

# Welcome to our Member Review and Summary Financial Statement

For the year ended  
31 December 2025



**Harpenden**  
Building Society

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## Our Branches

### Harpenden Branch

52 High Street, Harpenden, Hertfordshire, AL5 2SP

Telephone: 01582 344204

Manager: Isabel Hare

### Radlett Branch

341 Watling Street, Radlett, Hertfordshire, WD7 7LB

Telephone: 01923 854457

Manager: Gill Pearce

### Leighton Buzzard Branch

22 Market Square, Leighton Buzzard, Bedfordshire, LU7 1HE

Telephone: 01525 852525

Manager: Isabel Hare

## Society Information

Established and incorporated: 1953  
Firm Reference Number: 157260  
Member of the Building Society Association  
Member of UK Finance

### Head Office

Mardall House  
Harpenden  
Hertfordshire  
AL5 4HU

### Board of Directors

Nigel Boothroyd	Chair
Trevor Barratt	(appointed 02 January 2025)
Lesley Beecher	
David Green	
Tina Kokkinos	(resigned 29 July 2025)
Tracie Meadows	
Mark Williams	
Mark Willis	

### Executive Committee

Gemma Fient	Director of Operations
Ian Jones	Chief Risk Officer
Tracie Meadows	Chief Executive Officer
Gavin Mullen	Society Secretary
Ben Richardson	Commercial Director
Gary Richardson	Director of IT & Transformation
Shirine Vincent	Director of People and Culture
Mark Williams	Finance Director

### Bankers

HSBC Bank plc  
1 Centenary Square  
Birmingham  
B1 1HQ

### Auditor

Forvis Mazars LLP  
30 Old Bailey  
London  
EC4M 7AU

# Chair's Statement



I am pleased to present the Annual Report and Accounts of Harpenden Building Society for the year ended 31 December 2025.

This marks my second year as Chair of the Society. During the year, the Board has remained focused on strengthening the foundations of the business, supporting our members through a changing economic environment and ensuring that the Society is well positioned to deliver sustainable long-term value as a mutual.

## Leadership and People

During 2025, Tracie Meadows completed her first full year as Chief Executive of the Society. The Board has been encouraged by the clarity of leadership and operational focus demonstrated during the year and by the progress made in advancing the Society's strategic priorities. We continue to work constructively with Tracie and the executive team, providing appropriate challenge and oversight as the Society develops further.

## Performance in 2025

The Society has continued to operate with a strong focus on its mutual values and its commitment to putting members first. The Board recognises that the dedication and professionalism of our colleagues are central to the quality of service delivered to members and to the Society's overall performance.

I am pleased to report a strong financial performance in 2025. Profit before tax was £772,000, with net mortgage growth of 14.6%, taking the mortgage book to £369.6 million. The balance sheet expanded by 9.4% to £463.0 million, and the Society maintained a healthy Net Interest Margin of 2.35%.

The Board has satisfied itself that capital, liquidity and risk have been managed prudently throughout the year, providing resilience while enabling the Society to continue supporting members through appropriate lending and savings products.

## Outlook and Strategy

The economic environment remains uncertain, and the Board continues to monitor closely the potential impacts on margins, funding costs and member behaviour. Notwithstanding this, the Society enters 2026 with a resilient balance sheet, a clear strategic direction and a strong service proposition.

In January this year, we introduced our refreshed brand, aligning its launch with the opening of our flagship branch in the heart of Harpenden. This development reflects the Board's support for measured investment in modernisation, while maintaining a strong local presence and focus on member service.

The Board remains committed to building a sustainable Society that can grow responsibly, invest appropriately in its people and systems

and continue to meet the needs of both current and future members. We believe that the Society's conservative risk appetite and mutual model provide a sound basis for navigating the period ahead.

### **Board Changes and Governance**

During the year, the Board has continued to review its composition, effectiveness and committee responsibilities to ensure robust governance, effective oversight and appropriate succession planning.

Trevor Barratt, who joined the Board as a non-executive director in January 2025, has settled well into his role and brings valuable sector and non-executive experience. He also chairs our new Transformation Committee, which we established during the year to oversee the Society's transformation programme

I would like to thank Tina Kokkinos for her valued contribution to the Board. Tina stepped down during the year to dedicate more time to her broader non-executive portfolio, and we wish her every success in her future endeavours.

The Board remains committed to maintaining high standards of governance and ensuring that decision-making is aligned with the long-term interests of the Society and its members.

### **Colleagues and Culture**

Our colleagues are central to the Society's success and to the personal service that distinguishes us from many competitors. The Board continues to place strong emphasis on culture, capability and colleague engagement, recognising their importance to long-term sustainability.

In a competitive labour market, colleague attraction, retention and development remain key areas of focus. By supporting a positive and inclusive working environment and investing in skills and development, the Society is strengthening its capability to serve members effectively now and in the future.

### **Appreciation**

I would like to thank my fellow Board members, the executive team and all colleagues for their continued commitment and professionalism during the year. I would also like to thank our members and professional partners for their ongoing support of Harpenden Building Society.

### **Nigel Boothroyd**

Chair

11th March 2026

# Chief Executive's Review



I am delighted to present our Annual Report and Accounts for 2025, reflecting my first full year as Chief Executive. Over the year, the Society has made further progress both financially and strategically, while continuing to evolve our culture. We have strengthened our foundations and remained focused on delivering sustainable value for members, underpinned by our long standing commitments to trust, responsibility and our communities.

The UK economy entered 2025 on a more stable footing than the previous two years, as inflation continued to ease from its 2023 peak and interest rates moved decisively off their highs. The Bank of England base rate, which had reached 5.25% in 2024, began to fall in late 2024 and early 2025, reaching 4.50% in February and 3.75% in December.

For our members, this environment has been characterised by a gradual rebalancing between borrowers and savers. Higher interest rates over recent years placed pressure on mortgage affordability, particularly for customers coming off fixed-rate deals, while savers benefited from the strongest returns seen for over a decade. As rates begin to normalise, our focus has been on supporting customers through transition, helping borrowers manage repayments and plan ahead, while continuing to offer savers fair, competitive returns.

Mortgage markets continued to show signs of recovery during 2025 with many benefiting from the stamp duty holiday in the first

quarter. Mortgage rates eased from their 2023 highs, with sub 4% products returning to parts of the market, improving sentiment and affordability. Remortgage activity remained robust as customers sought certainty and value, while the first time buyer market continued to be constrained by higher deposit requirements and living costs. House prices proved more resilient than many expected, supported by strong employment levels and a persistent undersupply of homes, although overall transaction volumes remain below pre pandemic norms.

The savings market remained highly competitive throughout the period. While headline best buy rates moderated as expectations of interest rate cuts grew, returns remained materially stronger than those seen in the decade prior to 2022. Customer behaviour continued to evolve, with greater engagement in product switches, term deposits and online account management, alongside an ongoing demand for reassurance and access to branch based support.

Against this backdrop, we have remained focused on our mutual purpose: balancing the needs of both savers and borrowers, maintaining financial resilience, and supporting members through changing economic conditions. Continued investment in digital capability has complemented our branch network, ensuring customers can manage their finances in the way that suits them, while still benefiting from trusted, personal service.

In this environment, I am pleased to report a year of solid financial progress in 2025. We achieved profit before tax of £772,000 and delivered net mortgage growth of 14.6%, taking our mortgage book to £369.6 million, supported by a strong lending pipeline of £143.3 million. Our balance sheet expanded by 9.4% to £463.0 million, and we maintained a healthy Net Interest Margin of 2.35%.

This growth has been driven by an expanding loan book, disciplined cost management, and enhanced operational efficiency, all of which will continue to strengthen our capital position and long-term sustainability.

Our Cost/Income Ratio was 91.3%, while the liquid assets ratio decreased to 20.2%. Mortgage arrears and forbearance have continued to be low and stable, and the average loan-to-value across our mortgage book stands at just 40%. Our overall provision for bad debts reduced to £281k. We have maintained a prudent approach to mortgage lending by avoiding high loan-to-value lending and upholding our traditional strengths in responsible underwriting.

I am proud of the strategic milestones achieved during 2025, including the Society's brand refresh; a carefully considered and strategically important initiative designed to ensure we remain relevant, distinctive and trusted in a changing financial services landscape. The refreshed brand supports our ambition to grow sustainably, deepen relationships with members, communities and

partners, and remain true to our mutual values.

As part of a wider strategic review of how and where we serve our members, we also took the difficult decision to merge our operations in Tring with our Leighton Buzzard branch. This was not a decision taken lightly. While the Tring office was valued by many members, footfall had declined over time and operating costs had continued to rise, making it increasingly challenging to sustain the branch in the long term. Our priority throughout was to ensure members continued to receive the high standard of service they expect, supported by strengthened provision in Leighton Buzzard and alternative ways of accessing the Society.

At the same time, we reinforced our long term commitment to the communities we serve through targeted investment. The launch of our refreshed brand was timed to coincide with the opening of our flagship branch in the heart of Harpenden on 15 January this year. Moving from Station Road to more prominent, modern premises on the High Street represents far more than a change of location. It places us closer to the people we serve, makes the Society more visible and accessible, and reflects our intention to retain a strong physical presence in an increasingly digital world.

The new branch provides a welcoming, contemporary environment that supports better conversations, improved accessibility and a stronger member experience. It reflects both who we are today and our long term commitment to Harpenden and the

# Chief Executive's Review

(Continued)

surrounding area, helping us to serve existing members more effectively while continuing to grow responsibly and deepen our roots at the heart of the community.

Progress has also been made on the Society's core transformation programme, which remains a key strategic priority. During 2025, we continued to modernise both our front and back office systems, improving the resilience of our operations and laying the foundations for a better, more consistent experience for members. This programme is designed to streamline processes, enhance service quality and improve operational efficiency, enabling colleagues to focus more time on supporting members. While much of the work to date has focused on building capability and readiness, we expect the benefits of this investment, including improved customer experience and greater efficiency, to begin to be realised during 2026 and beyond.

Taken together, these developments demonstrate our commitment to evolving thoughtfully while remaining true to our roots as a mutual. By investing in our communities, modernising our operations and making careful decisions to ensure long term sustainability, we are strengthening the Society for the future. Central to this progress are our colleagues, who remain fundamental to our long term success. During 2025, we continued to build a strong, supportive culture, enhancing engagement and supporting colleague wellbeing and development. Improved communication has helped bring teams closer together, and this sustained focus was reflected in our Best Companies results, with the Society once again recognised as a Very Good to Work For organisation.

The Society continued to strengthen its commitment to community engagement throughout 2025, providing £16,930 in grants to local organisations. We also invested

over £8,400 in community advertising, local support and sponsorships, and closed the year by sponsoring Harpenden's Carols on the Common on Christmas Eve. Our charitable activity continued to make a meaningful impact, with £5,750 raised for Keech Hospice Care and a £500 donation to Open Door's Butterfly Meadows project. Colleague volunteering remains a cornerstone of our community programme, with 62 colleagues contributing more than 834 hours to local causes during the year. These efforts not only benefit the communities we serve but also help to foster pride, connection and purpose across the Society.

Alongside this community focus, we have remained committed to providing a consistently high standard of service for our members across all channels - in branch, by telephone and online. I am pleased that this continues to be reflected in member feedback, with a Smart Money People rating of 4.5 out of 5. We were also delighted to be recognised as Best Local Building Society at the What Mortgage Awards for the eleventh consecutive year, a testament to the strength of our member relationships and the dedication of our colleagues.

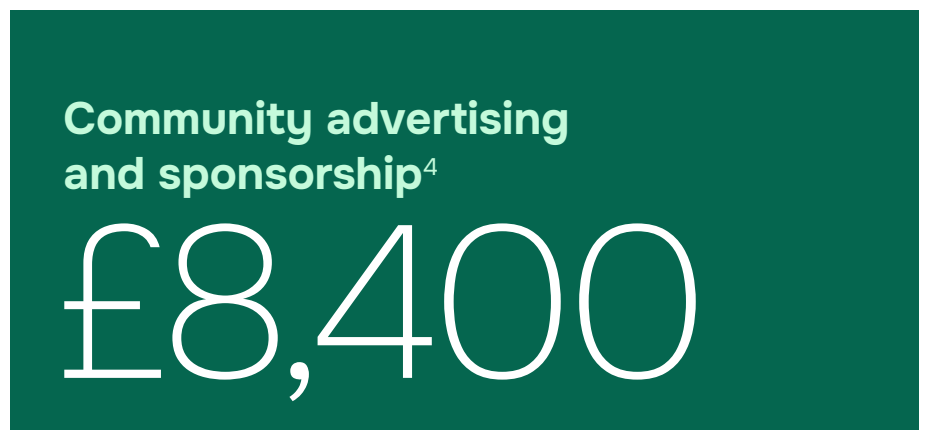
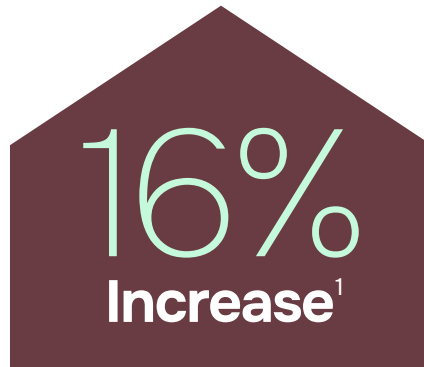
In closing, I would like to thank our members for their continued trust and loyalty, and our colleagues for their commitment, professionalism and care throughout the year. As we look ahead, we do so with confidence; confident in our strategy, confident in our people, and confident in our ability to continue serving members well. We remain firmly focused on building a strong, modern and sustainable Society, rooted in our communities and guided by our mutual values.

**Tracie Meadows**

Chief Executive Officer

11 March 2026

## At a glance...



# Environmental, Social and Governance (ESG)

## The Society is committed to:

- Reducing its carbon footprint.
- Supporting the UK Government's ambition to reduce greenhouse gas emissions to net zero by 2050 and helping generate sustainable economic growth.
- Playing an active role in our communities.
- Supporting our people in an ethical and responsible way.
- Following best practice corporate governance.

## Our Carbon Footprint

We took the following steps in 2025 to improve the Society's carbon footprint:

- We replaced air conditioning units in our Head Office with energy-efficient models.
- We installed new double-glazed windows with solar glass insulation in our Head Office to make it more energy efficient.
- We continued to reduce our paper usage, limiting printing where we can and ensuring we use sustainable paper.
- We increased the number of members accessing their AGM documentation and voting online by 16%.<sup>1</sup>
- We increased usage of our online portal (Harpenden Online) for new and existing savers. A further 1731 accounts were registered and recruited through Harpenden Online in 2025, representing 28% of all accounts and 36% of balances in total.
- We encouraged recycling wherever possible with recycling bins for paper, plastic, cans, and card.
- We adopted environmentally friendly cleaning products to keep our offices clean.
- We endeavour to verify the ESG credentials of our third-party suppliers, ensuring our values are reflected throughout our supply chain.

## Lending and Saving Sustainably

We are committed to delivering sustainable lending and saving through the products we offer and the markets in which we operate. The Society will continue to expand its knowledge of climate change and take action to manage the impacts on its members and the organisation. By working closely with partners and stakeholders, we aim to build a brighter, more sustainable future together.

We continue to support our members with a broad range of savings accounts and mortgages and are proud to have won the Best Local Building Society in the What Mortgage Awards for the eleventh consecutive year.<sup>2</sup> We were also highly commended in the Best Self Build Mortgage Lender and Best Building Society Customer Service categories reflecting our ongoing dedication to delivering outstanding service and support.

We launched our first-ever Christmas Club Account for colleagues, making it easier for them to save for the holiday season in 2025.

As proud participants in UK Savings Week, we joined the annual Building Societies Association campaign to share helpful tips and financial know-how with our colleagues and members. Our e-magazine, Mutual, featured practical savings advice, society news, and stories about our community and charitable work.

As part of "My Money Month" we welcomed school children from a local school to learn the basics of money management. Through hands-on activities such as role-playing how to make deposits and withdrawals, they discovered what building societies do and why saving matters - empowering the next generation to make smart financial choices.

## Our Communities

In line with our Vision, we continued to play an active role in our communities:

- We awarded charitable grants of over £16,000 from our Endowment Fund (the “Fund”) to four worthy recipients, namely Harpenden Connect, Youth Talk, Citizen’s Advice in St Albans and South Side Studios in Leighton Buzzard.<sup>3</sup> The purpose of our Fund is to support children, health and local community projects primarily within the geographic area of Hertfordshire but also Bedfordshire. The Fund is administered by Hertfordshire Community Foundation (HCF), an independent countywide charity that provides support to local grassroots organisations and to children and families in crisis by encouraging local philanthropy. HCF helps identify and research suitable projects for us to fund in line with our objectives. We prioritise grants for charities near our branch locations and aim to award at least one grant annually to a charity focused on environmental sustainability.
- We invested over £8,400 in community advertising and sponsorship<sup>4</sup>, partnering with local organisations and events like Harpenden Trust’s Carols on the Common, Harpenden Golf Club, The Lea School Harpenden, Gaddesden Park Place, Oaklands College, Chesham United, the Radlett Bowls Club, Kids in Action, and more. We also supported the Tring Mid-summer Fun Run and Summer Carnival, the Aldbury May Fair, and the Harpenden Academy Easter Egg Hunt.
- We selected and supported Keech Hospice as our charity of the year and, together with our members and colleagues, we raised £5,758 through various fund-raising initiatives like a cycle challenge, bake sales and raffles.
- We donated £500 to Open Door’s Butterfly Meadows project to purchase

seeds for schools, community groups and households in the Berkhamsted area to plant mini flower meadows across the community to attract butterflies and help reverse their declining numbers.

- Our colleagues gave over 834 hours of their time to volunteer for great causes such as Keech Hospice, Open Door Berkhamsted, Sunnyside Rural Trust, Small Acts of Kindness, Watling View School, Harpenden Rugby Club, the Poppy Appeal, and the Rotary Club.<sup>5</sup>
- Our colleagues supported individuals in the local community facing loneliness or social isolation, reinforcing our commitment to caring for everyone in our community.

## Our People

At the core of our Society are the remarkable individuals whose dedication and passion ignite our collective success. Every achievement, innovation, and milestone stems from their energy and ambition. This year, we have continued to invest in our people, strengthening capabilities to meet both current and future needs. We recognise that attracting, nurturing, and retaining talented colleagues is fundamental to sustaining our progress.

## Building our Talent Pipeline

Our commitment to developing our team starts with how we connect with our local community. We advertise vacancies through the local Job Centre Plus, display opportunities in our branches, and promote roles on our website and select job boards. We have deepened our partnership with Hertfordshire and Bedfordshire universities, for example this year welcoming two marketing graduates for internships. These interns have played a pivotal role in several important projects, including our brand refresh and the development of our new website, whilst gaining invaluable skills and experience for the future.

# Environmental, Social and Governance (ESG)

(Continued)

This year, we celebrated a milestone by appointing our first apprentice within the Finance team, offering a structured development opportunity to an existing colleague.

This reflects our ongoing commitment to cultivating talent from within and providing meaningful pathways for growth and learning.

2025 stands out as a year of transformation and growth for the Society. We embraced new opportunities through four secondments, two transfers, and several internal promotions, further enhancing our team's depth and agility.

## Investing in Professional Growth

Each individual is encouraged to dedicate time to their professional development and to explore interests beyond their immediate roles. Through targeted e-learning, regular knowledge sharing, and updates on best practice, emerging technology, and regulatory changes, we aim to keep our team at the forefront of our sector. This culture of learning extends beyond our Society: we were proud to participate in the St Albans and Harpenden Careers Fair for local schools, where volunteers from across our organisation inspired young people to consider careers in the mutual sector and forged new connections within our community.

Our popular 'lunch and learn' sessions covered a wide range of topics, from cyber-security awareness to demystifying the Treasury function.

## Rewarding and Recognising our People

To attract and retain colleagues, we offer a fair and competitive total reward package, benchmarked against the market. Our compensation comprises four key components: fixed remuneration (base pay), variable pay (annual bonus), retirement benefits (pension), and a suite of other benefits.

We are proud to pay the greater of the Real Living Wage or the National Living Wage plus 10% as a minimum rate of base pay.

During the year, we invested in a flexible benefits platform, enabling colleagues to view their total reward package, manage Society-provided benefits, buy or sell holiday, enhance pension contributions, and access technology or bikes through our cycle to work scheme. The platform also offers discounts with retailers and insurers. We further improved retirement benefits by negotiating a reduction in our pension fund's management fee and transitioning to a salary sacrifice scheme.

## Engaging our Team

For the third consecutive year, we partnered with Best Companies for our engagement survey, achieving our highest participation rate yet at 91%.<sup>6</sup> We were pleased to retain accreditation as a 'Very Good to Work For' organisation, with particular strengths in management and wellbeing compared to our peers. Following the survey, we hosted a series of facilitated workshops to explore findings and gather suggestions for improvement. These ideas are now being collated, with an implementation plan set for early 2026.

## Championing Diversity and Inclusion

We are dedicated to fostering a workplace where every colleague feels valued, respected, and empowered to reach their full potential. We believe diversity in all its forms strengthens our Society, driving innovation, enhancing performance, and enriching our service to members and the wider community.

Our team reflects this commitment, with colleagues from twenty nationalities, five ethnic identities and religions, and a balanced mix of women and men aged 19 to 66, according to our latest diversity and inclusion survey. We continue to invest in initiatives that promote equality and inclusivity, ensuring everyone has the opportunity to thrive in an environment that celebrates differences and

encourages collaboration. We strive to build a workforce representative of the communities we serve and where every voice is heard.

Our active, colleague-led WEDI group organised events celebrating neurodiversity, Pride week, and mental health awareness, including supporting those with caring responsibilities and raising awareness about Alzheimer's.<sup>7</sup> These initiatives reflect our commitment to supporting vulnerable customers and colleagues alike.

## Creating an Inclusive, Flexible Culture

Our culture is built on collaboration, recognition, and inclusivity, creating a sense of belonging and shared purpose. We also recognise the importance of work-life balance, offering flexible and remote working arrangements so colleagues can tailor their schedules to suit personal needs while not being detrimental to members or Society performance. At year-end, our team comprised 58 full-time and 25 part-time colleagues, with nearly a third opting for flexible working patterns to accommodate lifestyle choices, caring responsibilities, and health needs.

Together, it is our people's talent, dedication, and spirit that continue to shape the Society's future, ensuring we remain a vibrant, supportive, and forward-thinking organisation for all.

## Our Governance

Our ESG Forum oversees the Society's operations and initiatives regarding environmental, social and governance matters. It reports into the Executive Committee with quarterly updates provided to the Board. This ensures our efforts stay focused, transparent, and aligned with our mission.

At the Society, we are committed to best practice in corporate governance by:

- Continuing to embed our governance framework to ensure alignment to our corporate goals.

- Ensuring we have the right governance process and procedures in place to protect customers, colleagues, and the Society from potential risks and to meet regulatory requirements.
- Demonstrating how the Society has identified and prioritised ESG risks and focus areas.
- Embedding ESG strategies and associated limits and metrics within the Society's broader governance and risk management framework.

Each year we conduct an ESG risk assessment, which looks at the Society's business model, size and geographical location and identifies the areas where climate related risks could impact its risk profile. This year's review concluded that ESG-related operational risks remained at a satisfactory level with social and governance risks remaining low.

We also carried out an external board and committee performance review to provide an independent, objective evaluation of the board and its committees' effectiveness with a view to enhancing governance, accountability, and alignment with best practices. The report found our board to be well-balanced with good board dynamics, active participation and constructive and robust challenge. The report highlighted areas for improvement such as strengthening succession planning, involving non-executive directors earlier in strategic planning, and enhancing technology oversight. We have developed an action plan to address these, which we will track throughout 2026.

We are committed to diversity at every level. For two thirds of 2025, women made up at least 33% of our Board, though this dipped to 28.5% after Tina Kokkinos stepped down. Gender representation will remain a key focus in our succession planning and recruitment to ensure a wide range of perspectives at the highest level.

# Your Board of Directors

(as at 31 December 2025)



**Nigel Boothroyd**  
Chair

Nigel joined the Society as a non-executive director in March 2019 and was appointed Chair in April 2024. He is Chair of the Nominations Committee and a member of the Remuneration Committee. Nigel has significant executive-level experience within financial services, having spent c.38 years at HSBC Group. He has carried out a number of senior roles, with experience of corporate and commercial banking; credit risk; operational risk; retail banking and wealth management. Nigel has served on a number of Executive and Risk Committees within the UK, Europe and North America. He was also the National Head of Corporate Banking with HSBC Canada between 2012 and 2015.

Nigel is an experienced non-executive director and, in addition to his role at the Society, is currently a non-executive director at British Arab Commercial Bank plc where he is also the Chair of the Remuneration and Nominations Committees.



**Trevor Barratt**  
Non-Executive Director

Trevor joined the Society as a non-executive director in January 2025 and is Chair of the Transformation Committee and a member of the Risk & Compliance and Remuneration Committees. Trevor has over 25 years' experience as a senior executive in governance and risk management, with the majority of this time spent in mainstream retail and commercial banking. For several years he was the Head of Strategic Risk for Lloyds Bank Plc, working within the Group Risk function, and subsequently he became the Chief Risk Officer of Charities Aid Foundation Bank, before moving to Duncan Lawrie Private Banking Group as an Executive Director, prior to moving to risk consultancy. He was a non-executive director of a private bank, with an international clientele and more recently at Monmouthshire Building Society where he chaired the Risk Committee. Trevor is also a non-executive director at British Fenestration Rating Council Ltd and sits on the Valuation Assurance Committee of the Royal Institute of Chartered Surveyors.

# Your Board of Directors

(continued)



**Lesley Beecher**  
Non-Executive Director

Lesley joined the Society as a non-executive director in July 2021 and is Chair of the Remuneration Committee and a member of the Audit, Transformation and Nominations Committees. Lesley has worked in financial services for over 25 years. She is a technology specialist and was a retail banking CIO in her previous role. In parallel, for the last 7 years Lesley was a non-executive director for a company offering services to the credit union sector. In addition to her role at the Society, Lesley is also a non-executive director at Gatehouse Bank Plc.



**David Green**  
Non-Executive Director

David joined the Society as a non-executive director in October 2020 and was appointed Senior Independent Director in April 2024 and Vice Chair in June 2024. He also chairs the Society's Audit Committee and is a member of the Risk & Compliance Committee. He is a chartered accountant with around 40 years' experience in retail financial services and joined from a leading private bank following his retirement as CEO. He also served as an independent non-executive director for 7 years at a challenger bank. In addition to his role at the Society, David is also a trustee of Leonard Cheshire Disability.



**Tracie Meadows**  
Chief Executive Officer

Tracie joined the Society as Chief Executive Officer in May 2024 and is a member of the Board and Chair of the Executive Committee. Tracie has over 29 years' experience in retail banking across three major financial institutions, Nationwide Building Society, HSBC and most recently Santander, where she was the Chief Customer Officer, Homes at Santander UK. At HSBC she started as Head of Mortgages before becoming the Director of Retail Banking for HSBC UK. Tracie started her career at Portman Building Society before moving to Nationwide Building Society following the merger of the two societies; in her 19 years in the mutual sector, she ran the prime and specialist mortgage portfolios and savings book.

# Your Board of Directors

(continued)



**Mark Williams**  
Finance Director

Mark joined the Society as Finance Director in November 2023 and is a member of the Board and the Executive Committee. He also chairs the Assets & Liabilities Committee.

Mark is a qualified chartered accountant, with nearly 30 years' experience within the Financial Services sector. After qualifying, he spent many years within Investment Banking working at Standard Bank, Lehman Brothers and Deutsche Bank. More recently Mark has worked at various retail and commercial banks including Lloyds Bank, the Co-operative Bank and Jordan International Bank where Mark was CFO and Acting CEO as well as a Board member. He has extensive experience across Finance, Treasury and Risk roles.



**Mark Willis**  
Non-Executive Director

Mark joined the Society as a non-executive director in April 2019 and is chair of the Risk & Compliance Committee and a member of the Audit Committee.

Mark has spent his career in financial services, most recently as Chief Risk Officer at National Counties Building Society which he joined in 2013. Previously, he served in a number of operational and oversight roles in financial risk management at Nationwide Building Society (including Head of Market Risk) and with Nationwide Pension Fund as trustee.

He is a Chartered Accountant and Corporate Treasurer and holds the PMI Award in Pension Trusteeship.

# Summary Financial Statement

## Summary Directors' Report

This financial statement is a summary of information in the audited annual accounts, the Annual Business Statement and Directors' Report, all of which will be available to members and depositors free of charge on request at every office of Harpenden Building Society from April 2026.

## Strategic Business Review

The Chair and Chief Executive have both commented on the Society's performance for 2025 and the steps taken to grow the mortgage book. During 2025, there has been a very healthy net growth in the mortgage book of 14.6% and this despite the impact of 4 reductions in Bank Base Rate (BBR) in the year and a reduction in the Society's Standard Variable Rate on the mortgage book, has resulted in a £1.1m increase in interest receivable for the year. The income growth was partly offset by an increase in interest payable of £0.1m as the savings book grew at a smaller amount than the mortgage book. This has resulted in an overall increase of £1.0m in net interest income year on year.

Administrative expenses, which are made up of staff costs and management expenses have increased by £0.9m year on year. Management expenses increased by £0.3m while staff costs increased by £0.6m.

The increase in management expenses is mainly due to rebranding and repairs to the Leighton Buzzard branch.

The increase in staff costs of 12% is driven by inflation and new hires for projects.

The Society's credit risk profile continues to remain strong and has proved to be resilient to the continuing impact of the 'Cost of Living' crisis throughout the UK. Overall LTV's for the mortgage book remain very low and this results in minimal exposure to losses resulting from any future material reduction in house prices and/or increases in loan defaults. Even with the growth in the mortgage loan book during the year the Society has decreased its provisions by £20k. This is mainly due to the increased house prices in the year.

Despite the above, following further investment in our systems to support growth, we recorded a decline in net operating profit before tax

(before any adjustment for revaluations) in 2025 of £0.6m (2024: £0.9m).

Total comprehensive income for the year was £0.7m (2024: profit £0.7m). The revaluation for 2025 was a gain of £312k and £342k (2024: £12k and £50k) for investment and operational property, respectively.

The Directors recognised that there are risks and uncertainties associated with the macro-economic pressures facing the UK. Any consequent economic downturn, disruption to financial markets or political instability could have an impact on the Society's business model. The impact of an Economic downturn has been stress tested against the Business Plan during the year to ensure that it has appropriate management control processes and sufficient capital and liquidity to withstand such impacts.

Throughout 2025 the Society continued to focus on its core objective, namely, to provide a competitive mortgage range funded predominantly by retail savings, although the Society has received an increase in funds from corporate accounts in the year. The Society continued to increase its share of retail savings through online savings accounts.

As noted above, the mortgage book grew by 14.6% in 2025 to £369.6m, with the overall balance sheet increasing by £39.7m to £463.0m. The Society continued to grow its funding by £38m year on year, an increase of 9.7%. The levels of liquidity decreased by £8.3m driven by strong mortgage growth in the year.

An Operational Asset Liability Committee convenes as a minimum fortnightly to discuss pricing and ensure sufficient attention is focused on both new product development and the pricing decisions taken. This includes the assessment of various factors when considering rate changes, one of which is the Bank Base Rate, but other factors include competitive pressure, funding requirements, liquidity position, growth expectations and balancing the competing needs of both mortgage and savings customers.

The Society strives to provide fair interest rates for both mortgage and savings customers, in the context of the reshaping of the funding base. From a savings perspective we consider the rates to be competitive in the marketplace.

# Summary Financial Statement

for the year ended 31 December 2025

<b>Results for the year</b>	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Net interest receivable	<b>10,396</b>	9,393
Other income and charges	<b>23</b>	165
<b>Total Net Income</b>	<b>10,419</b>	9,558
Administrative, depreciation and amortisation expenses	<b>(9,980)</b>	(8,776)
Fair value gains on investment property	<b>312</b>	12
Release on loan loss impairment	<b>21</b>	106
<b>Profit for the year before taxation</b>	<b>772</b>	900
Taxation	<b>(280)</b>	(264)
<b>Profit for the year financial year</b>	<b>492</b>	636
Revaluation of tangible fixed assets	<b>336</b>	50
Movement in related deferred tax	<b>(85)</b>	(13)
<b>Total comprehensive income for the financial year</b>	<b>743</b>	673
<b>Financial position at end of year</b>	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
<b>Assets</b>		
Liquid assets	<b>86,716</b>	94,972
Mortgages	<b>370,070</b>	322,757
Fixed and other assets	<b>6,177</b>	5,535
<b>Total assets</b>	<b>462,964</b>	423,264
<b>Liabilities</b>		
Shares	<b>388,240</b>	374,119
Borrowings	<b>41,833</b>	17,772
Derivative financial instruments	<b>289</b>	-
Other liabilities	<b>1,758</b>	1,272
General reserve	<b>29,525</b>	29,033
Revaluation reserve	<b>1,319</b>	1,068
<b>Total liabilities</b>	<b>462,964</b>	<b>423,264</b>

Approved by the Board of Directors on 11 March 2026 and signed on its behalf by:

**Nigel Boothroyd**

Chair

# Summary Financial Statement (continued)

for the year ended 31 December 2025

	2025	2024
Gross capital as a percentage of shares and borrowings	7.17%	7.66%
Liquid assets as a percentage of shares and borrowings	20.16%	24.23%
Profit for the financial year as a percentage of mean total assets	0.11%	0.17%
Management expenses as a percentage of mean total assets	2.25%	2.30%

## Notes to the Key Financial Ratios

Gross capital comprises general reserve and revaluation reserve. The gross capital ratio gives an indication of the extent to which the Society is funded by retained profits and other reserves compared with money invested by shareholders and depositors. Such capital provides a financial cushion against any losses that might arise in the Society's business and therefore protects investors.

The liquid assets ratio measures the proportion that the Society's assets held in the form of cash, or short-term deposits readily convertible into cash, bears to the Society's liability due to investors. Such liquidity enables the Society to meet requests by investors for withdrawals, to make new mortgage loans and to fund its general business activities.

Mean total assets are calculated as the average total assets at the beginning and end of the financial year.

Profit for the year as a percentage of mean total assets measures the proportion that the Society's profit after taxation bears to the average of total assets during the year. The Society has to make a reasonable level of profit each year in order to maintain a strong gross capital ratio thereby providing protection for investors' funds.

The management expenses ratio measures the proportion that the Society's administrative expenses bear to the average of the Society's total assets during the year.

# Independent Auditor's statement to the Members and Depositors of Harpenden Building Society

We have examined the Summary Financial Statement of Harpenden Building Society (the "Society") set out on pages 17 to 20.

## Respective responsibilities of directors and auditor

The directors are responsible for preparing the Member Review and 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 Member Review and Summary Financial Statement with the full 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 accounts, the Annual Business Statement and the Directors' Report of the Society for the year ended 31 December 2025 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 the 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 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 accounts, the Annual Business Statement and the Directors' Report of the Society for the year ended 31 December 2025.

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

## Opinion

In our opinion the Summary Financial Statement is consistent with the full accounts, the Annual Business Statement and the Directors' Report of Harpenden Building Society for the year ended 31 December 2025 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 as a body and the Society's 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 as a body and the Society's depositors as a body for our audit work, for this statement, or for the opinions we have formed.

## Forvis Mazars LLP

Chartered Accountants and Statutory Auditor  
30 Old Bailey  
London  
EC4M 7AU

11 March 2026

# Directors' Remuneration Report

The purpose of this report is to explain how the Society complies with the principles relating to remuneration in the UK Corporate Governance Code 2024. The Society has adopted a Remuneration Policy, which describes how the Society complies with the FCA's Remuneration Code. The remuneration of the individual Directors is detailed in note 8 on pages 62 of the Directors' Report, Accounts and Annual Business Statement.

## The Level and Components of Remuneration

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

**Board comment:** The Remuneration Committee is responsible for reviewing the Remuneration Policy and Remuneration Framework and ensuring that they align with the Society's overall strategy and long-term objectives with appropriate consideration of member outcomes, culture, risk appetite and diversity and inclusion. In determining the Remuneration Policy and corresponding remuneration practices, the Remuneration Committee is mindful of the need for clarity, simplicity, risk management, predictability, proportionality, and alignment to culture. It recommends the Remuneration Policy to the Board having regard to all applicable legal and regulatory requirements.

In determining Executive Director and Executive Team remuneration, it first reviews all workforce remuneration and the alignment of incentives and rewards with the Society's culture, risk appetite and strategy. The Remuneration Committee has delegated responsibility to determine the policy for Executive Director remuneration and setting remuneration for the Executive Directors and the Executive Team.

The Remuneration Policy outlines the overall approach and principles the Society adopts towards managing remuneration for all employees and Non-Executive Directors. The Society has a simple approach to compensation which reinforces its strategy and values by rewarding the right behaviours

and outcomes for members and the Society, focussing on long-term sustainable growth, and discouraging unnecessary risk taking in line with the Remuneration Code. The policy is made available to all employees.

The Remuneration Policy contains a set of principles designed to guide decision making when considering the total reward for all colleagues across the Society, namely to:

1. Attract and retain colleagues of the required calibre by offering a fair and competitive total reward benchmarked within the market.
2. Focus on total reward; recognise that reward is more than just pay, enabling employees to make the choices that work for them at different stages in their life.
3. Keep reward simple and fair with consistent approaches to total reward.
4. Reward colleagues based on Society performance and how they behave and deliver; both as part of the team and as an individual.

Every colleague's compensation package comprises four key components: fixed remuneration (base pay), variable remuneration (annual bonus), retirement benefits (pension) and benefits.

In 2025, colleagues received an average pay increase of 2.5%. Several members of the Executive Team, including the Chief Executive, did not receive a pay increase, following benchmarking.

**Code Principle:** A formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration should be established. No director should be involved in deciding their own remuneration outcome.

# Directors' Remuneration Report

**Board comment:** To avoid conflicts of interest, the Remuneration Policy sets out that neither the Chair nor any of the Non-Executive Directors have any influence over the setting of their own fees. The remuneration of the NEDs is a matter for the Board Chair and Executive Directors. The remuneration of the Board Chair is a matter for the Chair of the Remuneration Committee and the Senior Independent Director.

All aspects of the remuneration of Executive Directors and other members of the Executive Committee is put before members of the Remuneration Committee for approval, with ratification by the Board. The Remuneration Committee is made up of three independent Non-Executive Directors, the Chair of which will have always served on the committee for a minimum of twelve months before being appointed as Chair. It reviews remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting the policy for executive director remuneration.

**Code Principle:** Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances

**Board comment:** Fixed pay takes into account role, experience and external benchmarking information, while discretionary variable pay, paid to Executive Directors, reflects Society performance alongside individual performance and conduct.

## Executive Director Emoluments

The total remuneration of Executive Directors reflects their responsibilities and roles within the Society and covers the four components identified below. The Remuneration Committee reviews each Executive Director's remuneration package annually and approves that of any new Executive Director prior to appointment.

**a) Fixed Remuneration - Base Pay.** This takes into account role and experience, comparison to the local external market and benchmark data. It reflects the need to attract and retain the required calibre of Executive Director by offering a fair and competitive reward.

### **b) Variable Remuneration – Annual Bonus.**

The discretionary performance-related bonus scheme has a direct link to the success of the Society, motivating delivery of core business metrics in line with the Society values. It is linked to both individual performance and the achievement of Society corporate targets, namely member experience, profitability, growth, digital transformation, risk management and employee engagement. The bonus metrics are reviewed by the Remuneration Committee annually to ensure the measures are appropriate. The bonus payment is not pensionable, and the scheme is designed to deliver an on-target bonus of 15% of basic salary with a maximum award of 30% of basic salary for leading performance which achieves stretch targets. Payments may be reduced or withdrawn if the Board considers there is an item or event of material importance or relevance to have a significant influence on the regulatory status, financial performance, or financial statements of the Society. The Society does not operate a long-term incentive scheme. The 2025 discretionary performance-related bonus scheme paid 11% to Tracie Meadows and 0% to Mark Williams.

The Society has in place a clawback clause in its variable pay arrangements for Executive Directors, which remains in place for a period of up to ten years after the discretionary bonus has been paid. It would be exercised in the event that an Executive Director had participated in or been responsible for conduct which resulted in significant losses to the Society; had failed to meet appropriate standards of fitness and propriety; had been responsible for misbehaviour or material error; had caused the Society to suffer a

# Directors' Remuneration Report

(continued)

material failure of risk management; or if the Society were required to restate its accounts to a material extent. Any decision to apply clawback shall be taken by the Board having considered all relevant evidence including, where clawback is in connection with financial considerations, evidence from the Society's auditors. In that instance, the Society would require the Executive Director(s) to repay on demand an amount up to 100% of the relevant discretionary bonus award that the Board in its discretion determines. These provisions have not been applied in this reporting period.

## c) Retirement Benefits – Pension.

The pension is in line with the Society's business strategy, objectives, values and long-term interests. The Executive Directors have defined contribution pension plans, to which the Society and employee both contribute. The pension contribution to Executive Directors aligns with that of the workforce and is set at 10% of basic salary.

**d) Employee Benefits.** The Executive Directors are entitled to a car allowance, private medical insurance ('self' and partner/family), group income protection and life assurance.

**e) Contractual Terms.** The Executive Directors are employed under a service contract terminable by the Society or by the individual on six months' notice.

## Non-Executive Director Emoluments

The Remuneration Committee reviews Non-Executive Director fees annually based on comparable data from similar financial service organisations and specialist recruitment consultants. Remuneration comprises a basic fee with a supplementary payment for the Chairman, and Committee Chairs to reflect the time commitment and responsibilities of each role. Non-Executive Directors do not qualify for a pension or a bonus. Historical service agreements have a provision for life assurance at the rate of three times annual fees. This has

been discontinued for Non-Executive Directors joining the Board after 1 January 2025. Non-Executive Directors are also reimbursed for reasonable and proper expenses incurred in the performance of their role.

In 2025, there was an increase in Non-Executive Directors' fees of 2%, below the level of the Society wide pay increase. Salaries are benchmarked and set at a rate that enables the Society to attract a high calibre of Non-Executive Directors and remain aligned with the Society's aspirational peer group.

## The Remuneration Committee

The Remuneration Committee is responsible for making recommendations to the Board on the Remuneration Policy of the Society. It determines the policy for Executive Director remuneration and sets the remuneration of Executive Directors and the Executive Team in line with the Remuneration Code and the UK Corporate Governance Code. It is also responsible for ensuring the alignment of incentives and rewards with the Society's overall strategy and long-term objectives with appropriate consideration of customer outcomes, culture, risk appetite and diversity and inclusion.

It reviews the Remuneration framework, including how all variable pay, bonus and incentive schemes are designed, approved, implemented, and overseen. It additionally ensures that it obtains reliable up to date information about remuneration in other firms of comparable scale and complexity.

It is considered that the remuneration policy has operated as intended and reflects the Society's and individual performance.

## Lesley Beecher

Chair of Remuneration Committee

11 March 2026



**Harpenden**  
Building Society

**We hope you have enjoyed  
the journey, please share  
your feedback.**

Mardall House, 9-11 Vaughan Road,  
Harpenden, Hertfordshire, AL5 4HU

T 01582 765411 F 01582 462673  
E [enquiries@harpendenbs.co.uk](mailto:enquiries@harpendenbs.co.uk)

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**[harpendenbs.co.uk](http://harpendenbs.co.uk)**

