

# **Plane Saver Credit Union Limited**

## **Report and Financial statements**

**For the year ended**

**30 September 2023**

<b>Firm Reference Number</b>	<b>213609</b>
<b>Registered Number</b>	<b>345C</b>

**Plane Saver Credit Union Limited**

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**For the year ended 30 September 2023**

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## Plane Saver Credit Union Limited

### Administrative information

For the year ended 30 September 2023

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<b>Directors</b>	I Atkins - Chairman of the Board J Maitland - Vice Chair and Board Secretary D Sanghvi J Parsons R Finney C J Giddy - Treasurer and Chair of Finance Committee R Gupta - Vice Treasurer H Zhang M Russell (appointed 15 February 2023, resigned 14 June 2023)
<b>Registered office</b>	3rd Floor Profile West Brentford TW8 9EJ
<b>Independent auditors</b>	Barnes Roffe LLP Chartered Accountants and Statutory Auditors 3 Brook Business Centre Cowley Mill Road Uxbridge Middlesex UB8 2FX
<b>Bankers</b>	Barclays Bank plc

## Plane Saver Credit Union Limited

### Directors' report and Statement of the Board of Directors responsibilities For the year ended 30 September 2023

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The directors present their report and financial statements of the Credit Union for the year ended 30 September 2023.

#### Principal activity

The Credit Union's principal activity continues to be that of offering savings and loan products for the benefit of its members.

#### Results for the year

The Credit Union's results are presented on page 7 and show a total profit for the year of £144,147 (2022: £521,340 loss for the year) supported by the sale of the property in Harlington, Hayes. Although the Credit Union, in common with many businesses, was severely affected by the deteriorating economic conditions and experienced difficult trading conditions, the Board and the Senior Management Team continued their investment in staff, technology, and marketing, which has contributed to the improved underlying financial performance.

#### Statement of the Board of Directors responsibilities

Under the Co-Operative and Community Benefit Societies Act 2014, as a registered society the Credit Union is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Credit Union will continue in business.

The Board of Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time of the financial position of the Credit Union and to enable them to ensure that the financial statements comply with the Co-Operative and Community Benefit Societies Act 2014. The Board of Directors are also responsible for safeguarding the assets of the Credit Union and hence for taking reasonable steps for the protection and detection of fraud and other irregularities.

#### Principal risks and uncertainties

The main financial risks of the Credit Union are set out in the note 16 of the financial statements.

#### Post balance sheet events

There are no subsequent events that require disclosure or adjustment to the financial statements.

This report was approved by the Board of Directors on **28 November 2023** and signed on its behalf.



**I Atkins**  
Chairman of the Board

## Plane Saver Credit Union Limited

### Independent auditors' report to the members of Plane Saver Credit Union Limited

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#### Opinion

We have audited the financial statements of Plane Saver Credit Union Limited for the year ended 30 September 2023 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity, the Statement of cashflows and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 "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 Credit Union's affairs as at 30 September 2023 and of its income and expenditure for the year ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-Operative and Community Benefit Societies Act 2014 and the Credit Unions Act 1979.

#### 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 Credit Union 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, and we have fulfilled our other ethical responsibilities in accordance with these 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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 Credit Union'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.

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

## Plane Saver Credit Union Limited

### Independent auditors' report to the members of Plane Saver Credit Union Limited

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#### 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 Board of Directors are responsible for the other information. 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.

In connection with our audit of the financial statements 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

#### Opinions on other matters prescribed by the Co-Operative and Community Benefit Societies Act 2014

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

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

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-Operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- proper books of account have not been kept by the Credit Union in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been kept by the credit union in accordance with the requirements of the legislation; or
- the Revenue Account and Balance Sheet are not in agreement with the books of account of the credit union; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of the Board of Directors

As explained more fully in the Statement of Board's responsibilities set out on page 2, the Board 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 Board of 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 Board of Directors are responsible for assessing the Credit Union'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 Board of Directors either intend to liquidate the Credit Union or to cease operations, or have no realistic alternative but to do so.

## Plane Saver Credit Union Limited

### Independent auditors' report to the members of Plane Saver Credit Union Limited

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#### Auditor's 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with law and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the Credit Union through discussion with directors and other management, and from our commercial knowledge and experience of the relevant sector;
- The specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Credit Union, are as follows:
  - FCA and PRA regulations.
  - Corporate and Community Benefit Society legislation
  - Employment legislation.
  - Taxation.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and reviewing board minutes; and
- Laws and regulations were communicated within the audit team at the planning meeting, and during the audit as any further laws and regulation were identified. The audit team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Credit Union's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by:

- Making enquiries of management as to where they consider there was susceptibility to fraud and their knowledge of actual suspected and alleged fraud;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- Reviewing the financial statements and testing the disclosures against supporting documentation;
- Performing analytical procedures to identify any unusual or unexpected trends or anomalies;
- Inspecting and testing journal entries to identify unusual or unexpected transactions;
- Assessing whether judgement and assumptions made in determining significant accounting estimates were indicative of management bias; and
- Investigating the rationale behind significant transactions, or transactions that are unusual or outside the Credit Union's usual course of business.

The areas that we identified as being susceptible to misstatement through fraud were:

- Management bias in the estimates and judgements made;
- Management override of controls; and
- Posting of unusual journals or transactions.

## Plane Saver Credit Union Limited

### Independent auditors' report to the members of Plane Saver Credit Union Limited

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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for audit of the financial statements, is located on the Financial Reporting Council's web-site at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the Credit Union's members, as a body, in accordance with Section 87 of the Co-Operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Credit Union members those matters we are required to state to them in an Auditors' 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 Credit Union and the Credit Union's members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Barnes Roffe LLP*

Elliot S J Arwas (Senior statutory auditor)  
for and on behalf of  
**Barnes Roffe LLP**  
Chartered Accountants and Statutory Auditors  
3 Brook Business Centre  
Cowley Mill Road  
Uxbridge  
Middlesex  
UB8 2FX

Date: *28th November 2023*



**Plane Saver Credit Union Limited**

**Statement of comprehensive income  
For the year ended 30 September 2023**

	Note	2023 £	2022 £
Loan interest and similar income receivable	4	4,023,631	2,575,930
Interest payable	5	(588,253)	(408,241)
<b>Net interest income</b>		<b>3,435,378</b>	<b>2,167,689</b>
Fees and commissions receivable	6	643	719
Fees and commissions payable	5a	(168,935)	(46,173)
		<b>3,267,086</b>	<b>2,122,235</b>
Other income	6a	15,000	15,000
<b>Total net income</b>		<b>3,282,086</b>	<b>2,137,235</b>
Administration expenses	8	(2,373,766)	(1,802,989)
Other operating expenses	8a	(140,928)	(125,444)
Depreciation and amortisation	13	(76,693)	(79,190)
Exceptional items	8c	352,368	-
Impaired losses on loans to members	11b	(811,590)	(614,471)
<b>Surplus/(deficit) before taxation</b>		<b>231,477</b>	<b>(484,859)</b>
Taxation	10	(87,330)	(36,481)
<b>Total comprehensive income</b>		<b>144,147</b>	<b>(521,340)</b>

There are no items of comprehensive income other than reported above.

There is no difference between the result transferred to reserve above and its historical cost equivalent.

The financial statements were approved, and authorised for issue, by the Board of Directors and signed on its behalf by:

I Atkins  
Chairman of the Board



C J Giddy  
Treasurer and Chair of Finance Committee



J Maitland  
Vice Chair and Board Secretary



Date of approval: **28 November 2023**

The notes on pages 12 to 23 form part of these financial statements.

## Plane Saver Credit Union Limited

### Statement of financial position As at 30 September 2023

ASSETS	Note	2023 £	2022 £
Cash, cash equivalents, liquid deposits,			
Loans and advances to banks	17	11,533,012	22,717,647
Loans and advances to members	11	36,581,525	26,846,676
Tangible fixed assets	13	209,024	600,337
Prepayments and accrued income		907,195	542,418
<b>Total assets</b>		<b>49,230,756</b>	<b>50,707,078</b>
<b>LIABILITIES</b>			
Subscribed Capital and Juniors' Deposits	12	43,002,307	44,936,375
Other payables	14	592,150	278,551
		<b>43,594,457</b>	<b>45,214,926</b>
Retained earnings			
Reserves	15	5,636,299	5,492,152
<b>Total liabilities and reserves</b>		<b>49,230,756</b>	<b>50,707,078</b>

The financial statements were approved, and authorised for issue, by the Board of Directors and signed on its behalf by:



**I Atkins**  
Chairman of the Board



**C J Giddy**  
Treasurer and Chair of Finance Committee



**J Maitland**  
Vice Chair and Board Secretary

Date of approval: **28 November 2023**

The notes on pages 12 to 23 form part of these financial statements

**Plane Saver Credit Union Limited**

**Statement of changes in equity  
For the year ended 30 September 2023**

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**Statement of changes in equity for the year ended 30 September 2023**

	2023 £	2022 £
As at 1st October 2022	5,492,152	6,013,492
Total comprehensive income for the year	144,147	(521,340)
<b>At 30 September 2023</b>	<u><u>5,636,299</u></u>	<u><u>5,492,152</u></u>

The notes on pages 12 to 23 form part of these financial statements

## Plane Saver Credit Union Limited

### Statement of cashflows For the year ended 30 September 2023

	Note	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Surplus/(deficit) before taxation		231,477	(484,859)
<b>Adjustment for non-cash items</b>			
Interest payable	12	588,253	408,241
Depreciation	13	76,693	79,190
Profit on disposal of fixed asset	8c	286,148	
HSCU Impairment	11a	128,977	
Impaired losses	11b	830,304	643,706
	(a)	<u>2,141,852</u>	<u>646,278</u>
<b>Movements in:</b>			
Debtors		(364,777)	(403,140)
Other payables		276,165	71,592
	(b)	<u>(88,612)</u>	<u>(331,548)</u>
<b>Cash flows from changes in operating assets and liabilities</b>			
Cash inflow from subscribed capital and juniors' deposits	12	20,028,792	16,415,289
Cash outflow from repaid capital and juniors' deposits	12	(22,551,113)	(15,897,102)
New loans to members	11c	(20,966,465)	(19,075,701)
Repayment of loans and interest by members	11c	10,272,335	8,972,975
		(13,216,451)	(9,584,540)
Taxation paid		(49,894)	(26,520)
	(c)	<u>(13,266,345)</u>	<u>(9,611,060)</u>
<b>Net cash used in operating activities</b>	<b>(a+b+c)</b>	<u>(11,213,105)</u>	<u>(9,296,330)</u>
<b>Cash flows from investing activities</b>			
Sale of fixed assets	13	135,328	
Fixed assets additions	13	(106,857)	(173,783)
<b>Net cash generated/(used in) investing activities</b>	<b>(d)</b>	<u>28,471</u>	<u>(173,783)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(a+b+c+d)</b>	<u>(11,184,635)</u>	<u>(9,470,113)</u>
Cash and cash equivalent at beginning of year		22,717,647	32,187,760
<b>Cash and cash equivalents at the end of year</b>	<b>17</b>	<u>11,533,012</u>	<u>22,717,647</u>

The notes on pages 12 to 23 form part of these financial statements

## Plane Saver Credit Union Limited

Analysis of changes in net debt  
For the year ended 30 September 2023

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	At 1 October 2022	Cash flow	At 30 September 2023
	£	£	£
<b>Cash and cash equivalents</b>			
Cash	5,025,667	6,435,024	11,460,691
Loans to banks	17,691,980	(17,619,659)	72,321
Cash equivalents	<u>22,717,647</u>	<u>(11,184,635)</u>	<u>11,533,012</u>
<b>Total</b>	<u><u>22,717,647</u></u>	<u><u>(11,184,635)</u></u>	<u><u>11,533,012</u></u>

The notes on pages 12 to 23 form part of these financial statements.

# Plane Saver Credit Union Limited

## Notes to the financial statements For the year ended 30 September 2023

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### 1 Legal and regulatory framework

The Credit Union is registered in the UK as a society under the Co-operative and Community Benefit Societies Act 2014, whose principal activity is to operate as a credit union, within the meaning of the Credit Union Act 1979. The credit union is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

In accordance with the regulatory environment for Credit Unions, deposits from members can be made by subscription for redeemable shares, deferred shares and interest-bearing shares. At present the Credit Union has only issued redeemable shares.

### 2 Accounting policies

#### 2.1 Basis of preparation

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Co-operative and Community Benefit Societies Act 2014.

The financial statements are prepared in sterling, which is the functional currency of the Credit Union. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention, unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

#### 2.2 Companies Act 2006.

The financial statements are prepared on a going concern basis. The Board of Directors note that the Credit Union is trading adequately and has sufficient working capital and other finance available to continue trading for a period of not less than 12 months from the date of approval of these financial statements. As such, the Board of Directors believe that there are no significant uncertainties in their assessment of whether the Credit Union is a going concern and therefore have prepared the accounts on a going concern basis.

#### 2.3 Income

Loan interest receivable and similar income: Interest on both loans to members and loans to banks (i.e. cash and equivalents held on deposit with other financial institutions) is recognised using the effective interest method and is calculated and accrued on a daily basis.

Fees and commissions receivable: Fees and charges either accrue evenly over the year or arise in connection with a specific transaction. Income relating to a specific transaction is recognised when the transaction is complete.

Other income: Other income is recognised either evenly over the period to which it relates or when the transaction is complete.

#### 2.4 Tangible fixed assets

Fixed assets are stated at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation on each item of fixed assets is provided on a straight line basis over its estimated useful life as follows:

Office and computer equipment	25% per annum on cost
Buildings	2.5% per annum on cost
Land	Not depreciated

## Plane Saver Credit Union Limited

### Notes to the financial statements For the year ended 30 September 2023

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## 2 Accounting policies (continued)

### 2.5 Cash and cash equivalents

Cash and cash equivalents represent cash on hand and loans and advances to banks (i.e. cash deposited with banks with short-term maturity).

### 2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

### 2.7 Financial Instruments

The Credit Union has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Credit Union's Statement of financial position when the Credit Union becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Credit Union's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

#### Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the Statement of comprehensive income. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

#### Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the Statement of comprehensive income.

#### Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Credit Union after the deduction of all its liabilities.

## Plane Saver Credit Union Limited

### Notes to the financial statements For the year ended 30 September 2023

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#### Accounting policies (continued)

##### 2.7 Financial Instruments (continued)

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Members' shareholdings in the Credit Union are redeemable and therefore are classified as financial liabilities, and defined as subscribed capital.

##### Derecognition of financial instruments

###### Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Credit Union transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Credit Union will continue to recognise the value of the portion of the risks and rewards retained.

###### Derecognition of financial liabilities

Financial liabilities are derecognised when the Credit Union's contractual obligations expire or are discharged or cancelled.

##### 2.8 Retained earnings

Retained earnings are the audited accumulated surpluses or deficits, or both, of the Credit Union after payment of tax.

There are two components within retained earnings:

**Statutory reserves:** Each year a Credit Union must transfer 20% of any surplus after tax to its statutory reserve until the reserve stands at 10% of total assets or other risk based criteria as defined by the regulator. A Credit Union may not make any transfer from its statutory reserve where its statutory reserve stands at less than 10% of total assets or as otherwise defined by the regulator.

**Voluntary reserve:** Retained earnings not applied to statutory reserves are for the purpose of absorbing unexpected losses and enabling extraordinary expenditure.



Plane Saver Credit Union Limited

Notes to the financial statements  
For the year ended 30 September 2023

**3 The use of estimates and judgements**

The preparation of financial statements requires the use of certain accounting estimates. It also requires the directors to exercise judgement in applying the Credit Union's accounting policies. The area where assumptions, judgements and estimates are most significant to the financial statements is discussed below.

**Impaired losses on loans to members**

Impaired losses on loans to members are determined after a detailed review of all loans in arrears and making adequate provision in line with regulatory guidance. Bearing in mind the present economic circumstances, we have adopted a more prudent approach and have made higher provisions than the minimum required under the regulatory guidance.

**4 Loan interest receivable and similar income**

	2023	2022
	£	£
Loan interest receivable from members	3,687,774	2,383,926
Bank interest receivable on cash and liquid deposits	<u>335,857</u>	<u>192,004</u>
<b>Total loan interest receivable and similar income</b>	<b><u>4,023,631</u></b>	<b><u>2,575,930</u></b>

**5 Interest payable**

Interest payable is the return paid to Members for their contribution to the subscribed capital. Interest is paid in arrears. The current year's return for the Ordinary, Christmas and Junior share accounts is formally proposed by the Directors after the year end and confirmed at the subsequent AGM. As a result, it does not represent a liability at the Statement of financial position date as there is no formal commitment at that time. The rate of interest for ISA accounts and returns for the Platinum accounts are set by the Directors.

	2023	2022
	£	£
Returns paid during the year	<u>588,253</u>	<u>408,241</u>
Return rate:		
Ordinary share accounts	1.00%	1.00%
ISA's	2.00%	1.00%
Platinum accounts	3.00%	1.00%
Xmas shares	1.00%	1.00%
Junior savers	1.00%	1.00%
Prize Draw Shares	1.00%	1.00%

**5a Fees and commissions payable**

	2023	2022
	£	£
Brokerage fees	155,349	37,147
Bank charges	<u>13,586</u>	<u>9,026</u>
	<b><u>168,935</u></b>	<b><u>46,173</u></b>

Plane Saver Credit Union Limited

Notes to the financial statements  
For the year ended 30 September 2023

**6 Fees and commissions receivable**

	2023 £	2022 £
Insurance commission	643	719
	<u>643</u>	<u>719</u>

**6a Other income**

	2023 £	2022 £
Lottery administration on behalf of Friends of Plane Saver	15,000	15,000
	<u>15,000</u>	<u>15,000</u>

**7 Expenses**

	2023 £	2022 £
Administration expenses	2,373,766	1,802,989
Other operating expenses	140,928	125,444
Depreciation and amortisation	76,693	79,190
	<u>2,591,387</u>	<u>2,007,623</u>

**8 Administrative expenses**

	2023 £	2022 £
Employment costs	1,421,014	1,050,639
Staff healthcare cost	3,591	-
Recruitment and agency staff	56,490	70,470
Staff training	15,317	11,275
Directors' expenses	2,892	2,328
Auditors' remuneration	11,500	15,118
Internal audit fees	7,349	3,960
Telephone and postage	47,421	38,055
Computer maintenance	172,337	134,420
Legal and professional	58,686	94,800
Office expenses	226,703	168,095
Printing, stationery and publicity	134,397	145,428
Other insurance	9,468	7,804
AGM, annual conference and meetings	31,934	17,324
Credit agency fees	163,087	41,644
Donation	6,600	-
Payment waiver (net of rebate)	4,980	1,629
	<u>2,373,766</u>	<u>1,802,989</u>

Plane Saver Credit Union Limited

Notes to the financial statements  
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8a Other operating expenses

Other operating expenses comprise the costs of regulatory and financial management costs.

	2023 £	2022 £
<b>Regulatory and financial management costs</b>		
FCA, PRA and other fees	4,332	7,726
CUNA mutual insurance	93,996	81,627
ABCUL dues	27,510	21,331
Fidelity insurance	15,090	14,760
	<u>140,928</u>	<u>125,444</u>

8b Auditors' remuneration

	2023 £	2022 £
Audit fees	11,500	11,400
Non-audit services	-	2,120
Movement in provision	-	1,598
	<u>11,500</u>	<u>15,118</u>

8c Exceptional items

	2023 £	2022 £
Gain on disposal of freehold property	286,148	-
Negative goodwill on acquisition of Harlow Save Credit Union	66,220	-
	<u>352,368</u>	<u>-</u>

9 Employees and employment costs

9a Number of employees

The average monthly number of employees including directors during the year was:

	2023	2022
Directors	9	11
Office staff	32	24
	<u>41</u>	<u>35</u>

9b Employment costs

	2023 £	2022 £
Wages and salaries	1,237,361	908,996
Social security costs	132,356	103,852
Payments to defined contribution pension schemes	51,297	37,791
Total employment costs	<u>1,421,014</u>	<u>1,050,639</u>

**Plane Saver Credit Union Limited**

**Notes to the financial statements  
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**10 Taxation**

Under section 487 of the Corporation Taxes Act 1988 the Credit Union is only liable for UK corporation tax on income from the investment of its surplus funds.

	2023 £	2022 £
UK corporation tax at 19% (2022: 19%).	<u>87,330</u>	<u>36,481</u>
	<u><u>87,330</u></u>	<u><u>36,481</u></u>

**11 Credit risk disclosure - Total loans for regulatory purposes**

The Credit Union offers unsecured loans to members, except that there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding.

The average amount borrowed by individual members in the financial year was £O/S (2022: £5,902).

The carrying amount of the loans to members represents the Credit Union's maximum exposure to credit risk. The following table provides information on the credit quality of loan repayments.

	2023 Amount £	Proportion %	2022 Amount £	Proportion %
<b>Arrears analysis:</b>				
Not yet past due	34,908,807	88.71%	26,050,488	90.39%
Up to 3 months past due	1,452,199	3.69%	634,744	1.86%
Between 3 and 6 months past due	471,878	1.20%	281,444	0.98%
Between 6 and 9 months past due	288,514	0.73%	359,779	1.25%
Between 9 and 12 months past due	270,623	0.69%	226,966	0.79%
Over 1 year past due	1,960,719	4.98%	1,265,160	4.39%
	<u>39,352,740</u>	100.00%	<u>28,818,581</u>	100.00%
<b>Impairment allowance</b>	<b>(2,771,215)</b>		<b>(1,971,905)</b>	
<b>Total carrying value of loans</b>	<u><u>36,581,525</u></u>		<u><u>26,846,676</u></u>	

Impaired debts over 12 months are carried forward as part of the impairment provision.

Factors that are considered in determining whether loans are impaired are discussed in note 3.

Plane Saver Credit Union Limited

Notes to the financial statements  
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11a Impairment provision

	2023 £	2022 £
As at 1 October 2022	1,971,905	1,430,113
Loans written off during the year	(159,971)	(101,914)
HSCU impairment brought forward	128,977	
Increase in provision during in the year	830,304	643,706
As at 30 September 2023	<u>2,771,215</u>	<u>1,971,905</u>

11b Impairment losses recognised for the year

	2023 £	2022 £
Increase in impairment provision during the year	830,304	643,706
Reversal of impairment where debts recovered	(18,713)	(29,235)
Total impairment losses recognised for the year	<u>811,590</u>	<u>614,471</u>

11c Loans and advances to members - movements during the year

	2023 £	2022 £
As at 1 October 2022	28,818,581	18,817,768
Advanced during the year	20,966,465	19,075,701
Repaid during the year	(13,960,109)	(11,356,901)
Interest charged	3,687,774	2,383,926
Loans written off during the year	(159,971)	(101,914)
As at 30 September 2023	<u>39,352,740</u>	<u>28,818,581</u>

12 Subscribed capital and juniors' deposits - movements during the year

	2023 £	2022 £
As at 1 October 2022	44,936,375	44,009,948
Movement during the year	(2,522,321)	518,187
Interest paid during the year	588,253	408,241
As at 30 September 2023	<u>43,002,307</u>	<u>44,936,375</u>

Deposits from adult members may only be made by way of subscription to shares.

During the year 5,047 members joined the Credit Union and 731 left. At the year end there are 23,441 members.

Plane Saver Credit Union Limited

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12a Subscribed capital and juniors' deposits - breakdown

	2023 £	2022 £
Members' shareholdings	42,796,296	44,791,764
Junior deposits	206,011	144,611
	<u>43,002,307</u>	<u>44,936,375</u>

13 Tangible assets

	Land and buildings £	Office and computer equipment £	Total £
<b>Cost</b>			
At 1 October 2022	529,336	522,034	1,051,370
Additions	-	106,856	106,856
Disposal	(529,336)	(203,809)	(733,145)
At 30 September 2023	<u>-</u>	<u>425,081</u>	<u>425,081</u>
<b>Accumulated depreciation</b>			
At 1 October 2022	113,872	337,161	451,033
Charge for the year	-	76,693	76,693
Depreciation on disposal	(113,872)	(197,797)	(311,669)
At 30 September 2023	<u>-</u>	<u>216,057</u>	<u>216,057</u>
<b>Net book value</b>			
At 30 September 2023	<u>-</u>	<u>209,024</u>	<u>209,024</u>
At 30 September 2022	<u>415,464</u>	<u>184,873</u>	<u>600,337</u>

14 Other payables

	2023 £	2022 £
Expense accruals and other creditors	518,235	242,070
UK Corporation Tax	73,916	36,481
	<u>592,150</u>	<u>278,551</u>

Plane Saver Credit Union Limited

Notes to the financial statements  
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15 Reserves

	Statutory reserve £	Voluntary reserve £	Total £
At 1 October 2022	1,905,594	3,586,558	5,492,152
Comprehensive surplus for the year	144,147	-	144,147
At 30 September 2023	<u>2,049,741</u>	<u>3,586,558</u>	<u>5,636,299</u>

16 Additional financial instrument disclosures

16a Financial risk management

The Credit Union manages its subscribed capital and members' loans so that it earns income from the margin between interest receivable and interest payable.

The main financial risks arising from the Credit Union's activities are credit risk, liquidity risk and interest rate risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**Credit risk:** Credit risk is the risk that a borrower will default on their contractual obligation relating to payments to the Credit Union, resulting in financial loss. The Board of Directors monitor the Lending Policy, and all changes to it. All loan applications are assessed with reference to the lending policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed. The Credit Union also monitors its banking arrangements on a regular basis.

**Liquidity risk:** The Credit Union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The objective of the Credit Union's liquidity policy is to smooth the mismatches between maturing assets and liabilities to provide a degree of protection against any unexpected developments that may arise. Short-term payables are noted in the financial liabilities. The subscribed capital and juniors' deposits are payable on demand.

**Market risk:** Market risk is generally comprised of only interest rate risk. The Credit Union is not exposed to any form of currency risk or other price risk.

**Interest rate risk:** The Credit Union's main interest rate risk arises from differences between the interest rate exposure on interest receivable and dividends payable that form an integral part of a Credit Union's operations. The Credit Union considers this interest rate exposure when deciding on the return rate payable on subscribed capital.

Plane Saver Credit Union Limited

Notes to the financial statements  
For the year ended 30 September 2023

**16b Interest rate risk disclosure**

The following table shows the average interest rates applicable to relevant financial assets and financial liabilities.

	Amount £	2023 Average interest rate %	Amount £	2022 Average interest rate %
<b>Financial assets</b>				
Loans to members	<u>39,352,740</u>	<u>12.70%</u>	<u>28,818,581</u>	<u>10.70%</u>
<b>Financial liabilities</b>				
Subscribed capital and junior deposits	<u>43,002,307</u>	<u>1.40%</u>	<u>44,936,375</u>	<u>1.00%</u>

**16c Liquidity risk disclosures**

Excluding short term other payables, as noted in the Statement of financial position, the Credit Union's financial liabilities, the subscribed capital, are repayable on demand.

**16d Fair value of financial instruments**

The Credit Union does not hold any such financial instruments.

**17 Cash and cash equivalents and loans to bank**

	2023 £	2022 £
Cash and cash equivalents	11,460,691	5,025,667
Loans to banks maturing after three months	<u>72,321</u>	<u>17,691,980</u>
	<u><u>11,533,012</u></u>	<u><u>22,717,647</u></u>

**18 Commitments under operating leases**

At 30 September 2023, the Credit Union had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	104,594	104,594
Later than 1 year and not later than 5 years	<u>252,767</u>	<u>366,076</u>
	<u><u>357,361</u></u>	<u><u>470,670</u></u>



**Plane Saver Credit Union Limited**

**Notes to the financial statements  
For the year ended 30 September 2023**

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**19 Post balance sheet events**

There are no subsequent events that require disclosure or adjustment to the financial statements.

**20 Contingent liabilities**

The Credit Union participates in the Financial Services Compensation Scheme (FSCS) and therefore has a contingent liability, which cannot be quantified, in respect of contributions to the FSCS, as required by the Financial Services and Markets Act 2000. The Financial Conduct Authority (FCA) had provided details of how the calculation of next year's contribution towards the FSCS will be calculated and full provision has been included for this liability in the period to which it relates. However this is subject to future changes in the interest rates and levels of deposits held by UK deposit takers. Therefore there is inherent uncertainty regarding the totality of the levy the Credit Union will have to pay.

**21 Related party transactions**

During the year 37 (2022: 31) members of the Board of Directors, staff and management team and 5 (2022: 9) of their close family members had shares or loans within the Credit Union.

None of the directors, or close family members of either the directors or staff, have any preferential terms on their loans or shares. Directors and staff members may however, apply for an unsecured loan at interest rates assessed on the same basis as for other members but must remove themselves from any decision making in respect of any application.

During the year members of the Board of Directors received reimbursement for out of pocket expenses incurred as a result of completing their duties for the Credit Union, totalling £2,892 (2022: £2,328).