

**Consolidated income statement  
for the year ended 31 December 2019**

	<b>2019</b>	<b>2018</b>
	<b>£m</b>	<b>£m</b>
Interest receivable and similar income	84.0	85.4
Interest payable and similar charges	(37.9)	(35.2)
Net interest income	<u>46.1</u>	<u>50.2</u>
Fees and commissions receivable	6.2	7.5
Fees and commissions payable	(1.1)	(1.4)
Other income	0.2	-
Net losses from derivative financial instruments	(0.6)	(0.7)
Total net income	<u>50.8</u>	<u>55.6</u>
Administrative expenses	(36.5)	(40.0)
Depreciation and amortisation	(5.5)	(3.4)
Pension finance cost	(0.1)	(0.3)
Operating profit before impairment, fair value movement, change in accounting estimate and provisions	8.7	11.9
Impairment (charge)/ release - loans and advances	(0.4)	0.3
Impairment charge – goodwill	(4.0)	(0.5)
Change in EIR accounting estimate	(12.3)	-
Provisions release – FSCS levy and other	-	0.1
<b>(Loss)/profit before tax</b>	<u>(8.0)</u>	<u>11.8</u>
Tax credit/(expense)	0.8	(2.4)
<b>(Loss)/ profit after tax for the financial year</b>	<u><b>(7.2)</b></u>	<u><b>9.4</b></u>

**Reconciliation of statutory (loss)/ profit before taxation**

	<b>2019</b>	<b>2018</b>
	<b>£m</b>	<b>£m</b>
<b>Statutory (loss)/ profit before taxation</b>	<b>(8.0)</b>	<b>11.8</b>
Adjusted for:		
Losses from derivative financial instruments	0.6	0.7
Other income	(0.2)	-
Strategic investment costs	1.3	0.6
Impairment – goodwill	4.0	0.5
Change in accounting estimate	12.3	-
<b>Underlying profit before taxation</b>	<u><b>10.0</b></u>	<u><b>13.6</b></u>

**Consolidated statement of comprehensive income  
for the year ended 31 December 2019**

	<b>2019</b>	<b>2018</b>
	<b>£m</b>	<b>£m</b>
<b>(Loss)/profit for the financial year</b>	<b>(7.2)</b>	<b>9.4</b>
Items that will not be re-classified to the income statement		
Remeasurements of defined benefit obligations	-	0.4
Tax on items that will not be re-classified	-	(0.1)
Items that may subsequently be re-classified to the income statement		
FVOCI reserve		
Valuation gains/(losses) taken to reserves	0.7	(1.2)
Tax on items that may subsequently be re-classified	(0.1)	0.2
<b>Other comprehensive income/(expense) for the period net of income tax</b>	<u><b>0.6</b></u>	<u><b>(0.7)</b></u>

<b>Total comprehensive (expense)/income for the year</b>	<b>(6.6)</b>	<b>8.7</b>
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**Consolidated statement of financial position  
as at 31 December 2019**

	<b>2019</b>	<b>2018</b>
	<b>£m</b>	<b>£m</b>
<b>Assets</b>		
Liquid assets	615.1	506.9
Derivative financial instruments	2.0	8.2
Loans and advances to customers	3,161.4	3,502.9
Fixed and other assets	40.5	35.6
<b>Total assets</b>	<b>3,819.0</b>	<b>4,053.6</b>
<b>Liabilities</b>		
Shares	2,781.1	2,869.2
Borrowings	771.3	918.0
Derivative financial instruments	12.8	5.9
Other liabilities	12.9	12.6
Subscribed capital	24.7	25.1
Total liabilities	3,602.8	3,830.8
<b>Reserves</b>		
General reserves	216.6	223.8
Fair value reserves	(0.4)	(1.0)
Total reserves attributable to members of the Society	216.2	222.8
<b>Total reserves and liabilities</b>	<b>3,819.0</b>	<b>4,053.6</b>

**Consolidated statement of changes in members' interests as at 31 December 2019**

	<b>General reserve</b>	<b>FVOCI reserve</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Balance as at 1 January 2019	223.8	(1.0)	222.8
Loss for the year	(7.2)	-	(7.2)
Other comprehensive income for the period (net of tax)			
Net gains from changes in fair value	-	0.6	0.6
Total comprehensive (expense)/ income for the period	(7.2)	0.6	(6.6)
<b>Balance as at 31 December 2019</b>	<b>216.6</b>	<b>(0.4)</b>	<b>216.2</b>
Balance as at 1 January 2018	212.7	-	212.7
Change on initial recognition of IFRS 9	1.4	-	1.4
Profit for the year	9.4	-	9.4
Other comprehensive income for the period (net of tax)			
Net losses from changes in fair value	-	(1.0)	(1.0)
Remeasurement of defined benefit obligation	0.3	-	0.3
Total comprehensive income/(expense) for the period	9.7	(1.0)	8.7
<b>Balance as at 31 December 2018</b>	<b>223.8</b>	<b>(1.0)</b>	<b>222.8</b>

**Summary consolidated cash flow statement  
for the year ended 31 December 2019**

	<b>2019</b>	<b>2018</b>
	<b>£m</b>	<b>£m</b>
Cash flows from operating activities	4.5	18.0
Changes in operating assets and liabilities	109.0	4.5
Net cash generated by operating activities	113.5	22.5
Cash flows from investing activities	(104.0)	(114.8)
Cash flows from financing activities	(3.0)	(1.9)
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>6.5</b>	<b>(94.2)</b>
Cash and cash equivalents at beginning of year	266.1	360.3
Cash and cash equivalents at end of year	272.6	266.1

**Summary ratios**

	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
Common Equity Tier 1 ratio	15.1	14.7
Liquid assets as a percentage of shares and borrowings	17.32	13.38
Group (loss)/ profit for the year as a percentage of mean total assets	(0.18)	0.24
Group management expenses as a percentage of mean total assets	1.07	1.09
Society management expenses as a percentage of mean total assets	0.94	0.95
Society interest margin as a percentage of mean assets	1.17	1.26

Notes

- The financial information set out above, which was approved by the Board of Directors on 5 March 2020, does not constitute accounts within the meaning of the Building Societies Act 1986.
- The financial information for the years ended 31 December 2019 and 31 December 2018 has been extracted from the Accounts for those years and on which the auditors have given an unqualified opinion.