

NOTICE OF AGM & SUMMARY FINANCIAL STATEMENT

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“Leek United remains a strong, independent and profitable building society that retains the trust and confidence of its members.”



Despite unprecedented events in global financial markets and the subsequent economic downturn, the society has achieved a robust set of results in 2008.

In a year when several major banks suffered catastrophic losses only to be rescued by Government, Leek United remains a strong, independent and profitable building society that retains the trust and confidence of its members.

Our continued success owes much to the sustainable business model that is a modern, mutual building society and our core activities will remain the provision of residential mortgage products and savings accounts that offer long-term value. We will, of course, continue to provide a range of insurance and financial planning products that enhance member benefits and we plan to increase the extent to which our members can access and operate savings accounts 'on-line' should they wish to.

However, we will diversify and extend our product offering only if it is in the interests of both the society and its members and in areas where we have appropriate levels of skill and expertise.

In anticipation of deteriorating economic conditions, we took prompt action in 2008 to ensure the effects on the society were minimised. Such action has enabled the society to utilise our own retail savings deposits to fund our mortgage lending as well as reducing our operating costs and cutting our management expenses ratio down to 0.78%.

We have also increased our liquidity from 20.63% in 2007 to 23.73% in 2008.

These timely, prudent measures not only demonstrate our vigilance and flexibility, they leave us well placed to face future challenges as the recession deepens.

Having said that, no business is immune to the market forces that prevail in these challenging times and it is likely that, as unemployment rises, we could see an increase in repossessions in the future. However, Leek United is committed to supporting its borrowers wherever possible during this difficult period with repossession a last resort.

The society retains a quality mortgage book with no exposure to sub prime lending, extremely low arrears levels and, once again, no mortgage losses during 2008.

As a mutual building society, our objective is not profit for profit's sake. A financially robust business that benefits our members is our overriding aim and we will not pursue unsustainable mortgage business, or offer unrealistic rates to savers, purely to enhance the balance sheet. A reduction in our total assets and a more modest profit during 2008 is, therefore, an acceptable consequence rather than a concern in the current business climate.



The society, along with all other building societies, incurred unforeseen and unavoidable charges as part of their commitment to the Financial Services Compensation Scheme to provide compensation to depositors in failed institutions such as Bradford and Bingley and Icelandic banks. Whilst Leek United is happy to honour such obligations, the charge relating to the levy in 2008 is not insubstantial at £682,000 and further charges will inevitably arise in 2009.

Several reductions in bank rate occurred during the year with rates currently at record low levels and widely predicted to drop further over the coming months. Much has been documented in the media regarding the failure of many lenders to reflect these reductions in their own rates. Our position at Leek United is clear. We will continue to set interest rates, to take into account the needs of our borrowers and savers alike, at levels that protect the integrity of our business.

The economic outlook continues to be as challenging as it is uncertain. However, we will continue to be as proactive and flexible as necessary to maintain a strong and compliant business during these difficult times

I retire from the Board following the AGM but I know your society will be in safe and experienced hands under the stewardship of vice chairman, Paul Marriott who will become chairman, subject to his re-election by

members at our AGM. During the year, the Board has been further strengthened by the appointment of Keith Griffiths as an executive director and Philip Stanyer as a non-executive director. Both were co-opted onto the Board following a wide ranging and rigorous selection process culminating in their appointment at the end of last year. Keith and Philip bring valuable skills to the Board and offer themselves for election at our forthcoming AGM.

May I take this opportunity to thank all my Board colleagues for their support and good counsel during my time as Chairman. I would like also to thank members for their support and understanding, particularly during the recent global financial uncertainty. Finally, it would be remiss of me not to recognise the superb contribution of our staff, both at Head Office and throughout our branch network.

I am proud and delighted to have served Leek United over many years and it is with great pride that I leave it strong, secure and well placed to continue to support our members going forward.

E W Hodkinson

Chairman

25 February 2009

Review of the year

Group profit before tax and FSCS charge **£3.2m**
Group management expenses ratio reduced to **0.78%**
Group reserves **£45.75m**



“Leek United, with its sustainable business model and strong financial position, is well placed to look to the future with a confidence and a certainty that will continue to serve our members’ best interests.”

Overview

The new financial year commences in a climate of global economic and financial uncertainty on an unprecedented scale.

The decision of the tripartite authorities to involve the Financial Services Compensation Scheme (FSCS) in the bail out of Bradford and Bingley, followed by three Icelandic Banks has resulted in building societies being called upon to pay a significant and disproportionate share of the cost of bailing out failed institutions in the banking sector.

Recession is now a reality in most of the world’s major economies but against a backdrop of low interest rates and rising unemployment, Leek United remains a strong and competitive building society, committed to independence and mutuality, trusted by its membership and well placed to push forward in an increasingly challenging market place.

Given this environment, I am delighted to report that 2008 was a year of prudent consolidation, as well as considerable success, for the society.

Group Financial Performance

In a challenging year, I am pleased to announce that we were able to strengthen all of our key capital ratios.

Group pre-tax profit was a creditable £3.2m before taking into account the FSCS levy. Our total group assets, although reducing during the year to £754m, were maintained at levels in excess of the 2006 figure.

Our ongoing objective to improve the efficiency of our business and contain costs has never been more important, so a further reduction in our management expenses ratio to 0.78% was especially pleasing. This being the fifth consecutive year of reductions to this figure.

Mortgage Lending

Volatile money markets, plummeting house prices and the withdrawal of both mortgage products and funding by many lenders, were just some of the issues faced by borrowers in a traumatic year for the housing market.

This, and the failure of several former building societies and major banks, was greeted by a mixture of incredulity and alarm by consumers and industry insiders alike.

Against this backdrop, Leek United continued with its policy of prudent and responsible lending in 2008. Following two years of record mortgage lending it was appropriate that a period of planned consolidation was implemented in 2008 and this decision was further endorsed by the problems in the wholesale money markets. Our wholesale funding has been reduced from 20% at 31 December 2007 to just 9% at the end of 2008; one of the lowest ratios in the industry. A platform of enhanced liquidity and reduced wholesale funding allowed the society to lend at appropriate levels whilst ensuring common sense and affordability were prime considerations for our members.

Gross mortgage lending of £44m in 2008 is consistent with our prudent low risk approach to the current deteriorating housing market. We are very proud of our responsible lending approach and the subsequent quality of our mortgage book which is borne out by extremely low arrears levels and the absence of any mortgage losses for a fifth consecutive year.

The impact of current market conditions has resulted in four properties in possession and whereas this is extremely low by industry standards, the likelihood of this figure increasing during the current year is strong, given the economic outlook.

The society will continue to liaise closely with borrowers and be alert to, as well as sympathetic with, those members who may experience difficulties meeting their mortgage repayments.

Savings

Without doubt, Leek United, along with the mutual sector in general, has increasingly been seen as a trusted and safe haven for savings, with our shares balances increasing by £39.4m to £635.1m. This is particularly satisfying given recent and sustained reductions in the Bank of England base rate and the inevitable knock-on effect for savings rates. It is rewarding to note that members recognise the benefits of long term value in our savings products.

Once again, our Fixed Rate Bond and Cash ISA products have proved to be most popular with the latter featuring in many of the 'best buy' tables as a consistent performer over a prolonged period.

Towards the end of the year the society introduced its first 'affinity account' in conjunction with the County Air Ambulance Trust. The Air Ambulance Account gives our savers the opportunity to help save lives whilst saving for their own future at no cost to themselves. Leek United has long supported this worthwhile charity whose geographical area of operation mirrors that of our branch network.

Our people and the community we serve

Our staff remain one of our greatest strengths and I am proud of how they continue to perform with passion and dedication. Their knowledge, professionalism and commitment to customer service remains the bedrock of our success at Leek United.

We have continued to support our local communities from both our head office in Leek and our branch network. Our activities and fund raising efforts have helped assist a variety of causes including special needs centres and hospitals as well as sporting organisations such as gymnastics, cricket, rugby and football clubs. We have also assisted non-government funded organisations such as the Donna Louise Trust, The Douglas Macmillan Hospice and The County Air Ambulance Trust.

I would also like to pay tribute to Eric Hodgkinson who will retire from the society's Board at the forthcoming AGM. Eric joined the society's Board in 1993 and became Chairman in 1999. His career as a solicitor has provided the society with valuable knowledge and experience in his time as a director and Chairman. Eric has always demonstrated total commitment and loyalty to the society.

On behalf of all directors, staff and members, I thank Eric for his outstanding contribution to the society and wish him a long and happy retirement.

Outlook

It seems certain that 2009 will continue to be as challenging as 2008.

Financial markets look set to remain volatile with the continued shortfall in liquidity restricting the appetite for lending. All the economic indicators suggest recession to continue for at least the majority of 2009 with unemployment continuing to rise and the housing market remaining stagnant at best.

All of these issues are likely to have a degree of influence on our financial performance over the coming year.

However, as I highlighted in my introduction, Leek United, with its sustainable business model and strong financial position, is well placed to look to the future with a confidence and a certainty that will serve our members' best interests.

I trust, therefore, that our members will continue to be part of, and benefit from, a successful and forward thinking building society that remains committed to its traditional values and mutual origins.

K Wilson

Chief Executive
25 February 2009

Summary Financial Statement

For the year ended 31 December 2008

This financial statement is a summary of information in the audited annual accounts, the directors' report and annual business statement, all of which will be available to members and depositors free of charge on demand at every office of Leek United Building Society from 8 April 2009.

Approved by the board of directors on 25 February 2009.

E W Hodkinson	Chairman
P Marriott	Vice-Chairman
K Wilson	Chief Executive

Summary Directors' Report

Financial Performance

Total Assets

The total assets of the group at the end of 2008 were £754m, a decrease of £45.7m in the year.

Profit and Capital

The profit after tax of £1.51m was transferred to the general reserve. Gross capital amounted to £45.75m at 31 December 2008.

Liquid Assets

Liquid assets, in the form of cash securities, amounted to £166.9m, representing 23.73% of shares and borrowings.

Mortgages

The total amount outstanding on mortgages at the end of the year was £583.4m.

Shares and Deposits

Investors' and depositors' balances at 31 December 2008 totalled £703.5m, a decrease during the year of £46.9m.

Interest Rates

The residential mortgage base rate was reduced from 7.74% to 7.49% on 1 January 2008, from 7.49% to 7.24% on 1 March 2008, from 7.24% to 7.09% on 1 May 2008, from 7.09% to 6.89% on 1 November 2008 and from 6.89% to 5.99% on 1 December 2008. The mortgage rate was reduced on 1 February 2009 from 5.99% to 5.49%.

All variable interest rates on investment accounts were adjusted as a consequence of these changes.



Summary Statement

Financial Performance

Group Results for the Year	2008 £000's	2007 £000's
Net interest receivable	7,430	9,747
Other income and charges	2,109	1,542
Administrative expenses	(6,051)	(6,723)
Net finance charge on pension scheme	(74)	(188)
Provision for bad and doubtful debts	(235)	(191)
Financial Services Compensation Scheme Levy	(682)	-
Profit for the year before taxation	2,497	4,187
Taxation	(983)	(1,213)
Profit for the year	1,514	2,974

Financial position at the end of the year

Assets	2008 £000's	2007 £000's
Liquid assets	166,921	154,807
Mortgages	583,450	641,268
Fixed and other assets	3,638	3,674
Total assets	754,009	799,749
Liabilities		
Shares	635,115	595,704
Borrowings	68,398	154,742
Other liabilities	2,063	2,045
Net pension liabilities	2,681	3,077
General reserve	44,639	43,068
Revaluation reserve	1,113	1,113
Total liabilities	754,009	799,749

Summary of key financial ratios at the end of the year

	2008 %	2007 %
1. Gross capital as a percentage of shares and borrowings	6.50	5.89
2. Liquid assets as a percentage of shares and borrowings	23.73	20.63
3. Profit for the year as a percentage of mean total assets	0.19	0.39
4. Management expenses as a percentage of mean total assets	0.78	0.87

Gross capital as a percentage of shares and borrowings measures the proportion which the group's capital bears to the group's liabilities to holders of shares, depositors and other providers of funds (investors).

The group's capital consists of profits accumulated over many years in the form of reserves together with the revaluation reserve. Capital provides a financial cushion against any losses which might arise from the group's activities and therefore protects investors.

The **liquid assets ratio** measures the proportion that the group's assets, which are held in the form of cash, short-term deposits and securities readily convertible into cash, bears to the group's liabilities to investors.

Most of the group's assets are long-term mortgages, while many of its liabilities to investors are repayable on demand. Liquid assets are generally readily realisable, enabling the group to meet requests by investors for withdrawals from their accounts, to make new mortgage loans to borrowers and to fund its general business activities.

The **profit/assets ratio** measures the proportion that the group's profit after taxation for the year bears to the average of the group's total assets during the year.

The group needs to make a reasonable level of profit each year in order to maintain its capital ratio at a suitable level to protect investors. However, a building society does not have to pay dividends to equity shareholders as a company does. The group is therefore able to operate safely with lower margins than a bank.

The **management expenses ratio** measures the proportion that the group's administrative expenses bears to the average of the group's total assets during the year. Management expenses consist mainly of the costs of employing staff and of running the society's branches. Expenses need to be controlled so that the group operates as efficiently as possible while providing the service that members require.

Independent Auditors' Statement on The Summary Financial Statement



Independent auditors' statement to the members and depositors of Leek United Building Society. We have examined the summary financial statement which comprises the Summary Profit and Loss Account, Summary Balance Sheet set out on pages 6 and 7.

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the summary financial statement in accordance with applicable law.

Our responsibility is to report to you our opinion on the consistency of the summary financial statement with the full annual accounts, annual business statement and the directors' report, and its compliance with the relevant requirements of section 78 of the Building Societies Act 1986 and the regulations made thereunder.

We also read the other information contained within the 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.

This statement, including the opinion, has been prepared for and only for the society's members as a body in accordance with section 78 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

We conducted our work in accordance with Bulletin 1999/6, 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board. Our report on the company's full annual accounts describes the basis of our audit opinion on those financial statements.

Opinion

In our opinion the summary financial statement is consistent with the full annual accounts, the annual business statement and the Directors' Report of Leek United Building Society for the year ended 31 December 2008 and complies with the applicable requirements of section 78 of the Building Society Act 1986, and the regulations made thereunder.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Manchester
25 February 2009

Corporate Governance Report

The society's board is accountable to members for the careful direction of society affairs, safe stewardship of funds held on members' behalf and the provision of high quality products and services which meet the needs of individual members whilst offering a fair deal to all.

At the beginning of 2008, the board consisted of five non-executive and two executive directors. Barbara Rimmer resigned as Finance Director in July 2008. Keith Griffiths was appointed Finance Director in November 2008. Philip Stanyer was appointed as a non-executive director in December 2008. At the end of 2008 the board consisted of six non-executive and two executive directors.

In striving towards ever higher standards of service to members, the board focuses not only on members' interests as customers for the society's products and services but also their interests as members of a mutual enterprise. In regard to this latter relationship, we take account of the guidance contained in the Combined Code on Corporate Governance. Whilst this code is addressed to plcs, many of its provisions can be directly applied to the board and management arrangements in a mutual building society. The board is pleased to confirm that the society complies with the Combined Code in all material and relevant aspects.

A formal system of board appraisal is in place and each director's personal contribution to board proceedings and society progress in the year has been the subject of rigorous review by the Chairman. Performance evaluation of the Chairman has been conducted by non-executive directors led by the Vice-Chairman and taking account of the views of the executive directors.

The overall effectiveness of the board and its committees is monitored throughout the year and is subject to formal review on an annual basis.

All directors participate in a programme of training and professional development designed to keep their knowledge and skills up to date in a fast changing, highly regulated business environment. All other directors are entitled to obtain independent professional advice at the society's expense.

The offices of chairman and chief executive are separate and held by different people.

The board considers that all members are independent and carry out their duties with complete objectivity. The board has considered the individual performance of any director whose service exceeds nine years and is satisfied that their independence is not impaired. Non-executive directors with over nine years service offer themselves for re-election on an annual basis. All other directors are required to submit themselves for re-election at least once every three years.

All directors conform to the requirements of the Approved Persons regime instituted by the Financial Services Authority and pass the "fit and proper" test specified in the FSA's Handbook.

The Combined Code recommends that a non-executive director should be designated as the Senior Independent Director with responsibility for leading non-executive directors in the performance appraisal of the Chairman and to act as a contact for any member who may feel that contact with the Chairman or Chief Executive would not be appropriate. The board considers that the duties of this role are encompassed within the role of the society's Vice-Chairman, Mr Paul Marriott, who is pleased to act as an alternative contact point for members.



Summary Financial Statement

Register of Candidates for Board Vacancies

The society maintains a register of potential candidates for future non-executive board vacancies. Members who believe they have the skills, experience and commitment to serve effectively as a director of the society are invited to write, in confidence, to the Chairman of the Nominations Committee at the society's head office.

Board Committees

Supervision and direction is facilitated by the operation of a number of board committees which meet regularly to consider issues specific to key business areas.

The **Audit and Risk Committee** receives reports from the society's Internal Auditor and its remit includes matters relating to compliance with the Building Societies Act 1986 and the Financial Services and Markets Act 2000, systems of control, risk management, Internal Capital Adequacy Assessment Process (ICAAP), external audit arrangements and all regulatory issues. At 31 December 2008 the committee comprised the following non-executive directors:

D A W Stevens (Chair)
P Marriott
P A Stanyer
J Washington

The **Remuneration Committee** considers and approves general policy on staff salaries and benefits, with particular reference to remuneration arrangements for senior management and executive and non-executive directors. The committee makes an annual report to members – this can be found on page 12. The committee is comprised entirely of non-executive directors and committee membership at 31 December 2008 was as follows:-

E W Hodkinson (Chair)
D J Lyons
P Marriott



The **Board Nominations Committee** leads the process for board appointments, ensuring a thorough search and selection process based on their evaluation of the balance of skills, knowledge and experience required on the board. All non-executive board vacancies are advertised in the press/media with a regional or national scope as appropriate. The committee also acts in the nomination of new board appointments. At 31 December 2008 the committee comprised:

E W Hodkinson (Chair)
D J Lyons
P Marriott
K Wilson

Other committees operated by the board, each with its own terms of reference, are as follows:-

Assets and Liabilities Committee monitors and controls balance sheet risk, funding and liquidity.

Information Technology Committee approves and monitors major IT projects.

Attendance at Board and Board sub-committee meetings - 2008

	Board	IT	Remuneration	Audit & Risk	Assets & Liabilities	Nominations
E W Hodkinson	12 (12)	-	3 (3)	-	5 (5)	5 (5)
P Marriott	12 (12)	3 (3)	2 (3)	4 (4)	4 (5)	5 (5)
K Wilson	12 (12)	3 (3)	-	-	5 (5)	5 (5)
K Griffiths (From 3/11/08)	2 (2)	-	-	-	1 (1)	-
D J Lyons	12 (12)	-	3 (3)	-	5 (5)	5 (5)
P A Stanyer (From 19/12/08)	1 (1)	-	-	-	-	-
D A W Stevens	12 (12)	3 (3)	-	4 (4)	-	-
J Washington	12 (12)	3 (3)	-	3 (4)	5 (5)	-
B Rimmer (Resigned 31/7/08)	4 (7)	1 (2)	-	-	2 (3)	-

Figures in brackets denote number of meetings for which eligible to attend during the year.

Relations with members

The views of new and existing members are sought by individual questionnaires during the year. Members' forums are held each year when the Chief Executive gives a presentation on the main business developments and members present have their opportunity to raise questions to the directors and senior management.

Constructive use of the AGM

The society sends details of the AGM to all members who are eligible to vote. Members are encouraged to vote or appoint a proxy to vote if they cannot or choose not to attend the AGM. A donation to charity is made for each vote cast.

All members of the Board are present at the AGM (unless their absence is unavoidable). The Chairmen of all of the committees are therefore available to answer questions raised by members.

On behalf of the board of directors

E W Hodkinson
Chairman
25 February 2009



Directors' Remuneration Report

The society's Remuneration Committee is composed solely of non-executive directors. E W Hodkinson, P Marriott, D J Lyons served on the committee during 2008.

The committee's principal responsibility is the determination of the terms and conditions of employment of executive directors and the level of fees payable to non-executive directors. In making its determinations the committee is guided by the recommendations of the Combined Code on Corporate Governance and so aims to set remuneration at levels that are sufficient to attract, retain and motivate directors of the quality required to run a successful building society such as Leek United.

When considering the remuneration of both the executive and non-executive directors, the Remuneration Committee takes into account comparative data from a range of independent sources covering building societies and firms in the wider financial services sector where the scale and complexity of business operations are similar to those of Leek United.

Executive Directors

The main elements of each executive director's remuneration package are - basic salary, pension benefits, private medical insurance and the provision of a company car or car allowance. Executive directors participated in a society-wide bonus scheme in 2008. This non-contractual scheme enabled individuals to earn a bonus of up to £500 subject to achievement

of specific corporate and personal targets and time apportioned from date of appointment.

The Chief Executive is a member of the Leek United Building Society Pension and Assurance Scheme. In addition, due to salary cap restrictions on his defined benefit pension scheme, the society also contributes into a personal pension scheme.

The Finance Director who was appointed in November 2008 is a member of the defined contribution stakeholder pension scheme.

The Combined Code recommends that a director's service contract period should be set at 12 months or less and the contractual notice period for existing and new executive director appointments conforms to this limit.

Non-Executive Directors

Non-executive directors receive fees for the provision of their services. They do not have service contracts and do not receive any other benefits (other than travelling expenses incurred in the normal course of duties), bonus or pension entitlement.

Directors' Remuneration Report (Continued)

The table below summarises directors' pay and benefits for the year ended 31 December 2008:-

	2008	2008	2008	2007
	Salary/ Fees	Other Benefits	Total	Total
	£000's	£000's	£000's	£000's
Non-Executive directors				
E W Hodkinson (Chairman)	28	-	28	27
D J Lyons	19	1	20	18
P Marriott	23	-	23	23
B Rimmer (to 13/05/07)	-	-	-	7
P A Stanyer (from 19/12/08)	1	-	1	-
D A W Stevens	21	2	23	20
J Washington	19	-	19	18
Executive directors				
K Wilson	138	20	158	152
B Rimmer (from 14/05/07 to 31/07/08)	110	13	123	68
K Griffiths (from 3/11/08)	16	2	18	-
J B Stevenson (to 30/04/07)	-	-	-	113
	<u>375</u>	<u>38</u>	<u>413</u>	<u>446</u>

Member Consultation

The Directors' Remuneration Report will be the subject of an advisory vote at this year's AGM.

E W Hodkinson

Chair of the Remuneration Committee

25 February 2009

Notice of Annual General Meeting



Notice is given that the one hundred and forty-sixth Annual General Meeting of the members of Leek United Building Society will be held on 22 April 2009 at the society's principal office, 50 St Edward Street, Leek, Staffordshire, at 12 noon for the following purposes:-

1. To receive the Annual Report and Accounts for the year ended 31 December 2008.
2. To re-appoint PricewaterhouseCoopers LLP as auditors.
3. To approve the Directors' Remuneration Report.
4. To consider and, if thought fit, to pass a special resolution that the Rules of the Society be amended to incorporate the provisions of the Dormant Bank & Building Society Act 2008, which allow the Society to transfer money in unclaimed accounts to charity while protecting the rights of account owners to reclaim their monies.
5. To consider and, if thought fit, to elect or re-elect the following directors:
 - (a) To elect Keith Griffiths
 - (b) To re-elect Paul Marriott
 - (c) To elect Philip Allen Stanyer
 - (d) To re-elect David Stevens
 - (e) To re-elect Jim Washington

6. To transact any other business permitted by the Rules of the Society.

By order of the board
K WILSON
Secretary
March 2009

What are Dormant Accounts?

Dormant accounts are those where no transactions have been made for 15 years. This definition is set within the Dormant Bank and Building Society Accounts Act 2008.

In 2005, the Government announced that money left with banks and building societies, where no owner could be identified, be placed in a special 'reclaim' fund and used for social projects and charities. Since this time banks and building societies have increased their efforts to locate the owners of these funds.

The website 'mylostaccount.org.uk' was set up in 2008 and has subsequently dealt with over 250,000 requests from members of the public to locate funds.

As at 31 December 2008 the total balance of dormant accounts at Leek United was £75,145 held in 133 accounts.

The reason for the special resolution in respect of dormant accounts is to ensure that funds passed to the reclaim fund remain the property of Leek United members and that they retain membership of the Society.

Remember you can vote online at www.leekunited.co.uk/agm

Directors Seeking Election or Re-Election



Keith Griffiths
Age 51

Keith Griffiths was co-opted onto the board as Finance Director in November 2008.

Keith originally joined the society in 1987 before being appointed to the board as Finance Director in 1996. Following his retirement in 2005, Keith kept abreast of the economic and financial climate and decided the time was right to re-enter a very different and challenging environment.

Keith holds a degree in Economics from the London School of Economics and is a Chartered Accountant with previous experience at one of the UK's leading accountancy firms.

As Finance Director, Keith is responsible for all financial and treasury management issues and serves on the Assets and Liabilities Committee.



Paul Marriott
Age 56

Paul Marriott has been a non-executive director of the society for the past fourteen years and has served as Vice-Chairman since 1999. As senior independent director he is also the board level contact point for members.

A qualified Chartered Accountant, he is experienced in all aspects of that profession and is the senior partner of local accountancy firm, Fearn's Marriott, which was established in September 1992.

Paul plays an active role in the community. He is involved with several local charities and supports local causes through his membership of Leek Rotary Club.

Paul chairs the Information Technology Committee at Leek United and also sits on the Assets and Liabilities, Audit and Risk, Remuneration and Board Nominations Committees.

Directors Seeking Election or Re-Election (continued)



Philip Stanyer
Age 59

Philip Stanyer was co-opted onto the board as a non-executive director in December 2008.

He brings with him a wealth of experience covering accountancy, consultancy, contract hire, finance, management, manufacturing and retailing gained over his varied career.

A past President of the North Staffs Society of Chartered Accountants, Philip is currently the President of the Derbyshire and Nottinghamshire Chamber of Commerce and past Chairman of the Human Resources, Audit and Remuneration Committee. He is also Chairman of the British Chambers of Commerce Accreditation Board, Chairman of the Trustees of a Pension Scheme and a past Chairman of a national IT user group.

He is also a Fellow of the Institute of the Motor Industry and an Associate of the Institute for Independent Business.

Philip is also a life member of the National Trust and a member of the Rotary Club of Endon and Stockton Brook.

Philip sits on the Audit and Risk Committee.



David Stevens
Age 65

David Stevens joined the society as a non-executive director in 1998. He previously held a senior post at the Building Societies Commission where he was responsible for various policy matters and the regulatory supervision of a number of societies. This expertise is extremely valuable in his role as director and is supplemented by experience gained during a distinguished career at the Bank of England.

David chairs the Audit and Risk Committee and sits on the Information Technology Committee.



Jim Washington

Age 58

Jim Washington joined the Board as a non-executive director in November 2005. He is an Associate of the Chartered Institute of Bankers and during a career of more than 30 years in the financial services sector, he has held a variety of roles ranging from human resources through retail distribution to specialised mortgage lending. He is a past member of the CML Social Housing Panel and Mortgage Practitioners Panel.

Jim serves on the Society's Assets and Liabilities, Information Technology and Audit and Risk Committees.

Performance Appraisal

The performance of each director has been the subject of a formal and rigorous evaluation by the board.

The board considers that each director is independent in character and judgement and continues to demonstrate a high level of skill and commitment in their contribution to the work of the board.

E W Hodkinson **P Marriott**

Chairman Senior Independent Director March 2009

Notes

1. These Notes form part of the Notice of the Meeting.
2. A member entitled to attend the Meeting and vote may appoint a proxy to attend and vote on his or her behalf. You may appoint the Chairman of the Meeting or anyone else as your proxy, and your proxy does not have to be a member of the society. Your proxy may vote for you at the Meeting but only on a poll. A poll is a formal vote which may take place after an initial vote by a show of hands. Your proxy may not speak at the Meeting, except to demand or to join in demanding a poll.
3. You may instruct your proxy how to vote at the Meeting. Please read the instructions on the proxy form.
4. The voting date is the date of the Meeting, if voting in person, and 20 April 2009 if using the enclosed form.
5. In order to attend and vote at the Meeting, or appoint a proxy, you must qualify as either a shareholding member or a borrowing member.

Shareholding Members

- (a) To qualify as a shareholding member, you must -
- (i) if you are an individual, be at least 18 years old on 22 April 2009; and
 - (ii) have held shares to the value of not less than £100 at midnight at the end of 31 December 2008; and
 - (iii) not have ceased to hold a share or shares at any time between midnight at the end of 31 December 2008 and the voting date; and
 - (iv) hold a share or shares on the voting date.
- (b) Where the shares are held jointly by two or more persons, only the first named in the records of the society, in respect of those shares, can have any voting rights.

Borrowing Members

- (a) To qualify as a borrowing member, you must -
- (i) be at least 18 years old on 22 April 2009; and
 - (ii) have owed the society not less than £100 in respect of a mortgage debt at midnight at the end of 31 December 2008; and
 - (iii) owe the society not less than £100 in respect of a mortgage debt on the voting date.
- (b) Where a mortgage debt is owed jointly by two or more persons, only the first named in the records of the society, in respect of that mortgage, can have any voting rights.
6. In addition, you can vote only once as a member, irrespective of -
- (a) the number of accounts you hold and whether you hold accounts in different capacities (for example, on your own behalf and as a trustee); and
 - (b) whether you qualify to vote as both a shareholding member and a borrowing member.
7. Members attending the Meeting will be requested to produce their passbooks or other evidence of membership in order to obtain admission. If you are appointing a proxy, other than the Chairman of the Meeting, to attend the Meeting and vote on your behalf, please ensure that your proxy brings an appropriate form of identification to the Meeting.

Online Voting

To use this facility, please go to www.leekunited.co.uk/agm and click on the link, which will redirect you to a secure voting site administered by Howsons Electoral Services who are independent scrutineers. You will need your user ID and password and these can be found on the enclosed proxy voting form.

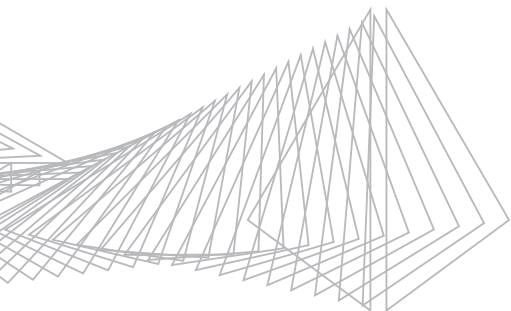
Online voting is available 24 hours a day until midnight on 20 April 2009.

Remember you can vote online at www.leekunited.co.uk/agm



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