WEATHERBYS
BANKING GROUP

ANNUAL REPORT & ACCOUNTS 2024

Founded in 1770, Weatherbys is a family-run business that has evolved over the last 255 years to become a group of companies which include Weatherbys Private Bank, Weatherbys Racing Bank, Arkle Finance Ltd and Weatherbys Hamilton LLP.

Financial highlights

£1,708m
Client deposit balances
Up 13% from £1,505m in 2023

£860m
Client lending balances
Up 5% from £822m in 2023

Pictured on front cover: Flintham Hall

06
Chief Executive report
Read more

18
Arkle Finance
Read more

20
Our people
Read more

26
Governance overview
Read more

Contents

£79m
Net interest income
Up 1% from £78.2m in 2023

£1,848m
Total assets
Up 13% from £1,638m in 2023

Visit us online
For the most up-to-date information visit our websites:
www.weatherbys.bank
www.arklefinance.co.uk
www.weatherbyshamilton.co.uk

At a glance

We put our **clients first every time**

Weatherbys Bank Limited is a family-owned bank founded on a heritage of traditional values and prudent stewardship but one that adopts a progressive and forward-looking approach. The Group provides banking services to a client base of predominantly high net worth individuals. In addition to private banking and wealth advisory services, it provides banking services to the horseracing industry and wider community, asset finance to businesses and tax and insurance broker services.

Our values

- Forward Looking
- Individual
- Responsive
- Straightforward
- Trusted

Exceptional client service

Providing exceptional personal service to our clients is a value that has underpinned our bank throughout our heritage.

81

Net Promoter Score (NPS)

See Client satisfaction feature, page 09

> **The Group delivered another very strong year in 2024.**
>
> **Quentin Marshall**
> Chief Executive Officer

Being sustainable

One of the Bank's core values is social responsibility, with a fundamental belief in using the success of our business as a force for good.

This is reflected in our responsible business strategy, which drives actions in three key pillars – sustainability, Creating The Future and giving back.

At the centre of our sustainability strategy is a commitment to playing an active role in the climate crisis – by addressing our personal impact and investing in carbon removal projects.

Our three pillars:

- Sustainability
- Creating The Future
- Giving back

See our Creating The Future feature, page 22

Overview

22,000
Clients

437
Members of staff (2023:422)

8
Offices throughout the UK

255
Years of the Weatherbys brand

WEATHERBYS
BANKING GROUP

WEATHERBYS
PRIVATE BANK

Weatherbys Private Bank provides banking services to private individuals including current accounts, deposit accounts, lending and foreign exchange.

www.weatherbys.bank/private-bank

WEATHERBYS
RACING BANK

Weatherbys Racing Bank provides racehorse owners and bloodstock industry professionals with bank accounts that have all the features and flexibility required for racing transactions.

www.weatherbys.bank/racing-bank

WEATHERBYS
HAMILTON

Weatherbys Hamilton specialises in all the insurance requirements of private clients, farm and estate owners and the bloodstock industry.

www.weatherbyshamilton.co.uk

ARKLE
FINANCE

Arkle Finance Ltd provides corporate, small business and consumer asset finance as well as specialist funding for renewable energy installations, marine finance and specialist finance for educational institutions.

www.arklefinance.co.uk

Our Services

- Banking & Lending
- Asset Finance
- Insurance Broking
- Investment & Wealth Advice
- Racing Banking Services

Read more
www.weatherbys.bank

Chairman's foreword

Driving the business forward with a **long-term view**

The 2024 calendar year was the first full year under our new CEO, Quentin Marshall, and it heralded further consolidation for the Banking Group with considerable investment and progress on multiple fronts, some of which are not always visible from the outside but are extremely important nevertheless.

Our performance

The Weatherbys name in banking circles continues to strengthen and existing clients remain a key source of new business. We were delighted that our Net Promoter Score was the highest of all our peers and for the second year running we were awarded Spear's Private Bank of the Year.

At the same time, the Group's return on equity at 20% was market-leading but still founded on a prudent and conservative appetite for risk. Rest assured we insist on this as a multi-generational family business with a long-term view of the world.

We are not resting on our laurels and continue to invest significant sums in our people and technology to meet the demand of our clients now and into the future.

Our technology

In 2024 we completed a wide-ranging upgrade to our core banking platform and have moved quickly on to further systems enhancements for payments processing, anti-money laundering and cyber security. In addition, we have begun a significant investment programme to further improve our digital capabilities ensuring we not only meet but exceed clients' expectations in providing an easy to use, intuitive banking platform that also delivers a resilient service.

As we've seen, technology is never straightforward, and some of the largest banks experienced system outages and programme issues. It would be a brave, and indeed foolhardy Chairman to say that will never happen to our company, but we strive to ensure we have the most robust of systems, supported by an excellent army of people who will always be available to assist. It might seem like a stuck record but 100% digital and 100% human is our mantra.

Our people

This "army of people" is the wider Weatherbys family, and they remain at the heart of what we do and the way they do it. We call it The Weatherbys Way - it is their desire to go the extra mile that make us the business we are today. From front to back we continue to support our colleagues and, despite the increase in size, I am committed to retaining the feel of a family company.

While Artificial Intelligence will bring disruption, I firmly believe, like every other wave of technological change that has occurred since the Agricultural Revolution and before, it will, in the end, benefit humanity and lead to progress and better living conditions. We as a Group are exploring how we will take advantage of this great new opportunity. We suspect it will allow us to automate many manual, tedious and internally-facing tasks and to redeploy the time liberated to doing more of what really matters: client service.

Outlook

For each of the last 20 years, whether as Chief Executive or now as Chairman, I have written that the outlook remains difficult and uncertain. We are living through seismic geopolitical events, now further complicated by a change of leadership in the United States. Europe too is facing up to a new political landscape and events in the Middle East remain fraught and volatile. However, there are opportunities for us and our neighbours to step up, and for the UK to play an increased role in Europe. We hope to be a special friend of the USA for many years to come, but we'll be a more secure and robust friend.

Will the UK Government have the courage to take hard decisions to stimulate the economy as it says it must? If it does the UK economy will be stronger for it, despite the threat of global tariffs. We also expect significant changes to the way business is done as the adoption of Artificial Intelligence becomes more widespread.

In 2025 the Group will continue to invest across all areas of our business to maintain the momentum behind our continued growth but we will not be swayed from our cautious approach to risk. As ever we will focus on delivering exceptional client service. We will continue to invest significantly both in people and systems to support them – enabling our award winning bank to reach more of those successful people who need a proper banking relationship.

Roger Weatherby
Chairman

“We are not resting on our laurels and continue to invest significant sums in our people and technology.

Chief Executive report

A positive year of **growth and investment**

The Group delivered another very strong year in 2024, with profit before exceptional items and tax of £26.7m, representing a return on equity ("RoE") of 20%.

The Group was aided by interest rates being at elevated levels and by our deliberate business mix. Net interest margin ("NIM") was 4.53%. Fee income continued to grow, up 17% on the year. The combination of the Group's businesses allow it to navigate the interest rate cycle and to be 'good for all seasons'. However, we do remain sensitive to Base Rate and would expect a decline to affect performance in 2025.

The Private Bank resumed strong organic growth in 2024, with a significant increase in deposits and assets under advice. Gross lending volumes were also very strong but were offset by repayments. Our borrowers are predominantly discretionary and so it is no surprise that higher interest rates have provoked a higher level of repayments. It is also of note that lending margins continue to reflect strong competition in the marketplace.

Arkle Finance delivered another good performance, with lending up 15%. Gross lending activity was over £139m, an increase of 7% over 2023. The business remains very well positioned in its marketplace and has a lower than average cost of risk in the asset finance industry. We remain alert to any emerging trends that would jeopardise the creditworthiness of our book and retain our conservative underwriting approach.

The Racing Bank is a more mature business with less scope for rapid growth. Nonetheless, it remains at the heart of our business and is a material source of referrals to the Private Bank. It is also an important source of liquidity to the Group and makes a useful contribution to profitability, especially in times of higher interest rates. We continue to invest significantly into the industry in the form of continued investment into people and systems.

> "We are making very significant investments in 2025 in people, systems and products.

Our clients

We are incredibly fortunate in having very special clients across all our businesses. It is a truism that like-minded people tend to want to work together and we are no exception. We aim to deliver an excellent service across everything we do and always act with care and compassion. Humanity in banking can be a rarity: we think it is foundational. We are delighted that so many of our private clients are willing to refer their friends and family to us. We achieved a Net Promoter Score in 2024 of 81, which is extremely strong and perhaps equalled only by one other bank in the UK…and surpassed by none. However, we will not rest on our laurels as there is always work to do to deliver an ever better client experience. We are making very significant investments in 2025 in people, systems and products with this objective in mind.

Colleagues

The Group employed 437 people at the end of 2024, up 15 on the year. We continue to invest in expansion, recognising it is our team that makes the difference. We see no conflict between investing in people and investing in technology. Our clients deserve the best of both.

The Bank was honoured with the Private Bank of the Year award for the second year in a row at the 2024 Spear's Awards, in addition, one of our Senior Private Bankers, Bertie de Klee was named Senior Private Banker of the Year at the Citywealth Future Wealth Leader Awards. Aidan Faik, Ollie Barnett, Duncan Gourlay, Hayley Robinson, Shirley Coe and Katie Felce also all won industry recognition. We are very proud of all of them.

Technology

No bank will survive long if it fails to invest in technology. While our business model will always have a human face, this does not mean we can slip on ensuring the underlying systems are robust and safe and the client digital experience first rate. In 2024 we completed the upgrade of our core banking ledger. This was a mammoth task, which also involved a move of the physical location at which our data is stored. Having completed this upgrade, we were free to attack the backlog of other projects that required attention. As examples, we added inbound and outbound confirmation of payee last summer, as well as a much-enhanced system to help spot fraud and financial crime.

The march of technology is relentless. With the core system upgrade complete, we also began planning for the largest programme of investment into our systems ever undertaken by the Group. This programme has already now moved from planning to delivery, with an agile approach meaning we will start to see real visible change to our digital landscape in 2025.

Risk

We are a conservative bank. We take the stewardship of our clients' deposits very seriously. We run a prudent balance sheet, with a loan to deposit ratio of just 50% as at the end of 2024. The balance of our assets not lent out is held predominantly on overnight deposit at the Bank of England, meaning it is immediately available and always secure. When we do lend, we do so very carefully. As an example, the average loan to value on our residential loan book remains less than 33%.

Risk is multi-faceted. Credit risk is a very visible part of the constellation we manage but by no means the only aspect. We take great care across all aspects of the Group's businesses and have robust policies and controls in place to ensure risk remains within appetite. I was delighted to see the further embedding of the Group's Risk Management Framework in 2024. I was also reassured that we have invested significantly in improving our operational resilience, although there will always be work to do.

Strategy

In my new role, I was keen to review our strategy. All our businesses are in good shape and we are fortunate to have the opportunity to plan for further success, rather than address failure. We have committed ourselves to further strong growth in all our businesses but will always take great care in doing so not to jeopardise what it is that makes us different, especially in the eyes of our clients. Our strategy has three key pillars: excellent client service; an exciting and challenging career for colleagues; and strong shareholder returns. I am confident we can deliver against all three.

> "I remain highly optimistic about the future of the Group.

Look forward

As the Chairman notes in his foreword, the world remains an uncertain place. It was ever thus. Our job is to be mindful of the possible shocks that could affect us from outside but also to remain focused on what remains within our control. We will pursue our client-focused strategy secure in the belief that, even though there will be ups and downs, if we deliver for clients, the rest will follow.

I do think 2025 will be a tougher year financially for the Group. Interest rates are widely expected to fall. As a business with a material proportion of its liabilities derived from current accounts and other transactional balances, this fall in interest rates will reduce our income. On the other side, I expect volumes to grow in all areas. We are also investing heavily and the associated costs will show up in our numbers. We will exercise particular care and control over discretionary costs to ensure our resources are well used to deliver against our priorities.

In summary, I remain highly optimistic about the future of the Group and am honoured to lead it.

Quentin Marshall
Chief Executive Officer

Business model and strategy

We consider our **clients and employees** our key stakeholders

Our vision

Our vision of being a shining light in financial services is all about acting with integrity; we simply believe in doing the right thing, we always have and always will.

Our mission

This dovetails with our mission to improve the financial lives of our clients and their families. Our business is founded on relationships and our clients are simply at the heart of everything we do.

Our values

Our core values – Forward Looking, Individual, Responsive, Straightforward and Trusted – which we refer to as 'The Weatherbys Way', underpin our way of working and not only provide us with a framework for responsible business practices, they also help to differentiate us from our competitors.

Client satisfaction

Our 2024 client survey continues to position us ahead of our peers and other banks. Our clients' voice continues to shape the services we provide and influence how they are delivered.

81

(Net Promoter Score)

Our strong Net Promoter Score signals clients are happy to refer us to their family, friends and colleagues.

"The Weatherbys Private Banking team deliver consummate service through care, focus and an exceptional level of professionalism. Thank you for your warmth, integrity, and for including us in your family of clients.

Andrew Bernardi

www.bernardimusicgroup.com

Client feedback taken from 2024 Weatherbys Private Bank survey.

99% of our clients are very or moderately pleased with us overall.

99% of our clients strongly agree or agree that we are accessible and responsive.

98% of clients feel valued.

96% of our clients are very or moderately pleased with the relationship with their private banker.

Business review

The Board remains **committed to the long-term success of the banking group**

The directors present their strategic report on the Banking Group for the year ended 31 December 2024. The Banking Group ("Group") consists of Weatherbys Bank Limited ("the Bank"), Arkle Finance Limited ("Arkle"), Weatherbys General Services Limited ("WGS") and Weatherbys Bank (Nominees) Limited.

Weatherbys Bank Limited is a family-owned bank founded on a heritage of traditional values and prudent stewardship but one that adopts a progressive and forward-looking approach. The Group provides banking services to a client base of predominantly high net worth individuals. In addition to private banking and wealth advisory services, it provides banking services as well as tax and insurance broker services to the horseracing industry and wider community and asset finance to SMEs.

1. Business review: market environment

Interest rate uncertainty continued to be a key theme in 2024 and the situation remains fluid as we enter 2025. The UK Base Rate reduced slightly across the year, starting at 5.25% in January and ending the year at 4.75%. The Bank of England maintained its focus on controlling inflation which averaged 3% for the year.

After a sustained period of ultra-low interest rates following the financial crash of 2007/8 and the onset of the coronavirus pandemic in March 2020, businesses and households had to adjust quickly to what would historically have been viewed as a more normal interest rate environment.

Against this backdrop, annual GDP output grew by 0.4% in 2024, following growth of 0.1% in 2023. UK house prices increased by 4.6% in the twelve months to December 2024, with the average price of a property reaching £268,000.

Consumer spending grew by 1.2%, driven by increased expenditure in the retail and hospitality sectors. Business investment also saw a modest increase of 0.5%, reflecting cautious optimism among firms.

Post the Presidential election in the United States the economic outlook remains volatile as economies worldwide face growth and inflationary pressures against a backdrop of rising trade tariffs.

2. Business review: the Group

New client numbers as well as total lending continued to grow in 2024. The total assets of the Group increased by 13% to £1,848 million (2023: £1,638 million). Lending growth was driven by the Group's asset finance business Arkle, which achieved growth of 15% whilst net lending to private clients remained flat across the year as these clients re-evaluated their borrowing needs in the light of the higher interest rate environment, despite significantly higher gross lending in the year.

Total deposits increased by 13% to £1,708 million in line with wider market trends.

The Group ended the year with a loan to deposit ratio of 50% (2023: 55%) and a strong liquidity position.

Over the last 15 years the Group has consistently grown its assets. Group net interest margin decreased to 4.53% from 4.82%, as lower Base Rate impacted margins during 2024. Net interest income increased by £0.8 million (1%) to £79.0 million (2023: £78.2 million).

The Board remains committed to the long-term success of the Banking Group and the investment required to maintain the product and service levels that our clients have come to expect. Administrative expenses increased by £4.9 million (10%), predominantly through increased investment in people and technology. Net staff numbers increased by 15 during the year taking the total up to 437 by the year-end, an increase of 4%. We also spent over £6.5m on technology, with an extensive change programme across a range of customer facing and internal support initiatives.

Approximately 70% of the Bank's lending is to private clients, well secured at low loan to value ratios. Within this segment there has been no discernible fall in credit worthiness and no additional specific provisions have been made reflecting the strong credit quality of such lending.

Arkle, the Group's asset finance business, grew strongly in 2024 benefitting from its previous investment in both people and technology which allowed it to expand into new segments and build effectively on both new and established broker relationships. It hired a further 3 staff taking its complement up to 80 at the year-end (+4%) and invested £0.4m in its technology services. Profit before tax after provisions was £3.5 million (2023: £2.6 million).

As a UK-based banking group, primarily serving high net worth clients in the UK but with some exposure to SMEs through our asset finance subsidiary we remain cautious on the UK credit outlook.

Profit before exceptional items and tax for the Group was £26.7 million (2023: £33.1 million). Total shareholder's funds increased by 18% to £100 million (2023: £85.0 million).The Group remains well capitalised with a Common Equity Tier 1 ratio of 13.8% (2023: 13.5%), well above the regulatory minimum level of 8%. Together with Additional Tier 1 capital and the Tier 2 subordinated notes, the Group's total capital ratio at the year end was 16.3% (2023: 16.2%).

The leverage ratio at the year-end was 7.08% (2023: 7.13%), compared to a minimum level of 3.25%. At the year end the Group held surplus funds of £936 million in gilts, other qualifying liquidity buffer assets including the Bank of England Reserve Account, and treasury deposits at well- rated bank counterparties (2023: £771 million).

3. Financial key performance indicators

The Board and senior management continuously assess the performance of the Group. A number of key performance indicators are used to frame this assessment process. These include inter alia net interest margin, cost-to-income ratio, return on capital, capital headroom ratio, liquidity coverage ratio, net stable funding ratio, customer loan-to-deposit ratio, average loan-to-value ratio, loss ratios and net flows into wealth advisory platforms.

Where relevant, these indicators have been included in this Strategic Report or within the Directors' Report in the context of presenting Bank performance.

4. Future developments

The banking industry will continue to be affected by technological advancements and regulatory changes as well as evolving client expectations. The Board continues to monitor these trends closely in regard to their potential to affect the Banking Group's future performance, meet its strategic targets and deliver positive client outcomes.

Enhancing banking propositions through increased usage of artificial intelligence will remain a strategic focus for the industry. Open banking will continue to facilitate greater data sharing among financial institutions, enabling innovative services and improved client experiences.

GROUP KEY PERFORMANCE INDICATORS

Profit before tax before exceptional items

£26.7m

2024	£26.7m
2023	£33.1m

Total shareholders' funds

£100.0m

2024	£100.0m
2023	£85.0m

Net interest income

£79.0m

2024	£79.0m
2023	£78.2m

Net interest margin

4.53%

2024	4.53%
2023	4.82%

Customer lending balances

£860m

2024	£860m
2023	£822m

Common Equity Tier 1 ratio

13.8%

2024	13.8%
2023	13.5%

Customer deposit balances

£1,708m

2024	£1,708m
2023	£1,505m

Total capital ratio

16.3%

2024	16.3%
2023	16.2%

Loan to deposit ratio

50%

2024	50%
2023	55%

Leverage ratio

7.08%

2024	7.08%
2023	7.13%

Liquidity coverage ratio

1017%

2024	1017%
2023	896%

Total assets

£1,848m

2024	£1,848m
2023	£1,638m

Net stable funding ratio

266%

2024	266%
2023	254%

Return on equity

20%

2024	20%
2023	34%

Business review continued

5. Environmental policy statement

In order to achieve our goals, we recognise that we need to operate in a sustainable manner and have therefore adopted certain core principles in our business operations providing a framework for both managing risk and maintaining our position as a good 'corporate citizen'. We are committed to helping to create a sustainable future for all.

Our commitment is to:

- **Reduce consumption of resources by purchasing renewable energy and implementing energy-efficient practices**
- **Measure and take actions to reduce our green house gas emissions**
- **Manage waste generated from our operations incorporating the waste hierarchy of reduce, re-use, recycle.**
- **Comply as a minimum with all relevant environmental legislation**
- **Raise awareness, encourage participation, and provide the training necessary for our colleagues to adopt responsible environmental practices**
- **Convert our commitment into action**

Weatherbys aims to improve environmental performance and drive the reduction of energy use, emissions, and waste. The figures published below on energy performance meet the SECR (Streamline Energy Carbon Reporting) requirements.

We have measured our scope 1 (directly controlled) and scope 2 (indirect emissions) indicating any exclusions, as appropriate. All our office operations and supporting sites have been included in the scopes. The 2023 data has been included and will be the allocated baseline.

The Bank has undertaken a number of key strategic changes and decisions during the 2024 financial year and into 2025. These include:

- **Continuing to provide dedicated resource focused on Sustainable Development**
- **Continuing to showcase innovation in the sustainability space through our Future Forum and Creating the Future talks/conferences**
- **Reinvigorating our Sustainability Committee who meet bi-monthly with representatives from each site and almost all departments**

	2024		2023	
	GHG emissions (tCO_2e)	**Energy (kWh)**	GHG emissions (tCO_2e)	Energy (kWh)
Scope 1	**49.11**	**246,740**	39.21	199,949
Scope 2	**164.36**	**793,803**	158.24	777,010
Total	**213.47**	**1,040,543**	197.45	976,959
% increase in absolute CO_2e emissions	**8%** rise due to increased office attendance			

	2024		2023	
Intensity Ratio	**tCO_2e**	**kWh**	tCO_2e	kWh
Per £ million GBP turnover	**2.36**	**11507**	1.79	8862
Per FTE	**0.46**	**2223**	0.33	1612

Type	Data Source
Combustion of gas and oil (scope 1)	Utility company bills
Combustion of fuel for transport purposes (scope 1)	Supplier invoices
Purchased electricity, location-based (scope 2)	Utility company bills
Purchased electricity, market-based renewables (scope 2)	Utility company bills
Business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (scope 3)	Expense claims

- **Investing in carbon accounting software to accurately calculate our full scope 1, 2 and 3 emissions**
- **Purchasing 100% renewable electricity and switching to 100% renewable energy by the end of 2025***
- **Installation of 100% LED lighting with PiR sensors in owned sites**

*for owned sites

Weatherbys Bank has appointed Catalyst to independently assure the accuracy, completeness and consistency of energy use, greenhouse gas (GHG) emissions data and energy efficiency action within the operations under our direct control.

The following underlying primary data were used by Weatherbys Bank to provide summarised data to Catalyst for calculating the carbon footprint and energy footprint.

All IPCC 2007 GHGs were considered in the calculation of this organisational carbon footprint, which were converted to carbon dioxide equivalents (CO_2e) using the 2007 IPCC Global Warming Potentials (GWPs).

Whilst more recent IPCC GWPs are available, the latest version of the main source of secondary data used in this study (i.e., Defra) currently uses IPCC 2007 GWPs.

The calculations were assured on behalf of Catalyst by Barry Johnson Assessor (No. IEMA 0004471) who found no evidence to suggest that they were not materially correct and were not a fair representation of the GHG data and information.

6. Section 172(1) statement

The Board of Directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way which would be most likely to promote the success of the Group for the benefit of its members as a whole, having particular regard (amongst others) to:

- **The likely consequences of any decision in the long term.**
- **The interests of the company's employees.**
- **The need to foster relationships with suppliers, customers and others.**
- **The impact of operations on the community and the environment.**
- **The desirability of maintaining a reputation for high standards of business conduct; and**
- **The need to act fairly as between members of the Group.**

As a privately-owned bank striving to provide the highest levels of customer service, we consider our customers and employees as our key stakeholders. We previously consulted with customers and employee groups to agree and define the key characteristics of our service offering in order to enshrine these into a set of corporate values. These values – christened the 'Weatherbys Way' – will continue to underpin every decision at every level as we seek to protect the Group into the long-term.

In December 2024 we held our annual Brand Awards for our staff, recognising those who were outstanding in supporting our five brand values, namely Forward-Looking, Individual, Responsive, Straightforward and Trusted.

We recognise that our people are our greatest asset. Providing unbeatable service has been at the heart of the Weatherbys Way and now we are focusing on how we can serve our people best too. We know that having a diverse workforce creates a more fulfilling place to work as well as better business outcomes. So, we are working on our equality and diversity programmes, promoting internal succession development, creating financial inclusion and flexible working. We are also accredited as a Living Wage Employer.

We have continued our initiatives to enhance communications to staff to update them on financial performance, strategic initiatives, charitable donations as well as to provide mental health and wellbeing support programmes to all our employees. We have continued to conduct regular staff surveys to seek feedback and opinions on a wide range of relevant issues.

From improving the lives of our employees and creating a better future through our charity work, to ensuring we do not harm our environment, we have a proven track record of taking our social responsibility seriously, both for our workers and the wider community.

We are committed to achieving Net Zero and are actively calculating our 2024 carbon footprint across scope 1, 2, and 3. This comprehensive assessment will provide us with a baseline to guide our Net Zero strategy and target setting for the years ahead.

We have also created some social impact priorities: Giving Back, Our People and Caring for the Planet. The Weatherbys family of companies has a long tradition of giving back to society and the Board believes that business should be a force for good. Profitability is important; being successful gives us the opportunity to make a bigger impact but having a positive impact on society and the environment is equally important.

We know that taking time out from our day jobs and doing something for the greater good, not only enhances our world but also our people. As part of our volunteering programme, we provide our staff paid time off to volunteer for causes close to their hearts, and actively encourage all of our colleagues to use these days by providing opportunities with our charity partners around the UK.

We want to promote a better world supporting initiatives that stimulate long-term environmental, social and economic wellbeing. Aligned with the UN Sustainable Development Goals we have three interlinked areas of focus: planet, people and prosperity. The UN SDGs are global of course, but we also need to look at how they may relate to communities closer to home. As a result, we are proud to announce partnerships with four charities spanning the UK in 2024/25, including national and local charities. The charities, which were chosen by our staff, include three that are close to their offices. The charities are Alzheimer's Research UK, Rock Trust, City Harvest and The Daylight Centre. We also hosted our fourth Creating the Future event in October 2024 where we invited guests, customers and friends to hear eminent and eloquent experts address some of the most topical issues affecting us now and in the future.

Business review continued

7. Principal risks and uncertainties

In all areas where the Board believes that material risks exist it has taken action to control and mitigate these risks, consistent with risk appetite.

The principal risks to which the Bank is exposed are highlighted in the following sections.

7.1 Economic risk

Whilst the banking sector generally does benefit from the previous rises in interest rates through widening margins, the aim of the central bank's action is to dampen economic activity to lower inflation. Economic theory would expect higher credit losses in the near and medium term. Typically, clients on the private banking side of the Group are well insulated against such downturns but we are not complacent. Within the private banking lending portfolio, which accounts for 68% of the total loan book, customer loans are secured principally on residential properties at an average loan to value ratio of approximately 33%.

Our asset finance business, which accounts for 32% of the lending portfolio, continues to write new business although it keeps a close watch on its underwriting processes and regularly adjusts them to local, sector specific challenges. The Board believes a well-managed asset finance business can provide good returns over the economic cycle and Arkle's fixed lending to SMEs is an important part of the Group's overall strategy.

As a seventh generation, family-owned bank, Weatherbys Bank has always been managed with long term sustainability as a primary objective. It has operated prudently within its financial limits and maintained capital and liquidity buffers in order to protect against the impact of unpredictable shocks. Whilst political and economic uncertainty persists, the near and medium-term outlook for the Banking Group remains positive.

7.2 Capital risk

Capital risk is the risk that the Bank has insufficient capital to support its strategic growth objectives, or to enable it to withstand further changes to the regulatory regime.

The Bank has a conservative approach to managing capital risk. In addition to the minimum regulatory capital requirements set by the PRA through its Total Capital Requirement, the Board has determined that an appropriate buffer above the regulatory minimum must be maintained at all times. At the year end the total capital ratio was 16.3% (2023: 16.2%) and total regulatory capital was £99.8 million against a Total Capital Requirement of £87.1 million.

Management and allocation of the Bank's capital is overseen by the Asset and Liability Committee ('ALCO'). If the headroom falls to an internal trigger level, ALCO is required to explain to the Board whether corrective action is required and recommend an appropriate course of action.

7.3 Liquidity risk

Liquidity risk is the risk that the Bank has insufficient financial resources to meet its liabilities as they fall due.

This could be due to an inability to liquidate assets to obtain adequate funding ("funding liquidity risk") or that it cannot readily liquidate assets without incurring significant market losses ("market liquidity risk").

The Bank's principal tools to mitigate liquidity risk are the loan-to-deposit ratio limit and the corresponding minimum liquidity buffer, both set by the Board. At the year-end it held treasury assets of £936 million (2023: £771 million) of which £639 million (2023: £584 million) was held with the Bank of England and other major UK banks in instant access accounts. The Bank does not hold a significant proportion of fixed interest bonds or securities in its treasury portfolio and consequently has a low level of market liquidity risk.

At the year end the Bank's Liquidity Coverage Ratio and Net Stable Funding Ratio were 1017% and 266% respectively (2023: 896% and 254%). The Bank's liquidity position is monitored daily and managed by ALCO.

7.4 Credit risk

Credit risk is the risk of financial loss arising from a borrower or counterparty failing to meet their financial obligations to the Bank when they fall due. Credit risk arises from loans and advances to clients, and from treasury investment of surplus cash.

To mitigate credit risk in the client loan book the Board has approved lending policies and procedures that are reflective of the Bank's risk appetite. All loan applications are considered in accordance with these procedures, and an approval hierarchy is in place depending upon the risk characteristics and size of each application. The largest loan applications require approval by the Board. Responsibility for the ongoing management of client credit risk rests with ALCO. The average loan to value ratio for lending secured by residential property is approximately 33% (2023: 36%).

To mitigate credit risk in its treasury activities the Board has set minimum short-term and long-term credit ratings for approved counterparties where the Bank places its surplus funds, as well as individual monetary limits. These limits are reviewed on a regular basis by ALCO and are set by reference to the Bank's assessment of the risk of default for each counterparty. The Bank monitors appropriate agencies to provide credit ratings for financial institutions.

7.5 Concentration risk

Concentration risk is the risk of loss due to either a large individual exposure, or significant exposures to groups of counterparties who could be affected by common factors, including geographical region ("geographical risk").

To mitigate concentration risk the Board has:

- **set limits on the maximum percentage exposure to any individual business sectors against the total lending book; and**
- **set limits on the geographical concentration of advances.**

The Bank regularly monitors concentration risk and geographical risk to ensure that the Bank is not overexposed in a particular business sector or geographical region.

7.6 Interest rate risk

Interest rate risk is the risk that a significant movement in interest rates will have a material impact on the Bank's profitability, for example by reducing the net interest margin.

The Group is exposed to interest rate risk that arises from a mismatch between the repricing of assets and liabilities. The majority of the Group's lending is variable, although its lending to SMEs through its asset finance subsidiary is on fixed terms, generally between three and four years together with a proportion of its lending to private clients. On the liability side, credit interest paid on the majority of deposits is also variable. Partly as a consequence of its low loan to deposit ratio and surplus funds, the Group's net interest margin will generally fall when Base Rate falls and correspondingly increase as rates rise.

The Bank regularly measures and reports to ALCO its interest rate risk based on 200bps positive or negative shifts in the yield curve, which are then translated into a net present value. It also runs the PRA 6 Outlier Tests (EVE 6 Shocks) as part of the ICAAP assessment. The Bank uses interest rate swaps to hedge exposures to interest rate risk to ensure these remain within the limits set by the Board.

7.7 Operational risk

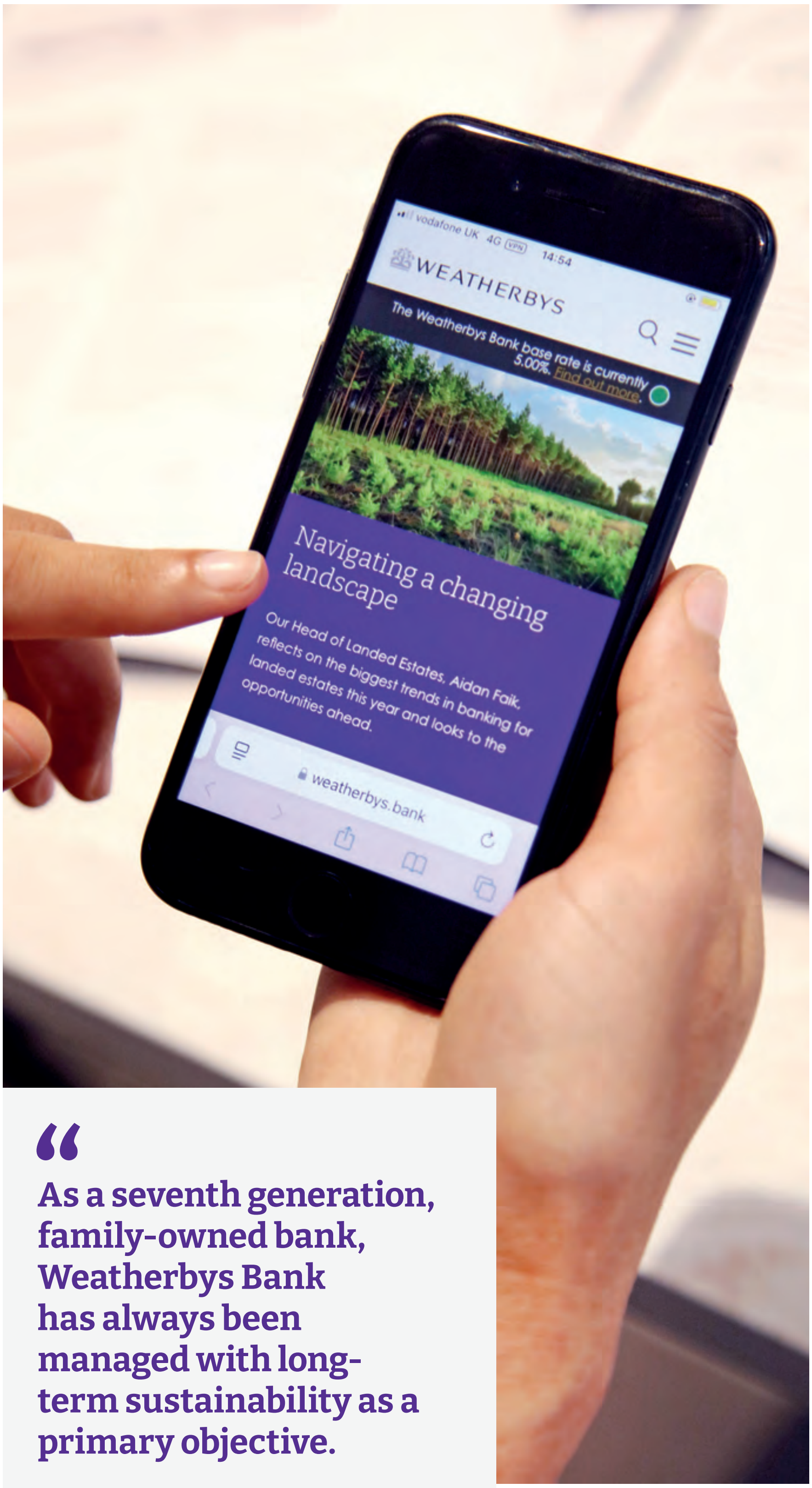
Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. The Bank recognises that operational risk is inherent in all its products, activities, processes and systems and is particularly cognisant of all aspects of data security.

The Board has approved an Operational Risk Policy to ensure the risks are adequately identified, monitored and controlled and any losses resulting from operational risk are minimised in line with the Bank's risk appetite.

7.8 Cyber risk

This is the risk that the Bank businesses are subject to some form of disruption arising from an interruption to its IT and data infrastructure.

The Bank continues to invest in both people and technology in the development of robust defence systems against ever-increasing cyber threats.



> **"As a seventh generation, family-owned bank, Weatherbys Bank has always been managed with long-term sustainability as a primary objective.**

Business review continued

7.9 Reputational risk
Reputational risk is the risk that the Bank's reputation is damaged by an event, internal or external, leading to financial loss.

The Board is fully aware of the damage that can be caused if the Bank's reputation is damaged and as such the corporate governance and control environment are designed to manage this risk.

7.10 Regulatory & conduct risk
As a provider of financial services, the Bank also faces potential risks arising from failures to meet customer expectations, to deal with complaints effectively and to ensure the products it provides are appropriate to their customers' needs. In addition, it must comply with all banking regulations including compliance with Financial Crime and Anti-Money Laundering laws, as well as all requirements for Consumer Duty.

The Company's internal systems, controls, employee training, and protocols are designed specifically to protect against such risks.

7.11 Pension risk
Pension risk is the potential that the Bank will be unable to meet additional liabilities that might arise under a defined benefit pension scheme as set out below. This can be due to a number of factors:

- **A fall in the market value of investments held reducing the fair value of scheme assets;**
- **A fall in the discount rate increasing the present value of scheme liabilities; and**
- **An increase in the life expectancy increasing the present value of scheme liabilities.**

Weatherbys Bank Limited is part of a group of companies controlled by Weatherby family trusts.

In 2024 the Bank paid an amount to withdraw from the group-defined benefit pension scheme (note 34). This has removed its share of the liabilities arising under the scheme.

7.12 Climate change risk
Climate change and society's response to it present a current and developing risk that could impact the Bank in the long-term.

The Board is cognisant of the risk from climate change to the banking sector, for example through credit losses as a result of certain industries that become displaced. It has hosted four 'Creating the Future' events that have included debate on climate changes issues and has allocated SMF climate change responsibility to its Chief Executive.

The possible effects of climate change have been discussed at Group Risk Committee and at Board level. The initial assessment is that the Bank's primary area of exposure relates to the value of domestic properties taken as security against loans to private clients.

Possible downside risks include exposure to:

- **older residential properties that might require significant investment to meet new insulation requirements**
- **coastal properties at risk from land erosion**
- **properties on flood plains or lower lying land.**

As part of the standard credit approval process, consideration is now given as to whether the value of the security might be affected by some or all of the above factors.

The Banking Group does not have material exposures to corporate lending and is unlikely to incur direct credit losses through industry displacement.

At this stage the Board believes that the risk that climate change will affect the long-term viability of the Bank is low, but it will continue to deepen and refine its analysis of such risks in the future.

8. Outlook
The Banking Group is well capitalised, operationally robust and staffed by exceptional people. As a family business with our history dating back over 250 years we have faced and overcome many challenges together. We will be absolute in our determination to provide exceptional client service and unwavering in our focus on what we can do better. This approach has served the Group well over the centuries and the Board is confident that the Banking Group will support all its customers for many years to come.

Approved by the Board and signed on its behalf by:

Quentin Marshall
Chief Executive Officer

10 April 2025

Award feature

Weatherbys named **Private Bank of the year 2024**

Weatherbys Private Bank has been honoured with the Private Bank of the Year award for the second year in a row at the 2024 Spear's Awards. The award recognises a bank that has delivered outstanding service and performance for high net worth individuals in the UK.

The judges said the bank 'focuses on cash management, they have low staff turnover, and they've always been incredibly client focused.' The judges added: 'Their combination of CEO and Chair is extremely effective.'

In its recent client satisfaction survey, 99 per cent were moderately or very pleased with the service. The Bank's Net Promoter Score (NPS) score of 81, which is based on the "how likely are you recommend us" question was more than double the UK banking's industry average.

Oliver Barnett, Head of Private Clients at Weatherbys Private Bank, said:

"We are thrilled to have won Best UK Private Bank 2024 at the Spear's Awards, especially as we won last year and have now won three out of the last four years. The Spear's Awards are highly sought-after in our industry and for our teams to be recognised in this way, so consistently, is absolutely fantastic. I am grateful to all of our staff for their unwavering dedication to our clients and to the judges for acknowledging Weatherbys again".

The Spear's Awards celebrate excellence in the private client world and have been running for more than 10 years. They acknowledge and honour entrepreneurs, philanthropists and others for their innovation, success and outstanding contribution to the wealth management world and beyond. Other private banks shortlisted for the 2023 award included Hampden & Co, Arbuthnot Latham and HSBC UK Private Banking.

Arkle Finance

MetSpace London

Arkle has been providing finance to MetSpace since it launched in 2018, supporting the managed office provider's growth – it now has 52 offices across Central London.

Whether serving start-ups or established companies, MetSpace offers private, self-contained managed offices that combine traditional desk space with modern breakout areas, private meeting rooms and kitchens. Its message is simple:

"People should be happy at work – the key to our design process is marrying comfort with style to produce the perfect working environment."

MetSpace's business strategy involves opening more offices for its clients – and asset finance plays a crucial role in supporting these growth ambitions. Without asset finance, growing the business could be challenging as a large capital outlay may put pressure on cash flow.

Since its inception, Arkle has been MetSpace's number-one provider of asset finance through a long-term relationship with introducing broker, Ideal Leasing & Finance. Not only does Ideal Leasing & Finance have more than 40 years of experience working in asset finance but having worked with MetSpace since the beginning it has an unmatched understanding of its commercial needs.

Following a new introduction by Ideal Leasing & Finance in 2024, Arkle facilitated its 14th financing arrangement for MetSpace – an office fit-out in a property located in West London.

The facility provided several benefits. First, it resulted in significant cost savings since there was minimal capital outlay. This allowed MetSpace to start receiving rental income in line with the repayments, which will more than cover its liabilities.

Additionally, revenue growth is a key benefit; the more sites MetSpace opens, the greater the revenue it generates.

With Arkle as a funding partner, MetSpace has been able to capitalise on the strong demand for managed office space and expand its operations significantly, despite strong competition in the sector.

Arkle Highlights

Ranked

37

in the 2024 Asset Finance UK top 50

£3.5m

Profit before tax (2023: £2.6m)

£139m

New advances (2023: £130m)

£296m

Total assets (2023: £251m)

£29.0m

Turnover (2023: £23.8m)

Asset finance for **helipad terminals at racing festivals** - Visions Event Solutions

In 2024, Arkle helped a specialist events company finance a luxury temporary helipad terminal for some of the biggest horseracing events in the UK's racing calendar.

A customer of Arkle's for several years, Visions Event Solutions (VES) is a UK-based company that provides a wide range of services tailored to corporate events, exhibitions, live performances and private functions – including helipads.

In 2024, VES looked for asset finance to help fund a luxury pagoda – to be a temporary helicopter terminal for its helipad service at the Cheltenham Festival, the Aintree Grand National and the Epsom Races, as well as the music festival, Glastonbury. VES's helipad service had recently signed a five-year sponsorship agreement with Air Charter Service, the largest air charter service company in the world.

The innovative pagodas were supplied by German-based HTS, a leading force in the aluminium temporary structures industry.

With strict payment terms required by the supplier, Arkle's used its close relationship with broker GTF Event Equipment Finance, to negotiate terms that suited all parties in time for the aluminium and glass structure's delivery to Cheltenham.

This asset was funded by Arkle on a finance lease with the support of the British Business Bank's Recovery Loan Scheme, the government-backed initiative designed to support businesses accessing finance to recover and grow in the aftermath of the pandemic.

ARKLE FINANCE

www.arklefinance.co.uk

Arkle Specialisms

- Marine
- Aviation
- Business
- Leisure
- Prestige cars
- Education

Responsible business: Our people

We pride ourselves on our **inclusive and friendly culture**

Engagement

We take the engagement of our colleagues seriously and are constantly striving to make improvements. We provide them with support, advice, and encouragement to make the most of their expertise. Additionally, we actively listen to their feedback to ensure their voices are heard and valued.

This year saw our third annual engagement survey which has provided us with important feedback and indicators on what we are doing well and where we can improve. Participation in the survey across the group was very strong (92%) and our engagement score increased by 4.3 to a score of 69.8 which we believe reflects our healthy and thriving workplace where colleagues are engaged, motivated and enjoy their roles and the organisation as a whole.

All departments have been involved in analysing their results and our involvement score of 80.4 means active participation across teams to collectively take action to improve the way they work individually and as a team, as well as developing strategies to improve our business overall.

Benefits

It is important to us that we provide competitive and relevant benefits for our colleagues in order to attract and retain the best talent. We offer a diverse range of benefits to suit individuals' lifestyles and help them plan for their futures from private health cover to income protection, holiday trading and race days.

In terms of wellbeing, we delivered bespoke education sessions in partnership with AgeUK under their Compassionate Employers programme to our colleagues on how to navigate bereavement in the workplace and how to further support them with caring responsibilities. We improved our bereavement policy, enhancing paid time off to ensure we better support colleagues during life's difficult moments in ways that matter most to them. We also enhanced paid time off for dependents, further supporting our colleagues work-life balance.

Supporting financial wellbeing is of utmost importance and we delivered over 10 specialist sessions on mortgage services, pension and savings.

Learning and development

We are committed to the continuous development of our colleagues and therefore our learning programmes ensure colleagues are competent and able to fulfil the needs of their role and potential. We work with colleagues at all levels to develop their skills through professional qualifications and vocational training courses.

In 2024, we launched our new learning experience platform Thrive giving colleagues the opportunity to progress in their career and develop professional skills and deepen their understanding of a particular subject. Thrive offers an extensive collection of over 1,000 pieces of diverse media content and has facilitated more than 400 hours of engaging learning experiences.

A key priority is to ensure our leaders have the right management and leadership skills to be successful within their role. We therefore launched a management and leadership programme with all leaders within Arkle Finance which will be rolled out across the Group in 2025. This programme offers a different approach to one we have taken before, as it focuses on minimal classroom learning and maximum time putting learning into place via 'on-the-job' and follow up action learning sets.

Diversity and inclusion

We believe diversity and inclusion are not just ideals - they are essential to our success. Over the past year, we have worked hard to create a more inclusive workplace, from hosting engaging events such as International Men's Day to encouraging participation in our Dignity at Work training. Our Inclusion Working Group (IWG) has been instrumental in shaping our approach, ensuring we continuously evolve and improve.

Our business thrives when we embrace the broadest range of diverse contributions—not just in terms of legal definitions like gender, race, and age, but also diversity of experience, background, socio-economic status, skills, thought, and location.

We want to create an inclusive culture where everyone feels valued and empowered to do their best work.

In terms of gender, 50% of our new hires into the banking group were female and out of the 66 people promoted across the Group, 36 were female. The Bank also hired two new Private Bankers; both of which were female.

Recruitment

We had 145 new hires across the banking group in 2024; 111 in the bank, 27 in Arkle Finance and 7 in Weatherbys Hamilton. This consisted of a mixture of permanent and contractor roles.

In addition, we are passionate about helping young people into careers in banking and finance. This year, we supported young talent through our summer internship and work experience program, welcoming a total of 16 interns: 3 with Arkle Finance and 13 with the Bank.

In 2024, we launched a structured work experience program, offering a 5-day immersive experience to provide students with a genuine insight into working at Weatherbys. Our education outreach initiative focused on secondary schools in the Wellingborough area, enhancing their career programs with activities such as mock interviews, career fairs, and Dragons' Den-style events.

Additionally, we were honoured to be the headline sponsor at the University of Northampton Careers Expo and actively participated in numerous career fairs at universities in Cambridge and Oxford, enhancing our profile as an employer of choice.

Brand values

Every year we recognise colleagues who have demonstrated our values in the work they have carried out. We have seven awards categories reflecting our values: Forward-Looking, Individual, Responsive, Straightforward, Trusted in addition to a Team of the Year and CEO Award. This year we introduced a new Community award to reflect the hard work and dedication of our colleagues in their volunteering, mentoring and fundraising efforts.

In December 2024, over 300 colleagues celebrated both individual and team successes for those who went above and beyond their roles to deliver the 'Weatherbys Way'.

> "I am committed to retaining the feel of a family company.
>
> **Roger Weatherby**

Our 2024 interns

Employee engagement

92%

Response rate
Of colleagues across Arkle Finance and the Bank shared their voice.

82

Belief score
This score reflects how confident our colleagues feel in action being taken, an increase of 1.4 on 2023.

81.5

Our colleagues are proud to be part of the Bank or Arkle Finance (+1.9).

69.8

Engagement score
This score shows the levels of engagement across all 52 questions and an increase of 4.3 from 2023 and 7.4 from 2022.

80.4

Involvement score
This new reflects the extent of our colleagues involvement in action planning and feedback, a 4.3 rise from 2023.

Gender split of team members in 2024

Female: 49%
Male: 51%

Brand Value Awards 2024

Creating The Future

Charity, community and education

In 2023, we renamed our Charitable Foundation the Creating The Future Foundation to align with our stance and values on environmental, social and economic wellbeing matters. We want to ensure a brighter future for the next generation, by tackling the challenges of today and those of the future. Aligned with the UN Sustainable Development Goals (SDGs) our three interlinked areas of focus are Planet, People and Prosperity.

Our mission is to promote a better world by advancing ideas, funding innovation and supporting initiatives that stimulate long-term environmental, social and economic wellbeing. Through strategic partnerships and community engagement, the CTF Foundation aims to create meaningful impact and foster sustainable development in areas such as education, healthcare, environmental conservation and social justice.

In 2024, the Foundation partnered with four charities, chosen by our staff, spanning the UK: Alzheimer's Research UK, Rock Trust, City Harvest and The Daylight Centre. Each of our chosen charities will be supported for a minimum of two years with annual funding from the Foundation, fundraising activities and volunteering. Over the first year of the partnerships, we donated more than £100,000 to our four charity partners, volunteered more than 450 hours and supported 35 students through our partnership with Local Village Network.

Fundraising highlights

Fundraising initiatives have been exceptional. In total, colleagues raised £31,000, with match funding provided by the Foundation of £14,000, bringing the total raised by our colleagues to £45,000. The Foundation has also directly donated £56,000, making our total contribution to charities in 2024 more than £100,000.

Volunteering efforts

Equally inspiring in 2024 was that more of our staff than ever have rolled up their sleeves and volunteered their precious time.

They mentored disadvantaged young people, washed potatoes, donated food, planted food and delivered food to communities in London. They built sheds, weeded, weighed sugar and collected egg boxes. They raised awareness, worked together and made a huge impact!

In all, 88 colleagues used their paid volunteering opportunities, contributing a total of 450 hours to various causes. From supporting City Harvest with packing food parcels to weeding, planting and building at the Daylight Centre allotment, Weatherbys people made a significant impact on the communities in which we operate.

Our charity fundraising

£100,000 donated to our four charities

£45,000 raised by our colleagues

450 hours volunteered

35 young people mentored

Mentoring with the Local Village Network

During the year, we supported the Local Village Network (LVN) Amplify Me Programme, which is a mentoring initiative designed to help young people build positive networks and improve their prospects.

LVN started on estates in Islington, North London, working in the heart of the community with young people who felt left behind and unsure of what to do. Its core purpose is to ensure that every young person is supported to reach their full potential by addressing network poverty – a key contributing factor that keeps socioeconomically disadvantaged young people in poverty and hinders social mobility.

The organisation's Amplify Me Programme directly acts on this by introducing students from low-income neighbourhoods and schools to working professionals across a variety of roles and industries.

In May, more than a dozen students from the City of Westminster College in Westminster were matched with seven volunteer mentors from Weatherbys. Our volunteers shared their life experiences in classroom sessions and our London office – to give them different perspectives on life, as well as the confidence that they are valued and able to succeed. They immersed students in their career journeys, the challenges they faced and the skills needed to succeed.

The workshops included exercises to help students think about who they are, their skills, experience, ambitions, role models and how they can play a part in society.

The feedback we received was extremely positive. More than 75% of students said that their understanding of jobs and careers had increased and that they now had a clear path for their future. Every attendee said they now had the confidence to ask for help. As one student said on being asked what they had learned about themselves: "I have a lot of transferable skills that I didn't realise before."

We repeated the initiative in October, with 20 students from Harris Academy Battersea in Wandsworth. Again, the feedback was phenomenal with more than 90% of students remarking that it had improved their understanding of their career options and the importance of networking. There are "no limits to what I can do", said one student.

Engagement

The Creating the Future (CTF) initiative was launched in 2018 to debate the challenges we face and to learn about how we might overcome these challenges – and we have held four main events since. However, as CTF has evolved it has spawned several mini-evening events focusing on specific themes. In 2024, we turned our attention to health and technology.

In June, clients gathered at our The Value of Health event to hear four renowned guest speakers talk and stimulate discussion about Alzheimer's disease, being healthier for longer and insomnia. They included Scott Mitchell, the husband of our late national treasure, Dame Barbara Windsor. In a raw account, Scott emotionally spoke of how his vibrant wife with a wonderful outlook on life had always said to him, "Darling, I am going to get old and go before you, so you better be prepared". With an age gap of 26 years, Scott understood those words but he openly said that what he wasn't prepared for, was Alzheimer's.

Professor Selena Ray, molecular neuroscience professor gave the audience a 15-minute crash course on the neuroscience of dementia – where we are in terms of our understanding of the disease, while Dr Sabine Donnai highlighted that only 10 per cent of a person's health risk is down to their DNA– the rest is a lifestyle choice.

Later in 2024, we held The Technology for Good event on a topic that has made the headlines and been at the forefront of dinner party conversations ever since ChatGPT took the world by storm – namely, AI – to discuss how it is transforming our lives as we know it. It was fascinating to hear first-hand from our panel – Priya Lakhani, CEO of Century Tech, Wired editor-in-chief, Greg Williams and Danil Mikhailov from data.org – on how AI is transforming our lives from education to medicine to financial inclusion.

Read more

On our website:
https://www.weatherbys.bank/insights/our-charity-partners-chosen-by-our-people/

The Board of Directors

The directors of the Banking Group during the period and as at the date of this report were:

Roger Weatherby
Chairman

Date of appointment as Chairman
March 2024

Appointed to the Board:
June 1994

Committees
N

Experience
Roger Weatherby became CEO of Weatherbys Bank in 2000, a position he held until September 2023. In March 2024, Roger stepped up to the role of Chairman. He has a Masters in Finance from London Business School. Before joining Weatherbys, Roger served in The British Army and worked for Cazenove & Co in London, Sydney and New York.

He has been Chairman of Arkle Finance and Weatherbys Hamilton. Outside of Weatherbys, Roger held the post of Senior Steward (Chairman) of The Jockey Club from 2014 – 2019 and was Chairman of Racing Welfare from 2005 – 2010. From 2010 – 2013, he was the inaugural chairman of The Racing Foundation.

In 2018, Roger started our flagship initiative – "Creating The Future" – which brings together experts in diverse fields to stimulate discussion and action around the major challenges facing society and our future.

Quentin Marshall
Chief Executive Officer

Date of appointment as CEO
September 2023

Appointed to the Board:
January 2016

Committees
E

Experience
Quentin Marshall first joined the Board in January 2016 before becoming CEO in September 2023. He oversees the Group's four businesses, which comprise of Weatherbys Private Bank, Weatherbys Racing Bank, Arkle Finance and Weatherbys Hamilton.

He joined Weatherbys in June 2015 from Coutts where he was Head of Advisory. Prior to Coutts, Quentin worked for UBS for 16 years, joining predecessor firm SG Warburg from university as an investment banker.

Quentin also chairs the Royal Borough of Kensington & Chelsea pension fund, the top-performing LGPS fund in the UK.

Jane Millar
Non-Executive Director and Chair of Group Risk Committee

Date of appointment
July 2022

Committees
A R N

Experience
Jane Millar joined the board in July 2022. She has worked in financial services for over 30 years in a number of operational and strategic roles.

Jane has extensive experience in digital and operational change and was also responsible for the integration of two major investment management businesses into Investec Wealth & Investment, where she was a Board director.

More recently, as Chief Executive Officer, Jane developed and launched a digital online investment business, Investec Click & Invest.

Dominic Vail
Non-Executive Director

Date of appointment
April 2021

Committees
A R N

Experience
Dominic Vail joined the board in 2021. He is an experienced banker with over 30 years in the global banking industry, holding senior executive positions in both investment banking and wealth management, including Group Managing Director at UBS AG in the Wealth Management Division and prior to that he worked at UBS Investment Bank.

Dominic currently holds the position of Chairman of Augmentive, the mental health platform, and is also involved in board work within the non-profit sector and sits on the boards of The Optimus Foundation and The Scots Guards Charity.

Roger Weatherby had interests, as a trustee, in 100% of the ordinary shares of the ultimate parent company.

No other director had any interest in the share capital of the Bank or of any other group company, and none of the directors, or members of their immediate families, were awarded or exercised any right to subscribe for any shares during the year.

Committee membership key

Chairman
Member
A Audit Committee
R Risk Committee
N Remuneration and Nomination Committee
E Executive Committee

Andrew Turberville Smith
Group Finance Director

Date of appointment
February 2006

Committees
E

Experience
Andrew Turberville Smith ACA joined the Board in 2006. Previously he was regional finance director for Towergate Partnership and prior to that he spent 10 years in investment banking with JO Hambro Magan, NatWest Corporate Finance and latterly Hawkpoint Partners.

He was a member of the FCA's Smaller Businesses Practitioner Panel for six years until March 2015, acting as chairman for the last two years. He originally qualified as a chartered accountant in 1991 with Price Waterhouse.

Mark Batten
Non-Executive Director and Senior Independent Director

Date of appointment
July 2023

Committees
A R

Experience
Mark joined the board in 2023 as chair of the Audit committee and Senior Independent Director.

Mark is currently Chair of Assured Guaranty UK and sits on the Board of Assured Guaranty's NYSE listed parent company, Assured Guaranty Ltd. He is also a Senior Independent Director of Picton Property Income.

A Chartered Accountant, Mark was formerly a partner for over 25 years at PricewaterhouseCoopers LLP (PwC), retiring from the partnership in 2017. Mark led a number of practices during his career with PwC and undertook a wide range of financial services restructuring projects for insurers and reinsurers, banks and fund management companies. He was a non-executive director of PwC's Bermuda based global insurance captive.

Mark has served as a non-executive director of the Royal Brompton and Harefield Foundation Trust and as a senior advisor to UK government investments, an arm of HM Treasury. He currently serves as chair of the governing body of Westminster School.

Fiona Noonan
General Counsel and Company Secretary

Fiona is our General Counsel, Company Secretary and Data Protection Officer providing strategic legal advice and governance services for the Board and the Executive across the Weatherbys Banking Group.

Fiona has over 25 years of experience in legal counsel at senior level and brings considerable transactional and regulatory experience to the Group. Before joining the Group in January 2020, she held in-house legal roles in wealth management at Morgan Stanley and in investment banking at Goldman Sachs. In private practice, Fiona worked at Clifford Chance.

Governance overview

We are committed to achieving the highest **standards of excellence**

Introduction from the Chairman

The Banking Group is fully committed to developing the strategy of the business and providing effective governance and leadership. The Banking Group is supported by appropriate governance arrangements and committee structures which create a solid base for effective governance, well-informed decision making, accountability and strategy setting.

The Board sets the appropriate tone and culture from the top and ensures that this is cascaded and embedded throughout the Group. It will articulate, embed, and maintain a culture of openness, risk awareness and ethical behaviour for the entire Group to follow in pursuit of its business goals and to ensure compliance with our regulators. The Board ensures that the strategy and culture are aligned and act by example to promote that culture.

The Banking Group governance framework continues to evolve as the business and its operations and ambitions develop.

1. Board structure

The Board of Directors of Weatherbys Bank Limited manage the affairs of the Group and is the senior decision-making forum that sets the Group's strategy for achieving long-term success.

The Board in 2024 comprised five Non-Executive Directors and two Executive Directors until July 2024, and thereafter 4 Non-Executive Directors and two Executive Directors.

The composition of the Board ensures there is appropriate knowledge, diversity and experience to deliver the appropriate oversight and independent challenge of the executive and senior management.

2. The remit of the Board Committees

The Board Terms of Reference provide that the Board will delegate its authority to certain committees appointed by the Board. These are the Group Audit Committee, the Group Risk Committee, the Group Remuneration and Nomination Committee and the Group Executive Committee.

Each of these Committees has its own Terms of Reference setting out in detail its scope, duties, and responsibilities in accordance with good governance and regulatory practice.

A forward-looking agenda programme is planned in advance including deep dives from key parts of the business, regular strategy reviews and updates on significant projects. Meeting agendas focus on matters of key strategic importance and also ensure that Directors are provided with opportunities to understand and provide comment on areas of risk, conflicts, and controls.

3. Group Audit Committee Chair: Mark Batten

The Group Audit Committee is chaired by the Senior Independent Director and comprises two Non-Executive Directors and meets quarterly. Also in attendance are the Chairman, two Executive Directors, the Chief Risk Officer, the General Counsel, and the internal and external auditors. The Arkle Finance Limited (AFL) Chairman and AFL Chair of Risk Committee also attend.

The Group Audit Committee has primary responsibility for monitoring the integrity of financial statements and regulatory disclosures of the Group. The Group Audit Committee reviews the quality of internal financial control systems, reviews regular reports from the MLRO and reviews, monitors and approves the role of internal and external audit.

4. Group Risk Committee Chair: Carole Machell, and with effect from July 2024, Jane Millar

The Group Risk Committee is Chaired by a Non-Executive Director and comprises two other Non-Executive Directors. Also in attendance are the Chairman, the two Executive Directors, the Chief Risk Officer and the General Counsel. The Arkle Finance Limited (AFL) Chairman and AFL Chair of Risk Committee also attend.

The Group Risk Committee meets to review all aspects of the Group's risk exposure as well as its systems, controls, and regulatory environment.

The role of the Group Risk Committee is to provide advice to the Board on risk strategy and oversee the development, implementation and maintenance of the overall risk management governance framework.

5. Group Remuneration and Nomination Committee Chair: Roger Weatherby, Chairman

The Group Remuneration and Nomination Committee is chaired by the Weatherbys Banking Group Chairman. The Committee consists of the Chair of the Risk Committee and an additional Non-Executive Director.

The Group Remuneration and Nomination Committee ensures that there is a formal and transparent procedure for developing remuneration and nomination policies which promote the long-term sustainable success for the Banking Group.

The Remuneration and Nomination Committee agrees the remuneration of the Executive Directors and senior management and approves the Group Remuneration Policy. The Committee also regularly reviews the composition of the Board and those in a senior management role.

6. Group Executive Committee Chair: Quentin Marshall, CEO

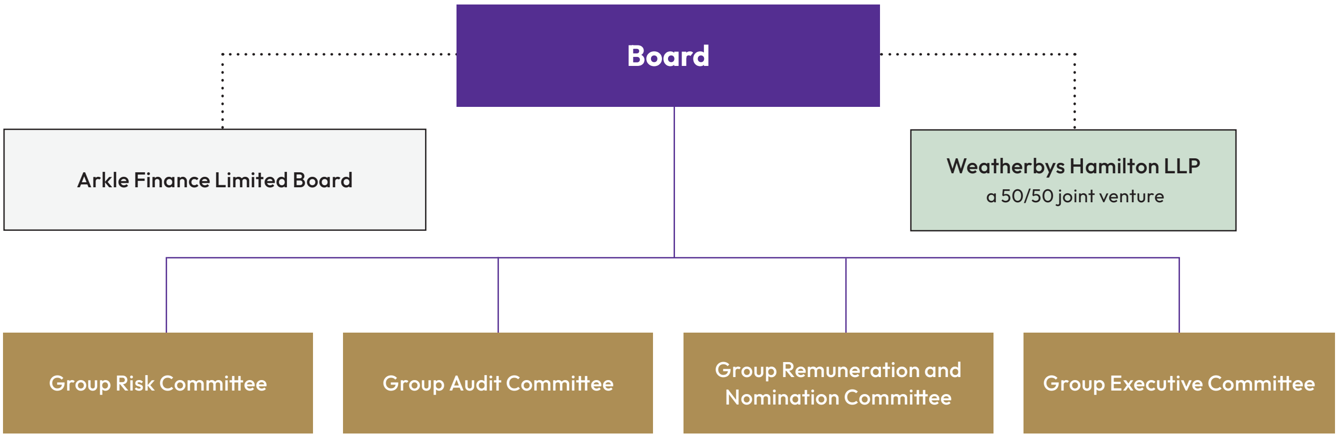
The Group Executive Committee (EXCO), manages all aspects of the Banking Group's operations in accordance with the Board's strategic objectives and agreed risk appetite, making recommendations as appropriate to the Board. EXCO develops and implements business plans, policies and procedures that have been recommended to and approved by the Board and identifies and implements any changes required.

EXCO is chaired by the Chief Executive and comprises the other Executive Director and key members of the senior management team which meet monthly to review and discuss all financial and operational issues.

Roger Weatherby
Chairman

10 April 2025

The structure of the Board and its Committees



Weatherbys Bank Limited and its subsidiaries (together the Banking Group) is authorised and subject to prudential regulation and supervision by the Prudential Regulation Authority (PRA) and subject to conduct regulation and supervision by the Financial Conduct Authority (FCA). The Banking Group is subject to the Senior Managers and Certification Regime (the SMCR) which imposes a regulatory approval, individual accountability and fitness and propriety framework in respect of senior and key individuals within the Banking Group. The Banking Group maintains a Management Responsibilities Map which describes its management and governance arrangements in line with the requirements and expectations of SMCR.

Report of the Directors

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their report together with the audited financial statements of the Banking Group and Bank for the year ended 31 December 2024.

1. Principal activities

The Banking Group ("Group") consists of Weatherbys Bank Limited ("the Bank"), Arkle Finance Limited ("Arkle"), Weatherbys General Services Limited ("WGS") and Weatherbys Bank (Nominees) Limited. It provides banking, wealth management, asset finance, insurance and VAT services. Weatherbys Bank Limited is authorised under the Financial Services and Markets Act 2000 to accept deposits in the United Kingdom. Arkle Finance Limited is authorised by the Financial Conduct Authority to provide consumer credit as defined by the Consumer Credit and Financial Services and Markets Acts.

The Bank is a family-owned bank that provides traditional retail banking services to a client base of predominantly high net worth individuals. Together with private banking and wealth advisory services it provides banking services as well as tax and insurance broker services to the horseracing industry and wider community and asset finance to SMEs.

The fair treatment of clients is central to the Bank's culture and remains at the heart of its business model. The Bank's brand vision is to be universally admired for delivering and inspiring new standards in customer service.

The Bank has made no donations to a registered political party, other political organisation in the UK or any independent candidate.

2. Results and dividends

The financial results for the year are set out in the consolidated income statement on page 39.

Retained consolidated profits for the year amounted to £18.2 million (2023: £24.5 million). The Board recommended interim ordinary share dividends in the year totalling £nil (2023: £nil) and a final dividend of £3.1 million (2023: £5.0 million).

3. Risk management and governance

The roots of the Group can be traced back to the original Weatherby family business that was started in 1770. The heritage, reputation and longevity of the business remains a central objective for the family shareholders and as such a conservative approach to risk is adopted in all areas.

The Banking Group's primary risk management governing body is the Board of Directors. The Board is responsible for:

- **Approving the overall level of risk to which the Group is exposed.**
- **Approving the framework for reporting and managing risk; and**
- **Ensuring that risk management infrastructure is appropriate and functioning effectively.**

The Board discharges these responsibilities through a series of committees that manage all aspects of the Banking Group's activities. The key committees that report to the Board are:

- **Group Executive Committee (EXCO) – chaired by the Chief Executive and comprising the Group Finance Director and key members of senior management which meets monthly to review and discuss all financial and operational issues.**
- **Asset and Liability Committee (ALCO) – chaired by the Group Finance Director and comprising the CEO, Head of Finance and the Chief Risk Officer, as well as other senior management, it meets monthly to review:**

  - Capital allocation and efficiency.
  - Liquidity position and profile.
  - Credit risk.
  - Capital allocation and risk-adjusted returns; and
  - Pricing of assets and liabilities.

- **Group Risk Committee – Membership comprises of the chairperson and a minimum of two non-executive directors of the Banking Group together with the Chair of the Arkle Finance Risk Committee. The attendees are the Chairman of the Banking Group, Chief Executive Officer, Group Finance Director, Chair of Arkle Finance, Chief Risk Officer, General Counsel, Company Secretary and the internal audit function. The Committee meets bi-monthly to review all aspects of the Bank's risk exposure as well as its systems, control and regulatory environment.**
- **Group Audit Committee – Membership comprises of the chairperson and a minimum of two non-executive directors of the Banking Group. The attendees are the Chairman of the Banking Group, Chief Executive Officer, Group Finance Director, Chair of Arkle Finance, Chair of the Arkle Finance Risk Committee, Chief Risk Officer, General Counsel, Company Secretary and the internal and external audit function. It meets quarterly. Its primary role is the consideration of financial reporting, internal controls, the relationship with external and internal auditors and reviewing internal audit plans and reports.**

4. Capital management

The Bank is subject to the European Union Capital Requirements Directive and Capital Requirements Regulation, collectively known as "CRD IV", which came into effect from 1 January 2014, and have subsequently been retained in UK law from January 2021.

Under CRD IV, banks must hold sufficient capital to protect against two main categories, or "pillars", of risk:

- **Pillar 1 – covering those risks common to all organisations - credit, market and operational risk; and**
- **Pillar 2 – covering those risks specific to an individual organisation.**

The Bank's capital is reported in two tiers:

- **Tier 1 – comprised of share capital, retained earnings and reserves, known as "Common Equity Tier 1";**
- **Tier 2 – principally comprised of subordinated loan notes and the Bank's collective impairment provisions.**

The Bank uses the Standardised Approach to assess credit risk and the Basic Indicator Approach to assess operational risk. The Bank does not have a trading book and therefore exposure to market risk is minimal.

In accordance with regulatory requirements, the Bank performs an annual internal review of its capital adequacy against both pillar 1 and pillar 2 risks known as an Internal Capital Adequacy Assessment Process ("ICAAP"). The ICAAP is approved by the Board and reviewed periodically by the PRA.

Where it is assessed that additional pillar 2 capital is required, this is notified in the form of a firm-specific total capital requirement (TCR) from the PRA.

Consistent with the Bank's conservative risk appetite, the Board has determined that capital headroom must be maintained over and above the TCR set by the PRA. If the capital headroom falls to an internal trigger level, ALCO is required to explain to the Board whether corrective action is required and recommend a suitable course of action.

The Bank is a wholly owned subsidiary of Weatherbys Bank Holdings Limited ("WBHL"). For regulatory reporting purposes, the Bank's regulatory capital is reported to the PRA on both a consolidated and individual basis.

4.1 Capital and leverage ratios

On a consolidated basis, total regulatory capital was £99.8 million at 31 December 2024 (2023: £87.8 million) against a Total Capital Requirement of £87.1 million (2023: £77.7 million). The capital requirement encapsulates pillar 1 and pillar 2 requirements but excludes the capital conservation and counter-cyclical buffers. This represents a total capital ratio of 16.3% (2023: 16.2%)

The total capital ratio is defined as the level of total capital resources as a percentage of total risk weighted assets.

Under CRD IV firms are required to calculate a leverage ratio as an additional non-risk based monitoring tool. This is intended to provide an alternative measure to assess core capital against total assets.

The leverage ratio is defined as the level of Tier 1 capital against balance sheet and off-balance sheet exposures.

At 31 December 2024, the consolidated leverage ratio was 7.08% (2023: 7.13%) against a minimum requirement of 3.25%.

5. The Board of Directors

The directors of the company during the period and to the date of this report were:

D C Bellamy	Resigned 1 March 2024 (Non-executive chairman to 29 February 2024)
R N Weatherby	(Chairman from 1 March 2024)
Q N J Marshall	
A Turberville Smith	
C Machell	Resigned 12 July 2024 (Non-executive) *
P D Vail	(Non-executive) *
N J Millar	(Non-executive) *
M C Batten	(Non-executive) *

* member of the Audit Committee

No director had any interest in the share capital of the Bank or of any other group company, and none of the directors, or members of their immediate families, were awarded or exercised any right to subscribe for any shares or debentures during the year.

5.1 Directors' interest in contracts

R N Weatherby had interests as a director of Weatherbys Limited (a company under common control) and in the service contracts between that company and Weatherbys Bank Limited.

No other director had a material interest at any time during the year in any contract with the Bank of significance, other than a service contract. Further details concerning related party transactions are provided in note 29 to the financial statements.

5.2 Insurance of officers

The directors have the benefit of the indemnity provisions contained in the Company's Articles of Association, and the Company has maintained cover for directors and officers under directors' and officers' liability insurance policies. The company has entered into qualifying third party indemnity arrangements for the benefit of all its directors within the Banking Group, in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

6. Employees

At 31 December 2024 the Banking Group had 437 employees (2023: 422) and the Bank itself had 357 employees (2023: 345).

The Company gives due consideration to the employment of disabled persons and is an equal opportunities employer. It also regularly provides employees with information on matters of concern to them, consults on decisions likely to affect their interests and encourages their involvement in the performance of the Company through regular communications and in other ways.

The Company has a policy in place to ensure that it applies the Equality Act 2010 which makes it unlawful to discriminate on the grounds of disability and other protected characteristics. At the recruitment stage, reasonable adjustments are made to ensure that no candidate is disadvantaged because of their disability. Should existing employees become disabled, every effort is made to retain them within the workforce wherever reasonable and practicable. The Group also endeavours to provide equal opportunities in the training, promotion and general career development of disabled employees.

7. Future developments

These are discussed within the Strategic Report.

8. Information presented in other sections

Certain information required to be included in the Directors' Report can be found in other sections, as stated below. This information is incorporated by reference into this Directors' Report and is deemed to form part of this report.

(1) A description of the Company's financial risk management objectives and policies are set out in note 28 to these financial statements.

(2) Use of financial instruments are set out in note 32 to these financial statements.

(3) Post balance sheet events are disclosed in note 33.

Report of the Directors continued

FOR THE YEAR ENDED 31 DECEMBER 2024

9. Going concern

In accordance with their responsibilities the directors have considered carefully the going concern statement made in note 1 to the financial statements. The Bank's traditional relationship based banking model, together with its conservative approach to credit risk, including counterparty risk, and its overall risk management procedures mean that it is built on solid foundations. The wider economic impact from unwinding of quantitative easing, rising inflation, higher global interest rates and the war in Ukraine is though likely to be significant and long-lasting. The Board has assessed future profitability, capital, liquidity and funding, as well as operational factors, conducting a range of stress scenarios for a period of no less than 12 months from the date of signing the financial statements. This included an assessment of arrears levels and loan loss provisioning for the Bank itself and its asset finance subsidiary. The Board is satisfied that the business has adequate financial resources to continue as a going concern for the foreseeable future and accordingly the directors have continued to adopt the going concern assumption in preparing the financial statements.

10. Directors' responsibilities

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland") and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- **select suitable accounting policies and then apply them consistently;**
- **make judgements and accounting estimates that are reasonable and prudent;**
- **state whether applicable United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" have been followed, subject to any material departures disclosed and explained in the financial statements; and**
- **prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.**

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

11. Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- **so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and**
- **the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.**

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The auditor, MHA, previously traded through the legal entity MacIntyre Hudson LLP. In response to regulatory changes, MacIntyre Hudson LLP ceased to hold an audit registration with the engagement transitioning to MHA Audit Services LLP.

MHA will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:

Quentin Marshall
Chief Executive Officer

10 April 2025

Chair of the Group Risk Committee report
to the members of Weatherbys Bank Limited

Jane Millar chaired the Group Risk Committee from July 2024 succeeding Carole Machell who stepped down as a non-executive director after eight years with the Bank last summer.

The purpose of the Group Risk Committee is to provide oversight on all matters of risk governance and aspects of managing key business and strategic risks. It is responsible for reviewing Group risk appetite across all risk categories as well as the effectiveness of the Group's risk management framework. The Committee considers all principal risk categories as set out in section 7 of the Strategic Report. During the past twelve months its focus has included:

- **Development of risk appetite statements, risk taxonomy and risk strategy across the Group and the ongoing embedding of the Group enterprise-wide risk management framework. This has been a significant area of focus for the Group since the current Chief Risk Officer joined the business in February 2023**
- **Oversight and challenge of the annual Internal Capital Adequacy Assessment Process and Internal Liquidity Adequacy Assessment Process reports to meet the requirements of the Board and the regulator. It has focussed on risks inherent in the strategy, the overall capital and liquidity needs assessment and the adequacy of stress and scenario testing**
- **Oversight and challenge of the Bank's IT change programme including the upgrade to the Bank's core operating platform as well as the current programme to enhance its digital offering to clients. It provided expert advice and counsel to ensure robust processes are in place that have due regard to operational resilience obligations and good client outcomes**
- **Oversight and challenge of the programme of continuous improvement to protect Bank systems from cyber threats. This included a report by an independent expert on the subject**
- **Regular scrutiny of second line reports from compliance across a arrange of subjects including credit risk and mortgage arrears, treatment of vulnerable clients, client suitability assessments, recruitment and on-boarding, anti-money laundering and financial crime, conflicts of interest and whistleblowing**
- **Oversight of the Bank's on-boarding processes for both private and racing clients, supported by a report from a subject matter independent expert**
- **Regular review and challenge of data and metrics that support the Group to meet its Consumer Duty including as they relate to vulnerable clients**
- **Review and challenge of operational risk, operational resilience and supplier outsourcing as the Bank moved towards alignment with the PRA's requirements applicable to all banks from March 2025**
- **Oversight of the Group's ongoing programme of work to manage the financial risks arising from climate change**
- **Oversight and challenge to the Group's assessment and ongoing management of people risk including succession planning**

Jane Millar
Chair of the Group Risk Committee

Chair of the Group Audit Committee Report
to the members of Weatherbys Bank Limited

Mark Batten, non-executive director, chaired the Group Audit Committee throughout 2024.

The Committee's terms of reference include consideration of the following matters:

- **financial reporting including significant accounting judgements and accounting policies and disclosures within the financial statements**
- **internal controls and controls testing**
- **the Group's relationship with MHA, its external auditor, including its effectiveness and independence**
- **oversight of the annual audit including review of the external audit plan, audit report and executive response to any findings and recommendations of the external auditor**
- **the Group's relationship with PwC, its internal auditor, including its effectiveness and independence**
- **reviewing and approving the annual plan of internal audit reviews to ensure it is aligned to the key risks of the business,**
- **reviewing PwC's findings from its Internal Audit reviews and maintaining oversight over the remediation of any findings arising from such reviews**

During the year the Committee met on six occasions and considered the following matters

1. In relation to the external audit, report and accounts

- **external audit strategy and plan**
- **significant audit and accounting issues**
- **the annual report of the Group**
- **the effectiveness of the audit process and independence of MHA**

In addition, the Committee had oversight of quarterly profit verifications of the Group's financial results undertaken by MHA for the purpose of timely regulatory reporting.

2. In relation to the internal audit function outsourced to PwC

- **internal audit plan of reviews**
- **the following internal audit reports**
  - Regulatory returns and reporting
  - End user computing
  - the Group's ILAAP
  - GDPR
  - Arkle IT strategy
  - Senior management and certification regime
  - Cyber security
  - IT change and outsourcing
  - Arkle arrears management
  - Risk management framework

Any material findings were discussed with the Committee which has also maintained oversight over the remediation of its findings.

Overall, the audit committee is satisfied that the Annual Report and Accounts is fair, balanced and understandable and recommends this report to the shareholders and asks that they support the resolutions concerning the reappointment of MHA as the Group's statutory auditors.

Mark Batten
Chair of the Group Audit Committee

Independent auditor's report
to the members of Weatherbys Bank Limited

For the purpose of this report, the terms "we" and "our" denote MHA in relation to UK legal, professional and regulatory responsibilities and reporting obligations to the members of Weatherbys Bank Limited. For the purposes of the table on pages 24 to 26 that sets out the key audit matters and how our audit addressed the key audit matters, the terms "we" and "our" refer to MHA. The Group financial statements, as defined below, consolidate the accounts of Weatherbys Bank Limited and its subsidiaries (the "Group"). The "Parent Company" is defined as Weatherbys Bank Limited, as an individual entity. The relevant legislation governing the Company is the United Kingdom Companies Act 2006 ("Companies Act 2006").

Opinion
We have audited the financial statements of the Group for the year ended 31 December 2024.

The financial statements that we have audited comprise:

- the Consolidated Income Statement
- the Consolidated Statement of Comprehensive Income
- the Consolidated Statement of Financial Position
- the Company Statement of Financial Position
- the Consolidated Statement of Changes in Equity
- the Company Statement of Changes in Equity
- the Consolidated Statement of Cash Flows
- Notes 1 to 34 to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group's and Parent company's financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Our opinion is consistent with our reporting to the Group Audit Committee.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the Directors' use of the going basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- The consideration of inherent risks to the Group's and the Parent Company's operations and specifically their business models including the evaluation of how those risks might impact on the available financial resources for the Group and the Parent Company.
- Making enquiries of the Directors to understand the basis for the period of assessment, the assumptions they considered and their implication on the Group's and Parent Company's future financial performance, liquidity, and capital adequacy.
- Where additional resources may be required, the reasonableness and practicality of the assumptions made by the Directors when assessing the probability and likelihood of those resources becoming available.
- Liquidity considerations including examination of the Group's and Parent Company's cash flow projections and liquidity risk management in view of its regulatory requirements.
- Understanding and evaluating the current and forecast financial position, regulatory capital adequacy and liquidity, including internal stress tests performed on these.
- Evaluation of the strategic plans of the Group and Parent Company, and the supporting financial forecasts.
- Reading regulatory correspondence, minutes of meetings of the Audit Committee and the Board of Directors and performing post balance sheet events' review to identify events of conditions that may impact the Group's and Parent Company's ability to continue as a going concern.
- Reading and evaluating the adequacy of the disclosures made in the financial statements in relation to going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Independent auditor's report continued
to the members of Weatherbys Bank Limited

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Scope	Our audit was scoped by obtaining an understanding of the Group, including the Parent Company, and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement. We identified significant components based on their significance to the Group balance sheet and operations. We performed full scope audit work on the Parent Company and 1 significant component. There were no other entities deemed to be significant components, and we did not identify in the context of individual primary statements significant account balances that required individual testing from those entities deemed not to be significant components.		
Overall materiality	**2024**	**2023**	
Group	£1,096,000	£850,000	1.1% (2023: 1%) of group net assets
Parent Company	£879,000	£709,000	1.06% (2023: 1%) of net assets

Key audit matters	
Recurring	• **Provision for bad and doubtful debts**
	Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those matters which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Provision for bad and doubtful debts

Key audit matter description	At 31 December 2024 the Group reported gross loans of £863.9m (2023: £825.6m) and £4.2m (2023: £3.9m) of provision for bad and doubtful debts. Determination of the provision for bad and doubtful debts is a judgement-based area and is subject to management override risk. This could lead to the impairment provision being materially misstated in the financial statements. The key areas of judgement in determining the provision for bad and doubtful debts for the Group are: • **Loans and advanced by the Parent Company** The Parent Company has limited loss history therefore there is significant management judgement and estimation involved in determining the collective provision in the loan assets held by the Parent Company. The provision for bad and doubtful debts is determined based on past loss history. • **Receivables held under finance lease and hire purchase agreements** The provisioning model for receivables held under finance lease and hire purchase agreements, attributes a recoverability rating based on the type of asset financed, credit profile of the borrower and other credit enhancements integral to the lending agreement to assess the level of impairment of the loan in distress. Recoverability ratings are a key input in the model used to calculate provisions for receivables under finance lease and hire purchase agreements. Determination of such ratings is subject to high degree of management judgement and estimation. In addition, a collective provision is calculated for performing loans to take into account emerging but not yet observed impairment scenarios. The collective provision is based on portfolio historical loss rates.

How the scope of our audit responded to the key audit matter

Our audit procedures included, but were not limited to:

Group level audit procedures
Evaluations of the provisioning models and methodologies

- We obtained and read management's judgement papers in respect of the Group's provision calculation and methodologies and assessed the appropriateness of the provision methodologies for compliance with FRS 102. We also considered the appropriateness of the models in view of the operating model of Group, specifically the underwriting of new loans and loan recovery methods for non-performing loans.
- Performed walkthrough procedures of the provision calculation as of 31 December 2024 to confirm that the models are applied as currently designed. In performing this test, we focussed on the end-to-end process covering data input into the models, reperforming the provision calculation and testing the recording of the output from the models in the general ledger, validating the mathematical accuracy of the model and the governance and segregation of duties that apply in the process of determining the provision for bad and doubtful debts.

Internal Controls

- We evaluated the design and implementation and tested the operating effectiveness of the key controls operating at Group and Parent Company level in respect of loan origination, loan redemption, arrears monitoring, recovery for non-performing loans and the determination of provision of bad and doubtful debts.
- We tested general IT and automated controls over the loan administration systems focusing on automatic interest calculation, allocation of customer repayments and identification of loan arrears.

Financial statement disclosures

- We tested the data flows used to populate the disclosures and assessed the adequacy of the financial statement disclosures for compliance with the accounting standards

Determination of provision for bad and doubtful debts in respect of loan assets of the Parent Company

- We tested the mathematical accuracy of the collective provision calculation performed by Management. In doing so we also validated the key inputs of the calculation including testing on a sample basis the credit risk grading of the loans and the assessment of the continued appropriateness of utilising limited customer default experience in determining the collective provision of loans held by the Parent Company.

Determination of provision for bad and doubtful debts in respect receivables held under finance lease and hire purchase agreements
Model design review

- Reviewed the design of the provisioning methodology. In particular we focused on the credit risk events that determine the classification of the loans as either performing or terminated, and the impact of management judgement on this process.
- Challenged management on the following key aspects of the model: a) credit risk classification of loans b) judgment applied in respect provision rates and c) basis of determining loss rates and the completeness of data on which those loss rates are based on.
- Performed recalculation of the provision to test mathematical accuracy of the model.
- We obtained and reviewed management's back testing of the impairment model and assessed the adequacy of management's back testing in respect of the current design and ongoing operation of the model and business model of the Group.

Test of details

- On sample basis we tested the process of underwriting loans and recording of key data for loans in the loan system such as loan amount, repayment amount, interest rate and repayment period.
- On a sample basis we tested the allocation of repayments to accounts and identification of arrears. We used our IT audit specialists to test the allocation of payments, identification and reporting of arrears and ageing of arrears.
- On a sample basis we tested the closing of loan accounts, including processing of loan write offs.
- Tested the data used to determine loss rates and recovery rates applied in the model.
- Performed a reconciliation of key data inputs into the model to source systems.

Key observations communicated to the Audit Committee

We concluded that the overall provision for bad debts is appropriately stated and the related disclosures are reasonable in accordance with the United Kingdom Generally Accepted Accounting Practice.

Independent auditor's report continued
to the members of Weatherbys Bank Limited

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Materiality in respect of the Group was set at £1,096,000 (2023: £850,000) which was determined on the basis of 1.1% (2023: 1%) of the Group's net assets. Materiality in respect of the Parent Company was set at £879,000 (2023: £709,000), determined on the basis of 1.06% (2023: 1%) of the Parent Company's net assets. Net assets were deemed to be the appropriate benchmark for the calculation of materiality as this is a key area of the financial statements because this is the key metric for key users of the financial statements being the owners of the Group and the regulatory authorities.

Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Performance materiality for the Group was set at £767,000 (2023: £595,000) and at £615,000 (2023: £496,000) for the Parent Company which represents 70% (2023: 70%) of the above materiality levels.

The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.

We agreed to report any corrected or uncorrected adjustments exceeding £55,000 and £44,000 in respect of the Group and Parent Company respectively to the Group Audit Committee as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

Overview of the scope of the Group and Parent Company audits

Our assessment of audit risk, evaluation of materiality and our determination of performance materiality sets our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. This assessment takes into account the size, risk profile, organisation / distribution and effectiveness of group-wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each component.

In assessing the risk of material misstatement to the consolidated financial statements, and to ensure we had adequate quantitative and qualitative coverage of significant accounts in the consolidated financial statements we identified Weatherbys Bank Limited (the "Parent Company") and Arkle Finance Limited ("Arkle") as the entities which represent the principal business units within the Group. A full scope audit was performed on the Parent Company and Arkle.

There were no other entities deemed to be significant components, and we did not identify in the context of individual primary statements significant account balances that required individual testing from those entities deemed not to be significant components.

The control environment

We evaluated the design and implementation of those internal controls of the Group, including the Parent Company, which are relevant to our audit, such as those relating to the financial reporting cycle. We also tested operating effectiveness and placed reliance on certain controls over lending, customer deposits, bank and cash reconciliations, interest and interest expense.

We deployed our internal IT audit specialists to obtain an understanding of the general IT environment.

Climate-related risks

In planning our audit and gaining an understanding of the Group and Parent Company, we considered the potential impact of climate-related risks on the business and its financial statements. We obtained management's climate-related risk assessment, along with relevant documentation relating to management's assessment and held discussions with management to understand their process for identifying and assessing those risks. We also assessed, on a sample basis, the extent of physical and transitional climate-related risks in loans and advances to customers. Our climate risk audit specialists have agreed with managements' assessment that climate-related risks are not material to these financial statements.

Reporting on other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Strategic report and directors report

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received by branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risks of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector the control environment, business performance including remuneration policies and the Group's and Parent Company's own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the Directors, we obtained an understanding of the legal and regulatory frameworks applicable to the Company focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, UK tax legislation or those that had a fundamental effect on the operations of the Company including the regulatory and supervisory requirements of the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA).
- We enquired of the Directors and management, compliance, risk and internal audit, audit committee concerning the Group's and Parent Company's policies and procedures relating to:
  - identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- We assessed the susceptibility of the Group's and Parent Company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce costs, creating fictitious transactions to hide losses or to improve financial performance, and management bias in accounting estimates.

Audit response to risks identified

In respect of the above procedures:

- We corroborated the results of our enquiries through our review of the minutes of the Group and Parent Company's board, audit committee meetings, inspection of the complaints register and inspection of regulatory correspondence and correspondences from HMRC and the regulators PRA and the FCA;
- Audit procedures performed by the engagement team in connection with the risks identified included:
  - evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud;
  - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements.
  - Testing journal entries and other adjustments for appropriateness including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations and reviewing accounting estimates for bias;
  - evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias;
  - enquiry of management around actual and potential litigation and claims.
  - challenging the assumptions and judgements made by management in its significant accounting estimates, and
  - obtaining confirmations from third parties to confirm existence of a sample of transactions and balances.
- The Parent Company operates in a highly regulated banking industry. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities; and
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including experts, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Other requirements

We were appointed on 6 February 2025 to audit the financial statements of the Group for the year ended 31 December 2024 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 4 years. We did not provide any non-audit services which are prohibited by the FRC's Ethical Standard to the Group or the Parent Company, and we remain independent of the Group and the Parent Company in conducting our audit.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Rakesh Shaunak FCA
(Senior Statutory Auditor)

for and on behalf of MHA, Statutory Auditor

London, United Kingdom

16 April 2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)

Consolidated income statement

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £000	2024 £000	2023 £000	2023 £000
Interest receivable					
• Interest receivable arising from debt securities		12,235		8,846	
• other interest receivable and similar income	7	104,058		93,591	
Interest payable	8	(37,279)		(24,283)	
Net interest income			79,014		78,154
Fees and commissions receivable		7,852		6,796	
Fees and commissions payable		(942)		(615)	
Rent receivable		–		84	
Other operating income		4,502	11,412	4,007	10,272
Operating income			90,426		88,426
Gain on value of derivatives		117		75	
Administrative expenses	5	(55,163)		(50,274)	
Depreciation and amortisation	4	(4,505)		(2,758)	
Impairment charge on loans and advances	16	(4,571)		(2,784)	
Share of operating profit in joint venture	19	400		400	
			(63,722)		(55,341)
Operating profit, being profit before exceptional items and taxation			26,704		33,085
Exceptional item	34		(2,128)		
Operating profit, being profit before taxation			24,576		33,085
Taxation on profit	9		(6,306)		(8,350)
Profit for the financial year			18,270		24,735

All amounts relate to continuing activities.

All of the profit for the period and other comprehensive income are attributable to the owners of the Parent Company.

The notes on pages 46 to 72 form part of these financial statements.

Consolidated statement of comprehensive income

AS AT 31 DECEMBER 2024

	Note	**2024 £000**	2023 £000
Profit for the financial year		**18,270**	24,735
Revaluation of tangible assets	14	**(118)**	(244)
Total comprehensive income for the year		**18,152**	24,491

The items above will not be reclassified to the Consolidated Income Statement.

The notes on pages 46 to 72 form part of these financial statements.

Consolidated statement of financial position

AS AT 31 DECEMBER 2024

Company number 02943300	Note	2024 £000	2024 £000	2023 £000	2023 £000
ASSETS					
Derivative financial assets	28		**5,018**		5,194
Cash at banks	12		**687,343**		624,875
Loans and advances to customers	15		**859,672**		821,700
Debt securities	17		**248,749**		146,097
Investment in joint venture	19		**670**		670
Investments	20		**384**		455
Intangible fixed assets	13		**16,194**		12,327
Tangible fixed assets	14		**9,397**		9,283
Other assets	21		**1,875**		1,913
Prepayments and accrued income			**19,192**		15,160
Total assets			**1,848,494**		1,637,674
LIABILITIES					
Derivative financial liabilities	28		**1,269**		3,069
Customer accounts	22		**1,707,796**		1,504,566
Other liabilities	24		**18,287**		22,583
Accruals and deferred income			**11,099**		12,465
Subordinated loan	23		**10,000**		10,000
Total liabilities			**1,748,451**		1,552,683
SHAREHOLDER'S FUNDS					
Called up share capital	25	**7,000**		7,000	
Contingent convertible securities	26	**3,000**		3,000	
Revaluation reserve		**404**		522	
Profit and loss account		**89,639**		74,469	
			100,043		84,991
Total liabilities and equity			**1,848,494**		1,637,674

The financial statements were approved by the Board of Directors and authorised for issue on 10 April 2025.

Q N J Marshall
Director

The notes on pages 46 to 72 form part of these financial statements.

Company statement of financial position

AS AT 31 DECEMBER 2024

Company number 02943300	Note	**2024 £000**	**2024 £000**	2023 £000	2023 £000
ASSETS					
Derivative financial assets	28		**5,018**		5,194
Cash at banks	12		**684,033**		624,130
Loans and advances to customers	15		**856,409**		814,106
Debt securities	17		**248,749**		146,097
Investment in joint venture	18		**10**		10
Investments	20		**53**		124
Intangible fixed assets	13		**15,843**		11,980
Tangible fixed assets	14		**7,822**		8,392
Other assets	21		**1,943**		2,805
Prepayments and accrued income			**9,416**		7,132
Total assets			**1,829,296**		1,619,970
LIABILITIES					
Derivative financial liabilities	28		**1,269**		3,069
Customer accounts	22		**1,708,598**		1,505,287
Other liabilities	24		**17,380**		20,226
Accruals and deferred income			**8,756**		10,444
Subordinated loan	23		**10,000**		10,000
Total liabilities			**1,746,003**		1,549,026
SHAREHOLDER'S FUNDS					
Called up share capital	25	**7,000**		7,000	
Contingent convertible securities	26	**3,000**		3,000	
Revaluation reserve		**112**		286	
Profit and loss account		**73,181**		60,658	
			83,293		70,944
Total liabilities and equity			**1,829,296**		1,619,970

The Bank has elected to take exemption under section 408 of the Companies Act 2006 not to present the Company profit and loss account. The profit for the Company for the year was £15,623,288 (2023: £22,821,005).

The financial statements were approved by the Board of Directors and authorised for issue on 10 April 2025.

Q N J Marshall
Director

The notes on pages 46 to 72 form part of these financial statements.

Consolidated statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital £000	Contingent Convertible Securities £000	Revaluation reserve £000	Profit & loss account £000	Total equity £000
1 January 2024	**7,000**	**3,000**	**522**	**74,469**	**84,991**
Profit for the year	–	–	–	18,270	18,270
Other Comprehensive expense					
Revaluation of tangible fixed assets	–	–	(118)	–	(118)
Other comprehensive expense for the year	–	–	(118)	–	(118)
Total comprehensive income for the year	**–**	**–**	**(118)**	**18,270**	**18,152**
Contributions by and distributions to owners					
Dividends (note 11)	–	–	–	(3,100)	(3,100)
Total contributions by and distributions to owners	**–**	**–**	**–**	**(3,100)**	**(3,100)**
31 December 2024	**7,000**	**3,000**	**404**	**89,639**	**100,043**

The notes on pages 46 to 72 form part of these financial statements.

	Share capital £000	Contingent Convertible Securities £000	Revaluation reserve £000	Profit & loss account £000	Total equity £000
1 January 2023	**7,000**	–	**766**	**54,734**	**62,500**
Profit for the year	–	–	–	24,735	24,735
Other Comprehensive expense					
Revaluation of tangible fixed assets	–	–	(244)	–	(244)
Other comprehensive expense for the year	–	–	(244)	–	(244)
Total comprehensive income for the year	**–**	**–**	**(244)**	**24,735**	**18,152**
Contributions by and distributions to owners					
Dividends (note 11)	–	–	–	(5,000)	(5,000)
Total contributions by and distributions to owners	**–**	**–**	**–**	**(5,000)**	**(5,000)**
Issue of contingent convertible securities	–	3,000	–	–	3,000
31 December 2023	**7,000**	**3,000**	**522**	**74,469**	**84,991**

The notes on pages 46 to 72 form part of these financial statements.

Company statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital £000	Contingent Convertible Securities £000	Revaluation reserve £000	Profit & loss account £000	Total equity £000
1 January 2024	**7,000**	**3,000**	**286**	**60,658**	**70,944**
Profit for the year	–	–	–	15,623	15,623
Other Comprehensive expense					
Revaluation of tangible fixed assets	–	–	(174)	–	(174)
Other comprehensive expense for the year	–	–	(174)	–	(174)
Total comprehensive income for the year	**–**	**–**	**(174)**	**15,623**	**15,449**
Contributions by and distributions to owners					
Dividends (note 11)	–	–	–	(3,100)	(3,100)
Total contributions by and distributions to owners	**–**	**–**	**–**	**(3,100)**	**(3,100)**
31 December 2024	**7,000**	**3,000**	**112**	**73,181**	**83,293**

The notes on pages 46 to 72 form part of these financial statements.

	Share capital £000	Contingent Convertible Securities £000	Revaluation reserve £000	Profit & loss account £000	Total equity £000
1 January 2023	**7,000**	–	**566**	**42,838**	**50,404**
Profit for the year	–	–	–	22,820	22,820
Other Comprehensive expense					
Revaluation of tangible fixed assets	–	–	(280)	–	(280)
Other comprehensive expense for the year	–	–	(280)	–	(280)
Total comprehensive income for the year	**–**	**–**	**(280)**	**22,820**	**22,540**
Contributions by and distributions to owners					
Dividends (note 11)	–	–	–	(5,000)	(5,000)
Total contributions by and distributions to owners	**–**	**–**	**–**	**(5,000)**	**(5,000)**
Issue of contingent convertible securities	–	3,000	–	–	3,000
31 December 2023	**7,000**	**3,000**	**286**	**60,658**	**70,944**

The notes on pages 46 to 72 form part of these financial statements.

Consolidated statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2024

Cash flows from operating activities	Note	2024 £000	2023 (restated) £000
Profit for the financial year		**18,270**	24,735
Adjustments for:			
Depreciation and amortisation of fixed assets	4	**4,506**	2,758
Amortisation of debt securities	17	**(1,138)**	413
Taxation expense	9	**6,306**	8,348
Increase in prepayments and accrued income		**(4,032)**	(4,930)
Decrease/(Increase) in trade and other debtors		**38**	(201)
Change in fair value of financial instruments	28	**(1,624)**	7,216
Loss/(Gain) on investments	20	**71**	(17)
(Increase)/Decrease in trade and other creditors		**(2,982)**	8,253
Net decrease in provisions		**(1,366)**	5,968
Increase in provision for bad and doubtful debts	16	**46**	184
Net increase/(decrease) in deposits from customers	22	**203,231**	(16,626)
Net increase in loans and advances to customers	15	**(38,018)**	(46,309)
Cash from operations		**183,308**	**(10,208)**
Taxation paid		**(5,721)**	(5,421)
Net cash generated/(used) from operating activities		**177,587**	**(15,629)**
Cash flows from investing activities			
Investment in joint venture	19	**–**	(60)
Purchase of investment securities	17	**(173,844)**	(66,857)
Sale and maturities of investment securities	17	**72,330**	127,951
Purchase of tangible fixed assets	14	**(2,103)**	(250)
Purchase of intangible fixed assets	13	**(6,502)**	(7,001)
Net cash (used)/generated from investing activities		**(110,119)**	**53,783**
Cash flows from investing activities			
Issue of contingent convertible securities	26	**–**	3,000
Equity dividends paid	11	**(5,000)**	(1,500)
Net cash (used)/generated from investing activities		**(5,000)**	**(1,500)**
Net increase in cash and cash equivalents		**62,468**	39,654
Cash and cash equivalents at beginning of year		**624,875**	585,221
Cash and cash equivalents at end of year	12	**687,343**	**624,875**

The notes on pages 46 to 72 form part of these financial statements.

Notes forming part of the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2024

1. Accounting policies

Weatherbys Bank Limited is a private company, limited by shares, registered in England and Wales. The company's registered office address is Sanders Road, Wellingborough, Northamptonshire, NN8 4BX.

Basis of preparation

The financial statements of the Baking Group and Bank have been prepared under the historical cost convention, modified to include Derivative Financial assets and Convertible preferred stock at fair value, and in accordance with Financial Reporting Standard 102 (FRS102) applicable in the United Kingdom and the Republic of Ireland as issued by the Financial Reporting Council, and in accordance with applicable elements of the Companies Act 2006.

The financial statements have been prepared on a going concern basis.

The Bank is applying the provisions of FRS102 section 11 and 12 and has not elected to apply IAS39.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

These financial statements are presented in Pounds Sterling ('£') because that is the currency of the primary economic environment in which the Group operates.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and the parent company would be identical.
- No cash flow statement has been presented for the parent company; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the Group as a whole.

Going concern

In accordance with their responsibilities the directors have considered carefully the going concern assumption and, for the reasons outlined in the Strategic Report, continue to believe that the Bank's relationship based traditional banking model, together with its conservative approach to credit risk, including counterparty risk, and its overall risk management procedures mean that it is well placed to prosper. After making enquiries, including review of forecast profit and loss, balance sheet, cash flow, regulatory capital and liquidity requirements for a period of no less than 12 months from the date of signing the financial statements, the Board is satisfied that the business has adequate financial resources to continue as a going concern for the foreseeable future and accordingly the directors have continued to adopt the going concern assumption in preparing the financial statements.

Basis of consolidation

The financial statements of Weatherbys Bank Limited and its subsidiary undertakings are made up to 31 December each year. Intra-group profits are eliminated on consolidation. Profits and losses of companies entering or leaving the Group are included from the date of acquisition or up to the date of disposal.

Details of the subsidiary undertakings are given in note 18.

Income recognition

Interest income and interest expense for all interest bearing financial instruments is recognised in "Interest receivable and similar income" and "Interest payable and similar charges" respectively, using the effective interest rates of the financial assets or financial liabilities to which it relates. The effective interest rate is the rate that discounts the expected future cash flows, over the expected life of the financial instruments, to the net carrying amount.

Fees and commissions receivable or payable that are in the nature of interest and an integral element of the effective rate of the financial instrument are recognised as an adjustment to the effective interest rate and recorded within "Interest receivable and similar income" and "Interest payable and similar charges". Any other fees and commissions receivable are recognised on an accrual's basis, when all the contractual obligations have been fulfilled and the underlying services provided.

Provisions and contingent liabilities

Provisions are liabilities that are uncertain in timing or amount. Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Leasing and instalment credit agreements

Hire purchase agreements which are of a financing nature, and assets leased to customers under agreements which transfer substantially all the risks and rewards associated with ownership, other than legal title, are classified as finance leases. All other assets leased to customers are classified as operating lease assets.

Leasing and instalment credit agreements receivable balances are secured by the asset subject to the funding arrangement terms. The company is not permitted to sell the collateral in the absence of default by the customer.

The net investment in finance leases represents the total minimum lease payments less gross earnings allocated to future periods and is reported in loans and advances to customers. Income from finance leases is credited to the profit and loss account using the effective interest rate method to give a constant periodic rate of return on the net investment in the finance lease.

1. Accounting policies continued

Leasing and instalment credit agreements continued

Operating lease assets are reported at cost less depreciation. In the profit and loss account, income in respect of operating lease assets is reported within fees and commissions receivable, and depreciation on operating lease assets is reported within depreciation and amortisation. Provision is made for any impairment in value, any such amount being included in administrative expenses.

Rentals payable and receivable under operating leases are accounted for on the straight-line basis over the periods of the leases. Unguaranteed residual values in respect of operating lease assets are reviewed regularly and any impairment identified and charged to the profit and loss account.

Income from instalment credit transactions is calculated using the effective interest rate method.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date.

Translation differences are recognised in the profit and loss account for the period.

Tangible fixed assets

Freehold land and buildings are owned by the Bank and comprise of offices and buildings leased to its subsidiaries and other associated companies ("Investment Property") and offices and buildings occupied by the Bank ("Property").

The Bank uses the revaluation method to determine the fair value of land and buildings, which is based on the latest professional market valuation.

Subsequent changes in the fair value of properties are recognised in other comprehensive income and accumulated in equity.

An increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. The decrease of an asset's carrying amount as a result of a revaluation shall be recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. If a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Property valuation reviews are performed with sufficient regularity and granularity to ensure that the recorded fair value reflects or does not appear materially different from the current market value at the end of the reporting period

Freehold land is not depreciated. Other fixed assets are carried at cost less depreciation. They are depreciated by annual instalments commencing with the month of acquisition at rates estimated to write off their cost less any residual value over their expected useful lives which are as follows:

Freehold buildings	–	50 years straight line
Property improvements	–	5-50 years straight line
Plant and equipment	–	2-20 years straight line
Motor Vehicles	–	3 years straight line

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged so as to allocate the cost of intangibles over their estimated useful lives, using the straight-line method. It is recognised within depreciation and amortisation in the consolidated statement of comprehensive income. The intangible assets are amortised over the following useful economic lives:

Software	–	3-10 years straight line

Investment properties

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Banking Group's taxable profits and its results as stated in the financial statements.

A net deferred tax asset is regarded as recoverable, and therefore recognised, only when, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Notes forming part of the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

1. Accounting policies continued

Debt securities

Securities intended for use on a continuing basis in the Bank's activities are classified as debt securities and initially recorded at cost.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method. The amortisation of premiums or discounts is included in interest income:

a. The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

b. The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

c. The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

d. There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

e. Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

f. Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprises cash on hand and demand deposits, and cash equivalents are deemed highly liquid investments that are convertible into cash with an insignificant risk of changes in value with a maturity of three months or less at the date of acquisition.

Segmental information

The Bank's segment reporting is based on the two operating segments that of providing banking and financial services and that of providing asset finance. This business arose wholly within the UK.

Joint ventures

The Group's share of the results of its joint venture is included in the Group Income Statement using the equity method of accounting. Investments in joint ventures are carried in the Group Balance Sheet at cost plus post-acquisition changes in the Group's share of the net assets of the entity, less any impairment in value. If the Group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture, the Group does not recognise further losses, unless it has incurred obligations to do so or made payments on behalf of the joint venture.

Investments in unlisted equity

Investments in unlisted equity are recognised at cost less impairment. At the balance sheet date the Company assesses whether, as a result of one or more events occurring after initial recognition, there is objective evidence that an investment has become impaired. This evidence varies and may include indications of financial difficulty or changes in debt structure.

Pension costs

For the defined contribution scheme the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

The Group has also nominated a defined contribution stakeholder scheme to which the Group does not contribute.

Pension costs in part relate to contributions in the Weatherbys Pension and Assurance Scheme, a pension scheme providing benefits based on final pensionable pay. Contributions are recharged on the basis of current service period only. The Group is unable to identify its share of the underlying assets and liabilities of this pension scheme and has therefore accounted for its contributions to the pension scheme as if it was a defined contribution scheme. The Bank settled its share of the liabilities of the Weatherbys Pension and Assurance Scheme in December 2024 and withdrew as a participating employer. Details of the pension scheme appear in the financial statements of Weatherbys Limited which can be obtained from the Company's registered office at Sanders Road, Wellingborough, Northamptonshire, NN8 4BX.

1. Accounting policies continued

Investment properties

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Basic financial instruments, as defined in FRS 102 Section 11, will initially be recognised at the transaction price (including transaction costs). Subsequent measurement will be at the amortised cost of the financial instrument using the effective interest rate method.

Other financial instruments (complex financial instruments) as defined in FRS 102 section 12 will initially be recognised at fair value (including transaction costs). Subsequent measurement will be at the fair value of the financial instruments, recognising changes in fair value as profit or loss.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

(a) Fair value through profit or loss

This category comprises only listed equity investments and in-the-money derivatives. They are carried in the statement of financial position at fair value with changes in fair value recognised in the consolidated income statement. Other than listed equity investments and derivative financial instruments which are not designated as hedging instruments, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

(b) Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the loans and advances to customers but also incorporate other types of contractual monetary assets. They are initially recognised at the transaction price adjusted for transaction costs and are subsequently carried at amortised cost using the effective interest rate method, less any repayments of the principal and impairment.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Impairment of financial assets

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For loans and advances to customers, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within provisions for bad and doubtful debts in the consolidated statement of comprehensive income. On confirmation that the receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

From time to time, the Group elects to renegotiate the terms of loans and advances to customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income (operating profit).

The Group first assesses whether objective evidence of impairment exists individually for financial assets or collectively for a group of financial assets.

Notes forming part of the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

1. Accounting policies continued

Impairment of financial assets continued

(a) Individual assessment

For individually assessed assets, the Group measures the amount of the impairment loss as the difference between the carrying amount of the asset and the present value of the estimated future cash flows from the asset discounted at the asset's original effective interest rate.

(b) Collective assessment

The Group's loans and loans and advances to customers and other receivables and cash and cash equivalents in the consolidated balance sheet are assessed as to whether there is evidence to suggest that any portfolio is likely to be impaired.

Impairment is calculated based on probability of default, exposure to loss at the time of default and the loss given default. All factors are based on recent data on the portfolio of financial assets with similar credit risks.

Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

(a) Fair value through profit or loss

This category comprises only out-of-the-money derivatives. They are carried in the consolidated statement of Financial Position at fair value with changes in fair value recognised in the consolidated income statement.

(b) Other financial liabilities

Other financial liabilities include the following items:

- Payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Hedge accounting

The Group uses interest rate swaps as part of its risk management strategy to manage exposure to interest rate fluctuations. Specifically, the Group enters into interest rate swap agreements to hedge the risk of changes in the fair value of fixed-rate financial assets arising from movements in market interest rates. These swaps involve exchanging fixed interest payments for floating rate payments over the life of the contracts and are designated and accounted for as fair value hedges in accordance with FRS 102. The Group accounts for these hedges as follows:

(a) Gains or losses on the hedging instrument are recognised in profit or loss; and

(b) The corresponding gain or loss on the hedged item, attributable to the hedged risk, adjusts the carrying amount of the hedged item and is also recognised in profit or loss.

Hedge effectiveness is assessed by comparing the change in fair value of the hedging instrument with the change in fair value of the hedged item attributable to the hedged risk. A hedge is considered highly effective when the results fall within the range of 80% to 125%.

Reserves

The Group's reserves are as follows:

- Called up share capital reserve represents the nominal values of shares issued.
- Profit and loss account represent cumulative profit and losses net of dividends paid and other adjustments.
- Other reserves represent revaluation adjustments of the property.
- Contingent convertible securities represent financial instruments issued by the Bank that convert into equity if certain predefined conditions are met.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

In the course of preparing the financial statements, no judgments have been made in the process of applying the Group's accounting policies, other than those involving estimations outlined below, that have had a significant effect on the amounts recognised in the financial statements.

Sources of estimation uncertainty

• Amortised cost accounting – expected life

Amortised cost accounting requires judgements regarding the expected life of the underlying assets. The expected life of assets is derived using a combination of historical data and management judgement and is reviewed periodically and reassessed against actual performance. Any changes to the expected life would alter the timing of the recognition of interest receivable and amend the carrying value of loans and advances to customers as stated in the statement of financial position.

• Impairment losses on loans and advances to customers

The Bank reviews its loans and advances continually to assess whether an individual impairment loss should be recorded in the income statement. In particular, management's judgement is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

Loans and advances that have been assessed and found not to be impaired are assessed within groups of assets with similar risk characteristics. This is to determine whether provision should be made due to incurred loss events for which there is objective evidence, but the effects of which are not yet evident. The collective assessment takes account of data from the loan portfolio and is calculated using credit risk characteristics, expected cash flows and historical experience. Estimates are made on default rates and time taken to recover debts.

3. Segmental analysis

Analysis by operating segment of operating income and profit before tax is stated below.

	Operating Income		**Profit before tax**	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Banking and financial services	**72,742**	73,796	**21,047**	30,481
Asset finance	**17,684**	14,630	**3,529**	2,604
	90,426	88,426	**24,576**	33,085

Analysis by operating segment of assets and liabilities is stated below.

	Assets		**Liabilities**	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Banking and financial services	**1,553,108**	1,385,066	**1,468,401**	1,313,034
Asset finance	**295,386**	252,608	**280,050**	239,649
	1,848,494	1,637,674	**1,748,451**	1,552,683

No geographical analysis is presented as all operations are situated in the United Kingdom.

4. Operating profit

	Banking Group 2024 £000	**Bank 2024 £000**	Banking Group 2023 £000	Bank 2023 £000
This is arrived at after (crediting)/charging:				
Income				
Rentals receivable under operating leases (plant and equipment)	**(471)**	**–**	(292)	–
Rentals receivable under operating leases (property)	**–**	**–**	(84)	(84)
Charges				
Depreciation on tangible fixed assets:				
– owned assets (note 14)	**1,870**	**1,445**	1,939	1,603
Amortisation of intangible assets (note 13)	**2,635**	**2,494**	819	677

Notes forming part of the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

4. Operating profit continued

	2024 £000	2023 £000
Auditor's remuneration:		
- fees payable to the company's auditor in respect of the company's annual financial statements	**154**	150
- fees payable in respect of the audit of subsidiary companies, pursuant to legislation	**76**	61
Total audit fees	**230**	211
– Other services	**26**	40
Total fees	**256**	251

5. Administrative expenses

Staff costs (including directors) consist of	Banking Group 2024 £000	Bank 2024 £000	Banking Group 2023 £000	Bank 2023 £000
Wages and salaries	**27,691**	**23,469**	26,058	22,324
Social security costs	**2,756**	**2,272**	2,318	1,900
Pension costs	**2,952**	**2,590**	2,261	1,945
Total Staff Costs	**33,399**	**28,331**	30,637	26,169
IT operations and development	**6,495**	**6,103**	4,692	4,132
Other administrative expenses	**15,269**	**11,315**	14,945	11,276
	55,163	**45,749**	50,274	41,577

Average number of employees

	2024 £000	2023 £000
Banking	**157**	142
Other divisions	**191**	180
Bank Total	**348**	322
Asset Finance	**78**	74
Group Total	**426**	396

Pension costs

An amount of £2,951,684 was recognised as an expense for the defined contribution plans in 2024 (2023: £2,260,834). Pension costs in part relate to contributions to the Weatherbys Pension and Assurance Scheme. Contributions are recharged on the basis of the current service period only.

The Company is unable to identify its share of the underlying assets and liabilities of the defined benefit section of the Weatherbys Pension and Assurance Scheme and hence under FRS102 section 28 accounts for its contributions to the defined benefits section of the pension scheme as if it was a defined contribution scheme.

6. Directors' remuneration

	2024 £000	2023 £000
Emoluments	**3,804**	2,450
Pension contributions	**79**	121
	3,883	2,571

6. Directors' remuneration continued

The emoluments of the highest paid director were £972,703 (2023: £740,303) and defined benefit pension contributions of £45,930 (2023: £88,754) were paid on their behalf.

Three of the directors of the Group have retirement benefits accruing under a money purchase pension scheme (2023: three).

One of the directors of the Group has retirement benefits accruing under a Defined Benefit pension scheme (2023: one).

7. Other interest receivable and similar income

	Banking Group 2024 £000	Bank 2024 £000	Banking Group 2023 £000	Bank 2023 £000
In respect of:				
Loans and advances to customers	**74,790**	**58,652**	67,744	54,766
Cash and balances at central banks	**29,268**	**29,268**	25,847	25,847
	104,058	**87,920**	93,591	80,613

Loans and advances to customers for 'Bank' includes interest of £10,062,105 (2023: £8,621,359) relating to the overdraft provided to its subsidiary Arkle.

8. Interest payable

	Banking Group 2024 £000	Bank 2024 £000	Banking Group 2023 £000	Bank 2023 £000
Client deposits	**37,279**	**37,279**	24,283	24,199
Other loans and overdrafts	**–**	**–**	–	–
	37,279	**37,279**	24,283	24,199

9. Taxation on profit on ordinary activities

	Banking Group 2024 £000	Bank 2024 £000	Banking Group 2023 £000	Bank 2023 £000
Analysis of taxation charge				
Current tax				
UK corporation tax on profits of the period	**5,428**	**3,981**	7,423	6,432
UK Corporation tax bank surcharge	**–**	**–**	46	46
Adjustments in respect of previous period	**432**	**517**	(692)	(724)
Total current tax	**5,860**	**4,498**	6,777	5,754
Deferred tax				
Origination and reversal of timing differences	**1,178**	**1,308**	1,138	1,049
Adjustment in respect of prior years	**(732)**	**(726)**	435	495
Effect of tax rate change on operating balance	**–**	**–**	–	–
Total deferred tax	**446**	**582**	1,573	1,544
Taxation on profit on ordinary activities	**6,306**	**5,080**	8,350	7,298

Notes forming part of the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

9. Taxation on profit on ordinary activities continued

Reconciliation of tax charge

The tax charge for the year is higher (2023: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2024 of 25% (2023: 23.5%). The differences are explained below:

	Banking Group 2024 £000	**Bank 2024 £000**	Banking Group 2023 £000	Bank 2023 £000
Profit on ordinary activities before tax	**24,576**	**20,703**	33,085	30,118
Profit on ordinary activities multiplied by the standard rate of corporation tax of 25% (2023: 23.52%)	**6,144**	**5,176**	7,782	7,084
Effects of:				
Fixed asset differences	**1**	**–**	(30)	(20)
Expenses not deductible for tax purposes	**475**	**124**	744	355
UK Corporation tax bank surcharge	**–**	**–**	46	46
Income not taxable for tax purposes	**(16)**	**(11)**	(2)	–
Adjustments to tax charge and deferred tax in respect of previous periods	**(287)**	**(209)**	(257)	(229)
Exempt ABGH distributions	**(11)**	**–**	–	–
Remeasurement of deferred tax	**–**	**–**	67	62
Total tax charge for the year	**6,306**	**5,080**	8,350	7,298

	Banking Group 2024 £000	**Bank 2024 £000**	Banking Group 2023 £000	Bank 2023 £000
Deferred tax				
Analysis of deferred tax balances				
Fixed asset timing differences	**4,040**	**4,309**	2,981	1,049
Movement in short-term timing differences	**(1,180)**	**(887)**	(568)	495
	2,860	**3,422**	2,413	1,544
Deferred tax asset/(liability) at 1 January	**(2,384)**	**(2,840)**	(840)	(1,296)
Current year movement	**(446)**	**(582)**	(1,138)	(1,050)
Prior year adjustment	**–**	**–**	(435)	(494)
Deferred tax asset/(liability) at 31 December	**(2,830)**	**(3,422)**	(2,413)	(2,840)

For the financial year ended 31 December 2024, the UK corporation tax rate was 25%. The deferred tax balances have been recognised at 25%.

10. Profit attributable to the company

	2024 £000	2023 £000
Profit on ordinary activities after taxation attributable to the shareholder of Weatherbys Bank Limited	**15,623**	22,820

The Bank has taken advantage of Section 408 of the Companies Act 2006 and consequently a profit and loss account for the Company is not presented.

11. Dividends

	Banking Group 2024 £000	**Bank 2024 £000**	Banking Group 2023 £000	Bank 2023 £000
Equity:				
Interim paid	**–**	**–**	–	–
Final proposed	**3,100**	**3,100**	5,000	5,000
	3,100	**3,100**	5,000	5,000

12. Cash and balances at central banks

	Banking Group 2024 £000	**Bank 2024 £000**	Banking Group 2023 £000	Bank 2023 £000
Repayable on demand	**687,113**	**683,803**	623,945	623,200
Remaining maturity:				
3 months or less excluding on demand	**–**	**–**	–	–
More than 3 months but less than 1 year	**–**	**–**	–	–
Over 1 year but less than 5 years	**–**	**–**	–	–
Over 5 years	**230**	**230**	930	930
	687,343	**684,033**	624,875	624,130

	Banking Group 2024 £000	**Bank 2024 £000**	Banking Group 2023 £000	Bank 2023 £000
Central Banks	**638,785**	**683,803**	584,476	584,476
Other Banks	**48,558**	**45,248**	40,399	39,653
	687,343	**684,033**	624,875	624,130

Notes forming part of the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

13. Intangible assets

	Banking Group Software £000	Banking Group Total £000	Bank Software £000	Bank Total £000
Cost or valuation				
At 1 January 2024	15,530	15,530	14,716	14,716
Additions	6,502	6,502	6,357	6,357
Disposals	(55)	(55)	–	–
At 31 December 2024	**21,977**	**21,977**	**21,073**	**21,073**
Amortisation				
At 1 January 2023	3,203	3,203	2,736	2,736
Charge for the year	2,635	2,635	2,494	2,494
Disposals	(55)	(55)	–	–
At 31 December 2024	**5,783**	**5,783**	**5,230**	**5,230**
Net book value				
At 31 December 2024	**16,194**	**16,194**	**15,843**	**15,843**
At 31 December 2023	12,327	12,327	11,980	11,980

Intangible assets relate in the main to the cost of core systems.

14. Tangible assets

Banking Group	Investment Properties £000	Land and Buildings £000	Leasehold Property improvements £000	Motor Vehicles £000	Plant and equipment £000	Total £000
Cost or valuation						
At 1 January 2024	1,750	2,070	2,196	–	12,999	19,015
Additions	–	219	51	28	1,817	2,115
Disposals	–	–	–	–	(156)	(156)
Revaluation	(20)	(199)	–	–	–	(219)
At 31 December 2024	**1,730**	**2,090**	**2,247**	**28**	**14,660**	**20,755**
Depreciation						
At 1 January 2024	–	–	864	–	8,868	9,732
Charge for the year	–	101	399	4	1,366	1,870
Disposals	–	–	–	–	(143)	(143)
Revaluation	–	(101)	–	–	–	(101)
At 31 December 2024	**–**	**–**	**1,263**	**4**	**10,091**	**11,358**
Net book value						
At 31 December 2024	**1,730**	**2,090**	**984**	**24**	**4,569**	**9,397**
At 31 December 2023	1,750	2,070	1,332	–	4,131	9,283

The cost of assets acquired during the year for the purpose of letting under finance leases and hire purchase agreements was £141,547,000 (2023: £129,470,000). The amounts are included in loans and advances to customers.

14. Tangible assets continued

Bank	Investment Properties £000	Land and Buildings £000	Leasehold Property improvements £000	Motor Vehicles £000	Plant and equipment £000	Total £000
Cost or valuation						
At 1 January 2024	2,070	1,750	2,196	–	11,131	17,147
Additions	–	219	51	28	751	1,049
Disposals	–	–	–	–	–	–
Revaluation	–	(219)	–	–	–	(219)
At 31 December 2024	**2,070**	**1,750**	**2,247**	**28**	**11,882**	**17,977**
Depreciation						
At 1 January 2024	–	–	864	–	7,891	8,755
Charge for the year	–	45	399	4	997	1,445
Disposals	–	–	–	–	–	–
Revaluation	–	(45)	–	–	–	(45)
At 31 December 2024	**–**	**–**	**1,263**	**4**	**8,888**	**10,155**
Net book value						
At 31 December 2024	**2,070**	**1,750**	**984**	**24**	**2,994**	**7,822**
At 31 December 2023	2,070	1,750	1,332	–	3,240	8,392

Assets held under finance leases

The Group has leased offices and buildings on leases which are considered to meet the definition of finance leases and are accounted for accordingly.

Freehold and leasehold land and buildings

Freehold and leasehold land and buildings were professionally valued by Savills, an independent valuer, to fair value at 31 December 2024 with subsequent additions at cost.

Investment properties

Investment properties, which are all freehold, were revalued to fair value at 31 December 2024, based on a valuation undertaken by Savills, an independent valuer with recent experience in the location and class of the investment property being valued. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual.

As set out in note 4, property rental income earned during the year was £nil (2023: £83,789). No contingent rents have been recognised as income in the current or prior year.

On 1 January 2024 a new contract was signed which included a 24 month rent free period until 1 January 2026. At the balance sheet date, the Group had contracted with tenants for the following future minimum lease receipts:

	2024 £000	2023 £000
Within one year	**–**	–
In the second to fifth years inclusive	**502**	377
After five years	**377**	377

Notes forming part of the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

14. Tangible assets continued

If investment property had been accounted for under the historic cost accounting rules, the property would have been measured as follows:

Historical cost information	2024 £000	2023 £000
Historical cost of revalued land and buildings	3,837	3,617
Depreciation based on historical cost	(2,468)	(2,237)
Historical cost net book value	1,369	1,380

Leased assets – Banking Group

Investment properties with a total cost of £1,730,000 (2023: £1,750,000) and related accumulated depreciation of £nil (2023: £Nil) were held for the purpose of operating leases.

Assets with a cost of £2,494,000 (2023: £1,560,000) and related accumulated depreciation of £981,000 (2023: £752,000) were held for use in operating leases.

The future minimum lease payments under non-cancellable operating leases and the residual value exposures in respect of leased assets all of which are expected to be disposed of at the end of the lease term are as follows:

	Future minimum lease payments		Residual values expected to be recovered	
	2024 £000	2023 £000	2024 £000	2023 £000
Within one year	560	279	4	28
In the second to fifth years inclusive	972	635	183	57
Later than five years	–	–	40	–
	1,532	914	227	85

15. Loans and advances to customers

	Banking Group 2024 £000	Bank 2024 £000	Banking Group 2023 £000	Bank 2023 £000
Repayable on demand	2,453	4,277	21,191	24,866
Remaining maturity:				
3 months or less excluding on demand	110,797	389,885	112,508	110,678
1 year or less but over 3 months	186,309	93,357	151,651	148,643
5 years or less but over 1 year	518,976	327,862	486,204	477,595
Over 5 years	45,401	42,248	54,081	53,570
Loan loss provision	(4,264)	(1,220)	(3,935)	(1,246)
	859,672	856,409	821,700	814,106

	Banking Group 2024 £000	Bank 2024 £000	Banking Group 2023 £000	Bank 2023 £000
Amounts included within the above:				
Due from subsidiary undertakings				
– unsubordinated debt	–	276,286	–	234,903
Amounts receivable under finance leases	81,608	–	75,435	–
Amounts receivable under hire purchase agreements	166,829	–	129,935	–

15. Loans and advances to customers continued

Carrying amount and future minimum lease payments of finance leases and hire purchase agreements at the 31 December

	Gross investment in the lease		Present value of minimum lease payments	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Less than one year	**108,422**	93,233	**81,266**	71,537
Later than one year but less than five years	**193,480**	153,728	**164,018**	130,459
Later than five years	**3,375**	3,689	**3,153**	3,374
	305,277	250,650	**248,437**	205,370
Less				
Unearned finance income	**(54,090)**	(43,056)		
Provision for uncollectible minimum lease payments	**(2,750)**	(2,224)		
Net investment in leases	**248,437**	205,370		

Maturity analysis is based on current contractual terms and may not reflect actual experience i.e. loans may be repaid early in certain instances.

Analysis of individually impaired and non-performing loans and advances

Non-performing loans are those on which interest is being accrued but placed in suspense or on which interest is not bring accrued.

	Banking Group 2024 £000	**Bank 2024 £000**	Banking Group 2023 £000	Bank 2023 £000
Gross amount of loans individually determined to be impaired				
– loans and advances before provisions	**10,529**	**77**	9,705	73
– loans and advances after provisions	**8,120**	**–**	7,380	–
Non-performing loans and advances to customers				
– loans and advances before provisions	**10,452**	**–**	9,628	–
– loans and advances after provisions	**8,120**	**–**	7,377	–

16. Provisions for bad and doubtful debts

	Banking Group			Bank		
	Specific £000	**Collective £000**	**Total £000**	**Specific £000**	**Collective £000**	**Total £000**
At 1 January 2024	2,602	1,623	4,225	73	1,187	1,260
New provisions less releases	2,697	1,874	4,571	23	(12)	11
Write-offs less recoveries	(2,890)	(1,642)	(4,532)	(19)	(32)	(51)
Cumulative provisions As at 31 December 2024	**2,409**	**1,855**	**4,264**	**77**	**1,143**	**1,220**
New and additional provisions	4,051	275	4,326	–	–	–
Releases and recoveries	(1,354)	1,599	245	23	(12)	11
Net charge to profit and loss account	2,697	1,874	4,571	23	(12)	11

Included within the "Banking Group" and "Bank" provisions for bad and doubtful debts is £7,413 (2023: £290,092) that relates to trade debtors. The remaining provisions relate to loans and advances to customers.

Notes forming part of the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

16. Provisions for bad and doubtful debts continued

	Banking Group Specific £000	Banking Group Collective £000	Banking Group Total £000	Bank Specific £000	Bank Collective £000	Bank Total £000
At 1 January 2023	2,036	1,584	3,620	80	1,252	1,332
New provisions less releases	2,747	37	2,784	13	(33)	(20)
Write-offs less recoveries	(2,181)	2	(2,179)	(20)	(32)	(52)
Cumulative provisions As at 31 December 2023	2,602	1,623	4,225	73	1,187	1,260
New and additional provisions	3,455	72	3,527	13	(33)	(20)
Releases and recoveries	(708)	(35)	(743)	–	–	–
Net charge to profit and loss account	2,747	37	2,784	13	(33)	(20)

17. Debt securities

	2024			2023		
	Cost £000	**Premiums and discounts £000**	**Book value £000**	Cost £000	Premiums and discounts £000	Book value £000
Investment securities						
At 1 January	**147,704**	**(1,607)**	**146,097**	207,326	279	207,605
Acquisitions	**175,092**	**(1,248)**	**173,844**	68,329	(1,473)	66,856
Maturities/Disposals	**(72,330)**	**954**	**(71,376)**	(127,951)	(231)	(128,182)
Amortisation of discounts and premiums		**184**	**184**		(182)	(182)
As at 31 December	**250,466**	**(1,717)**	**248,749**	147,704	(1,607)	146,097
Market value			**252,507**			137,373
Unamortised premiums on investment securities			**871**			1,007
Unamortised discounts on investment securities			**(2,005)**			(842)

18. Investment in subsidiaries

	2024 £000	2023 £000
Bank		
Subsidiary undertakings (non-banking)		
Shares		
– Arkle Finance Limited	**10**	10
– Weatherbys Bank (Nominees) Limited (Unaudited)	**–**	–
– Weatherbys General Services Limited	**–**	–
Total unlisted	**10**	10

Bank

Details of shares in group undertakings, all of which are included in the consolidation are as follows:

Name	Country of incorporation	Class of share	Proportion of shares and voting rights held	Nature of business
Arkle Finance Limited Company No. 03398034	England and Wales	Ordinary	100%	Provision of leasing and instalment credit finance
Weatherbys Bank (Nominees) Limited Company No. 04375682	England and Wales	Ordinary	100%	Trust company (Dormant)
Weatherbys General Services Limited Company No. 08172800	England and Wales	Ordinary	100%	Investment in and Partner of Weatherbys Hamilton LLP (Joint venture)

The registered office of all subsidiaries is 52-60 Sanders Road, Wellingborough, Northamptonshire, NN8 4BX.

19. Investment in joint venture

Banking Group	2024 £000	2023 £000
Investment in equity	**270**	270
Share of profits	**400**	400
	670	670

Name	Country of incorporation	Proportion of share	Nature of business
Weatherbys Hamilton LLP	England and Wales	50%	Provision of insurance broker services

The registered office of the joint venture is 52-60 Sanders Road, Wellingborough, Northamptonshire, NN8 4BX.

The joint venture financial statements show an operating profit before partner drawings of £1,154,547 (2023: £1,373,430) for the year and the total aggregate amount of its capital and reserves of £1,136,054 (2023: £1,231,572) as at year end. This includes £nil (2023: £nil) of members remuneration charged as interest. The remaining balance was shared amongst the members in accordance with the agreed profit-sharing arrangements of which the Group's share in 2024 was £400,000 (2023: £400,000).

Notes forming part of the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

20. Investments

	Banking Group 2024 £000	Bank 2024 £000	Banking Group 2023 £000	Bank 2023 £000
Convertible preferred stock	**53**	**53**	124	124
Investment in unlisted equity	**331**	**–**	331	–
	384	**53**	455	124

In 2016, Visa Inc purchased Visa Europe. In part payment for the Bank's membership in Visa Europe it received series B convertible preferred stock from Visa Inc. The earliest this stock will convert to Visa Inc class A common stock is during 2020 and the latest during 2028. These are revalued on an annual basis.

The Group holds a 10% investment in Practical Finance DAC Ltd.

21. Other assets

	Banking Group 2024 £000	Bank 2024 £000	Banking Group 2023 £000	Bank 2023 £000
Amounts falling due within one year:				
Trade debtors	**614**	**101**	938	81
Due from subsidiary undertakings	**–**	**940**	–	1,232
Due from companies under common control	**–**	**–**	2	2
VAT recoverable	**1,140**	**781**	852	1,369
Other debtors	**121**	**121**	121	121
	1,875	**1,943**	1,913	2,805

22. Customer accounts

	Banking Group 2024 £000	Bank 2024 £000	Banking Group 2023 £000	Bank 2023 £000
Repayable on demand	**908,189**	**908,991**	864,054	864,775
With agreed maturity dates or periods of notice, by remaining maturity:				
3 months or less but not repayable on demand	**444,995**	**444,995**	303,808	303,808
3 months to one year	**335,793**	**335,793**	290,638	290,638
1 year to five years	**18,819**	**18,819**	46,066	46,066
	1,707,796	**1,708,598**	1,504,566	1,505,287
Amounts include:				
Due to other companies under common control	**5,975**	**8,124**	5,914	5,192
Due to immediate parent company	**–**	**–**	–	–

23. Subordinated loan

	Banking Group 2024 £000	Bank 2024 £000	Banking Group 2023 £000	Bank 2023 £000
Loan issuance	**10,000**	**10,000**	10,000	10,000
	10,000	**10,000**	10,000	10,000

During 2018 £10,000,000 of subordinated loans were issued to support the Company's future growth. The loans are repayable on 1 October 2028 and the annual interest payable was initially set at 7.5%.

On 1 October 2023 the loans were extended by a further five years and are repayable on 1 October 2033. The annual interest payable is now 10%.

24. Other liabilities

	Banking Group 2024 £000	Bank 2024 £000	Banking Group 2023 £000	Bank 2023 £000
Trade creditors	**9,118**	**8,496**	12,002	9,920
Corporation tax	**2,412**	**1,686**	2,275	1,693
Deferred tax liability	**2,860**	**3,422**	2,413	2,840
Amounts due to other companies under common control	**11**	**11**	151	151
Dividend payable	**3,100**	**3,100**	5,000	5,000
Other taxation and social security	**786**	**665**	742	622
	18,287	**17,380**	22,583	20,226

25. Authorised share capital

	Allotted, called up and fully paid			
	2024 Number	2023 Number	**2024 £000**	2023 £000
Ordinary shares of £1 each	**7,000**	7,000	**7,000**	7,000

The ordinary shares each carry one voting right and dividend entitlement.

26. Contingent convertible securities

	Banking Group 2024 £000	Bank 2024 £000	Banking Group 2023 £000	Bank 2023 £000
Contingent convertible securities	**3,000**	**3,000**	3,000	3,000
	3,000	**3,000**	3,000	3,000

The AT1 Securities bear interest at an annual rate of 11.56% per annum until 30 June 2028 and thereafter reset annually at a fixed margin over the 5 year swap rate as provided by the Securities Certificate.

The AT1 Securities are convertible into ordinary shares of the Company in the event of the CET1 ratio of the Bank falling below 7%.

27. Commitments

The Group had total commitments of £95,578,123 (2023: £78,857,290). Commitments comprise amounts yet to be drawn under lending facilities issued to customers.

Notes forming part of the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

28. Risk management policies and objectives

The Board is responsible for determining the long-term strategy of the business and the level of risk acceptable to the Group in each area of its business.

The Risk Committee is responsible to the Banking Group Board for the assessment and control of the high level risks assumed by the Banking Group and for ensuring that the requisite culture, practices and systems are in place to meet both internal and external obligations.

The Assets and Liabilities Committee reviews the allocation and deployment of capital at risk and liquidity risk, taking into account the Group's risk appetite.

The main financial risks arising from the Group's activities are summarised below.

Credit risk

Credit risk arises from extending credit in all forms in the Group's banking activities where there is a possibility that a counterparty may default. The maximum credit risk approximates to the carrying value of Cash and balances at central banks (note 12), loans and advances to customers (note 15) and debt securities (note 17). Undrawn loan commitments are disclosed in note 27.

The table below shows the Group's credit quality of its treasury assets.

	2024 £000	2023 £000
Cash and balances at central banks	**687,343**	624,875
Debt securities	**248,749**	146,097
Derivative financial assets	**5,018**	5,194
Treasury assets at 31 December	**941,110**	776,166
By credit grading		
AAA	**895,862**	738,393
AA	**–**	–
A	**45,248**	37,773
Treasury assets at 31 December	**941,110**	776,166

All loans and overdraft applications are assessed with reference to the Group's lending policy. The approval of all loans and overdraft applications is controlled by a Credit Committee within set limits of authority. Transactions above such limits and any changes to policy and procedures require Board approval. The Board is responsible for endorsing treasury counterparties.

The table below shows information on the Group's loans and advances to customers by payment due status.

	2024 £000	2023 £000
Neither past due nor impaired	**840,402**	811,614
Up to three months overdue but not impaired	**4,073**	1,657
Over three months overdue but not impaired	**8,955**	4,442
	853,430	817,713
Individually assessed as impaired	**10,506**	8,212
Loan loss provision	**(4,264)**	(4,225)
Loans and advances to customers at 31 December	**859,672**	821,700

28. Risk management policies and objectives continued

Interest rate sensitivity

The Group is exposed to movements in interest rates and manages this exposure on a continuous basis within value at risk limits set by the Board.

Interest rate sensitivity refers to the relationship between interest rates and net interest income resulting from the periodic repricing of assets and liabilities. The largest single administered rate items in the Bank's Statement of Financial Position are retail loans and deposits, the vast majority of which bear interest at variable rates. The Bank has the ability to reprice its variable rate assets and liabilities subject to the constraints imposed by the competitive situation in the marketplace. Deposits agreed at fixed rates may be, subject to prevailing market rates, matched on the money market in order to mitigate the impact of interest rate movements. The Bank uses derivatives to manage interest rate risk, in accordance with FRS 102.

The Group has also adopted hedge accounting. Changes in the fair value of derivatives are recognised in the income statement, together with changes in the fair value of the fixed rate loans (the hedged item) attributable to the hedged risk. These fair value changes related to the hedged risk adjust the carrying amount of the loans, which are otherwise measured at amortised cost.

Details of the hedging instruments are set out as follows:

	2024 £000	2023 £000
Changes in fair value of hedging instrument		
Fair value hedge		
Interest rate swaps assets	**(176)**	(4,619)
Interest rate swaps liabilities	**1,800**	(2,299)

	2024 £000	2023 £000
Changes in fair value of hedging item		
Fixed rate loans	**(1,507)**	7,292

Interest rate risk is measured throughout the maturity bandings of the book on a parallel shift scenario for a 200-basis points movement. The current profile of the Statement of Financial Position is such that it results in a favourable impact on the economic value of equity and profit of £187,000 (2023: negative impact £307,000) for a positive 2% shift, and a negative impact of £181,000 (2023: positive impact £400,000) for a negative 2% movement.

Operational risk

Operational risk is the exposure to financial or other damage arising through unforeseen events or failure in the Group's operational systems. Examples include inadequate or failed internal controls and procedures, human error, deliberate or malicious acts including fraud, and business interruptions.

The primary responsibility for identifying and managing operational risk rests with the Executive Committee. Internal control techniques to reduce their likelihood or impact include segregation of duties, exception and exposure reporting, business continuity planning, reconciliation and delegation of authority and are based on the submission of timely and reliable management reporting. Where appropriate, risk is mitigated by way of insurance with third parties.

Cyber risk

An increasing risk that the Group is subject to within its operational processes is cyber risk. This is the risk that the Group businesses are subject to some form of disruption arising from an interruption to its IT and data infrastructure. The Group regularly tests the infrastructure to ensure that it remains robust to a range of threats and has continuity of business plans in place.

Liquidity risk

The Group's liquidity risk is monitored by the Assets and Liabilities Committee with the aim of maintaining sufficient liquid resources to cover cash flow imbalances and fluctuations in funding to maintain full public confidence in the solvency of the Group and to meet its financial obligations. The sources and maturities of assets and liabilities are closely monitored and diversified to avoid any undue concentration. A substantial proportion of deposits are made up of current and savings accounts which, although repayable on demand, have traditionally formed a stable deposit base.

Notes forming part of the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

28. Risk management policies and objectives continued

Liquidity risk continued

The Group's maturity analysis of its assets and liabilities as at the year-end are summarised below. All cashflows are undiscounted

At 31 December 2024	Not more than three months £000	More than three months but not more than one year £000	More than one year but not more than five years £000	More than five years £000	Total £000
Assets:					
Derivatives	–	–	3,694	1,324	5,018
Loans and advance to banks	686,413	–	–	930	687,343
Loans and advances to customers	108,986	186,309	518,976	45,401	859,672
Debt securities	91,963	69,600	87,186	–	248,749
Other assets	21,067	670	–	25,975	47,712
Total assets	908,429	256,579	609,856	73,630	1,848,494
Liabilities:					
Derivatives	–	1	1,000	268	1,269
Customer accounts	1,353,184	335,793	18,819	–	1,707,796
Other liabilities	24,114	5,272	–	–	29,386
Subordinated loan	–	–	–	10,000	10,000
Shareholders' funds	–	–	–	100,043	100,043
Total liabilities	1,377,298	341,066	19,819	110,311	1,848,494
Gap	(468,869)	(84,487)	590,037	(36,681)	–
Cumulative gap	(468,869)	(553,356)	36,681	–	–

At 31 December 2023	Not more than three months £000	More than three months but not more than one year £000	More than one year but not more than five years £000	More than five years £000	Total £000
Assets:					
Derivatives	–	–	–	5,194	5,194
Loans and advance to banks	623,945	–	–	930	624,875
Loans and advances to customers	131,173	151,103	484,635	54,789	821,700
Debt securities	49,650	21,726	74,721	–	146,097
Other assets	17,073	670	–	22,065	39,808
Total assets	821,841	173,499	559,356	82,978	1,637,674
Liabilities:					
Derivatives	–	–	–	3,069	3,069
Customer accounts	864,053	303,808	290,638	46,067	1,504,566
Other liabilities	30,260	4,688	–	–	35,048
Subordinated loan	–	–	–	10,000	10,000
Shareholders' funds	–	–	–	84,991	84,991
Total liabilities	894,313	308,496	290,638	144,127	1,637,674
Gap	(72,572)	(134,997)	268,718	(61,149)	–
Cumulative gap	(72,572)	(207,569)	61,149	–	–

28. Risk management policies and objectives continued

Regulatory and conduct risk

As a provider of financial services, the Company also faces potential risks arising from failures to meet customer expectations, to deal with complaints effectively and to ensure the products it provides are appropriate to their customer's needs. The Company's internal systems, controls and protocols are designed specifically to protect against such risks. The Company complied with all relevant regulatory requirements during the year.

Foreign exchange risk

The Group does not have any material foreign exchange exposure.

Fair value analysis

The Group's and Company's financial instruments measured at fair value may be analysed as follows:

	Group and Company 2024 £000	Group and Company 2023 £000
Financial assets		
Forward currency contracts	**–**	–
Interest rate swaps	**5,018**	5,194
Convertible preferred stock	**53**	124
Financial liabilities		
Forward currency contracts	**–**	–
Interest rate swaps	**1,269**	3,069

Forward foreign currency contracts are valued using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

Interest rate swaps are valued at the estimated present value of future cash flows and discounted based on the applicable yield curves derived from quoted interest rates.

Convertible preference stock is valued at the estimated present value of future cash flows and discounted based on quoted values of the underlying shares, illiquidity and exchange rates.

29. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operation decisions, or one other party controls both. The definition includes subsidiaries, associates, joint ventures and the Bank's pension schemes, as well as other persons.

The Bank provides banking services to its associates and joint ventures, the Trustees of the Bank's pension fund and to entities under common directorships, providing loans, overdrafts, interest and non-interest bearing deposits and current accounts to these entities as well as other services. All are conducted on the same terms as third-party transactions.

	2024 £000	2023 £000
Income	**539**	158
Expenditure	**880**	1,528
Companies under common control:		
– Amounts owed by related parties	**2**	2
– Amounts owed to related parties	**5,540**	4,463
Pension funds and charitable foundation:		
– Amounts owed by related parties	**–**	–
– Amounts owed to related parties	**583**	346

Notes forming part of the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

29. Related party transactions continued

Entities with control, joint control or significant influence over the entity continued

Weatherbys Limited ("WL"), Weatherbys Ireland GSB Limited ("WIGSBL"), Weatherbys GSB Limited ("WGSBL") and Weatherbys Hamilton LLP ("WHL") are companies under common control with the Bank. During the year the following transactions were made under normal trading terms and the balances at year-end were as follows:

The Bank charged WL £nil (2023: £83,789) for rent of property and WHL £87,420 (2023: £74,212) for services rendered.

Services of £782,148 (2023: £1,482,535) were provided by WL.

The Bank also paid WL £16,897 (2023: £5,945), WGSBL £19,575 (2023: £11,077) and WHL £61,444 (2023: £28,632) in interest on deposits held by them.

At 31 December 2024, the Bank held deposited funds of £866,264 (2023: £487,102) on behalf of WL, £9,759 (2023: £10,237) on behalf of WIGSBL, £1,862,131 (2023: £1,489,897) on behalf of WGSBL and £2,812,870 (2023: £2,408,508) on behalf of WHL

At 31 December WL owed the Bank £10,767 (2023: receivable £67,472) and WHL owed the Bank £2,320 (2023: £1,631) for services rendered.

The Bank also provides banking services to its subsidiaries and parent, providing loans, overdrafts, interest and non-interest-bearing deposits and current accounts to these entities as well as other services. All are conducted on the same terms as third-party transactions.

	2024 £000	2023 £000
Income	**10,548**	9,167
Expenditure	**–**	–
Amounts owed by related parties	**278,579**	236,923
Amounts owed to related parties	**2,149**	721

Entities over which the entity has control, joint control or significant influence

Arkle Finance Limited ("AFL"), Weatherbys General Services Limited ("WGS") and Weatherbys Bank (Nominees) Limited ("WNL") are subsidiary companies of the Bank and Weatherbys Bank Holdings Limited ("WBHL") its parent. During the year the following transactions were made under normal trading terms and the balances at year-end were as follows:

The Bank charged AFL £485,507 (2023: £545,954) for services rendered and services of £nil (2023: £nil) were provided by AFL to the Bank.

The Bank paid WBHL £nil (2023: £nil) in interest on deposits held by them and received from AFL £10,062,105 (2023: £8,621,000) in interest on lending facilities held.

At 31 December 2024, the Bank held deposited funds of £17 (2023: £17) on behalf of WBHL, £797,810 (2023: £513,469) on behalf of WGS and £3,684 (2023: £3,684) on behalf of WNL. At 31 December 2024 the Bank was owed £276,285,563 (2023: £235,486,673) for lending facilities provided on behalf of AFL and £945,220 (2023: £1,232,141) for services rendered and accrued interest.

The key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Bank (directly or indirectly). The Bank provides banking services to directors and other key management personnel and persons connected to them. All are conducted on the same terms as third-party transactions. The aggregate amounts outstanding at 31 December are shown below.

	2024 Number	**2024 £000**	2023 Number	2023 £000
Loans	**4**	**3,165**	5	4,386
Deposits	**11**	**1,475**	12	1,152

The total compensation paid to key management personnel for services provided to the Group was £7.7m (2023: £5.4m).

30. Country by country reporting

The Capital Requirement (Country by Country reporting) regulations 2013 require the disclosure on a group basis of corporation tax payments made and public subsidies received. The Group is entirely UK based and pays all taxes to the UK Authorities. The group companies included in the consolidated disclosure and the corporation tax paid are shown below.

	Jurisdiction	Nature of business
Weatherbys Bank Limited	UK	Retail banking
Arkle Finance Limited	UK	Provision of leasing and instalment credit finance
Weatherbys Bank (Nominees) Limited	UK	Trust company (Dormant)
Weatherbys General Services Limited	UK	Investment and partner in Joint Venture

Jurisdiction	Average number of employees 2024	Turnover 2024 £000	Profit or loss before tax 2024 £000	Cash tax paid on profit or loss during the year 2024 £000	Public subsidies received during the year 2024 £000
United Kingdom	426	90,427	24,575	5,721	–

31. Ultimate parent company

The Bank's immediate and ultimate parent company is Weatherbys Bank Holdings Limited, a company incorporated in Great Britain and registered in England and Wales. The consolidated financial statements of Weatherbys Bank Holdings Limited are the only financial statements into which Weatherbys Bank Limited are consolidated. Copies of these financial statements can be obtained from Sanders Road, Wellingborough, Northamptonshire, NN8 4BX, being the registered address of the ultimate parent company.

The ultimate controlling parties of Weatherbys Bank Limited are three Weatherby family trusts.

Notes forming part of the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

32. Financial instruments

A financial instrument is a contract which gives rise to a financial asset of one entity and a financial liability of another entity. The company provides financial instruments in the form of leases and loans.

The table below provides a summary of the terms and conditions of the Group's financial instruments and description of respective accounting policies.

Financial Instrument	Terms and conditions	Accounting policy
Derivative instruments	Fixed interest received/paid converted to variable interest paid/received Based on notional value of the derivative	Fair value through profit and loss
Loans and advances to customers		
Finance Leases	Fixed interest rates Fixed term	At amortised cost
Hire purchase agreements a. At amortised cost	Fixed interest rates Fixed term	At amortised cost
Loans and advances	Fixed and variable interest rates Fixed and variable term	At amortised cost
Deposits at Banks	Non-interest bearing and variable interest rates Instant access	At amortised cost
Debt securities	Fixed and variable interest rates Fixed term	At amortised cost
Loans to joint venture	Variable rate Fixed term	At amortised cost
Loans to group undertakings	Variable rate Variable term	At amortised cost
Investments in unlisted equity	Non-interest bearing Medium to long term	At cost less impairment
Amounts owed to customers	Fixed or variable interest rate Fixed or variable term Short to medium term	At amortised cost
Subordinated Loan	Fixed or variable interest rate	At amortised cost
Convertible preferred stock	Fixed or variable interest rate	At amortised cost

32. Financial instruments continued

The carrying values of the Group's and Company's financial assets and liabilities are summarised by category below.

	Banking Group		Bank	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Financial assets				
Measured at fair value through profit or loss				
Derivative financial assets (note 28)	**5,018**	5,194	**5,018**	5,194
Convertible preferred stock (notes 28 and 20)	**384**	455	**53**	124
Instruments measured at amortised cost				
Cash and balances at central banks (note 12)	**687,343**	624,875	**684,033**	624,130
Loans and advances to customers (note 15)	**859,672**	821,700	**856,409**	814,106
Debt Securities (note 17)	**248,749**	146,097	**248,749**	146,097
Measured at cost less impairment				
Investments in unlisted equity (note 19)	**670**	670	**–**	–
Measured at amortised cost				
Trade and other debtors (note 21)	**1,875**	1,913	**1,943**	2,805
	1,803,711	1,600,904	**1,796,205**	1,592,456
Financial liabilities				
Measured at fair value through profit or loss				
Derivative financial liabilities (note 28)	**1,269**	3,069	**1,269**	3,069
Instruments measured at amortised cost				
Customer accounts (note 22)	**1,707,796**	1,504,566	**1,708,598**	1,505,287
Measured at amortised cost				
Other liabilities (note 24)	**18,287**	22,582	**17,380**	20,226
Measured at amortised cost				
Subordinated Loan (note 23)	**10,000**	10,000	**10,000**	10,000
	1,737,352	1,540,217	**1,737,247**	1,538,582

Notes forming part of the financial statements continued

FOR THE YEAR ENDED 31 DECEMBER 2024

32 . Financial instruments continued

Fair value hierarchy classification

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: valuation techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The table below summarises the fair values of the Group's and Company's financial assets and liabilities that are accounted for at fair value, analysed by the valuation methodology used by the Group to derive the financial instrument's fair value:

	Banking Group		Bank	
Fair value hierarchy	**2024 £000 Level 3**	2023 £000 Level 3	**2024 £000 Level 3**	2023 £000 Level 3
Financial assets				
Measured at fair value through profit or loss				
Derivative Financial assets (note 28)	**5,018**	5,194	**5,018**	5,194
Convertible preferred stock (notes 28 and 20)	**384**	455	**53**	124
Financial liabilities				
Measured at fair value through profit or loss				
Derivative Financial liabilities (note 28)	**1,269**	3,069	**1,269**	3,069

33. Non adjusting post Balance Sheet events

There are no post Balance Sheet events.

34. Exceptional item

During December 2024 the Bank has paid an amount of £2,128,000 to settle its employer debt and to withdraw as a participating employer from the Weatherbys Pension and Assurance Scheme, removing all future liabilities that might arise from the scheme.

35. Statement of cashflow restatement

The 2023 statement of cashflow was restated to present actual dividends paid of £1.5m in 2023, having an impact of £3.5m decrease in net cash used in financing activities and £3.5m increase in net cash used from operating activities.

Company information

Directors

D C Bellamy	Resigned 1 March 2024 (Non-executive Chairman to 29 February 2024)
R N Weatherby	(Chairman from 1 March 2024)
Q N J Marshall	
A Turberville Smith	
C Machell	Resigned 12 July 2024 (Non-executive)
P D Vail	(Non-executive)
N J Millar	(Non-executive)
M C Batten	(Non-executive)

Secretary and registered office

F C Noonan
52-60 Sanders Road
Finedon Road Industrial Estate
Wellingborough
Northamptonshire
NN8 4BX

Company number

02943300

Independent Auditor

MHA
London
United Kingdom

Designed and produced
by carrkamasa.co.uk

MIX
Paper | Supporting responsible forestry
FSC® C022913

Weatherbys Banking Group
Sanders Road
Wellingborough
Northamptonshire
NN8 4BX