

Plane Saver Credit Union Limited

Report and Financial statements

**For the year ended
30 September 2022**

Firm Reference Number	213609
Registered Number	345C

Plane Saver Credit Union Limited

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For the year ended 30 September 2022

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Plane Saver Credit Union Limited

Administrative information

For the year ended 30 September 2022

Directors	I Atkins - Chairman of the Board J Maitland - Vice Chair and Board Secretary D Sanghvi - Treasurer J Parsons R Hardman (resigned 28 January 2022) R Finney A Murray (resigned 10 November 2021) J Rugge (appointed 24 November 2021, resigned 18 May 2022) H Zhang (appointed 15 December 2021) CJ Giddy (appointed 13 July 2022) R Gupta (appointed 13 July 2022)
Registered office	3rd Floor Profile West Brentford TW8 9EJ
Independent auditors	Barnes Roffe LLP Chartered Accountants and Statutory Auditors 3 Brook Business Centre Cowley Mill Road Uxbridge Middlesex UB8 2FX
Bankers	Barclays Bank plc Santander UK plc Skipton Building Society Nationwide Building Society Lloyds Bank plc Metro Bank plc Clydesdale Bank plc Aldermore Bank plc Close Brothers plc Cambridge & Counties Bank

Plane Saver Credit Union Limited

Directors' report and Statement of the Board of Directors responsibilities For the year ended 30 September 2022

The directors present their report and financial statements of the Credit Union for the year ended 30 September 2022.

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 loss for the year of £521,340 (2021: £152,762) primarily due to increased administration expenses and impaired losses on loans to members. Although the Credit Union, in common with many businesses, was severely affected by Covid-19 and experienced difficult trading conditions, the Board and the Senior Management Team took necessary actions by investing in staff, technology, marketing, and office premises in order to focus on future results and operational resilience, to ensure that the Credit Union continued to operate effectively.

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.

Post balance sheet events

On 4 October 2022, the Credit Union sold a property in Harlington, Hayes, for a consideration of £725,000.

There have been no other subsequent events that require disclosure or adjustment to the financial statements.

This report was approved by the Board of Directors on **16th December 2022** 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

Opinion

We have audited the financial statements of Plane Saver Credit Union Limited for the year ended 30 September 2022 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 2022 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

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 Board's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 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 maintained by the Credit Union in accordance with the requirements of the legislation; or
- the revenue account or the other accounts (if any) to which our report relates and the Statement of financial position 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

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 Company 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 Company, are as follows:
 - Companies Act 2006.
 - 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 Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by:

- Making enquires 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 company'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

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. 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.



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:

22/12/2022

Plane Saver Credit Union Limited

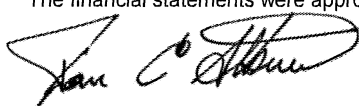
Statement of comprehensive income
For the year ended 30 September 2022

	Note	2022 £	2021 £
Loan interest and similar income receivable	4	2,575,930	1,823,935
Interest payable	5	(408,241)	(367,864)
Net interest income		2,167,689	1,456,071
Fees and commissions receivable	6	719	610
Fees and commissions payable	5a	(46,173)	(4,744)
		2,122,235	1,451,937
Other income	6a	15,000	19,250
Total net income		2,137,235	1,471,187
Administration expenses	8	(1,802,989)	(1,171,245)
Other operating expenses	8a	(125,444)	(112,092)
Depreciation and amortisation	13	(79,190)	(61,547)
Donations		-	(112)
Impaired losses on loans to members	11b	(614,471)	(252,433)
Deficit before taxation		(484,859)	(126,242)
Taxation	10	(36,481)	(26,520)
Total comprehensive income		(521,340)	(152,762)

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



D Sanghvi
Treasurer



J Maitland
Vice Chair and Board Secretary

Date of approval: 16th December 2022

The notes on pages 12 to 22 form part of these financial statements.

Plane Saver Credit Union Limited

Statement of financial position As at 30 September 2022

ASSETS	Note	2022 £	2021 £
Cash, cash equivalents, liquid deposits, loans and advances to banks	17	22,717,647	32,187,760
Loans and advances to members	11	26,846,676	17,387,655
Tangible fixed assets	13	600,337	505,744
Prepayments and accrued income		542,418	139,279
Total assets		50,707,078	50,220,438
LIABILITIES			
Subscribed Capital and Juniors' Deposits	12	44,936,375	44,009,948
Other payables	14	278,551	196,998
		45,214,926	44,206,946
Retained earnings Reserves	15	5,492,152	6,013,492
Total liabilities and reserves		50,707,078	50,220,438

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



D Sanghvi
Treasurer



J Maitland
Vice Chair and Board Secretary

Date of approval: 16th December 2022

The notes on pages 12 to 22 form part of these financial statements

Plane Saver Credit Union Limited

**Statement of changes in equity
For the year ended 30 September 2022**

Statement of changes in equity for the year ended 30 September 2022

	2022 £	2021 £
As at 1st October 2021	6,013,492	6,166,254
Total comprehensive income for the year	(521,340)	(152,762)
At 30 September 2022	<u>5,492,152</u>	<u>6,013,492</u>

The notes on pages 12 to 22 form part of these financial statements

Plane Saver Credit Union Limited

Statement of cashflows For the year ended 30 September 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Deficit before taxation		(484,859)	(126,242)
Adjustment for non-cash items			
Interest payable	12	408,241	367,864
Depreciation	13	79,190	61,547
Impaired losses	11b	643,706	294,307
	(a)	646,278	597,476
Movements in:			
Debtors		(403,140)	(41,281)
Other payables		71,592	42,644
	(b)	(331,548)	1,362
Cash flows from changes in operating assets and liabilities			
Cash inflow from subscribed capital and juniors' deposits	12	16,415,289	17,202,104
Cash outflow from repaid capital and juniors' deposits	12	(15,897,102)	(14,028,466)
New loans to members	11c	(19,075,701)	(8,589,471)
Repayment of loans and interest by members	11c	8,972,975	9,150,912
		(9,584,540)	3,735,079
Taxation paid		(26,520)	(34,580)
	(c)	(9,611,060)	3,700,500
Net cash flow (used)/generated in operating activities	(a+b+c)	(9,296,330)	4,299,338
Cash flows from investing activities			
Fixed assets additions	13	(173,783)	(22,743)
Net cash flow used in investing activities	(d)	(173,783)	(22,743)
Net (decrease)/increase in cash and cash equivalents	(a+b+c+d)	(9,470,113)	4,276,595
Cash and cash equivalent at beginning of year		32,187,760	27,911,165
Cash and cash equivalents at the end of year	17	22,717,647	32,187,760

The notes on pages 12 to 22 form part of these financial statements

Plane Saver Credit Union Limited

**Analysis of changes in net debt
For the year ended 30 September 2022**

	At 1 October 2021		Cash flow	At 30 September 2022
	£		£	£
Cash and cash equivalents				
Cash	10,657,682	-	5,632,015	5,025,667
Loans to banks	21,530,078	-	3,838,098	17,691,980
Cash equivalents	32,187,760	-	9,470,113	22,717,647
Borrowings				
Debt due within one year				
Debt due after one year				
	-		-	-
Total	32,187,760	-	9,470,113	22,717,647

The notes on pages 12 to 22 form part of these financial statements.

Plane Saver Credit Union Limited

Notes to the financial statements For the year ended 30 September 2022

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 the Republic of Ireland.

The financial statements are prepared on a historic cost basis.

2.2 Going concern

The financial statements are prepared on a going concern basis and the Board of Directors have taken consideration of the impact of COVID-19 on the Credit Union. 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 Statement of financial position date. 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

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 assets - Loans and advances to members

Loans to members are financial assets with fixed or determinable payments. Loans are made to the members in accordance with the Credit Union rules and regulatory parameters. Loans are recognised when cash is advanced to members and measured at amortised cost using the effective interest method.

2.8 Impairment of financial assets

The Credit Union assesses, at each Statement of financial position date, if there is objective evidence that any of its loans to members are impaired. The loans are assessed collectively in groups that share similar characteristics, because no loans are individually significant. However, if during the year there is objective evidence that any individual loan is impaired then a separate loss will be recognised.

2.9 Financial liabilities - subscribed capital

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

2.10 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 2022

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

	2022	2021
	£	£
Loan interest receivable from members	2,383,926	1,684,357
Bank interest receivable on cash and liquid deposits	192,004	139,578
Total loan interest receivable and similar income	2,575,930	1,823,935

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.

	2022	2021
	£	£
Returns paid during the year	408,241	367,864
Return rate:		
Ordinary share accounts	1.00%	1.00%
ISA's	1.00%	1.00%
Platinum accounts	1.00%	1.00%
Xmas shares	1.00%	1.00%
Junior savers	1.00%	1.00%

5a Fees and commissions payable

	2022	2021
	£	£
Brokerage fees	37,147	438
Bank charges	9,026	4,306
	46,173	4,744

Plane Saver Credit Union Limited

**Notes to the financial statements
For the year ended 30 September 2022**

6 Fees and commissions receivable

	2022 £	2021 £
Insurance commission	719	610
	<u>719</u>	<u>610</u>

6a Other income

	2022 £	2021 £
Lottery administration on behalf of Friends of Plane Saver	15,000	19,250
	<u>15,000</u>	<u>19,250</u>

7 Expenses

	2022 £	2021 £
Administration expenses	1,802,989	1,171,245
Other operating expenses	125,444	112,092
Depreciation and amortisation	79,190	61,547
	<u>2,007,623</u>	<u>1,344,884</u>

8 Administrative expenses

	2022 £	2021 £
Employment costs	1,050,639	724,070
Recruitment and agency staff	70,470	35,772
Staff training	11,275	6,364
Directors' expenses	2,328	3,106
Auditors' remuneration	15,118	11,418
Internal audit fees	3,960	8,640
Telephone and postage	38,055	30,531
Computer maintenance	134,420	107,489
Legal and professional	94,800	75,548
Office expenses	168,095	54,873
Printing, stationery and publicity	145,428	65,583
Other insurance	7,804	7,527
AGM, annual conference and meetings	17,324	7,860
Credit agency fees	41,644	17,676
Payment waiver (net of rebate)	1,629	14,788
	<u>1,802,989</u>	<u>1,171,245</u>

Plane Saver Credit Union Limited

Notes to the financial statements
For the year ended 30 September 2022

8a Other operating expenses

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

	2022 £	2021 £
Regulatory and financial management costs		
FCA, PRA and other fees	7,726	7,101
CUNA mutual insurance	81,627	71,847
ABCUL dues	21,331	19,724
Fidelity insurance	14,760	13,420
	<u>125,444</u>	<u>112,092</u>

8b Auditors' remuneration

	2022 £	2021 £
Audit fees	11,400	10,404
Non-audit services	2,120	1,230
Movement in provision	1,598	(216)
	<u>15,118</u>	<u>11,418</u>

9 Employees and employment costs

9a Number of employees

The average monthly number of employees during the year was:

	2022	2021
Office staff	<u>24</u>	<u>19</u>

9b Employment costs

	2022 £	2021 £
Wages and salaries	908,996	631,738
Social security costs	103,852	63,529
Payments to defined contribution pension schemes	37,791	28,803
Total employment costs	<u>1,050,639</u>	<u>724,070</u>

Plane Saver Credit Union Limited

Notes to the financial statements
For the year ended 30 September 2022

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.

	2022 £	2021 £
UK corporation tax at 19% (2021: 19%).	<u>36,481</u>	<u>26,520</u>
	<u><u>36,481</u></u>	<u><u>26,520</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 £5,902 (2021: £5,609).

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.

	2022 Amount £	Proportion %	2021 Amount £	Proportion %
Arrears analysis:				
Not yet past due	26,050,488	90.39%	16,956,263	90.11%
Up to 3 months past due	634,744	2.20%	350,483	1.86%
Between 3 and 6 months past due	281,444	0.98%	159,634	0.85%
Between 6 and 9 months past due	359,779	1.25%	147,714	0.78%
Between 9 and 12 months past due	226,966	0.79%	177,100	0.94%
Over 1 year past due	1,265,160	4.39%	1,026,574	5.46%
	<u>28,818,581</u>	100.00%	<u>18,817,768</u>	100.00%

Impairment allowance	(1,971,905)	(1,430,113)
Total carrying value of loans	<u><u>26,846,676</u></u>	<u><u>17,387,655</u></u>

The impaired debts over 12 months are no longer automatically written off, and instead 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
For the year ended 30 September 2022**

11a Impairment provision

	2022 £	2021 £
As at 1 October 2021	1,430,113	1,487,940
Loans written off during the year	(101,914)	(352,134)
Increase in provision during in the year	643,706	294,307
As at 30 September 2022	<u>1,971,905</u>	<u>1,430,113</u>

11b Impairment losses recognised for the year

	2022 £	2021 £
Increase in impairment provision during the year	643,706	294,307
Reversal of impairment where debts recovered	(29,235)	(41,874)
Total impairment losses recognised for the year	<u>614,471</u>	<u>252,433</u>

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

	2022 £	2021 £
As at 1 October 2021	18,817,768	19,731,343
Advanced during the year	19,075,701	8,589,471
Repaid during the year	(11,356,901)	(10,835,269)
Interest charged	2,383,926	1,684,357
Loans written off during the year	(101,914)	(352,134)
As at 30 September 2022	<u>28,818,581</u>	<u>18,817,768</u>

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

	2022 £	2021 £
As at 1 October 2021	44,009,948	40,468,446
Received during the year	16,415,289	17,202,104
Interest paid during the year	408,241	367,864
Repaid during the year	(15,897,102)	(14,028,466)
As at 30 September 2022	<u>44,936,375</u>	<u>44,009,948</u>

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

During the year 3,364 members joined the Credit Union and 372 left. At the year end there are 19,125 members.

Plane Saver Credit Union Limited

Notes to the financial statements
For the year ended 30 September 2022

12a Subscribed capital and juniors' deposits - breakdown

	2022 £	2021 £
Members' shareholdings	44,791,764	43,913,132
Junior deposits	144,611	96,816
	<u>44,936,375</u>	<u>44,009,948</u>

13 Tangible assets

	Land and buildings £	Office and computer equipment £	Total £
Cost			
At 1 October 2021	529,336	348,251	877,587
Additions	-	173,783	173,783
At 30 September 2022	<u>529,336</u>	<u>522,034</u>	<u>1,051,370</u>
Accumulated depreciation			
At 1 October 2021	104,539	267,304	371,843
Charge for the year	9,333	69,857	79,190
At 30 September 2022	<u>113,872</u>	<u>337,161</u>	<u>451,033</u>
Net book value			
At 30 September 2022	<u>415,464</u>	<u>184,873</u>	<u>600,337</u>
At 30 September 2021	<u>424,797</u>	<u>80,947</u>	<u>505,744</u>

14 Other payables

	2022 £	2021 £
Expense accruals and other creditors	242,070	170,478
UK Corporation Tax	36,481	26,520
	<u>278,551</u>	<u>196,998</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 2021	2,426,934	3,586,558	6,013,492
Comprehensive deficit for the year	(521,340)	-	(521,340)
Transfer between reserves	-	-	-
At 30 September 2022	<u>1,905,594</u>	<u>3,586,558</u>	<u>5,492,152</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
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16b Interest rate risk disclosure

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

	Amount £	2022 Average interest rate %	Amount £	2021 Average interest rate %
Financial assets				
Loans to members	<u>28,818,581</u>	<u>10.70%</u>	<u>18,817,768</u>	<u>9.04%</u>
Financial liabilities				
Subscribed capital and junior deposits	<u>44,936,375</u>	<u>1.00%</u>	<u>44,009,948</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 financial instruments.

17 Cash and cash equivalents and loans to bank

	2022 £	2021 £
Cash and cash equivalents	5,025,667	10,657,682
Loans to banks maturing after three months	<u>17,691,980</u>	<u>21,530,078</u>
	<u>22,717,647</u>	<u>32,187,760</u>

18 Commitments under operating leases

At 30 September 2022, the Credit Union had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	104,594	-
Later than 1 year and not later than 5 years	<u>366,076</u>	<u>-</u>
	<u>470,670</u>	<u>-</u>

Plane Saver Credit Union Limited

**Notes to the financial statements
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19 Post balance sheet events

On 4 October 2022, the Credit Union sold a property in Harlington, Hayes, for a consideration of £725,000.

There have been no other 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 31 (2021: 24) members of the Board of Directors, staff and management team and 9 (2021: 8) 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 £2,328 (2021: £416).