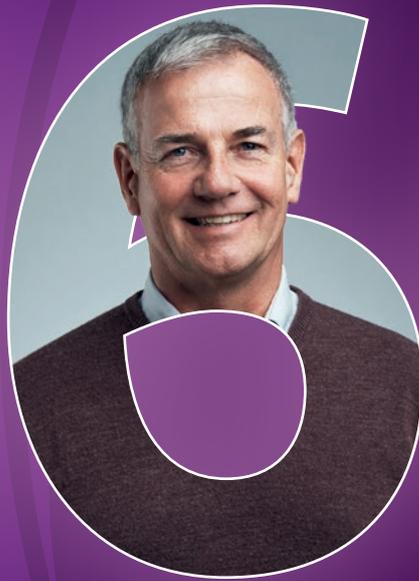


At the heart of the community for...



...years

Business Review including the Summary Financial Statement

For the year ended 4 February 2019 and
notice of the 160th Annual General Meeting

**Chorley
Building
Society**

TRUSTED SINCE 1859





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Chairman's Statement

“
Since its formation the Society has continued to grow and build on a solid foundation by meeting the needs of our Members, making a difference to their lives and to the communities where we live and work.
”

On 7th March 2019 we celebrated the 160th anniversary of the meeting of a group of mill owners and workers who formed The Chorley and District Building Society (the Society).

I reflected last year that our role is to help our Members' dreams come true. We realise this by giving saver Members a trusted and safe home for their money and a fair return, whilst lending these savings to mortgage Members, who pay a fair price for that money, and the Society subsequently invests in our local communities.

Since 1859, even though the world has changed beyond all recognition, the Society has remained true to its roots and to the mutual values of support, self-help and shared community with 72% of our saver Members and 58% of our home builder or home buyer Members living in the North West.

I reported last year that we had refreshed our vision, mission and brand image. During 2018/19 we have reframed our strategy to ensure that we continue to put you, our Members, at the heart of everything that we do. We are keen to maximise the value our Members get from the Society and to

hear how we can better meet your needs. We have reshaped our strategy to capture what it means to be a Member of Chorley Building Society. The Society will ensure you are provided with a safe place for your money; you are provided with a personal service crafted to meet your needs; you are supporting the local community in which we operate and finally, you are rewarded for helping more people reach their aspirations of home ownership and realise their savings ambitions.

Much of the rest of this report explains the progress we have made over the past year and details our future plans. We appreciate that many of our Members now want to communicate with us using digital media and some would prefer to do business with us over the internet. We are aware that this demand is likely to grow in future. We know this is an area where we could do more, and this will be a key focus for us over the coming year whilst still maintaining our commitment to offering face-to-face service through our branch network.

During the year, Lesley Cairns stepped down as Deputy Chief Executive, Secretary and Treasurer. Lesley made an immensely valuable contribution to the Society's success during a challenging time for financial services. On behalf of all of the Board, I thank Lesley for her distinguished service and wish her a long and happy retirement.

Conclusion

The Chorley's Board of Directors are mindful that market conditions remain challenging in 2019 with competition and new entrants to the mortgage market squeezing operating margins. Nevertheless, your Society remains secure and strong and is focused on delivering benefits to you, our Members.

We are excited to celebrate our 160th anniversary with a renewed commitment to meeting the ever-changing needs of current and future Members.

John Sandford
Chairman

27 March 2019



Chief Executive's Review

As the Society celebrates the significant milestone of its 160th anniversary year, I am delighted to report yet another strong business performance with healthy levels of profitability and an increase in assets and reserves underpinned by high Member satisfaction levels.

Our continued success can be attributed to our focus on providing Member value via an attractive range of savings and mortgage products, combined with excellent service levels, delivered by highly trained staff who are passionate about the Society and proud of our traditional mutual values and commitment to supporting our local community.

Our post-tax profit exceeded £874k and despite intense competition in the mortgage market the Society's new mortgage lending of £46m was the second highest level on record, leading to an increase in mortgage balances. After nearly ten years of the lowest interest rates in history, I am delighted that we were also able to increase interest rates for our saver Members and broaden our range of savings products leading to an overall increase in savings balances. A summary of the key financial performance indicators is detailed in the Strategic Report on page 6.

During the year we made significant investment in our team as well as our systems and technology to support our future growth ambitions and to enhance our Member experience. This investment will continue next year and we have exciting plans to deliver a wider range of products and services to further enhance the value we provide to our Members.

Despite the many challenges that lie ahead, not least the uncertainty surrounding the United Kingdom's decision to leave the European Union, I am confident that our mutual business model and focus on delivering real Member value will enable the Society to continue its success and deliver our mission statement, 'to make a difference to the lives of our Members and the local community'.

I would like to thank all of our Members for your support throughout the year and we look forward to continuing to deliver more Member value and to another successful year of sustainable growth.

Stephen Penlington
Chief Executive

27 March 2019



Strategic Report



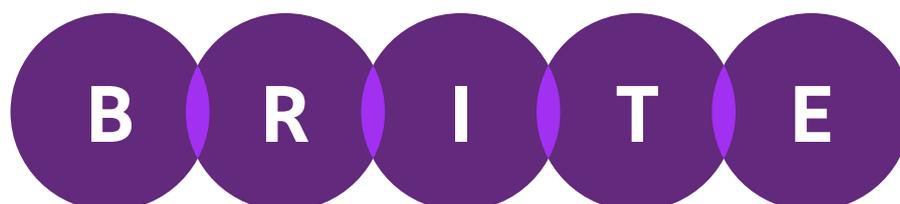
Our Vision

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



Be the Best
we can be

Respect

Integrity

Teamwork

Every Member
counts

Key Highlights of the Year



Total Assets
increased by

2.2%

(2018: 5.7%)



Mortgage balances
increased by

7.6%

(2018: 11.3%)



Net profit

£0.87m

(2018: £1.23m)



Savings balances
increased by

2.5%

(2018: 4.7%)



Capital
increased to

£19.5m

(2018: £18.6m)

Strategic Report

Purpose and Strategy

The principal purpose of the Society is that of making loans that are secured primarily on residential property which are funded substantially by its Members.

The Society's vision is 'to be the provider of choice for savings and residential mortgages whilst remaining true to our mutual values'. This is underpinned by our mission statement 'to make a difference to the lives of our Members and the local community'.

During the year, the Society reshaped its strategic framework which reinforces our overarching goal of offering a unique and individual proposition whereby as a Member you are:



Provided with a safe home for your money

The Society is committed to remaining safe by continuing to be financially strong and effectively governed in order to protect Members' money.



Supporting the local community in which we operate

The Society is committed to making a difference in the local community in which we operate by supporting and helping causes that matter to our Members.



Unique and provided with a personal service crafted to meet your needs

The Society is committed to delivering a personal service by embracing our Members' individual needs and wants whilst offering savers and mortgage products distributed through multi-channels.



Rewarded for helping more people reach their aspirations of home ownership and realise their savings ambitions

The Society is committed to encouraging our Member base to flourish by being a provider of choice, rewarding membership and meeting the needs of each unique Member at every stage of life.

Our values are at the heart of everything we do. They are what drive our everyday behaviour, shape our culture and guide our decision making. Living by our values allows us to demonstrate what is special and different about the Society to those with whom we interact and engage. Our values ensure that every Member receives a level of service of which we can be proud.

The Society Values are:

- Be the **Best** we can be;
- Be **Respectful**;
- Act with **Integrity**;
- Work as a **Team**; and
- Ensure **Every Member** counts.

The Society is committed to living by our **BRITE** Values.



Business Review

This has been an excellent year for the Society with another good set of results. The main Key Performance Indicators which are used by the Board to monitor the performance of the Society are detailed below:

Remaining safe	2019	2018
Total assets	£238.1m	£233.1m
Total asset growth	2.2%	5.7%
Profit after taxation	£0.87m	£1.23m
Net interest margin	1.9%	2.2%
Management expenses as a percentage of mean total assets	1.5%	1.5%
Gross mortgage lending	£46.6m	£48.4m
Net mortgage balances	£191.8m	£178.3m
Mortgage asset growth	7.6%	11.3%
Shares and deposit balances	£215.0m	£210.3m
Capital	£19.5m	£18.6m
Gross capital as a percentage of shares and borrowings	8.9%	8.7%
Free capital as a percentage of shares and borrowings	8.1%	7.9%
Tier 1 capital ratio	22.8%	22.1%
Liquid assets as a percentage of shares and borrowings	20.2%	24.5%

Delivering a personal service

The Society has recognised that the way in which our Members want to deal with us is changing and as a result, during the year we embarked on a programme of enhancements to our service offering. With an increasing demand for online and digital solutions, we were delighted to launch an online mortgage broker platform as well as an online execution-only mortgage solution to meet our Members' needs when they are looking to switch mortgage schemes.

These improvements are complementary to our branch network and not replacements as we place great value on providing a face-to-face service through our friendly and well-trained staff in our branches. Throughout the year ahead, we will be making further enhancements to our digital offerings as well as improving our branch facilities.

Making a difference in the local community in which we operate

The communities in which our branches operate form the heart of the Society. We have continued to support local charities and good causes, taking part in a whole host of community events and offering donations and sponsorships. Activities this year included the following:

- Employee donations on dress-down days;
- Valentine's Day, Easter, Halloween and Christmas raffles;

- Winter warmer lunches and pancake day sales;
- Each branch hosted a Macmillan coffee morning;
- At Christmas each branch became a donation point for 'Mission Christmas';
- Food Bank collections;
- Sponsored Age UK Lancashire's 'Older People's Day';
- Attended numerous careers fairs at local schools and colleges;
- Sponsored Chorley Football Club; and
- Sponsored Chorley Cricket Club.

Our employee-voted charity for the year was 'Chorley Help the Homeless Ltd' for which £2,557 was raised during the year. We also donated generous amounts of food and toiletries throughout the year. In addition, we gave £16,116 to 11 local charities and community organisations and paid £29,206 to our affinity savings account partners during the year. No donations were made for political purposes. Further details of our charity and community activity can be found on page 15.

During the year, we asked our Members to vote for their chosen charity for 2019/20 from a shortlist of charities voted for by our employees. Hundreds of votes were received, and we are delighted that we will be supporting 'Rosemere Cancer Foundation' as our nominated charity throughout the year ahead.

Encouraging our member base to flourish

Mortgage growth was achieved against a backdrop of intense competition. New challenger banks have entered the residential mortgage market and the Society has had to compete with lenders entering the specialist lending markets which have been the hallmark of the Society in recent years. Nevertheless, the Society has used a combination of attractive pricing, appropriate lending criteria and high quality service and underwriting to achieve this level of growth without any diminution in the quality of lending.

During the year we launched new mortgage products for buy-to-let landlords as well as products targeted for those with a smaller deposit.

Growth in savings balances during the year reflects the popularity of several of our accounts. On 2nd August 2018, the Bank of England announced an increase to the Bank Base Rate from 0.50% to 0.75%. In response, the Society increased all of our lowest paying easy access savings rates to ensure a minimum interest rate of 0.60%.

For our saver Members, we have added to our range of children's accounts and ISA accounts as well as continuing to offer our popular regular saver accounts with increased loyalty rates for existing Members.

Living by our BRITE values

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. As the Society continues to grow, we have strengthened our resources to meet the needs of the business.

The Society remains committed to training and career development for all employees. It is particularly pleasing to report that two senior employees graduated from Loughborough University during the year both with an MSc degree in Leadership and Management. The Society is supporting a further three senior employees to achieve the same qualification.

As an equal opportunities' employer, the Society values the differences that a diverse workforce can bring and is committed to ensuring that its workplaces are free from discrimination because of race, nationality, ethnic or national origin, gender (including gender reassignment), sexual orientation, age, religious beliefs, marital status or disability.

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.

Income Statement	2019 £m	2018 £m
Net interest income	4.5	4.9
Administrative expenses	(3.4)	(3.4)
Loan impairment provisions	0.0	(0.1)
Other provision adjustments	0.0	0.1
Profit before tax	1.1	1.5

Profit before tax decreased by £0.4m to £1.1m during the year from £1.5m in the previous year due to lower levels of net interest income caused mainly by competitive pressure on interest rates. Nevertheless, the year end position was in excess of our planned objective and more than sufficient to maintain the financial strength of the Society. The Society anticipates that the market will remain competitive and that our business model will ensure that sufficient profitability will be generated in 2019/20 to meet our future-planned objectives.

and other administrative costs increased by 3.1% during the year compared to the prior year. The increase was driven in part by investments made in the IT, Risk and Compliance functions as the Society recognises that this investment is essential in providing a safe and secure home for Members' funds. Further details can be found in note 5 on page 46 of the Annual Report and Accounts.

The ratio of management expenses to mean total assets decreased in the year from 1.52% to 1.48% compared to the prior year.

Net interest margin

Net interest margin is a measure of the Society's net interest income and equates to the difference between interest received on assets and interest paid on liabilities, divided by the Society's average total assets during the year.

The Society's net interest margin remains healthy, although it decreased from 2.2% to 1.9% during the year as the Society continued to manage the margin by balancing the risks and rewards in relation to borrowing Members while offering value to saver Members.

Administrative expenses and depreciation

Administrative expenses and depreciation (together "management expenses") increased by £58,723 in the year reflecting the Society's investment in systems, people and processes to support expected growth in the business and to deliver Member value. Employee costs increased by 1.8%

Impairment charges

The impairment provision for loans and advances to customers was reduced by £22,923 (2018: increase £64,969).

The Board carefully and closely manages potential credit risk which has resulted in lower provision levels.

Provisions for liabilities and charges

During the year, net income of £22,943 (2018: £79,268) was recognised in the Statement of Income and Movements in Members' Interests relating to a reduction in the provision for the Financial Services Compensation Scheme (FSCS) levy.

Taxation

The Society discloses an effective corporation tax rate of 19.00% for the year (2018: 19.16%). For further information see note 9 on page 47 of the Annual Report and Accounts.

Financial Position

Liquidity

Liquid assets as a percentage of shares, deposits and loans (SDL) decreased to

20.2%
(2018: 24.5%)

Liquid assets were representing a decrease of

£43.9m
(2018: £52.3m)

16%
(2018: decrease of 9%)



The Society has continued to maintain high quality liquid assets throughout the year. The Society's liquid assets are maintained principally in the form of cash and government debt, of an appropriate level and quality. Liquid assets are readily realisable as cash when required to ensure that the Society can meet its financial obligations as they fall due under normal and stressed scenarios. The Society has no exposure to any counterparty outside of the UK. Liquidity reduced during the year as planned and it was used to fund mortgage lending.

Liquid Assets	2019	2018
Total liquid asset balances	£43.9m	£52.3m

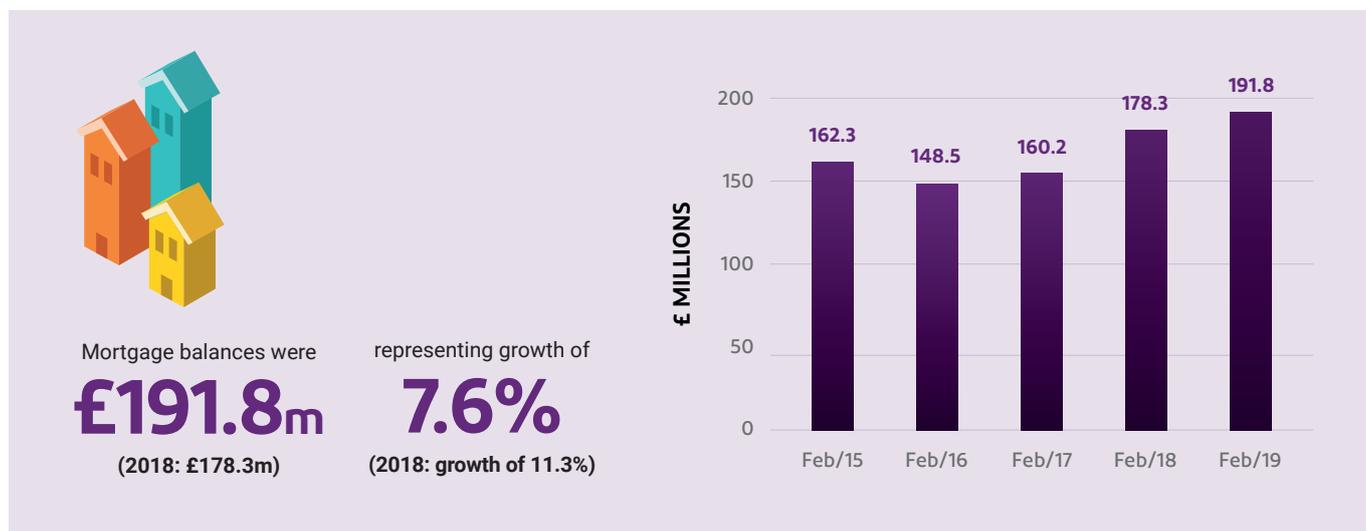
By Asset Class	£m	%	£m	%
Cash in hand and balances with the Bank of England	29.4	67	29.7	57
Central Government (UK Gilts and Treasury Bills)	0.5	1	0.0	-
Loans and advances to credit institutions	14.0	32	22.6	43
Total	43.9	100	52.3	100

The Liquidity Coverage Ratio (LCR) measures unencumbered high quality liquid assets as a percentage of net cash outflows over a 30 day stress period. The LCR is measured monthly and as at 31 January 2019 was 324% (31 January 2018: 359%).

The Net Stable Funding Ratio (NSFR) measures the stability of the Society's funding beyond 30 days. The NSFR is measured quarterly and as at 31 December 2018 was 174% (31 December 2017: 178%).

Both the LCR and the NSFR were comfortably in excess of the minimum regulatory limit set by the regulators of 100%.

Mortgages (Loans and Advances to Customers)



A summary of the Society's mortgage portfolios are shown in the table below.

Mortgage Portfolios	2019		2018	
	£m	Avg. LTV	£m	Avg. LTV
Prime Residential	175.7	58.0%	160.2	58.1%
Buy-to-Let	15.8	69.6%	17.5	69.8%
Commercial	0.7	48.5%	1.0	52.1%
Provisions	(0.4)		(0.4)	
Total	191.8		178.3	

The Society's mortgage book comprises over 99% residential loans; included in this are self-build mortgages (10%) and buy-to-let mortgages (8%). The Society has historical commercial mortgages amounting to less than 1%, however the Society is continuing to decrease its exposure in this area. Our mortgage assets remain of high quality with a weighted average loan-to-value (LTV) of 59% (2018: 59%). Lending over 80% LTV at inception is insured through a mortgage indemnity policy which protects the Society from any losses incurred if the property is taken into possession.

All loans are individually underwritten by experienced qualified underwriters based in the Society's Head Office. Every mortgage application is personally considered on a case-by-case basis when assessing affordability rather than utilising computerised underwriting tools. Responsible lending and reviewing each case on an individual basis is fundamental to the high quality of our loan book.

The Society's mortgages are all secured with a first charge registered against the collateral property. All loans are shown at an indexed

loan-to-value using the quarterly regional Nationwide House Price Indices. Further information on security loan-to-value is provided in note 26 on page 52 of the Annual Report and Accounts.

Mortgage Credit Quality

Arrears

The Society's arrears statistics as at 4 February 2019 remain low both compared to the building society sector and the mortgage industry as a whole. There were 4 cases in serious arrears of 12 months or greater at the year end (2018: 4 cases). The total amount of arrears outstanding on these accounts was £37,838 (2018: £49,987) and the aggregated capital balance was £334,916 (2018: £396,024). In all cases, the Society has assessed whether the mortgage assets affected are supported by adequate underlying equity with specific provisions raised where necessary. The Society maintains an appropriate policy for provisioning. Once again, the Society is pleased to report that there were no properties in possession at the year end.

Forbearance

The Society will work closely with any borrower experiencing difficulties, offering help and advice on the situation where appropriate. Forbearance measures may include action such as temporary interest-only concessions, extensions of term and/or reduced payment concessions. Forbearance towards borrowers was applied to 41 accounts at the year end (2018: 39).

Savings (Share Balances)



Savings balances were **£214.5m** representing growth of **2.5%**
 (2018: £209.4m) (2018: growth of 4.7%)



The Society aims to generate a level of savings balances that meets its mortgage funding and liquidity requirements. The strengthening of our savers base during the year was achieved at a time when interest rates remain historically low, demonstrating our attractive pricing in the market for new and existing Members alike and the quality of our service proposition.

Our philosophy remains to operate fairly with simple product design, attractive terms and conditions and to deliver long-term Member value. We continue to benchmark our interest rates, monitor trends, and most importantly, ensure our Members remain at the heart of any decisions that we make.

Funding

The Society manages its funding levels carefully to ensure it achieves an appropriate level, mix and duration of funding which is essential in providing the Society with the financial resources it needs to meet its growth aspirations. As a mutual building society, the Society's business model is to obtain most of its funding through retail savers funds from its Members, with the balance of funds to support liquidity levels obtained from the wholesale markets. Wholesale borrowings decreased during the year by £0.5m to £3.0m compared to the previous year of £3.5m. This level is comfortably within the limits established by the Board.

Capital

The Board seeks to maintain a satisfactory level of capital to ensure that the Society is protected against any adverse changes in economic conditions and to cover the level and nature of the risks to which it is or might be exposed.



Capital reserves were **£19.5m** representing growth of **4.7%**
 (2018: £18.6m) (2018: growth of 7.1%)



The table below shows the composition of the Society's capital and the capital ratios at the end of the year.

Capital	2019 £m	2018 £m
General Reserve	19.5	18.6
Intangible Assets	(0.2)	(0.2)
Tier 1 Capital	19.3	18.4
Collective Provision for Impairment Losses	0.2	0.1
Tier 2 Capital	0.2	0.1
Total Capital	19.5	18.5
Total Risk-Weighted Assets	84.3	83.0
CAPITAL RATIOS	%	%
Common Equity Tier 1 Ratio	22.8	22.1
Leverage Ratio	8.0	7.7
Pillar 1 Ratio	8.0	8.0
Pillar 2A Ratio	1.7	1.7

The leverage ratio is a measure of capital strength assessing qualifying Tier 1 capital against on-and-off-balance sheet assets. The leverage ratio as at the year end was 8.0% (2018: 7.7%) and although the 3.25% minimum regulatory limit, prescribed to firms with retail deposits in excess of £50 billion does not apply to the Society, it is in excess of this limit.

The Society is required to set out its capital position, risk exposures and risk assessment process in its Pillar 3 disclosure document. This is available on the Society's website www.chorleybs.co.uk or may be obtained by writing to the Secretary at the Society's Head Office.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Society are set out in the Audit, Risk & Compliance Committee Report on page 27 of the Annual Report and Accounts.

The Future Outlook

Our business model remains viable and the future outlook is encouraging. The risks to our business are understood, well-controlled and our 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.

Global macroeconomic and political factors may continue to impact the UK

economy following the prolonged period of uncertainty subsequent to the Brexit vote. As a UK organisation, the Society has no direct exposure to the EU however, the wider economic implications may have an impact. The Society has carried out stress tests to assess the impact of possible wider economic implications, for example, falling house prices and rising unemployment levels. The Society maintains adequate levels of liquidity and capital and is able to withstand the stresses it has undertaken. Our Board remains vigilant and continues to watch for any adverse signs as the UK navigates its way through the Brexit negotiations.

The Society has recognised that the way in which current and future Members want to deal with us is changing. During the year, we embarked on a programme of enhancements to our IT systems to provide an online savings service and online mortgage broker platform. These improvements will continue and are complementary to our existing branch network. The Board is fully committed to the Society's branch network and to promoting fair and transparent savings products which offer good value in the short, medium and long-term.

The Board remains committed to making a difference to the local community in which we operate and the scale of activity detailed on page 15 will be heightened further in the future as we strengthen our engagement activity with Members and the local community.

Whilst there may be challenges on the horizon, the Society is well placed to continue its successful business performance and to deliver our vision, 'to be the provider of choice for savings and residential mortgages whilst remaining true to our mutual values' and mission statement 'to make a difference to the lives of our Members and the local community'.

On behalf of the Board

Angela Kos
Finance Director

27 March 2019

Charity and Community Support



Charity and Community Support

Since 1859 the Society’s Members and the local community, have remained at the heart of everything we do and each year we aim to make a real difference in the local community by supporting deserving causes.

In 2018/19, ‘Chorley Help the Homeless Ltd’ was our chosen charity and we donated towards this extremely deserving cause throughout the year. We also sponsored and raised funds for other charities and sporting clubs in the local area.

We would like to take this opportunity to thank every one of our Members for their continued support. Together we have helped make a real difference in our local community.

The Society is a socially-aware business and our community involvement and activity has focused on areas which are aligned with our core values. The contributions which we have made to local deserving causes have helped them to continue their great work and support those who rely on their services.

During the year, we donated over £16,000 to local charitable organisations, over £2,500 for our chosen charity and gave over £29,000 to our affinity savings account partners. Here are some examples of the local charities and organisations we have supported.

Chorley Help the Homeless – our chosen Charity of the Year

‘Chorley Help the Homeless Ltd’ strive to combat homelessness and the causes of homelessness in the Borough of Chorley and its surrounding areas.

With a team of professionals and specialist volunteers, they provide support to families and individuals who have nowhere safe to live or who are about to lose their home.

Throughout the year, we have supported our chosen charity with monetary, food and household item donations. Our employees and Members have donated huge amounts of tinned/storable foods, toiletries, bedding and sleeping bags, pots, pans, and cutlery.

In addition, we have raised over £2,500 over the course of the year. A huge thank you to all our employees and Members who have supported this amazing cause!



Members of our Charity Committee pictured: Lottie Clayton, Local Business Development Manager and Kim Roby, Customer Services Director with the donations.

Our Charity Work

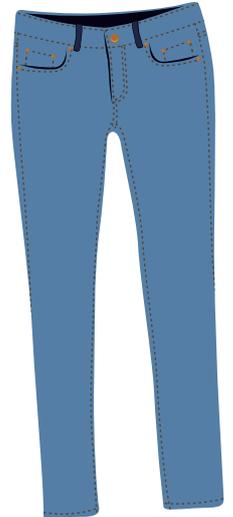


Supporting Mission Christmas

Once again, the Society took part in Rock FM's 'Mission Christmas'. We were proud to support this wonderful charity by collecting and donating toys and games to make sure that no child in the local area woke up on Christmas Day without a present.



Members of our Charity Committee: Angela Platt, Business Support Analyst, Kim Roby, Customer Services Director and Lottie Clayton, Local Business Development Manager pictured with the donations.



Jeans for Genes Day

Friday 21st September 2018 was 'Jeans for Genes Day' and our employees supported this cause by wearing their jeans to work and giving a donation!

Members of our Charity Committee pictured: Rachael Reid, Head of Retail, Angela Platt, Business Support Analyst, Kim Roby, Customer Services Director and Lottie Clayton, Local Business Development Manager.



Macmillan Cancer Support Bake-Off

In September 2018, we took part in Macmillan's biggest fundraising event for people facing cancer. We hosted a coffee morning in our branches for our Members and employees to generate donations.

We held our very own "bake-off" competition and our employees made some fabulous tasty treats including cherry cheesecake brownies, cupcakes and vegan lemon drizzle cake – to name just a few!

Stephen Penlington, Chief Executive pictured.

Affinity Accounts

The Society was delighted to give **£29,206** across our seven affinity account partners. Our affinity accounts are an example of how our Members contribute so generously to local charities and organisations.



Chorley Football Club

Josh Vosper, Commercial Manager and Ken Wright, Chairman from Chorley Football Club pictured with members of our Charity Committee: Angela Platt, Business Support Analyst and Julie Smith, Customer Advisor.



Derian House

Susie Poppitt, Fundraising Consultant for Derian House is pictured with members of our Charity Committee: Angela Platt, Business Support Analyst, Lottie Clayton, Local Business Development Manager and Kim Roby, Customer Services Director.



St Catherine's Hospice

Sue Clemson, Director of Finance & Business from St Catherine's Hospice pictured with members of our Charity Committee: Gemma Kinsman, Mortgage Advisor & Underwriter, Julie Goodwin, Head of Business Development, Lottie Clayton, Local Business Development Manager and Angela Platt, Business Support Analyst.



Age UK Lancashire

David Ward, Promotions and Fundraising Manager from Age UK Lancashire pictured with Angela Platt, Business Support Analyst.

Community Events

Age UK Lancashire - Older People's Day

In October 2018, our affinity partner Age UK Lancashire held their annual 'Older People's Day' to celebrate National Older People's Day. With people living and working longer, it is increasingly important to recognise the importance of supporting older people within our community. Older People's Day is an opportunity to acknowledge the older generation and the contribution which they make.

The Celebration Event was held at the charity's Lifestyle Centre on Gillibrand Street in Chorley. David Ward from Age UK Lancashire said: "We wanted to do something special for the people of Chorley so decided to put on a party. The team of staff and volunteers at the centre were brilliant and the centre was buzzing with activity. We put on a 3-course lunch which went down really well and had some live singers to entertain everyone".

The event was sponsored by the Society and we went along on the day to lend a hand. Kim Roby, Customer Services Director at Chorley Building Society said: "We were delighted to be able to support such an amazing cause within our local community. The work which Age UK Lancashire does is invaluable to older people and it was our pleasure to be able to participate in such a great event."



Careers Fairs in the Local Schools

Over the course of the year, we visited local schools to talk to pupils about the Society and the importance of financial security and having a sound financial education.

We also attended events at numerous secondary schools meeting Year 9, 10 and 11 students, their teachers and parents and speaking to them about their future career aspirations.

Sponsorship of Local Sporting Clubs

The Society is invested in the belief that sport benefits the local community and the health and well-being of those involved. We are proud to support local grassroots clubs and during the year we sponsored both Chorley Football Club and Chorley Cricket Club.



Chorley Football Club

The Society was delighted to be the main sponsor of the main stand at Victory Park and to be the official match sponsor of the Chorley FC v's Boston United FC on 1st December 2018. Here is our Chief Executive, Stephen Penlington, with Man of the Match Elliot Newby and Adam Laycock from Lostock Skip Hire.

Recognition in the Industry

Lancashire Red Rose Awards - Finalists

The Lancashire Red Rose Awards showcase the very best of Lancashire business and so we were delighted to be shortlisted as finalists at these prestigious awards in two categories for the Corporate Social Responsibility Award and the Financial Business Award.

Mortgage Finance Gazette Awards - Highly Commended

In October 2018, the Society was recognised as 'Highly Commended' in the Customer Service category at the Mortgage Finance Gazette Awards. The awards ceremony strives to recognise the achievements of organisations and individuals in the financial services sector on a yearly basis and the Society is proud to have been given this commendation.



Pictured: Rachael Reid, Head of Retail, Julie Goodwin, Head of Business Development, Angela Kos, Finance Director, Kim Roby, Customer Services Director, Lottie Clayton, Local Business Development Manager and Angela Platt, Business Support Analyst at the Lancashire Red Rose Awards



Thank you!

In May 2018, Lesley Cairns, Deputy Chief Executive, Secretary and Treasurer retired after nine years with the Society. Lesley is pictured with her retirement cake.

Our Member Journeys

“
For a long time, I had accepted my fate. Home ownership seemed like a remarkable – and ultimately ludicrous fantasy. Until now.
”



“A few months ago, I was a 29-year-old living in a shared house in central London, spending well over half my monthly wages on rent. Any disposable income which I had, was used to shamelessly spend on overpriced espresso martinis and Uber rides. For a long time, I had accepted my fate and homeownership seemed like a remarkable – and ultimately ludicrous fantasy.

As my 30th birthday loomed closer, I decided to relocate back to the North West and enter the scary world of home ownership. No more sharing. No more arguments over cheese theft. No more passive aggressive fridge notes.

I went to visit Chorley Building Society to apply for a mortgage without really knowing what to expect. I had heard that building societies had a more flexible, case-by-case approach to lending, so with this in mind, I thought my local building society would listen to my espresso martini situation with more compassion than one of the larger banks.

I soon realised that a lack of savings, a student loan and a long and complex relationship with Uber didn't automatically discount me from taking the tentative step onto the property ladder. The mortgage chat was quite different to the petrifying school-lecture-type experience I was expecting from a stern Miss Trunchbull character.

In fact, Chorley explained to me in simple, friendly and easy-to-understand terms that I did earn enough to qualify for a mortgage. Any embarrassing past expenditure would not be considered and a small deposit was absolutely fine because the Society offered 95% mortgages – perfect for single, first time buyers like me. My mortgage advisor also helped me set up a realistic budget (with plenty of room for happy hour cocktails), talked me through all the charges and helpfully put me in touch with a solicitor from their legal panel.

For a long time, I imagined the mortgage application process to be a demeaning and petrifying experience. I don't think the media helps because we frequently hear about how unobtainable getting on the property ladder is. The financial jargon and long and complex process can also be off-putting, but helpfully, Chorley also talked me through all of this.

They were also ready at any opportunity to answer my silly questions and awkward queries, which was incredibly reassuring. I really did feel like they were with me and on my side every step of the way.

So, where am I now? Well, I have a house! The process took just seven short weeks, which means I am all set to wake up on my 30th birthday in a home I own, which feels amazing.

My advice to wannabe homeowners? Just because big banks can afford fancy adverts on television doesn't mean they are the only option out there. Using a smaller building society was absolutely the right choice for me. I finished the house buying process more than unscathed – I left feeling relaxed and happy. How often do you hear that?”

Our Member Journeys

“ Building our own home was something we’d never, as a family, given any really serious consideration to – any conversations we’d had were the standard pipedream type ones which I’m sure most people have after watching too many episodes of Grand Designs on TV!

”



That completely changed when the opportunity unexpectedly came about to purchase a plot of land next door to my Dad’s property. We talked it through as a family and decided that building our own home would give us a once in a lifetime opportunity to design our forever home – a place where our three children could grow up with their own bedrooms and enough space to bring friends home whenever they wanted without getting in each other’s way – when we added a big garden and lovely views in to the equation it was too good an opportunity to turn down (not to mention the added bonus of Grandad being next door!!).



After talking through the mortgage process and details of the costs associated we decided to take the plunge and build our dream home. We used a local architect to draw up our plans and tweaked these a few times until we were sure we had included everything we could possibly need in our new home (although our 7 year old didn’t get the stables and pony she thought were essential!). We then submitted our plans to the local authority and a short time later planning permission was granted, and we were ready to go. We started the build in October 2013.



We were lucky enough to find a buyer for our current home really quickly and used the funds from this to start off the build process. The help and experience of my husband and my Dad, who did a huge amount of the work, were invaluable and they did an amazing job.

Pretty quickly we saw the foundations laid and the dream started to feel like reality! Chorley sent a valuer out at various stages of the build to check that we were progressing as expected which then meant Chorley were able to release the next bit of money to allow the build to progress. At each stage it was really reassuring to have a real person at Chorley to speak to and answer my questions about what came next – no question was too silly for them and they continually put my mind at ease about the process. Whilst all of Chorley’s self-build mortgages are offered through Buildstore, it was amazing to

also have a knowledgeable and experienced specialist at Chorley who was able to answer my (many!!) questions.

Once the brickwork started, things progressed really quickly and soon it was time for the best bit of picking out a kitchen, paint colours and new furniture – my top tip would be that it’s so easy to get carried away at this point so set a budget and try your best to stick to it (the amount of Amazon parcels arriving at the new house definitely led to some tricky conversations with my husband!!)

We moved in to our beautiful new home 14 months later at Christmas time 2014 and when we sat around the Xmas tree on Christmas morning opening presents we knew that all of the hard work, dirt and arguments over paint colours had been worth it.

We wouldn’t have been able to do this without the help and support from Chorley. I can truly recommend their self-build mortgages to anyone who is looking to build (or renovate) their dream home.

Summary Financial Statement



Summary Financial Statement

Summary Directors' Report

The Directors have pleasure in presenting the Business Review including the Summary Financial Statement for the year ended 4 February 2019.

Business Review

The Board remains unanimous in its belief that the mutual form is the most appropriate and beneficial to the interests of all existing and future Members. The Directors are pleased that the Society is reporting another successful year. A review of the Society's business performance has been incorporated into the Strategic Report on page 6.

Capital Ratios

The Society's capital ratios are detailed in the Strategic Report on page 6.

Financial Risk Management Objectives and Policies

The Society operates in a business environment that contains financial risks. To mitigate these risks, the Board has implemented a clearly defined Risk Management Framework that contains the following features:

- A risk-focused governance structure;
- Risk policy statements and risk limits;
- Risk identification, monitoring and reporting processes; and
- An effective internal control framework.

A detailed assessment of the Society's Risk Management Framework is set out in the Audit, Risk & Compliance Committee Report on page 27 of the Annual Report and Accounts.

The financial instruments used by the Society to mitigate certain risks, particularly interest rate risk, are set out in Note 26 of the Annual Report and Accounts.

Principal Risks and Uncertainties

A detailed assessment of the Society's principal risks and uncertainties is set out in the Audit, Risk & Compliance Committee Report on page 27 of the Annual Report and Accounts.

This financial statement is a summary of information in the audited Annual Accounts, the Directors' Report and Annual Business Statement, all of which will be available to Members and Depositors, free of charge on demand at every branch of The Chorley and District Building Society and from its website www.chorleybs.co.uk from 12 April 2019.

Directors

The following persons served as Directors of the Society during the year:

Non-Executive Directors

John Sandford	Chairman
Andrew Horsley	Vice Chairman
David Bagley	Non-Executive Director
Kevin Bernbaum	Non-Executive Director
Erfana Mahmood	Senior Independent Director

Executive Directors

Stephen Penlington	Chief Executive
Lesley Cairns	Deputy Chief Executive, Secretary and Treasurer (to 22 May 2018)
Angela Kos	Finance Director
Kimberley Roby	Customer Services Director

In accordance with the Memorandum and Rules of the Society, Angela Kos will retire at the Annual General Meeting on 21 May 2019 and being eligible will seek re-election to the Board.

Directors and Officers insurance has been put in place by the Society.

Charitable and Political Donations

During the year we made charitable donations of £18,673 (2018: £26,553) to 12 (2018: 25) local charities and community organisations. Furthermore, the Society paid £29,206 (2018: £30,721) to our affinity savings account partners during the year.

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 information on page 15.

Going Concern

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 Society maintains an appropriate level of liquidity that is sufficient to meet the normal demands of the business and the requirements which might arise in stressed circumstances;
- The availability and quality of liquid assets is such that funds are available to repay exceptional demand from retail savings 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 Directors are satisfied that the Society has adequate resources to continue in business for the foreseeable future. For this reason, the accounts are prepared on a going concern basis.

Independent Auditor

The Society regularly assesses the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external Auditor. This is done on an annual basis, immediately after the completion of the year end audit, and this is reported to and discussed at the Audit, Risk & Compliance Committee meeting.

KPMG 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 re-appointment of KPMG LLP as Auditor will be proposed at the Annual General Meeting on 21 May 2019.

On behalf of the Board

John Sandford
Chairman

27 March 2019

Summary Financial Statement for the year ended 4 February 2019

Statement of Income and Movements in Members' Interests	2019 £000	2018 £000
Net interest income	4,515	4,934
Other income and charges	30	28
Administrative expenses	(3,497)	(3,438)
Profit before provisions	1,048	1,524
Provisions for impairment losses	23	(65)
Provisions for FSCS Levy	23	79
Recovery of losses on loans to banks	-	3
Profit for the year before taxation	1,094	1,541
Taxation	(219)	(307)
Profit for the financial year after tax	875	1,234
Members' interests at the beginning of the year	18,577	17,343
Members' interests at the end of the year	19,452	18,577

Statement of Financial Position	2019 £000	2018 £000
Assets		
Liquid assets	43,942	52,330
Mortgages	191,766	178,279
Fixed and other assets	2,426	2,507
Total Assets	238,134	233,116
Liabilities		
Shares	214,549	209,407
Borrowings	3,481	4,390
Other liabilities	652	742
General reserves	19,452	18,577
Total Liabilities	238,134	233,116

Summary of Key Financial Ratios	2019 %	2018 %
Gross capital as a percentage of shares and borrowings	8.92	8.69
Liquid assets as a percentage of shares and borrowings	20.15	24.48
Profit for the year as a percentage of mean total assets	0.37	0.55
Management expenses as a percentage of mean total assets	1.48	1.52

Notes

The percentages are taken from the Society's Accounts for the financial year ended 4 February 2019.

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 investors for withdrawals from their accounts, to make new mortgage loans to borrowers and to fund its general business activities.

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 and depreciation to the average of the Society's total assets during the year. Administrative expenses consist mainly of the costs of employing staff, operating computer systems and other office expenses.

A copy of the Society's full Annual Report and Accounts is available to Members upon request at any Branch Office or by telephoning the Society's Secretary on 01257 235011.

Approved by the Board of Directors on 27 March 2019 and signed on its behalf by:

John Sandford
Chairman

Andrew Horsley
Vice Chairman

Stephen Penlington
Chief Executive

Independent Auditor's Statement

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



Opinion

We have examined the summary financial statement of The Chorley and District Building Society ('the Society') for the year ended 4 February 2019 set out above on pages 24 to 26.

On the basis of the work performed, as described below, in our opinion the summary financial statement is consistent with the full annual accounts, the Annual Business Statement and Directors' Report of the Society for the year ended 4 February 2019 and conforms with the applicable requirements of Section 76 of the Building Societies Act 1986 and regulations made under it.

Basis for opinion

Our examination of the summary financial statement consisted primarily of:

- Agreeing the amounts and disclosures included in the summary financial statement to the corresponding items within the full annual accounts, Annual Business Statement and Directors' Report of the Society for the year ended 4 February 2019, including consideration of whether, in our opinion, the information in the summary financial statement has been summarised in a manner which is not consistent with the full annual accounts, the Annual Business Statement and Directors' Report of the Society for that year;
- 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, in our opinion, information has been omitted which although not required to be included under the relevant requirements of Section 76 of the Building Societies Act 1986 and regulations made under it, is nevertheless necessary to include to ensure consistency with the full annual accounts, the Annual Business Statement and Directors' Report of the Society for the year ended 4 February 2019.

We also read the other information contained in the Business Review and Summary Financial Statement 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 accounts describes the basis of our opinions on those annual accounts, the Annual Business Statement and Directors' Report.

Directors' responsibilities

The Directors are responsible for preparing the summary financial statement within the Business Review and Summary Financial Statement, in accordance with applicable United Kingdom law.

Auditor's responsibilities

Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the Business Review and Summary Financial Statement with the full annual accounts, Annual Business Statement and Directors'

Report and its conformity with the relevant requirements of Section 76 of the Building Societies Act 1986 and regulations made under it.

The purpose of our work and to whom we owe our responsibilities

This auditor's statement is made solely to the Society's Members, as a body, and to the Society's depositors, as a body, in accordance with Section 76 of the Building Societies Act 1986. Our 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 as a body and the Society's depositors as a body, for our work, for this statement, or for the opinions we have formed.

Alain de Braekeleer Senior Statutory Auditor

for and on behalf of KPMG LLP,
Statutory Auditor

Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

27 March 2019

Directors' Remuneration Report

Further details are available under our separate Pillar 3 Disclosure Document which is available on the Society's website at www.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 two Non-Executive Directors. The Chief Executive attends by invitation but takes no part in the discussion regarding his own remuneration. The Head of Risk provides an Independent Report on Remuneration to the Nominations & Remuneration Committee and Board regarding pay awards. 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.

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.

Minutes of all Committee meetings are distributed to all Board members and the Chairman 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 to be paid 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 and Customer Services Director 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 opposite.

Non-Executive Directors

	2019 £000	2018 £000
John Sandford (Chairman)	28	28
Andrew Horsley (Vice Chairman)	24	24
David Bagley	20	19
Kevin Bernbaum	22	22
David Jenkinson*	-	6
Erfana Mahmood	19	19
Total	113	118

Executive Directors

2019	Salary £000	Pension Contributions £000	Bonus £000	Benefits £000	Total £000
Stephen Penlington	142	20	12	1	175
Lesley Cairns [†]	32	3	9	-	44
Angela Kos	110	10	9	1	130
Kimberley Roby	78	7	7	-	92
Total	362	40	37	2	441

2018	Salary £000	Pension Contributions £000	Bonus £000	Benefits £000	Total £000
Stephen Penlington	133	19	17	-	169
Lesley Cairns	94	9	12	1	116
Angela Kos	88	8	11	1	108
Kimberley Roby [^]	31	3	-	-	34
Total	346	39	40	2	427

* to 23 May 2017

† to 22 May 2018

^ from 1 September 2017

Our Directors



John Sandford
BA, MA, FCA
Chairman

John joined the Board in June 2014. He previously worked for KPMG for 33 years, the last 20 as an Audit Partner/Director, leaving KPMG at the end of 2010. At KPMG John headed up KPMG’s Co-operative Centre of Excellence and is totally committed to a strong mutual sector in which he believes the Chorley has an important part to play. John has been Chairman of the Society since September 2016 having previously been Chairman 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.



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. Steve is Chair of the Assets & Liabilities Committee and Risk & Compliance Committee and a member of the Product 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 Pals and Chorley Remembers Charities, a Non-Executive Director at Magenta Living and a Non-Executive Director at Mutual Vision.



Andrew Horsley
Chartered MCSI, FCIS
**Vice Chairman & Chair of Nominations
 & Remuneration Committee**

Andrew joined the Board in December 2011. He is a Fellow of the Institute of Chartered Secretaries with over 30 years' experience, most of it in the financial services sector. He is Company Secretary and Head of Compliance for a mutual insurer. Andrew is originally from Derbyshire. He is a Chartered Member of the Institute for Securities & Investment and a Member of the Association of Financial Mutuals Legislation Committee. Andrew is a member of the Audit Risk & Compliance Committee.



Erfana Mahmood
LLB (Hons)
Senior Independent Director

Erfana joined the Board in October 2011. Erfana is a qualified senior solicitor who has worked in the property lending sector for over 15 years and also has public sector housing experience. Erfana is a member of the Nominations & Remuneration Committee and is the Society's Whistleblowing Champion. In her spare time, Erfana enjoys travelling and walking.



Kevin Bernbaum
BSc, MBA
Chair of Audit, Risk & Compliance Committee

Kevin joined the Board in June 2014. Kevin holds a degree in Accounting and Financial Analysis and an MBA (Finance). He has nearly 35 years' experience working within the banking and building society sector specialising in treasury, risk and balance sheet management. Kevin was brought up in Leicester and now lives in London. He has three children who have nearly flown the nest.



Angela Kos
FCCA, MSc, FCMI
Finance Director

Angela joined the Society in 1999 and was appointed to the Board in April 2013 as Finance Director. She is a Fellow of the Association of Chartered Certified Accountants and graduated from Loughborough University in 2018 with an MSc degree in Leadership and Management. Angela has since become a Fellow of the Chartered Management Institute. Angela has over 19 years' experience working in financial management at the Society and is responsible for the Society's Secretarial, HR, Training, Facilities and Health & Safety functions. Angela is Chair of the Product Committee and a member of the Assets & Liabilities Committee, Risk & Compliance Committee, Mortgage Credit Risk Committee as well as being the Society's Whistleblowing Officer. Angela was born in Chorley and lives in Adlington with her husband and three young children. Angela is a Parent Governor at Balshaw Lane Community Primary School.



David Bagley
FCA
Non-Executive Director

David joined 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, specialising in corporate finance, commercial and investment banking and private equity. David is married with two daughters and lives in Sheffield. He and his wife are active supporters and puppy walkers for The Guide Dogs for the Blind Association where David is a trustee and board member. David is a member of the Audit Risk & Compliance Committee.



Kimberley Roby
BA (Hons)
Customer Services Director

Kim joined the Society in 2006 and was appointed to the Board in September 2017 as Customer Services Director. She has responsibility for the Society's Marketing, Mortgage, Savings, Business Development and IT operations. Kim is Chair of the Mortgage Credit Risk Committee, a member of the Product Committee, Risk & Compliance Committee and Charity Committee. As a member of the Society's Charity Committee, Kim plays a key part in organising numerous charity events during the year, ensuring we support the local community as much as possible. She is passionate about mutuality and putting our Members at the heart of everything we do. Kim has a degree in Business Studies and is currently studying for a master's degree in Leadership and Management at Loughborough University. She has recently moved to Coppull Moor with her husband and three young children.

Notice of Annual General Meeting

Notice is given that the 160th ANNUAL GENERAL MEETING of The Chorley and District Building Society will be held on Tuesday 21 May 2019 at The Coach House, Astley Hall, Astley Park, off Hallgate, Astley Village, Chorley, Lancashire PR7 1NP at 18:00 p.m. for the following purposes:-

1. To receive the Auditor's Report.
2. To receive the Directors' Report, Annual Accounts and Annual Business Statement for the year ended 4 February 2019.
3. To consider and, if thought fit, approve the Directors' Remuneration Report for the year ended 4 February 2019.
4. To consider and, if thought fit, re-appoint KPMG LLP as Auditor.
5. To consider and, if thought fit, re-elect Angela Kos as Director.

Light refreshments will be provided.

By order of the Board

Angela Kos FCCA, MSc, FCMI
Secretary

27 March 2019

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 proxy form.
4. The voting date is the date of the meeting which is 21 May 2019 if voting in person and 14 May 2019 if voting by proxy.
5. In order to attend and vote at the Meeting, or appoint a proxy, you must qualify as either a Shareholding Member or a Borrowing Member.
 - ii. Have held shares to the value of not less than £100 in the Society on 4 February 2019; and
 - iii. Not have ceased to hold a share or shares in the Society at any time between 4 February 2019 and the voting date; and
 - iv. Hold a share or shares in the Society on the voting date.
6. In addition, you can vote only once as a Member, irrespective of:
 - a) The number of accounts you hold and whether you hold accounts in different capacities (for example, on your own behalf and as a trustee), and
 - b) Whether you qualify to vote as both a Shareholding Member and a Borrowing Member.
7. Members attending the meeting will be requested to produce their passbooks or other evidence of membership in order to obtain admission. If you are appointing a proxy, other than the Chairman of the Meeting, to attend the Meeting and vote on your behalf, please ensure that your proxy brings an appropriate form of identification to the Meeting.

If you appoint a proxy to vote on your behalf and your proxy does not attend the meeting, your vote will not be counted.

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 2019; and

Borrowing Members

- a) To qualify as a Borrowing Member, you must:
 - i. Be at least 18 years of age on 21 May 2019; and
 - ii. Have owed the Society not less than £100 in respect of a mortgage debt on 4 February 2019; 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.

**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.