ratio measures the proportion of the Society's shares and borrowings which are held in the form of cash, short term deposits and securities which can be readily converted into cash. Liquid assets are maintained at a level which enables the Society to meet requests from saver Members for withdrawals from their accounts, to make new mortgage loans to borrowers and to fund its general business activities.

Approved by the Board of Directors on 27 March 2024 and signed on its behalf by:

John Sandford
Chair of the Board

Kevin Bernbaum
Vice Chair

Stephen Penlington
Chief Executive

Profit

The profit ratio measures the proportion which profit after taxation for the financial year bears to the average of the Society's total assets during the year. The Society needs to make a reasonable level of profit each year in order to maintain its capital ratios at an appropriate level to protect Members and to satisfy regulatory requirements.

Management Expenses

The management expenses ratio measures the proportion of the Society's administrative expenses, depreciation and amortisation to the average of the Society's total assets during the year. Administrative expenses consist mainly of employee costs, IT costs and other office expenses.

A copy of the Society's full Annual Report and Accounts is available to Members on our website at www.chorleybs.co.uk or upon request at any Branch Office or by telephoning the Society on 01257 235000.

Independent Auditor's Statement

to the Members and Depositors of The Chorley and District Building Society

We have examined the Summary Financial Statement of The Chorley and District Building Society (the "Society") set out on pages 13 to 20.

Respective responsibilities of Directors and Auditor

The directors are responsible for preparing the Business Review, incorporating the Summary Financial Statement, in accordance with applicable United Kingdom law.

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

Basis of opinion

Our examination of the Summary Financial Statement consisted primarily of:

- › Agreeing the amounts included in the Summary Financial Statement to the corresponding items within the full Annual Report and Accounts, the Annual Business Statement and the Directors' Report of the Society for the period ended 5 February 2024;
- › Checking that the format and content of the Summary Financial Statement is consistent with the requirements of section 76 of the Building Societies Act 1986 and regulations made under it; and
- › Considering whether information has been omitted which although not specifically prescribed by section 76 of the Building Societies Act 1986 and regulations made under it, in our opinion, is necessary to ensure consistency with the full Annual Report and Accounts, the Annual Business Statement and the Directors' Report of the Society for the period ended 5 February 2024.

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

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

Opinion

In our opinion the Summary Financial Statement is consistent with the full Annual Report and Accounts, the Annual Business Statement and the Directors' Report of The Chorley and District Building Society for the period ended 5 February 2024 and complies with the applicable requirements of Section 76 of the Building Societies Act 1986 and regulations made under it.

Use of the statement

This statement is made solely to the Society's Members and Depositors as a body in accordance with section 76(5) of the Building Societies Act 1986. Our audit work has been undertaken so that we might state to the Society's Members and Depositors those matters we are required to state to them in such a statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's Members and Depositors as a body for our audit work, for this statement, or for the opinions we have formed.

Mazars LLP Statutory Auditor

30 Old Bailey, London, EC4M 7AU.
United Kingdom

27 March 2024

Directors' Remuneration Report

This report informs Members of the Society about the remuneration of Non-Executive Directors and Executive Directors. It provides details of Directors' remuneration and explains the basis of its calculation.

Further details are available under our separate Pillar 3 Disclosure Document which is available on the Society's website at chorleybs.co.uk.

Remuneration is delegated to the Nominations & Remuneration Committee, which reports to the full Board.

The Procedure for Determining Remuneration

The Nominations & Remuneration Committee is a Board Sub-Committee that forms part of the Society's Corporate Governance Framework. The Committee operates within the Terms of Reference agreed by the Board which are reviewed annually. The Committee comprises entirely Non-Executive Directors. The Chair of the Board, Chief Executive, Customer Services Director and Head of HR, Training & Facilities and H&S attend each meeting of the Committee although none are involved in consideration of any matters relating to their own remuneration and are absented from any such discussion. The Committee reviews Non-Executive Directors and Executive Directors' remuneration annually, taking into consideration data from comparable organisations and from the market within which the Society operates.

Minutes of all Committee meetings are distributed to all Board members and the Chair of the Committee reports to the Board at the Board meeting following every Committee meeting.

The Society has adopted a simple remuneration structure which is appropriate to its business and is efficient and cost effective in promoting its long-term strategy.

Transparent salary, other benefits and pension contributions are supplemented by a modest and

straight-forward bonus scheme that promotes continued involvement in the Society's ongoing success.

The Remuneration Policy does not include significant performance related variable remuneration. The Society does not offer guaranteed variable remuneration, share options, or medium or long-term incentive schemes. The Society does not offer variable remuneration, commission, retention awards or cash payments in excess of a set percentage of overall basic salary.

This is considered an important element of risk management so that variable remuneration does not form a significant element of total remuneration and so avoids incentivising behaviour inconsistent with the proper management and control of risk.

The Nominations & Remuneration Committee will consider the maximum pay awarded in terms of variable remuneration on an annual basis.

The Policy for Remuneration

Non-Executive Directors' Remuneration

The Society's remuneration policy is to reward Directors through fees according to the time commitment and their expertise, experience and overall contribution to the successful performance of the Society.

Executive Directors' Remuneration

The Society's remuneration policy is to set remuneration levels which will attract and retain Executive Directors and to set rewards that reflect responsibilities, time commitment and overall contribution to the successful performance of the Society.

Contractual Terms

Non-Executive Directors have contracts for services and are appointed for an initial term of three years.

The Chief Executive is employed on a contract of employment that may be terminated by either party giving twelve months' notice.

The Finance Director, Customer Services Director and Chief Risk Officer are employed on a contract of employment that may be terminated by either party giving six months' notice.

Directors' Remuneration

Total remuneration of the Society's Directors is shown in the tables below.

Non-Executive Directors

	2024 £000	2023 £000
John Sandford (Chair of the Board)	40	33
Kevin Bernbaum (Vice Chair)	29	25
David Bagley	27	23
Julia Cattanach	26	22
Joanna Hall	27	24
Gail Teasdale	27	22
Peter Brickley	26	7
Lee Bambridge (from 1 November 2023)	7	-
	209	156

Executive Directors

2024	Salary £000	Pension Contributions £000	Bonus £000	Benefits £000	Total £000
Stephen Penlington	175	25	12	1	213
Kimberley Roby	117	11	11	1	140
David Shelley	105	10	10	1	126
Steven Melbourne (from 1 October 2023)	35	3	-	-	38
	432	49	33	3	517
2023	Salary £000	Pension Contributions £000	Bonus £000	Benefits £000	Total £000
Stephen Penlington	164	23	15	1	203
Angela Kos (to 31 October 2022)	202	8	12	1	223
David Shelley (from 22 November 2022)	18	1	-	-	19
Kimberley Roby	110	10	9	1	130
	494	42	36	3	575

Our Directors



John Sandford BA, MA, FCA
Chair of the Board

John was co-opted to the Board in June 2014. He previously worked for KPMG for 33 years, the last 21 as an Audit Partner/Director, leaving KPMG at the end of 2010. John has developed a small portfolio of other Non-Executive and advisory roles within the mutual sector, chairing the Boards of Johnnie Johnson Housing (to September 2022) and Epworth Investment Management Limited. He believes that Chorley has an important role to play within the mutual sector. John has been Chair of the Society since September 2016 having previously been Chair of the Audit, Risk & Compliance Committee. John is married to Judith and has two adult children. His interests include trying to reduce his golf handicap and he is a qualified cricket coach.



David Bagley BA (Hons), FCA
Senior Independent Director and Non-Executive Director

David was co-opted to the Board in July 2016. He is a graduate of Lancaster University and a Fellow of the Institute of Chartered Accountants in England & Wales. David has spent his career in professional services and finance. He is married with two daughters and lives in Sheffield. David and his wife are active supporters of Guide Dogs where, for 10 years, he was a trustee and Board member. As the Senior Independent Director, David is available to the Members if they have concerns regarding their membership of the Society and contact through the normal channels – via the Chair of the Board or the Executive Directors – has either failed to resolve the matter or is considered inappropriate.



Kevin Bernbaum BSc, MBA
Vice Chair and Chair of Board Risk Committee

Kevin was co-opted to the Board in June 2014. Kevin holds a degree in Accounting and Financial Analysis and an MBA (Finance). He has over 35 years' experience working within the banking and building society sector specialising in treasury, risk and balance sheet management. Having been brought up in Leicester, Kevin now lives in London and he has three grown-up children.



Stephen Penlington BSc, MBA
Chief Executive

Stephen joined the Society in 2006 as Chief Executive. He has a wealth of experience in financial services and has been in the building society movement ever since graduating from the University College of Wales in 1980 with a BSc Economics Honours degree. Stephen is Chair of the Assets & Liabilities Committee and Executive Committee. A committed family man, he is an avid reader, loves music, keep-fit and is a rugby enthusiast. Stephen lives in Chorley and is a trustee of the Chorley Constituency (2015) Charitable Trust.



David Shelley BSc, MSc, FCCA
Finance Director

David joined the Society in 2016 as Head of Finance and was co-opted to the Board in November 2022 as Finance Director. He is a Fellow of the Association of Chartered Certified Accountants and graduated from Loughborough University in 2019 with an MSc degree in Leadership and Management. David has over 15 years of experience within the Financial Services industry and is also responsible for the Society's secretarial functions. He is a member of the Assets & Liabilities Committee, Conduct & Operational Risk Committee and Mortgage Credit Risk Committee. David lives in Northwich with his wife and four young children.



Kimberley Roby BA (Hons), MSc
Customer Services Director

Kimberley joined the Society in 2006 and was co-opted to the Board in September 2017 as Customer Services Director. She has responsibility for the Society's Marketing, Product, Mortgage, Savings, Business Development, Transformation and IT operations. Kimberley is Chair of the Mortgage Credit Risk Committee and, as a member of the Charity Committee, plays a key part in organising numerous charity events, ensuring the Society supports local initiatives wherever possible. She is passionate about mutuality and putting our Members at the heart of everything we do. Kimberley has a degree in Business Studies and a master's degree in Leadership and Management. She lives in Coppull Moor with her husband and three young children.

Our Directors



Joanna Hall CIM
Non-Executive Director and Chair of Nominations & Remuneration Committee

Joanna was co-opted to the Board in June 2019 and is Chair of the Nominations & Remuneration Committee, as well as a member of the Board Risk Committee. She is Chartered Institute of Marketing qualified and Digital Marketing certified, with over 35 years' experience in financial services. Joanna's passion is to help companies get closer to their customers, demonstrate their value and make it easier for them to do business. Previous industry roles include AXA Health, Fidelity and eValue (a fintech). She has also worked for a number of consulting firms, including KPMG, EY, Bacon & Woodrow (now Deloitte) and Tillinghast Towers Perrin (now Willis Towers Watson). Having grown up in the North West, Joanna now lives in Kent with her husband and dog and has two grown up children.



Gail Teasdale ACA
Non-Executive Director, Chair of Board Audit Committee and Whistleblowing Champion

Gail was co-opted to the Board in October 2020, joining fully in May 2021. She is now Chair of the Board Audit Committee, a member of the Board Risk Committee and other Board committees. She is a member of the Institute of Chartered Accountants England & Wales having qualified in 1993. She has held various Finance Director roles in a variety of industries before becoming the Chief Executive of Broadacres in January 2018. Broadacres is a housing association owning 6,800 homes across North Yorkshire. Gail believes it is important that Members are at the core of decision making. She was born in Bradford and now lives near Harrogate with her husband and dogs. In her spare time, she loves walking and running.



Julia Cattanach LLB (Hons)
Non-Executive Director and Consumer Duty Champion

Julia was co-opted to the Board in February 2022. She is qualified as a solicitor in England & Wales. She has had a career in legal and compliance in financial services and has been the Chief Risk Officer for Experian in the UK since 2016. Experian is a global data and analytics firm, well known in the UK for its credit reference agency activities. Julia was born and grew up in New Zealand before coming to the UK in 1996. She lives in Nottingham with her husband and son.



Peter Brickley
Non-Executive Director

Peter was co-opted to the Board in October 2022. He is a member of Nominations & Remunerations Committee, as well as the Board Audit Committee. He has held several executive positions in a number of global businesses including BAT, Centrica, Heineken, SABMiller and latterly Coca Cola Europacific Partners where he leads Business Process reengineering through technology and innovation. Previously he has been a Non-Executive Director for 14 years at the Newbury Building Society, of which he served seven years as Chairman. Peter lives in the Cotswolds with his wife; and has 2 adult daughters. His hobbies are diverse – from classic cars, wine, brewing beer, music and walking with their dogs. Peter is also a Parish Councillor and a trustee of the Brain and Spine Foundation.



Steven Melbourne BA (Hons), MSc
Executive Director and Chief Risk Officer

Steven joined the Society in 2017 and was co-opted to the Board in October 2023. Steven was part of the first cohort to graduate from the Building Society Association's flagship MSc in Leadership & Management from Loughborough University in 2018. He has worked in financial services and the building society sector for almost 18 years and brings a wealth of experience in risk management, finance and treasury. Steven is Chair of the Conduct & Operational Risk Committee and lives in Bolton with his wife and two young children.



Lee Bambridge
Non-Executive Director

Lee was co-opted to the Board in November 2023 and is a member of the Board Audit and Risk Committees. He is a Chartered Accountant and Corporate Treasurer and spent over 15 years at Newbury Building Society, initially as their Finance Director, before moving onto the role of Chief Risk Officer until he retired in May 2023. He is a Trustee for Citizens Advice in Hampshire as well as a Non-Executive Director for the Society. Lee lives in Hampshire with his wife and daughter and his interests include music, clay pigeon shooting and more recently pickleball.

Notice of Annual General Meeting

Notice is given that the 165th ANNUAL GENERAL MEETING of The Chorley and District Building Society will be held on Tuesday 21st May 2024 at The Mill Café, St Catherine's Hospice, Lostock Lane, Preston, PR5 5XU at 6:00 p.m. to consider and vote on the resolutions and election and re-election of Directors as set out below:

Ordinary resolutions

1. To receive the Auditor's Report.
2. To receive the Directors' Report, Annual Accounts and Annual Business Statement for the year ended 5 February 2024.
3. To consider and if thought fit, approve the Directors' Remuneration Report for the year ended 5 February 2024.
4. To consider and if thought fit, re-appoint Mazars LLP as Auditor.

Election and re-election of Directors

5. To consider and if thought fit, re-elect Stephen Penlington as Director.
6. To consider and if thought fit, re-elect Kimberley Emma Roby as Director.
7. To consider and if thought fit, re-elect Gail Louise Teasdale as Director.
8. To consider and if thought fit, elect Steven John Melbourne as Director.
9. To consider and if thought fit, elect Lee Frederick Bambridge as Director.

Light refreshments will be provided.

By order of the Board of Directors

Stephen Penlington
Chief Executive

27 March 2024

Voting Conditions

1. These notes form part of the Notice of Meeting.
2. A Member entitled to attend the Meeting and vote may appoint one proxy to attend and vote on his or her behalf. You may appoint the Chairman of the Meeting or anyone else as your proxy and your proxy does not have to be a Member of the Society. Your proxy may vote for you at the Meeting but only on a poll. A poll is a formal vote which may take place after an initial vote by a show of hands.
3. You may instruct your proxy how to vote at the Meeting. Please read the instructions on the voting form.
4. The voting date for those employee Members who will attend the Meeting in person in order to meet the legal quorum requirements is the date of the meeting which is Tuesday 21 May 2024. For all other Members who are required to vote by proxy, the voting date is Tuesday 14 May 2024.

5. In order to attend and vote at the Meeting, or appoint a proxy, you must qualify as either a **shareholding Member** or a **borrowing Member**.

Shareholding Members

- a) **To qualify as a shareholding Member, you must:**

- i. If you are an individual, be at least 18 years of age on 21 May 2024; and
- ii. Have held shares to the value of not less than £100 in the Society on 5 February 2024; and
- iii. Not have ceased to hold a share or shares in the Society at any time between 5 February 2024 and the voting date; and
- iv. Hold a share or shares in the Society on the voting date.

- b) **Where the shares are held jointly by two or more persons, only the first named in the records of the Society in respect of those shares can have any voting rights.**

Borrowing Members

- a) **To qualify as a borrowing Member, you must:**

- i. Be at least 18 years of age on 21 May 2024; and
- ii. Have owed the Society not less than £100 in respect of a mortgage debt on 5 February 2024; and
- iii. Owe the Society not less than £100 in respect of a mortgage debt on the voting date.

- b) **Where a mortgage debt is owed jointly by two or more persons, only the first named in the records of the Society in respect of that mortgage can have any voting rights.**

6. In addition, **you can vote only once** as a Member irrespective of:

The number of accounts you hold and whether you hold accounts in different capacities (for example, on your own behalf and as a trustee); and

Whether you qualify to vote as both a **shareholding Member** and a **borrowing Member**.

**Chorley
Building
Society**

TRUSTED SINCE 1859



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chorleybs.co.uk



The Chorley and District Building Society is a member of the Building Societies Association.

The Chorley and District Building Society is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Registered on the Financial Services Register under number 206023.