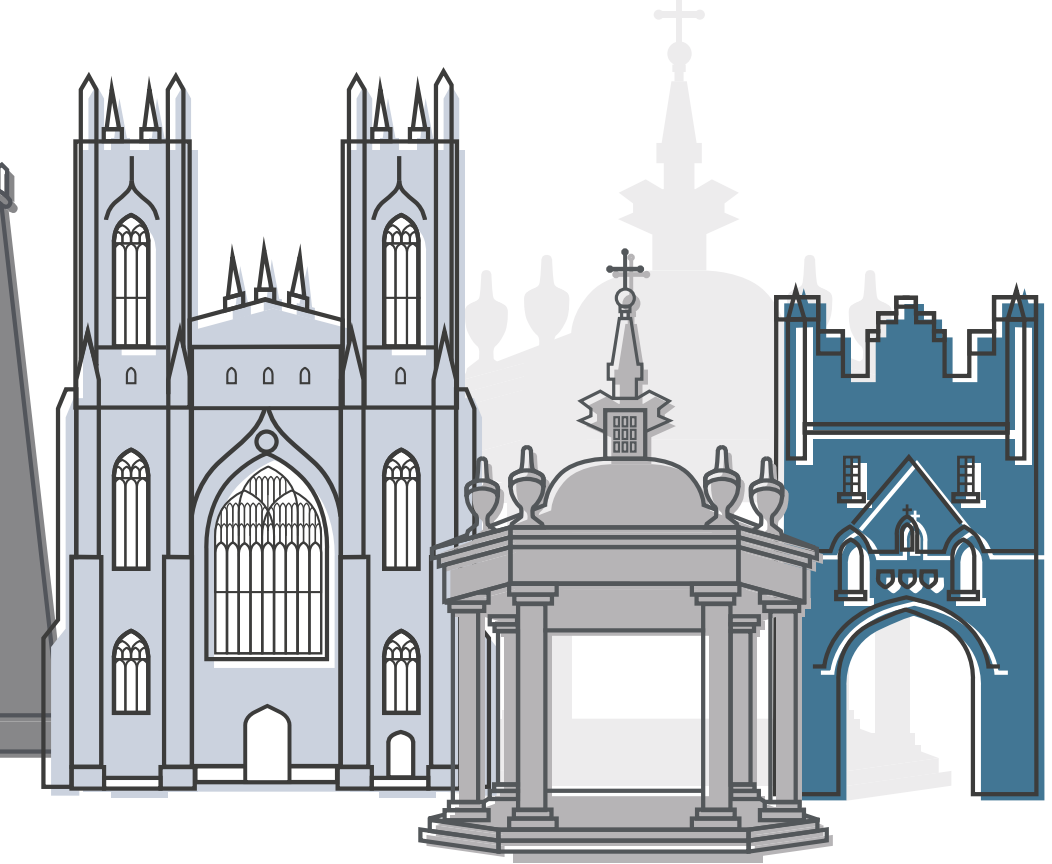


Est.  
1866

# BEVERLEY

BUILDING SOCIETY

Building Better Futures



## MEMBER REVIEW

Including Summary Financial Statement  
for year ended 31 December 2022

# Contents

Our Vision.....	2
Chair Welcome.....	2
Highlights of the year .....	4
Chief Executive's Review .....	5
Helping families through the generations .....	8
Perfect harmony in retirement .....	10
Getting closer to our customers .....	12
Beverley Building Society supporting our Community .....	13
Movers & Shakers .....	18
Meet the Board.....	20
Directors' Remuneration Report .....	22
Summary Financial Statement .....	25

## Our Vision

To be a strong independent mutual, which is trusted and respected by members and non-members, because we offer straightforward, value for money products that are easy to understand and supported by an unrivalled level of personal service.



## Chair Welcome

I am very pleased to report that in 2022, by continuing to focus on the Society's purpose and our Building Better Futures strategy, we have delivered another very strong set of financial results. New lending was particularly impressive, achieving record levels and Profit Before Tax was a very healthy £759,000. More importantly, however, the Society has continued to invest in people, our branch and processes which place us in a position where we can continue to build our service to members into the future. I am also pleased to report that we have increased new mortgage lending by a very significant amount, achieving 80% growth in 2022 (new lending of £35m v £19m in 2021). In growing our lending, we have helped members, including first time buyers, and those who are self employed, retired or wishing to build their own homes.

We recognise that we are entering a very challenging period, a rapid increase in Bank Base Rate combined with sharply rising inflation has placed pressure on finances and is a concern to many. We will continue to look for ways in 2023 to ensure we are supporting our members and community.

## Board Changes

This is my final report to you as the Beverley Society Chair, as I will be stepping down on 20 February 2023. I have felt privileged to serve on Beverley's Board since 2018 and to have been asked to lead the development of the Society's strategic priorities and to further develop and strengthen your Board. As part of this, and following a robust selection process, one of the Board members recruited during my Chairmanship will succeed me. Karen Wint, our current Risk Committee Chair, has been proposed as the new Chair of the Board and I strongly recommend her to you. I believe Karen will serve the Society and our members very well.

I am also particularly delighted to see Janet Bedford, who served previously as our Deputy CEO, well established and leading the Society's growth as your Chief Executive Officer and leading our team at the Beverley. Christopher White joined the Board as Chief Financial Officer in August, a chartered accountant with significant financial and executive experience in the building society sector. Christopher has already made a strong contribution in his short time with the Society and is a great addition to the Society's senior leadership team.

A planned succession saw Oliver Laird replace Mike Heenan as Chair of our Audit and Compliance Committee. Mike retired from the Board in April having served the Society with distinction, both as acting CEO and then Non-Executive Director, for 12 years. Sue Symington, the Chair of the People and Culture Committee and the Senior Independent Director, left the Society at the end of December 2022 after 9 years of outstanding service. I want to thank Karl, Mike and Sue for their fantastic commitment and contribution to the Society. Given the changes to the Board brought about by Sue and myself

stepping down, we have spent time during the year to select candidates with suitable skills to join the Board. I'm delighted that following a thorough process supported by our search advisers, Warren Partners, we have recruited to the Board an exceptional cohort of non-executive directors.

Barry Meeks is a Chartered Director and an experienced financial services Director, with specific expertise in mortgages and banking will become the Society's Senior Independent Director. Mark Robinson, previously the very successful CEO at the Market Harborough Building Society will take on the role as Risk Committee Chair. Bob Andrews, current CEO of mutual Benenden Health, brings strength in strategy and growing businesses, and will take on the role as Chair of People and Culture from January 2023. Lastly, Stephen Smith has 40 years relevant experience in mortgage market distribution and becomes a non-executive Director with additional responsibilities of being our Consumer Duty Champion.

More information on all the Society's Directors is given on page 20. As such, your Board recommends all new executive and non-executive Directors to members for approval.

Finally, I would like to thank all of our Society colleagues for their incredible commitment and work. Member feedback tells us clearly that it is our people who take the time to listen and respond to members, that make the Beverley different. I would like to extend my heartfelt gratitude to our members, my Board colleagues and community partners for their invaluable ongoing support for the Society.

My sincere thanks for allowing me the honour to serve as your Chairman.

Stuart Purdy  
Chair

# Highlights of the year...



**£34.7m**



The Society hugely increased the volume of mortgages it was able to lend in the period to £34.7m – nearly twice what we achieved in 2021 (£19.3m).

**Profit before tax of  
£759,000**

(2021: £756,000), maintaining the improved level of profitability achieved by the Society in 2021.

We supported **Beverley Cherry Tree Community Centre**, the Society's chosen charity of the year with **£9,250 of support**, through organising fundraising events and donations.



**We increased rates across our savings products**

to better reward members as bank base rate increased and the UK retail savings market responded.

**The Society's mortgage book has grown by  
£4.5m (3%)**



with the Society's mortgage assets under management now over £150m.



**Employee numbers increased** as the Society invested in experience and expertise in key areas.

**Capital continues to grow** steadily helping to protect the Society in challenging economic times.



**Funding has decreased by £6.3m**, driven primarily by members moving funds during the retail savings market volatility seen in the second half of the year.

As a consequence of funding decreases, balance sheet efficiency improved as the amount of liquidity held by the Building Society reduced from £60.1m to £46.6m (still comfortably within the Society's liquidity risk appetite).



## Chief Executive's Review

for the year ended  
31 December 2022

2022 has proved a politically and economically volatile year for the UK, few would have predicted last January that we would have had three prime ministers, UK inflation would have reached double digits and there would be eight increases in the base rate by the end of the year. In this time of turbulence, it seems more important than ever that member-centric organisations, such as Beverley Building Society, exist and remain financially strong.

I am therefore hugely proud, in my first year as CEO, to report that the Society has navigated this challenging environment and produced a strong set of results. I also want to say a personal thank you to my colleagues, who have worked exceptionally hard both to deliver the financial result, but as importantly, as reinforced by our feedback, an exceptional level of customer satisfaction.

Our purpose, as set out in the Chair's statement, remains even more relevant in these challenging times. In 2022, for example, we were delighted to win the Mortgage Provider of the Year in the Yorkshire Finance Awards, which recognised the Society particularly for our support for borrowers during the uncertainty of the pandemic and concluded that we are "an example that must be followed."

### The UK economy, mortgage, and savings markets

As UK inflation has reached the highest level in four decades, the Bank of England responded with successive base rate increases, raising the cost of borrowing. In this environment, as we tighten our belts in response to the cost-of-living crisis, the growth expectation of the UK economy has started to decline.

As you would expect, this economic backdrop has impacted the UK mortgage market. Whilst 2022 started robustly, the housing market activity weakened during the year. In terms of mortgage supply, as noted in the media, many lenders decided to withdraw their products for periods of time, given the heightened challenge of pricing correctly to reflect the changing environment. Consequently, growth in UK house prices has started to slow after the strong increases in the first half of 2022, with house price reductions in 2023 widely predicted.

Growth in UK saving balances, meanwhile, have reverted to pre-covid levels, following the exceptional inflows witnessed during lockdown. As inflation continues to rise and the cost-of-living challenges continue, it is expected that more people will utilise their savings. Whilst for savers it is good news that the UK savings rates are finally increasing, this is against a backdrop of exceptionally high inflation.

## Financial Performance

The Society continues to record healthy pre-tax profits, which reached £759,000 in 2022 (2021: £756,000), in addition to undertaking high levels of investment in people, technology and premise refurbishment, to enable future growth. Profit has been generated due to the increase in the mortgage portfolio and further continual improvements in our net interest margin.

As a mutual, rather than maximising profit, we are seeking to balance value for our membership and community, with achieving a level of profitability to retain a robust capital position, which protects the Society in challenging economic conditions.

Further detail on the Society's financial position and how we have sought to protect members in the rapidly rising base rate environment is contained in the Directors Report on page 25.

## Mortgage Lending

Growth in our mortgage lending has been a particular strategic focus and we welcomed our first Head of New Lending, Simon Glass, at the start of the year. By ensuring our products remain highly relevant to our target market, moving with increased agility and consistently communicating, we have advanced £35m of new mortgages (2021: £19m).

As a Board, we are focussed not only around generating additional mortgage volumes from the broker market, but as importantly by lending directly to members. This focus has meant that in addition to our Head of New Lending supporting a doubling in broker mortgage cases, we have also grown our direct to customer business by 40%, supported by our first regional digital advertising campaign.

In line with our founding principles, we support customers who may not fit all the mainstream automated mortgage lending "boxes", around half our lending this year

for example was to the self-employed. In the year, we also launched our new property assist mortgage under our inter-generational product range, recognising the difficulties of people wanting to step onto the housing ladder, given the challenges of saving for a deposit in the current environment.

Despite the difficult financial environment, our arrears position as outlined in the Directors' Report, remains low. We are, however, mindful that the growing cost of living crisis and potential for rising interest rates will be top-of-mind for some borrowers in the months ahead. We have increased the number of staff we have focussed on supporting customers in financial difficulty in recent years, to stand ready to support.

Similarly, members should be reassured given house prices are predicted to fall, our average loan to value ratio (LTV) has remained at 31%, which significantly protects the Society from potential future losses.

Finally, given the importance we place on excellent customer service and product relevance, a key metric is the number of customers who decided to remain with the Society when the mortgage schemes period had come to an end, which has remained at exceptionally high levels at 76% (2021: 81%).

## Savings

We continue to operate a simple building society funding model, unlike many in the sector the Society holds no wholesale or Government term funding.

During the covid pandemic, as noted above, UK savings balances reached exceptional levels, as the UK reduced spending during lockdown. As a result, we received historically high levels of savings in 2021, as the Board made a decision to keep savings accounts open, to support members.

In 2022, however, as saving habits returned to normal, we saw this position re-normalise as customers started to resume to more normal spending habits and saving balances have reduced. In addition, in the second half of 2022, there was also significantly more movement in the savings market.

In an increasingly faceless digital world, we remain committed to providing a personal friendly service to members and have heavily invested in our branch in 2022.

We are also one of the few financial institutions in Beverley that has returned to pre covid branch opening hours, recognising our members value both face-to-face service and an ability to access their savings at a time of their convenience.

## Investment in People

Central to our 'Building Better Futures' strategy, is ensuring we listen, understand and respond to our members' individual needs. As we grow, we have therefore recruited additional colleagues to support current and future growth. The 'movers and shakers' section of our members booklet, gives an insight into some of the dedicated colleagues who form your Society.

## Community

A key strand to our purpose is to give back to our region, therefore we have been delighted to support the Beverley Cherry Tree Community Centre as our Charity of the Year, a vital lifeline for families in need. We also want to give a massive thank you to our membership, which have got behind our fundraising initiatives, from an exercise bike challenge to our first Golf Day, we have managed to donate £9,250 to the centre, with your help. In 2022 we have also enabled colleagues to dedicate two working days a year to local charitable causes.

Looking ahead, in 2023 we are proud to be supporting Dove House Hospice, in Hull, as our Charity of the Year. A well-loved institution in our region, the hospice looks after families as they navigate their way through life-limiting illness and bereavement.

In addition to the above we have continued to support our region, to ensure it continues to be a vibrant place to live. From supporting valued institutions which rely on donations, such as East Riding Theatre, to important causes such as the Viking Radio Cash for Kids Mission Christmas appeal.

## Climate Change

As a Board we are committed to being a responsible business. We have invested to ensure we understand and plan for the challenges that climate change presents to our existing and future members. We support the drive towards a zero-carbon society by not only actively seeking to reduce our own carbon footprint, but also by offsetting the emissions we create.

## Looking Ahead

Whilst recognising the potential economic and housing market challenges ahead, we remain confident that our purpose and relevance to members and the wider market is strong. As highlighted above, with a growing, low risk mortgage portfolio and a robust capital position, the Society is exceptionally well placed to steer through any difficult times to come.

We are an ambitious organisation and aim to accomplish much in the coming years. Our focus will be on continued growth and adopting new technology to increase our efficiency in order to enable more focus on customer service. We will always challenge ourselves to make an ever-increasing difference to the communities we serve. By delivering our purpose, we believe we are "Building Better Futures" for our members, partners and the communities we serve.

Helping families

# THROUGH THE GENERATIONS



Beverley Building Society customer, Edward Oxley and his grandson who is also now a customer of the Society.

Edward and Sheila have been loyal Society members for almost as long as they've been married, and that's saying something.

The couple, who celebrate their 48th wedding anniversary this year, opened their first savings account with us when they were first together, and we've been privileged to share their life journey ever since.

We were able to offer the couple the mortgage on the family home they still live in, and buy their forever home, where their two, now-grown-up, children would be born and grow up.

And Edward remembers well the experience of sitting down with a member of the Beverley mortgage team, running through all the details of his dream property and how much he could borrow, whilst working for a former Tannery, which used to be based on the site at the Flemingate shopping centre.

In fact, he's encouraged by the fact we are one of the few financial services providers which still look to really understand the individual circumstances of their customers, even today.

"The best thing about the Beverley is that it's never lost that personal touch as a lot of other financial providers have," said Edward.

"The Society helped get us started in the home we still live in today, and we continue to have a friendly and personal relationship with the team now, albeit we paid our mortgage off some time ago and we now pop in regularly to deal with our savings accounts."

Debbie Plaxton, our Chief Cashier, said: "It's a highlight of our jobs seeing customers like Edward and Sheila when they pop into branch to deal with their savings, as they're always a really cheerful breath of fresh air.

"And it's particularly nice to see families like this doing their best to encourage their younger generations to save for their futures, as it's such an important life lesson."

## PART OF THE FABRIC OF TOWN LIFE

Edward is well-known in Beverley, having set up and run a number of local clubs, including Chess, Tai Chi and Kung Fu clubs, which have also had accounts with the Society.

"My wife and I have had numerous accounts with the Beverley over the years," he explained. "We opened savings accounts for our son and daughter, and then more recently for each of our four grandchildren, to get them started and teach them about the value of money and of saving.

“

We're very grateful to Beverley Building Society for the part it has played in helping us get to where we wanted to be in life.

”

Having retired three years ago, Edward and Sheila, have never been so busy. "I worked for 30-odd years at what was the chemical plant, which was also on what's now the Flemingate site," continued Edward.

"Sheila focussed mainly on being a housewife, alongside working a number of part-time jobs, including being lollipop lady for the local primary school for a while," said Edward.

Sheila added: "We're now just enjoying our free time together and have never been so busy as hands-on grandparents and with all the hobbies and social things we're involved in.



Edward passing on the benefits of Tai Chi to grandson - who is now also a loyal saver with the Society.



Cashier, Christine Gibbon, who has helped to look after the Oxley family's financial requirements added:

**"Over the years, I've met three generations of Edward Oxley's family, one of which even went to school with my son! It's always great to have a chat with them when they pop in and rewarding to know that our service is appreciated."**

To discover more about the savings options the Society offers that might suit your needs, get in touch with our friendly team by calling **01482 881510** or emailing [savings@beverleybs.co.uk](mailto:savings@beverleybs.co.uk)

# Perfect harmony in RETIREMENT



Given the great popularity of homeownership, most of us spend our lives racing towards the dream of buying our own homes and working hard to pay our mortgages off in full as soon as we possibly can. The reality is that things can also come along unexpectedly, which make it necessary to rethink those long-held plans.

Such was the case for John, our mortgage customer, from Beverley, in 2021. He had found himself needing a mortgage to maintain a good quality of life when, aged 70, he had separated from his wife.

"Initially, I looked at downsizing to a property I could buy without a mortgage, but I couldn't find anything suitable and I wanted the stability, as a relative newcomer to Beverley, of staying put. The house had become more than just an investment vehicle, it was a home.

"One big factor in making that choice to take out a mortgage was one of my great retirement passions. We'd originally chosen this particular house precisely because it enables me to listen to my music collection at a volume, whilst not disturbing or annoying my neighbours!"

He initially secured a mortgage which provided the funds he needed on a variable interest rate but involved paying back all of the capital on a monthly basis, not just interest costs. Now reliant on his fixed pension income, he found it too expensive to maintain when the Bank of England increased base rate several times and very rapidly in a fast-changing mortgage environment. John realised he needed a more flexible mortgage regarding capital repayments, preferably also with a longer loan period.

"I did my research and ended up speaking to the Beverley" he explained.

"I was really impressed with how helpful Annette, from the mortgage team, was in listening to a reasoned assessment of my circumstances and doing what she could to help. She was really straightforward, interested in finding the right solution for me and friendly to deal with; she came up with an interest-only deal, which has reduced the payments by well over half and which will run until I'm 90. The costs associated with re-mortgaging with the Beverley were also very fair and affordable.

"I may well want to reduce my mortgage when I can, and the deal provides this essential flexibility. And in any event, I know I'll still be able to leave a decent legacy.

"At the same time, a mortgage later in life shouldn't be a trap and I ought to be able to have one and live the life I want to live at the same time. This way, the ongoing payments will remain very affordable for me even if interest rates do (continue to) go up."

“  
A mortgage shouldn't be a trap: I want to be able to have one and live the life I want to live at the same time.”

No time like the present.

And John knows only too well how important that peace of mind is. He experienced a health crisis in late 2019 – a reminder of how important it is to seize the opportunity to live life to the full.

"I was gliding along nicely, with my neat retirement plans coming gently to land as I settled in Beverley and then the wings fell off the glider. That whole experience with my health made me re-evaluate and think 'to heck with it'.

"My change of circumstances meant that the 'full capital repayment' mortgage was simply inappropriate, and, thanks to the Beverley, I can now enjoy my retirement the way I want to without worrying about my outgoings," he explained.

"As the mischievous saying by Frank Sinatra has it: 'you only live once, and the way I live, once is enough'."

Annette said: "It was a pleasure to deal with John's mortgage application. We love nothing more at the Beverley, than thinking outside the box to try to find the right solution for someone."

"It's what makes us tick and it's always really rewarding to be able to set someone on the right path, especially when the unforeseen changes their life course, which I was delighted to be able to do for John."

If your circumstances have changed and you would like some guidance from Annette and the rest of our friendly mortgage team, call **01482 881510** or email [mortgages@beverleybs.co.uk](mailto:mortgages@beverleybs.co.uk) to arrange an appointment.

# GETTING CLOSER TO OUR CUSTOMERS

You may have heard about a major new initiative launched by our regulator, the Financial Conduct Authority (FCA), called Consumer Duty.

This saw the FCA publish finalised guidance over summer, 2021, setting out how they believe customers should be treated by financial firms, in terms of everything from the products and services they offer, to the way they communicate with them.

While this is undoubtedly a major piece of work to undertake, for organisations big and small, we're very much welcoming it at Beverley Building Society, as an opportunity to build even better relationships with you, our members.

Our Risk Manager, Clare Walters, is co-ordinating our Consumer Duty project. She said: "We know, from the feedback our members already give us, that one of the things they value most about the Beverley is the uniquely personal service they receive from our dedicated team, who are on first-name terms with many of our regular customers.

"However, because this bond is the bedrock of our business, and something we hold very dear, we are always on the lookout for ways to improve it further. Assessing our offering against the Consumer Duty requirements gives us another opportunity to do this."

Clare added: "The principle of the new Consumer Duty rules is that financial services providers should 'act in good faith and avoid

**Beverley Building Society Risk Manager, Clare Walters**



causing foreseeable harm to customers'. Building on the FCA's previous Treating Customers Fairly initiative, launched in 2006, it holds firms accountable for delivering good outcomes for retail customers in the four areas of products and services, price and value, consumer understanding and consumer support."

## Can you help shape your Society's future offering?

Of course, no-one understands how well we're doing on all of these things – or, indeed, how you would like to see us develop our products and services in the future – than you, our members.

Which is why we'd like to invite you to take part in our new Customer Forum.

You may remember reading about member meetings we've held in the past, in previous AGM magazines. We always thoroughly enjoyed the chance to get together with you and find out your views, but of course the global COVID-19 pandemic got in the way of all that for a while.

So, we see the work we need to do as part of the FCA's Consumer Duty initiative, as a fantastic opportunity to meet with a selection of you again and hear your thoughts.

Given everything that's going on in the wider world too, including significant economic volatility, it's really important we understand, from you, how we can continue to serve your needs.

If you'd like to share your views on our future product innovation, communications, value and service, please email [memberforum@beverleybs.co.uk](mailto:memberforum@beverleybs.co.uk) or call **01482 881510** and a member of our team will be delighted to explain more.

# BEVERLEY BUILDING SOCIETY SUPPORTING OUR COMMUNITY

Well, we're passionate about remaining true to our founding purpose that was set out when Beverley Building Society was established back in 1866. We believe that building better futures for our customers is not just about offering great savings and mortgage products, it's about enhancing people's lifestyles in a variety of different ways. We've

supported Beverley Cherry Tree Community Centre as our Charity of the Year and have been collaborating with our long-standing community partners wherever we can to ensure that our heartland continues to remain a vibrant and thriving place to live and work. So, grab that cup of coffee and read all about what we've been up to in 2022!

## The Beverley Cherry Tree Community Centre, our Charity of the Year 2022



We'd like to take this opportunity to say a big thank you from everyone at the Society! You got behind all of our appeals and supported our first ever Charity of the Year, the Beverley Cherry Tree Community Centre, to help us to donate a total figure of £9,250!

So, just how did we reach it? The Society contributed over £4,500 including donating 50p for every vote cast at our 2022 AGM. We organised lots of fun fundraising initiatives in our branch including an exercise bike challenge, a Tea Party to celebrate the Queen's

Platinum Jubilee, Charity Raffles and a Golf Day. We also raised money in our Head Office through book sales and dress down Fridays. We'd also like to offer a special thank you to everyone who supported us by making a donation to this worthwhile cause.

Several of our staff also volunteered at Cherry Tree Centre, in line with our founding purpose of giving back to our community, by helping with handing out food parcels at the Community Centre.



Society CEO, Janet Bedford completing the final 12 miles of the team 411 mile exercise bike challenge in May 2022



The Mayor of Beverley, Councillor Linda Johnson, with the group from Cherry Tree at the Society's Jubilee Tea Party



**£9,250**  
for Beverley  
Cherry Tree  
Community  
Centre

**Beverley Marketing Manager  
Debbie Connolly, Cherry Tree  
Centre Manager Jo Ramsay with  
volunteers and children from Cherry  
Tree's Little Gruffalos Pre School.**

**Photo by 'Just Beverley'**

Since 1993, the Cherry Tree Community Centre's dedicated staff and volunteers have worked tirelessly to provide a vital lifeline for vulnerable local people, through services that include a Pantry, Youth Club and free advice on money, housing and employment. Now receiving over 1,000 calls a month, the Centre was presented with an Aspire Award at the Houses of Parliament last year, for its work with young people. Find out more about Cherry Tree's work at: [www.ctca.org.uk](http://www.ctca.org.uk)

Jo Ramsay, Centre Manager explained how we helped them: "The amount raised and the generosity of the Society, its team and members, has been phenomenal and we can't thank them enough. From bringing a smile to our young people's faces through donations of Easter eggs and Christmas gifts, to funding enriching outings in the summer for children, some of whom hadn't travelled beyond Beverley in the past, purchasing 40 warm winter coats for children who attend our Little Gruffalos Pre-School and volunteering in our Pantry, the relationship has really helped us make a difference."



**Nurses at Dove House  
Hospice's Wilberforce Unit**

## Proud to support Dove House Hospice – our Charity of the Year for 2023



Dove House Hospice, in East Hull, looks after patients and their families as they navigate their way through life-limiting illness and bereavement; it also has a Child Bereavement Group, which does vital work supporting children through such challenges. Yet, despite its vital contribution to society, like all hospices, Dove House relies almost entirely on donations for its survival. Jethro Shearing, the Charity's Senior Fundraiser (Trusts), said:

"We are incredibly grateful to Beverley Building Society for selecting Dove House Hospice as its Charity of the Year for 2023 and are very excited to work alongside them; every pound raised will help to make such a special difference to patients and families accessing hospice care. Following the crippling effects of the pandemic and in the current economic climate, support in this way is more vital than ever before in ensuring that the hospice can not only continue to provide its core care but to open up services that were so badly affected by Covid 19. With only limited central funding available, it is only through the generosity of the local community and organisations such as Beverley Building Society, that the hospice can continue to provide specialist care to so many across Hull and East Yorkshire who need it most."

“We are incredibly grateful to Beverley Building Society for selecting Dove House Hospice as its Charity of the Year for 2023 and are very excited to work alongside them.”

We're working closely with Jethro to support Dove House's exciting programme of events, so that staff members can enter them on an individual or team basis. Why not help us to fundraise for this fantastic cause by donating to our brand-new Just Giving page, in aid of Dove House Hospice? To donate, simply scan the QR code, or visit the home page of our website at: [www.beverleybs.co.uk](http://www.beverleybs.co.uk) and keep an eye on our website News section and social media for exciting updates.



**SCAN  
HERE TO  
DONATE**

email [info@beverleybs.co.uk](mailto:info@beverleybs.co.uk) or call 01482 881510



# Giving back to make our community a better place to live and work!



Photo by Sara Kruger

The cast and creatives of ERT's show, 'A Dickens of a Christmas'

**£2,000**  
for East Riding  
Theatre

## East Riding Theatre

As part of its commitment to make our local community a better place to live, Beverley Building Society has been supporting East Riding Theatre (ERT), since it started in 2014. In 2022, we donated £2,000 to the not-for-profit organisation and registered charity. Donations enable ERT to continue producing and presenting the best cutting edge and high-profile performances from talented, and often well-known, actors. Former Royal Shakespeare Company and West End actor, Richard Avery, is the Co-founder and Artistic Director of ERT and a Beverley Building Society customer.

Richard commented: "The effects of the pandemic, followed by the current cost of living crisis has presented challenging times, so we are extremely grateful to receive the Society's support. This vital funding will help us to continue delivering our eclectic programme of quality theatre, music and entertainment and enrich the lives of our local community."

Visit ERT's "What's On" page to find out how you can support them at:  
[www.eastridingtheatre.co.uk](http://www.eastridingtheatre.co.uk)



## Beverley FM

Beverley FM is a not-for-profit community organisation running a radio station specifically designed to serve Beverley and the surrounding villages. It provides an exciting mix of music, entertainment, national and local news and sport. We're proud to have contributed £1,800 to help the delivery of its unique content programme, while the presenting team have provided amazing coverage of our fundraising appeals.

MD, Nic Gough, has exciting plans to develop the station's reach and audience figures and adds: "Our partnership with Beverley Building Society's funding is extremely important to the station and it will help us to significantly extend our broadcast range, from the current 30k homes to over 300k, when we start Digital Audio Broadcasting (DAB) in 2023."

Beverley FM broadcasts on 107.8FM and streams online via [www.beverleyfm.com](http://www.beverleyfm.com) so make sure to listen in!

## Other Local Charitable Causes

We try to support a wide range of worthy causes in our area and in 2022 we also gave **£150** to Beverley Bowls Club, **£100** to Maggie's Cancer Care and **£50** to the Beverley Cancer Research campaign and, once again, a huge thank you for your toy donations in support of Viking FM's Mission Christmas appeal!

If you have a favourite charity you'd like us to consider supporting - email [info@beverleybs.co.uk](mailto:info@beverleybs.co.uk) or call **01482 881510**



# Movers & Shakers

Offering outstanding, personal customer service is what we live and breathe for here at the Beverley and we're delighted that you consistently rate us five out of five for our service. However, we're not complacent and we believe in continual investment, which is why we've welcomed a number of additional

team members to the Society over the past 12 months. Some people have been promoted and some have recently joined us, but all are helping to create a buzz around our business, with everyone pulling together towards one important goal – giving you the best customer service!

## Promotions

### Janet Bedford

A qualified Chartered Accountant, Janet was appointed CEO in April 2022, following a period as both Deputy and Interim CEO's. She is committed to building on the Society's reputation as an innovative mutual, in line with its founding purpose of 'Building Better Futures'. Janet is spearheading the drive to significantly grow the business, through investment in infrastructure and a stronger community presence so that the Beverley is the region's first choice when it comes to mortgages and savings.

### Darren Noonan

After five years as IT Manager, with responsibility for the Society's infrastructure and day-to-day operational activity, Darren transitioned to the role of Head of IT in 2022. His role is now more strategically focussed to proactively enhance all technological operations for the business, evolving our approach to cyber security, whilst ensuring robust and secure systems for both Society's employees and its members. Darren is also working on investments in technology, through our IT Strategy to further support our members' needs.



### Maria Shepherdson

Maria joined the Society nearly 20 years ago as a part time cashier, covering for maternity leave. Since then, she has had full time experience in both our savings and finance departments before settling in mortgages in 2012. Maria was CeMAP & Ce RER qualified in 2011. In April 2022 she was promoted to Senior Mortgage Manager as part of the Society's succession planning strategy.

## New Recruits

### Christopher White

Christopher joined us as Chief Financial Officer (CFO) last summer, filling the role vacated by Janet Bedford. Christopher brings with him a wealth of financial services and building society sector experience, most recently as CFO of Darlington Building Society. In addition to overseeing the Finance Department, Christopher has responsibility for HR, IT and the Society's Change programme. Christopher is passionate about delivering great mortgage and savings products to new and existing members through the Society's mutual model.

### Clare Walters

After a decade of managing enterprise risk and delivering risk-based assurance programmes and internal audits, Clare joined our team to provide specialist guidance and support in relation to risk management and risk-based assurance. She is coordinating the implementation of the Consumer Duty guidelines, a new FCA Consumer Principle that requires firms to ensure they provide good outcomes for retail customers.

### Debbie Connolly

Debbie joined us following a varied marketing career in the legal, charity, property and publishing sectors. Debbie is responsible for product promotion, website and social media development, producing our marketing materials and co-ordinating our community activities. She loves the variety and creative challenge of the role and looks forward to continuing to build the Beverley Building Society brand.

### Maddy Beharrell

Maddy joined us as Personal Assistant to Janet and is responsible for assisting with major projects, including our new Consumer Duty initiative and staff training programme, whilst

co-ordinating the busy diaries of our Board and senior team on a day-to-day basis. Maddy has embraced the opportunity to work for an established and forward-thinking, local organisation in the region she loves.

### Lindsay Williams

Lindsay, originally from Sheffield, came all the way from sunny Spain to join our counter team as a Cashier, having spent 14 years running her own English bar in Majorca! She loves the fact that the counter team has such strong relationships with our customers – in fact she feels like she's landed her forever job and it's a pleasure coming to work.

### Daniel Norman

Trainee Mortgage Manager, Daniel, joined us after working as a sports coach for a local school and rugby club. Excited by the chance to build a new career with one of the region's most established businesses, Daniel, is learning lots on a daily basis from our highly experienced mortgage team, as well as undertaking his formal CeMAP mortgage advisor training.



The new members of staff at the Society in 2022

# Board of Directors

for the year ended 31 December 2022



**Janet Bedford**  
Chief Executive Officer

Formerly Deputy Chief Executive and Financial Director, Janet succeeds Karl Elliot, as CEO and has overall responsibility for the Society's performance, including financial, regulatory, risk and people management. A Chartered Accountant, with extensive senior leadership experience in financial services, she has been instrumental in building the Society's level of profitability, capital and liquidity.



**Mark Marsden**  
Risk Director

With over 20 years' retail lending and deposit-taking experience, Mark is responsible for overseeing the overall management of the Society's risk control framework and risk appetite and holds the positions of Money Laundering Reporting Officer and Data Protection Officer. In addition to providing risk reports to the Board, Mark oversees the financial risks associated with climate change.



**Christopher White**  
Chief Financial Officer

Christopher joined us as Chief Financial Officer (CFO) in 2022, filling the role vacated by Janet Bedford. Christopher brings with him a wealth of financial services and building society sector experience. In addition to overseeing the Finance Department, Christopher has responsibility for HR, IT and the Society's Change programme.



**Stuart Purdy**  
Non-Executive Director, Chair

Stuart steps down as our Chair in 2023, after joining the Board in 2018 and successfully leading the Board since 2019. Stuart, an experienced non-executive and chairman, has focussed on modernising the Society as well as developing the strength and depth of the Society at a non-executive and executive level. We wish Stuart well for the future.



**Karen Wint**  
Non-Executive Director, Chair elect

Karen is our new Chair, taking over the role from Stuart Purdy. She has previously chaired the Risk Committee and been a Member of the Audit and Compliance Committee. Her career spanning 30 years in the building society sector drives her passion for the mutual model. As Chair, Karen will also be a Member of the People and Culture Committee.



**Bob Andrews**  
Non-Executive Director

With 35 years in Financial Services primarily in the banking, mortgage and insurance sectors, Bob's strengths are in strategy and growth, governance, culture change and brand development. Working with business leaders to develop operational excellence, he is our People and Culture Chair, Whistleblowing Champion and a Member of the Risk Committee.



**Oliver Laird**  
Non-Executive Director

Oliver is an experienced Chief Financial Officer with significant public and private sector experience, including retail financial services. He has previously held senior roles at Lloyds Banking Group, Co-Operative Financial Services and was Finance Director at First Direct Bank. Oliver is Chair of our Audit & Compliance and Risk Committees.



**Barry Meeks**  
Non-Executive Director

Barry is a Chartered Director, an experienced financial services NED, senior independent director and committee chair, with specific expertise in mortgages and banking. With over 20 years' experience in the building society sector, he understands regulatory interaction and risk/governance. Barry replaces Sue Symington, as Senior Independent Director, who deputises for the Chair in their absence.



**Mark Robinson**  
Non-Executive Director

Mark's relevant background in niche lending, distribution, IT infrastructure and culture development, complements his board level leadership experience, predominantly in the mutual sector. He also possesses a strong understanding of risk, compliance, and regulatory relationship management. Mark replaces Karen Wint as Chair of the Risk Committee and is a Member of the Audit Committee.



**Stephen Smith**  
Non-Executive Director

With 40 years' experience in the financial services sector, mainly leading property-related retail businesses for a major UK financial services provider, Stephen has practical expertise of mortgage market distribution, driving growth strategies and an understanding of targeted customer marketing. He is a Member of the Risk Committee and People & Culture Committee.

# Directors' Remuneration Report

for the year ended 31 December 2022

This report explains the Society's approach to the remuneration of Executive and Non-Executive Directors detailing the different elements of remuneration paid to individual Directors and the process adopted to set them.

The report also outlines how the Society has regard to the principles in the UK Corporate Governance Code 2018 relating to remuneration.

## The Procedure for Determining Remuneration

The functions of a Remuneration Committee are discharged by the Society's People & Culture Committee, which consists of three Non-Executive Directors. This committee focusses on strategic matters which relate to the employment of all colleagues in the Society in particular to the culture of the Society, remuneration and reward, learning & development and Performance Management. This committee also assumes the role of the Nominations Committee and is therefore also responsible for succession planning and identifying and recruiting candidates for board roles. Further information on the committee's role with regards to Nominations is given in the Corporate Governance Report within the Annual Report and Accounts.

The People & Culture Committee is responsible for the Remuneration Policy for all Directors and senior management of the Society and all People & Human Resources associated Policies.

The Committee meets at least 4 times a year. Attendance at meetings by members is shown within the Corporate Governance section of this document. Sue Symington stepped down from the Society Board at the end of 2022 and was succeeded as Chair of the People & Culture Committee by Bob Andrews.

The Society's policy is to set remuneration levels which will attract and retain high calibre Executive and Non-Executive Directors ('NEDs') and senior management. To ensure this is achieved the committee reviews and benchmarks Executive and Non-Executive packages against supporting evidence from within the building society sector and, where relevant, other comparable industries. The committee undertakes these reviews at the point of recruitment as well as on a regular basis to ensure remuneration remains suitably competitive to attract and retain colleagues of the necessary calibre. The Society's remuneration of its Executive and Non-Executive Directors is set by the People & Culture Committee, commensurate to the size and scale of the Society as well as its performance and the principles of a mutual organisation.

The individual components of Executive and Non-Executive Director's remuneration are detailed below.

## Executive Directors' remuneration

The main components of the Executive Directors' remuneration are:

### Basic salary

This takes into account the job content and responsibilities, individual performance (assessed annually) and salary levels for similar positions in comparable organisations. Basic salary for all staff within the Society is reviewed annually and a cost of living increase awarded if appropriate. This annual assessment takes into account inflation through the year to support colleagues maintaining their standard of living.

### Pensions

The Society makes contributions equivalent to 10% of basic salary for Executive Directors, to the Society's group defined contribution personal pension plan. To participate in the scheme Directors must contribute 5% of their basic salary.

### Other benefits

These include private medical insurance, permanent health insurance and participation in a Group income protection scheme.

### Bonus scheme

The Society does not operate any bonus schemes for its Executive Directors or any staff.

### Contractual Terms

Executive Directors have contractual notice periods of six months and so any termination payment would not exceed six months' salary and accrued benefits. The performance of the Executive Directors is reviewed on an annual basis by the Remuneration Committee.

### Payments for Loss of Office

K J D Elliott resigned from the Board on 25 April 2022. In line with the terms set out in his service contract, he was awarded his salary and benefits for a 9-month period. The remuneration paid to K J D Elliott for the period to 31 December 2022 is detailed in the table on page 24 alongside other Executive Directors.

## Non-Executive Directors' remuneration

The People & Culture Committee reviews the remuneration of all Non-Executive Directors on an ongoing basis, using external data for other comparable building societies. There are no bonus schemes for Non-Executive Directors, and they do not qualify for pension entitlement or other benefits. Non-Executive Directors do not have service contracts.

## Directors' Remuneration Disclosures (audited)

### Executive Directors

	Salary £000	Benefits £000	Pension £000	Total £000
<b>For executive services</b>				
<b>2022</b>				
J E Bedford *	137	1	14	152
M Marsden	91	1	9	101
C White - joined August 2022	45	-	4	49
K J D Elliott - resigned April 2022	186	1	-	187
<b>Total</b>	<b>459</b>	<b>3</b>	<b>27</b>	<b>489</b>
<b>2021</b>				
K J D Elliott	169	1	-	170
J E Bedford	117	1	12	130
M Marsden	88	1	9	98
<b>Total</b>	<b>374</b>	<b>3</b>	<b>21</b>	<b>398</b>

\* J E Bedford was appointed as CEO in April 2022 having previously acted as the Society's Finance Director.

### Non - Executive Directors

	2022 Fees £000	2021 Fees £000
R Andrews - joined September 2022	7	-
M R Heenan - resigned April 2022	6	18
O Laird - joined February 2022	18	-
B Meeks - joined September 2022	7	-
E Morley - resigned September 2021	-	15
R A Pattinson - resigned September 2021	-	14
S Purdy	27	27
M Robinson - joined October 2022	5	-
S Smith - joined September 2022	7	-
S A Symington - resigned December 2022	19	17
K R Wint - joined February 2021	18	16
<b>Total</b>	<b>114</b>	<b>107</b>

# Summary Financial Statement

This financial statement is a summary of information in the Annual Report and Accounts, which will be available to members at our head office after the 2022 AGM.

## Summary Directors Report

### The Economy

The UK economy has continued, through 2022, to be volatile and uncertain. There has been significant domestic political instability in the year, the Russian invasion of Ukraine has put pressure on energy and food costs and the UK has continued to see tailwind impacts from the pandemic. The Bank of England increased Bank Base Rates a further eight times in the year to 3.5% - a 14 year high.

As Bank Base Rate increased in the year, Beverley Building Society worked hard to ensure it was able to offer competitive products to customers. The Society also absorbed the costs of increases to the Bank Base Rate where possible, only passing on 2.15% of the total 3.40% increases in Bank Base Rate, to its Standard Variable Rate (SVR) for mortgages. Whilst some increases in our SVR were necessary, this action limited the increase to our members monthly mortgage payments at a time when all households are feeling the pressure of increasing costs.

The increases in Bank Base Rate also facilitated the Beverley, offering higher rates on savings products to members. As a result, we have been able to make significant increases across our full range of products including moving our Cash ISA and Junior ISA to among the most competitively priced ISA products in the UK in early 2023.

### Business Performance

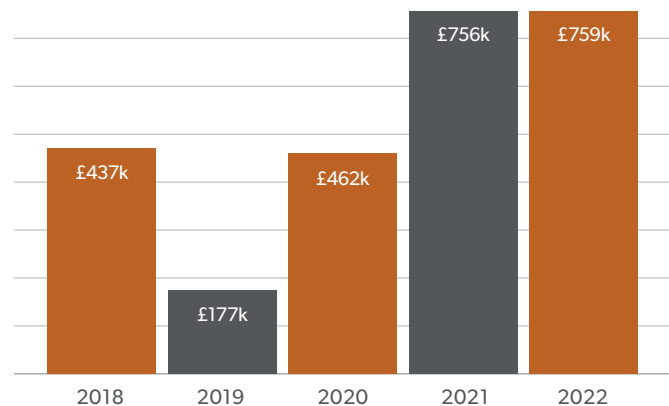
As a mutual, the Society does not pay shareholders dividends. Profit is therefore re-invested back into reserves, building financial strength and providing long term resilience for members' benefit.

### Profitability and Margin:

The Society's income from mortgages and the interest payable to savings members was significantly impacted in 2022 by the changes to Bank Base Rate. As Bank Base Rate increased, the Society was able to increase the rate payable to its savers. This resulted in the interest payable costs for the Society increasing from £696,000 in 2021 to £1,275,000 in 2022. At the same time, the Society needed to increase its SVR and associated variable mortgage product rates as well as its 'on sale' mortgage product rates. As described above, where possible, the Society absorbed increased costs by not passing on some of the increases in BBR to its SVR. The Society's net interest margin improved through the year from 1.52% to 1.84% and the Society's net interest income increased to £3.74m (2021: £3.16).

Administrative expenses have increased in the year to £2.8m (2021: £2.3m) as a result of one-off costs incurred in the year, such as recruitment costs, as well as the impacts of high inflation starting to impact the Society. The Society also added £119,000 to the provisioning against its overall mortgage book (2021: £56,000). As a result of the increase in net interest income margin, offset partly by increases in administrative expenses and provisioning, the Society's profit before tax (PBT) for 2022 was in line with the prior year at £759k (2021: £756k).

### Profit before Tax (£)

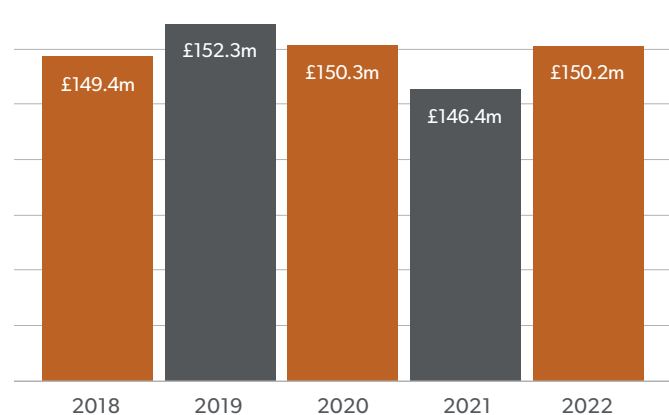


### Balance Sheet

#### Loans and Advances

During the year the Society lent £34.7m of mortgages (2020: £19.3m) and retained 76% of residential mortgage schemes that had come to the end of their mortgage scheme period (2021: 81%). This supported the Society's mortgage book to grow in the year from £145.7m to £150.2m, growth of 3.1%. The growth in the overall mortgage book in 2022 is a positive outcome for the Society following 2 years where the mortgage book slightly contracted. The growth in the amount of mortgage lending in the period also shows the Society's ability to provide mortgage products and offerings that serve existing and future members well, even in challenging and volatile economic and market conditions.

#### Total Mortgage Balances



### Liquidity

Liquidity reduced to £46.6m at year end from £60.1m at the beginning of the year. This represented a reduction as a proportion of the Society's savings balances from 30.9% of SDLs (Shares, Deposits and Liabilities) to 25.9%. This shift in asset mix makes the Society's balance sheet structure more efficient whilst balancing the Society's requirement to hold sufficient liquid funds to meet business cashflow requirements.

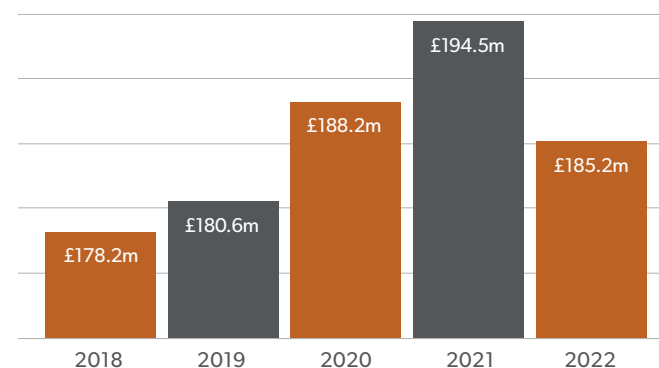
### Shares and Borrowings

The Society offers straightforward saving products, which offer good value and transparent savings rates. In line with our values, all members are offered the same rate for the same product.

The Society saw significant growth in the Society's shares and deposits balances in 2021, in line with the wider market during the pandemic. In 2022, the Society has seen contraction in the share and deposits balances, from £194.5m at 2021 year end to £185.2m at the end of 2022. This movement was seen as savers looked to access cash and savings balances both to complete planned expenditure paused during the pandemic but also, more recently, as the cost of living crisis has put increased pressure on household costs and budgeting.

The Society's savings products remain highly competitive, and we are always developing our savings range and looking for ways and products that could help serve our members' financial needs. As a result, we will launch a new 45-day notice account in early 2023 looking to help members with savings balances they are comfortable putting on a short notice period to attract a better rate.

#### Shares and Borrowings (£'m)



### Capital

Capital is a key measure of the Society's financial strength and is primarily comprised of accumulated profits. Capital supports growth and protects the business against its principal risks. Total capital as a percentage of Risk Weighted Assets (RWA) has increased substantially over the five-year horizon, due to strong profitability and reducing risk within the asset base (as measured by RWA).

The Society's capital position is set out in more detail in its Pillar 3 disclosure document. The 2022 document will be available on the Society's website from April 2023.

## Results for the Year

	2022	2021
	£000	£000
Net interest receivable	3,735	3,156
Other income and charges	67	51
Administrative expenses and depreciation	(2,924)	(2,395)
Provisions for loan impairment	(119)	(56)
<b>Profit for the year before taxation</b>	<b>759</b>	<b>756</b>
Taxation	(142)	(146)
<b>Profit for the year</b>	<b>617</b>	<b>610</b>

## Financial position at the end of the year

	2022	2021
	£000	£000
<b>Assets</b>		
Liquid assets	46,646	60,087
Mortgages	150,161	145,680
Fixed and other assets	1,546	1,063
<b>Total assets</b>	<b>198,353</b>	<b>206,830</b>
<b>Liabilities</b>		
Shares	172,125	179,560
Borrowings	13,092	14,904
Other liabilities	516	363
Revaluation reserve	329	329
General reserve	12,291	11,674
<b>Total reserves and liabilities</b>	<b>198,353</b>	<b>206,830</b>

## Summary of Key Financial Ratios

	Note	2022	2021
		%	%
Gross capital as a percentage of shares and borrowings	1	6.81	6.17
Liquid assets as a percentage of shares and borrowings	2	25.18	30.90
Profit for the year as a percentage of mean total assets	3	0.30	0.30
Management expenses as a percentage of mean total assets	4	1.43	1.16

The Notes to the Accounts, below, form part of these accounts.

Approved by the Board of Directors on 20 February 2023 and signed on its behalf by:



**S E Purdy** Chair



**J E Bedford** Chief Executive



**C B White** Chief Financial Officer

## Notes to the key financial ratios

- Gross capital represents the general reserve of profits retained in the business as well as the revaluation reserve. Shares and borrowings represent the total of shares, amounts owed to credit institutions and amounts owed to other customers. Gross capital represents the financial cushion against losses which might arise from the Society's activities.
- Liquid assets are comprised of cash as well as funds held in the Society's clearing bank and with the Bank of England. The liquid assets ratio is a measure of the proportion of the Society's funding held in liquid assets readily convertible into cash. Liquid assets are by their nature realisable to allow the Society to meet withdrawals by savings members, advance mortgage loans to new customers and pay for the costs of the Society's business activities.
- Profit for the year (after taxation) are shown as a percentage of mean total assets to illustrate the level of profit retained by the business to maintain capital at a suitable level to protect the business. Mean assets are the average of the current and prior year total assets at each year end.
- Management expenses represent the aggregate of administrative expenses, depreciation and amortization. Management expenses are made up of employing the Society's staff as well as the costs of the Society's business activities.

# Independent auditors' statement

on the Summary Financial Statement to the members of Beverley Building Society

We have examined the Summary Financial Statement of Beverley Building Society (the 'Society') set out on pages 25 to 29, which comprises the Results for the Year, the Financial position as at 31 December 2022 and the Summary of Key Financial Ratios.

## Respective responsibilities of directors and auditors

The directors are responsible for preparing the Summary Financial Statement, in accordance with the Building Societies Act 1986.

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

We also read the other information contained in the Member Review and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Summary Financial Statement. The other information comprises only the Chair's review, Directors' Remuneration report and the other items listed on the contents page.

This statement, including the opinion, has been prepared for and only for the Society's members as a body in accordance with Section 76 of the Building Societies Act 1986 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this statement is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Basis of opinion

Our examination involved agreeing the balances in the Summary Financial Statement to the full Annual Accounts. Our report on the Society's full Annual Accounts describes the basis of our audit opinion on those Annual Report and Accounts, the Annual Business Statement and the Directors' Report.

## Opinion

In our opinion the Summary Financial Statement is consistent with the full Annual Report and Accounts, the Annual Business Statement and the Directors' Report of Beverley Building Society for the year ended 31 December 2022 and complies with the applicable requirements of Section 76 of the Building Societies Act 1986, and the regulations made under it.

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory  
Auditors Leeds



## Join our AGM in-person!

Monday  
25 April  
from  
5.30pm

## Our Annual General Meeting will be held on Monday, 24 April, from 5.30pm.

Once again, we will be hosting the event at our local department store, Browns, in Saturday Market, Beverley. We very much hope that you would like to join us and, if this is the case, please:

- Email [AGM2023@Beverleybs.co.uk](mailto:AGM2023@Beverleybs.co.uk) to let us know, providing your name and account number
- **Bring along your voting form** (enclosed with this magazine) in order to cast your vote during the event.

We will provide the minutes of the event on our website at: [www.beverleybs.co.uk](http://www.beverleybs.co.uk) afterwards, for those members unable to be there. All questions must be received by us, by **5pm on 17 April 2023** and will be answered by our Board members during the event. You can cast your vote either via the dedicated online voting portal, by post or in-branch. You'll find full details on your enclosed voting form.

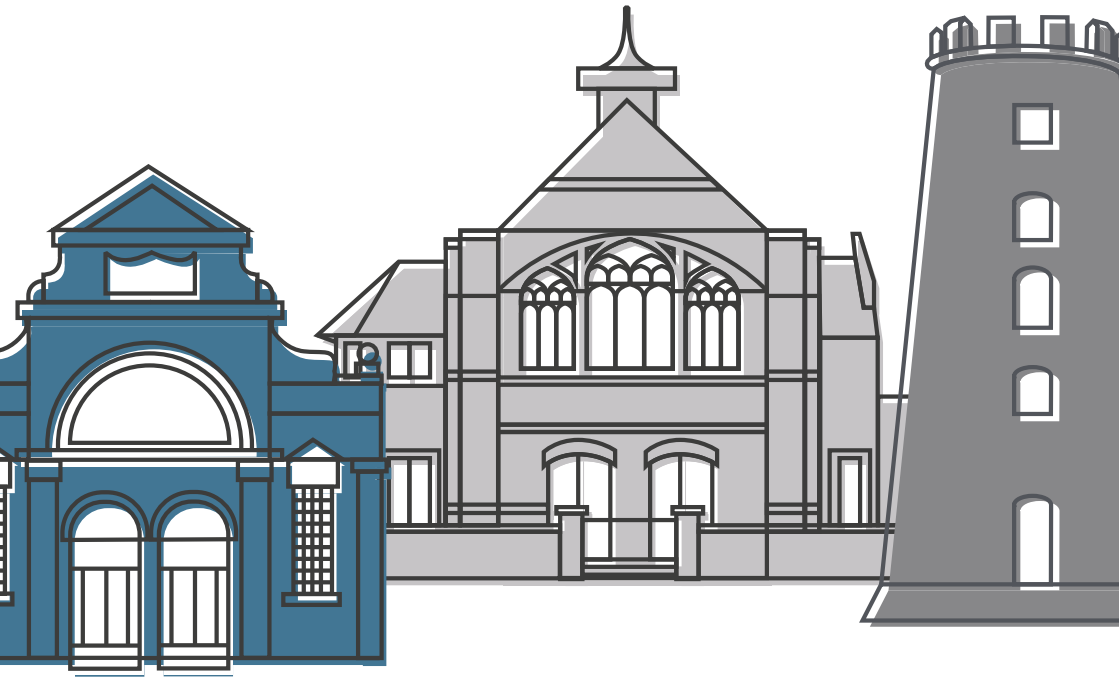


Est.  
1866

# BEVERLEY

BUILDING SOCIETY

Building Better Futures



**Beverley Building Society**  
57 Market Place, Beverley HU17 8AA

T: 01482 881510  
W: [beverleybs.co.uk](http://beverleybs.co.uk)



The Society is a member of the Building Societies Association.  
It is authorised by the Prudential Regulation Authority and regulated by the  
Financial Conduct Authority and the Prudential Regulation Authority.  
Registered Number 206064.



Protected

