



Credit Union

Loans & Savings made simple

How we've grown and moved forward to better help the people we serve

Annual Report 2016/2017



Find out more at:
www.planesavercu.co.uk
or call: 0208 607 5020
or follow us:  

Plane Saver Personal Loan



2016/2017 at a glance:



1,859 new members including 1,241 Armed Forces personnel.



£7,950,000 in loans allocated last year, helping our members with affordable lending.



12,000+ members in total, strengthening our position as one of the most successful credit unions in the UK.



£39,000,000 in total savings, helping our members prepare for the future.



Contents

| | |
|-----------|---|
| 4 | Message from the President |
| 6 | Message from the Chief Executive |
| 7 | Highlights and Key Statistics |
| 9 | Case Studies |
| 13 | Annual General Meeting 2015/2016 |
| 13 | Standing Orders |
| 14 | Agenda |
| 15 | Minutes of the 2015/2016 Annual General Meeting |
| 21 | Plane Saver Board and CEO |
| 23 | Plane Saver Board Attendance |
| 24 | Treasurer's Report |
| 25 | Supervisory Report |
| 26 | Financial Statements |

'I had a few credit cards that were affecting my credit rating. I was able to clear them using a loan from Plane Saver.'

Plane Saver Member
Emergency Loan

We are owned by and run for our members, rather than external shareholders. This means, as a member, you get a share of the profit at the end of the year.

'The loan from Plane Saver helped me realise my dream of having my own glider.'

Plane Saver Member
Generic Loan

Message from the President



I am pleased to present our annual report for the year ended 30 September 2017. This year there have been a significant number of changes within the credit union. What has not changed, however, is the unique ability of this credit union to continue to adapt to an environment that remains challenging due to changes in legislation and regulation in a manner that reflects our qualities and experience.

Firstly, I wish to convey my thanks to all our members in advance of this year's Annual General Meeting (AGM) for your continued valued support.

The year 2016/2017 has been a challenging one from a financial, regulatory and operational perspective due to many factors. Plane Saver has had to face increasing regulatory mechanisms (due to its size) for reporting to the Prudential Regulatory Authority and the Financial Conduct Authority, together with low interest rates caused by the global recession and the United Kingdom's vote to leave the European Union.

Plane Saver has continued to perform well in the sector and we are one of the largest credit unions in the UK.

We have a range of savings and loan products, which are very competitive with those of the other market providers, and we are closely monitoring feedback from our members to constantly improve our quality of service.

I have seen a huge improvement in staff morale and productivity, which is due to our CEO, Valerie Walwyn. I pass on my sincere thanks to Valerie on behalf of the board and wish her continued success.

On behalf of the board I wish to convey thanks to Steven Cunningham of Alexander Sloan for his continued professional and invaluable advice in our internal audit process for regulatory compliance. He represents you, the members, by reporting to the Supervisory Committee as an independent auditor to ensure that the board as well as the staff are working according to our policies and procedures.

We are fortunate to have many unsung members who we call our 'champions' and who support Plane Saver in their places of work by promoting the credit union. On behalf of the board and all the staff, we thank you for your continued endeavours.

A big thank you to all the staff for their hard work in continuing to provide a valuable service and ensuring that you, our members, are at the forefront of everything we do as a credit union.

Thanks to my fellow board members, who bring their exceptional professionalism and expertise and give up their valuable time voluntarily to ensure that Plane Saver is strategically managed.

We have a very active and diverse Board of Directors, who contribute individually and collectively in all decisions made by the board.

Please keep spreading the name of Plane Saver and credit unions as a whole to family, friends and colleagues whenever possible to grow the sector and increase the penetration within the UK.

Ian Atkins
President
Plane Saver Credit Union

We constantly review our products and processes to meet our members' needs in the changing financial climate.

'Plane Saver provides an easy way for me to save for Christmas. As it comes straight from my pay I don't even miss it.'

Plane Saver Member
Christmas Savings

Message from the Chief Executive



Recently, Mark Carney from the Bank of England gave a clear indication that interest rates would rise as early as November 2017. This will place increasing pressure on households and individuals who are already in debt.¹ Since the banking crisis, household finances have been squeezed ever more tightly by rising inflation, decreasing benefits and increasing taxes. More recently, following last year's Brexit vote, they have been affected by the drop in the value of the pound, making it weaker. Many of our members, old and new, are looking for effective ways to manage their monthly income. Many are consolidating their current borrowing to reduce their monthly outgoings or taking a short-term loan to cope with unexpected costs. To help our members, we constantly review our products and processes to meet their needs in the changing financial climate.

At the same time, our regulators are urging us to prepare our business and our members for what may lie ahead. To do this, we have improved our loan-assessment (underwriting) process so we make the right lending decisions for our members and for our business.

Strengthening the regulations for the financial services industry is having a direct impact on the credit union sector and the banking industry. To help us meet these requirements, we have introduced a new compliance officer role to the business. Kenivea Gravilliers ensures that we operate in line with the regulatory frameworks that govern how a credit union of this size is run. Kenivea also makes sure that we manage risks within the business (posed by our processes, people and systems) and give our employees the training they need to follow the rules laid down by our regulators.

I am delighted to report that this year, Plane Saver Credit Union was awarded five stars by the Fair Banking Foundation² for our loan products. The Fair Banking Foundation also published a report on the benefits of saving while you borrow.³ This report provides clear evidence of the benefits of saving while you are borrowing, especially when savings and loan repayments are made direct from payroll departments.

Over this year, as a member you should have seen some improvements on how you can access your accounts and your general experience of our online services. In April 2017 we launched our app, and it has been well received by those who have used it.

Our customer service team have also been working hard to make sure we can provide better responses to your enquiries and learn more about what our members need.

Now to the year ahead. We have already made a good start on achieving our overall objective to grow by around 30% across many of our business areas. To achieve this, we need to review much of our technology and refine some of our internal processes. This will help us to keep up with today's digital world and continue to meet the demands and expectations of our members and other stakeholders. Our aim is to work smarter and use our resources more efficiently.

In 2018 some significant changes will be made to the data protection regulations,⁴ which will affect how we handle your information. We are already busy preparing for changes under the new General Data Protection Regulation, which is due to come into force on 28 May 2018. We will make sure that your information continues to be handled safely and that it is not shared without your permission.

The Plane Saver ethos remains the same and you can be assured that the way we do business is based on sound financial decision making for members and the business.

I am very proud of the professional and friendly team here at Plane Saver. We are all committed to remaining one of the UK's leading credit unions that provides an excellent service to its members and stakeholders.

Valerie Walwyn MSc
CEO
Plane Saver Credit Union
November 2017

¹William Schomberg (2017), 'UK households feel biggest squeeze in three years as potential interest rates hike makes it worse'. *Independent*, 18 September, <http://www.independent.co.uk/news/business/news/uk-households-income-interest-rates-rise-bank-england-mortgages-worse-squeeze-bills-a7952431.html>

²The Fair Banking Foundation, <http://fairbanking.org.uk/>

³The Fair Banking Foundation (2017), Save as you borrow: Credit unions creating good habits. [Report] <http://fairbanking.org.uk/wp-content/uploads/2017/02/Save-While-You-Borrow-web-1540217.pdf>

⁴Information Commissioner's Office (2017), Data protection reform. <https://ico.org.uk/for-organisations/data-protection-reform/>

Highlights and Key Statistics

Since 1993 Plane Saver has been building a community that helps to provide an ethical way of saving and borrowing for our members, aiming to support them in making sound financial decisions.

We remain passionate about our philosophy of 'people helping people' and now serve more than 12,000 members, working alongside some of the world's leading airlines and, more recently, the British Armed Forces.

Now more than ever, organisations are fast recognising the benefit of a credit union facility for their employees, as they continually look to improve the financial well-being of their workforce.

This year saw United Airlines welcomed as a new payroll partner, offering Plane Saver as part of their employee rewards and benefits programme. We also reached a significant milestone of 1,000 members joining from the British Armed Forces, who now represent over 13% of our total membership.

We are looking at things differently.

You may have noticed that there have been a number of changes to the credit union in recent years, particularly to how we operate as a business.

Plane Saver has had to continually adapt to significant regulatory change. This is something that has had an impact on all financial institutions as a result of the global financial crisis.

This means that we have had to change the way we work, particularly in terms of how we lend to our members. This has presented us with challenges in balancing our credit union philosophy and tradition with the need to adapt to the changing regulatory environment.

Keeping mobile.

Despite these challenges, we continue to listen to your feedback on how we can improve our service and experience for our members. We recently introduced a new online account management system and a mobile app, making it easier than ever for our members to manage their money.

You will also be seeing more membership surveys in the year ahead as we look to keep improving your experience as a customer. These surveys will allow you, as a member, to give feedback to help us develop products and services that will improve your financial well-being and better serve your needs.

"Plane Saver enabled me to get a new gas boiler and so transform my heating system at home with a very competitive loan."
Plane Saver Member
 Generic Loan

Membership

New Members 2016/2017
1,859

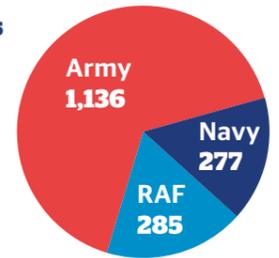


Total Members
12,183

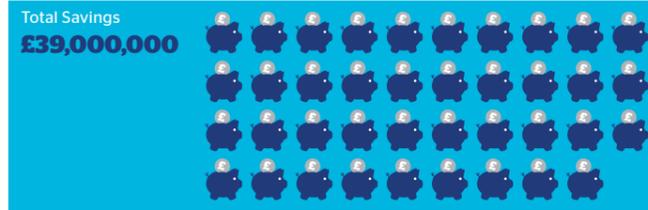


Armed Forces Key Stats

Total Membership
1,698



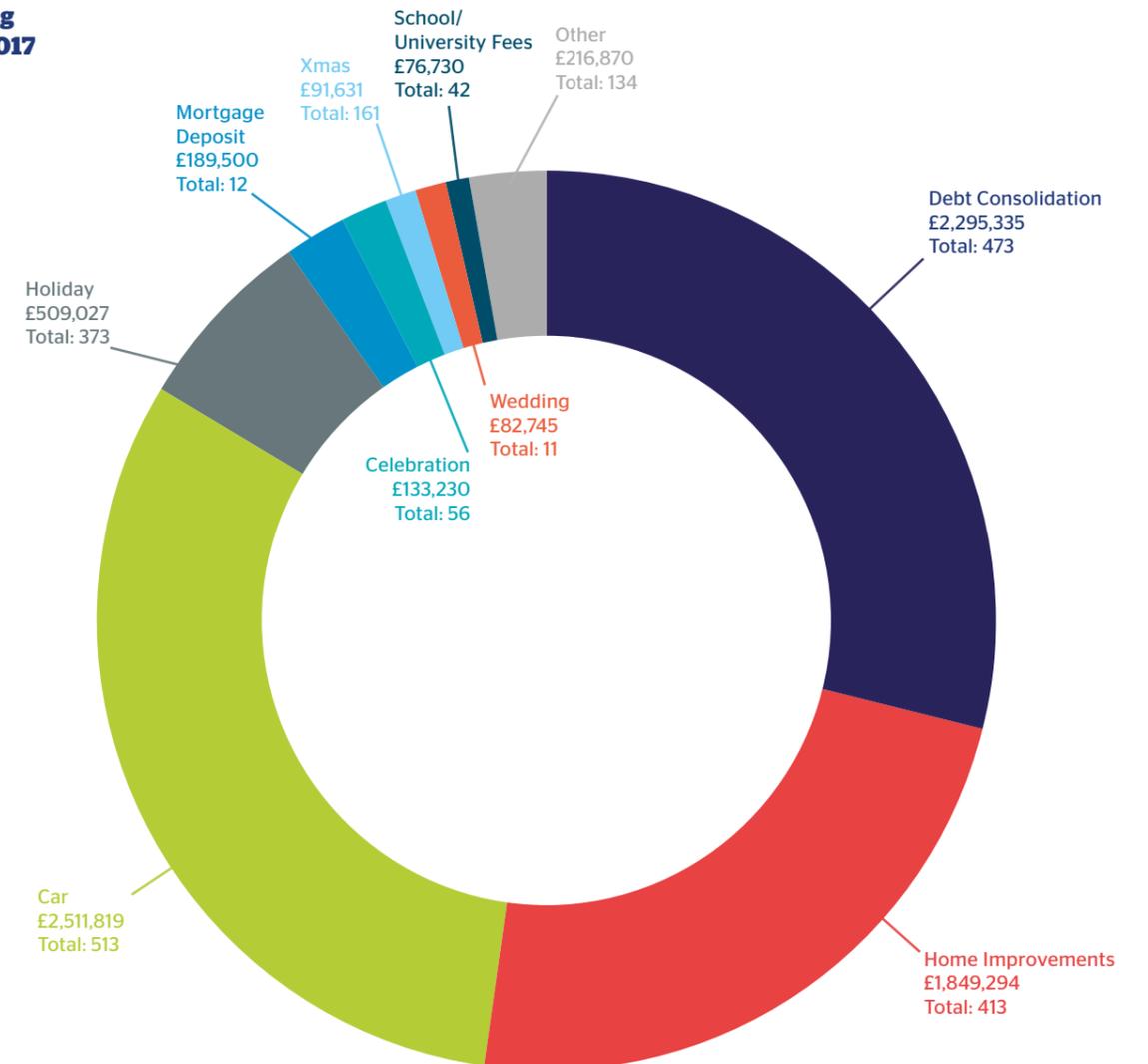
Savings



Loans



Lending 2016/2017





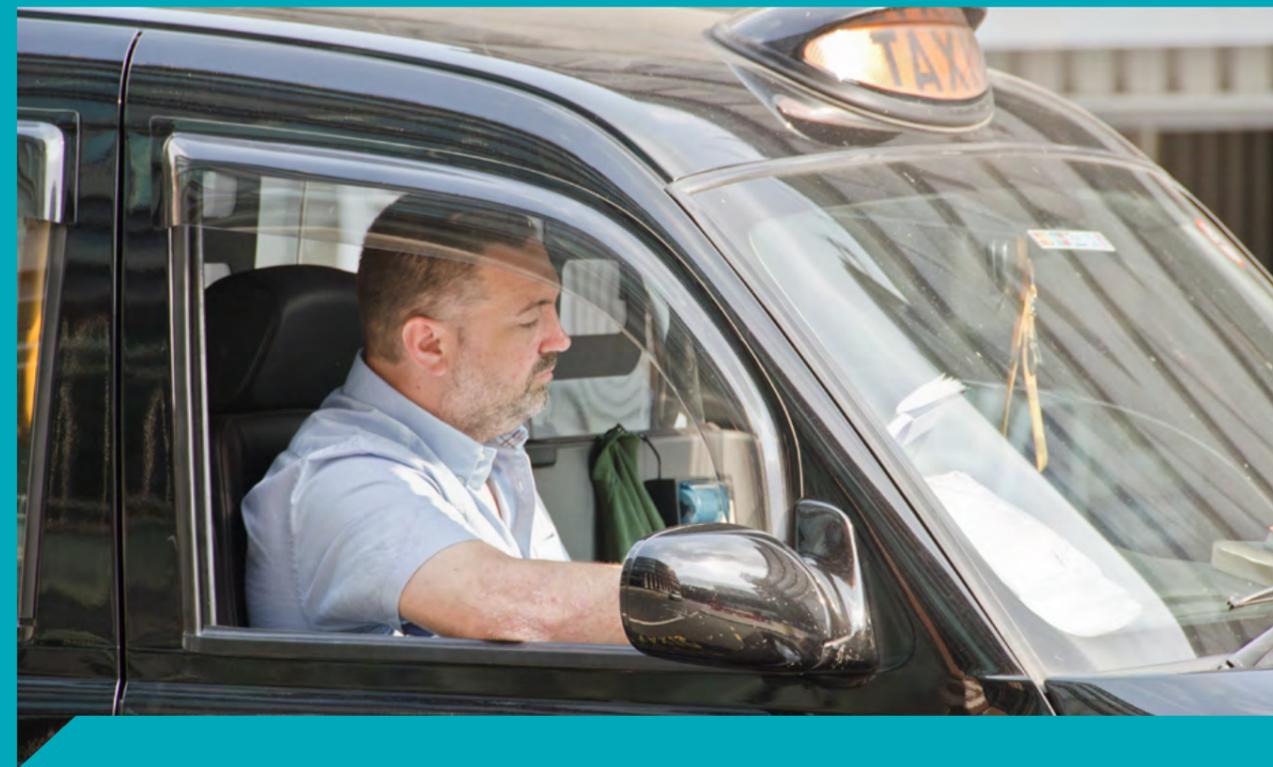
Case Study: **Helping a member fast-track his deposit and get his first home**

We were recently approached by James, a British Airways employee who found himself struggling to get on to the property ladder due to the large deposit which was required.

Having saved a considerable amount already, James's goal of a 10% deposit seemed a distant dream, as house prices were rising at a faster rate than he could save. He approached us to see if we could help fast-track his mortgage deposit.

James was delighted to share his story with fellow Plane Saver members. 'I needed a loan to help gain the required deposit for an apartment that I was interested in buying. My bank was unable to help and I was getting anxious at the thought of losing the property. I then thought of Plane Saver.

'Not only is it an affordable loan, but I can also pay off my loan as there are no early-repayment penalties. With the payments taken straight from my pay, it is easy to budget.'



Case Study: **Helping taxi drivers get back on the road**

We were recently approached by David, a taxi driver who was looking to purchase a new black taxi. After approaching his trade union, he was recommended to contact Plane Saver.

After David applied for a personal loan with us, we were able to assess his application and lend to him responsibly, enabling him to get back on the road and purchase a taxi.

David said, 'The whole process was easy – once approved, the money was in my account within hours at a very competitive rate. Thanks, Plane Saver, for your friendly and professional service.'

'The whole process was easy – once approved, the money was in my account within hours.'

Plane Saver Member
Taxi Loan



Case Study: **Helping a serviceman and his family get back on track financially**

We were recently approached by William, a serviceman who found himself in difficulty as a result of the financial crisis in 2008. In the years that passed, life became extremely difficult for him financially, especially considering that he was maintaining a family of four.

When William sought help from other financial providers, he found that due to the nature of his role, which involves moving constantly, access to financial services was limited. This left him a potential target for high-cost credit providers, such as payday lenders and loan sharks.

In the years that followed, he became aware of the new credit union service for the Armed Forces. He approached Plane Saver to consolidate an existing loan and was amazed at the competitive rates. He went on to take out the loan, which he now pays back through an affordable monthly repayment straight from his salary.

William was grateful for the service, explaining: 'It's wonderful to have a credit union for the Armed Forces. Plane Saver understand the needs and constraints of service life and do their best to help where they can.'



Case Study: **Helping a serviceman save £254 on monthly loan repayments**

We were recently approached by a serviceman who found himself in a spiral of debt, with a series of high-interest credit card and payday loans costing him over £555 a month at an average interest rate of 244% APR.

We were able to lend to the serviceman responsibly, consolidating his existing debt into one manageable repayment taken straight from his pay. We paid off all his existing borrowing, leaving the member with a new monthly repayment of £301 at a more favourable interest rate. This meant he could get back on track with his finances.

The serviceman said: 'Plane Saver guided me into making better financial decisions. This has made me more aware of how expensive some loans can be. Seeking help from the credit union helped me nearly halve my outgoings on debt. Thank you, Plane Saver.'

Standing Orders

The Annual General Meeting (AGM) will commence at 7 p.m. and the business meeting shall be completed by 8 p.m. unless the chairman determines that an extension is in the best interests of the meeting for the running of the business of the credit union.

1. Quorum

Fifteen members shall constitute a quorum.

2. Voting

Each member shall be entitled to one vote irrespective of his or her shareholding in accordance with Rule 89.

3. Nominations and Election Committee

Nominations for the Board of Directors and the Supervisory Committee shall be in writing and shall be signed by a proposer and a seconder, who must be members of the credit union, and by the nominee to indicate their consent and willingness to submit to any requirements of the relevant authority.

Nominations may be accepted from the floor if not enough nominations have been received to fill all vacancies. Such nominations, if duly seconded and the nominee is present to provide their consent, shall be in order.

If for any election the number of nominees does not exceed the number of vacancies to be filled, a proposal to dispense with the election procedure and to declare that all nominees are duly elected may be proposed to the AGM. If such a proposal is carried by a majority vote of the members present at the meeting, the chairman shall declare that the nominees for that election are duly elected.

Elections to the Board of Directors and to the Supervisory Committee shall be by majority vote and by secret ballot. A ballot paper for the election to the board and the Supervisory Committee will be distributed to each member at the AGM.

The appointment of the auditor shall be by majority vote by a show of hands.

4. Motions

Motions shall not be accepted from the floor.

Any motion must be moved by the proposer, who must be present at the AGM when the motion is called. If the proposer is absent when the motion is called, the motion shall be deemed to have failed.

The proposer of a motion may speak for not more than three minutes and shall have the right to reply before the motion is put to the meeting for a vote.

Members are entitled to speak on any such motion and must do so through the chairman.

All speakers on any motion shall have not more than two minutes in which to make their contribution. The chairman shall have the right to decide at any time when a motion has been sufficiently discussed and may put the motion to the meeting, giving the proposer the right to reply before doing so.

5. Miscellaneous

The chairman of the board shall be the chairman of the AGM. Where he or she is not available, it shall be the vice president.

Any matter to be decided upon by vote at the AGM shall, unless otherwise expressly provided for by law or the rules, be decided upon by simple majority.

Agenda

1. **President's opening address**
2. **Adoption of the standing orders for the conduct of the meeting**
3. **Chief executive's address**
4. **Apologies**
5. **Approval of the minutes of the 2015/2016 AGM**
6. **Reports**
 - Treasurer's report
 - Supervisory Committee's report
 - Independent auditor's report
 - Recommendations for dividends
7. **Appointment of auditor**
8. **Motions**
9. **Honorarium**
10. **Elections (three vacancies)**
11. **Staff Awards**
12. **Any other business**
13. **Close of meeting**

'I had quite a few credit cards and paid them off with the help of a Plane Saver loan, with one single monthly repayment straight from my pay.'

Plane Saver Member
Debt Consolidation Loan

Minutes 2015/2016

2 December 2016 at 7 p.m.

Held at the Radisson Blu, 140 Bath Road, Hayes, Middlesex, UB3 5AW

Attendees

Directors

Nick Donovan
Joy Maitland
June Parsons
Graham Tomlin
Sunni Coupe
Dave Sharman
Roger Hardman
Grantley Yearwood

CEO

Valerie Walwyn

Supervisory Committee

Atesh Mayer
Angelo Jayawardena
Ishtiaq Zayee-Mellick

Internal Auditor

David Hunter

Minute Taker (Staff)

Rob Lovesey

Staff

Claudia Ashcroft
Carmen Cortez
Anisha Kahn
Aneela Mahmood
Paige Pearton
Shanice Thompson
Abu-Bakar Chohan
Chris Kerrigan
Christine Wellings
Trudy-Anne Lee

Members

Rachhpal Bains
Adewale Bamigbade
Sonia Bamigbade
Harbans Bangay
Rajinder Bangay
Manjit Bason
Jaswant Bhogal
David Boney
Hayley Bray
Suman Chand
Kulwinder Dhaliwal
Malagar Dhaliwal
Harinder Dhillon
Balwinder Dhiman
Hussanlal Dhiman
Judith Ferguson
Adrian George
Chandrakant Gohil
Daksha Gohil
Hitesh Gohil
Martine Goodrich
Ronald Hadingham
Sally Hadingham

Brij Haldania
Daljit Hayre
Major Johal
Balvinder Kang
Jaginder Kang
Marion Kelly
Brendon Lally
Lorraine Lally
Inder Lochab
Iqbal Masih
Maureen McCann
Ronald McCann
Lorraine Lally
Inder Lochab
Iqbal Masih
Maureen McCann
Ronald McCann
Margaret McGovern
Clyde Monserrate
Stuart Needham
Daniel Odisho
Edward Olliffe
Margaret Olliffe
Suman Puri

Sunpreet Roopra
Usha Sekhri
Amarjit Sembhi
Shashi Sharma
Tek Sharma
Gurpreet Sidhu
Harbax Singh
Koshilya Singh
Jaspal Summan
Mandeep Summan
Dhiren Varia
Hitral Varia
Raksha Varia
Asha Varia
Asha Verma
Satish Verma
Sylvia William

Introduction

Marketing Manager Robert Lovesey welcomed the members to the twenty-third Anniversary AGM of Plane Saver Credit Union Ltd. (**Plane Saver**). He went through the housekeeping rules as was requested by the organisers of the event. He then introduced Chairman Grantley Yearwood for the president's opening address.

1. President's opening address

The AGM was officially opened at 7:05 p.m. by Grantley Yearwood (President), who chaired the meeting. He welcomed all the members present to the twenty-third AGM of Plane Saver and declared the meeting quorate, i.e. there were more than 15 members present.

The president remarked that there had been many challenges faced in 2016 and referred members to his report on page 5 of the 2015/2016 Annual Report. He also explained that he would be standing down as a director after over 10 years' volunteering with Plane Saver.

The report was unanimously **agreed** to by the members with a show of hands.

2. Adoption of standing orders (page 7 of the 2015/2016 Annual Report)

Grantley Yearwood asked the members to accept the standing orders as contained on page 7 of the 2015/2016 Annual Report. It was unanimously **agreed** to by the members with a show of hands.

3. Apologies

Apologies were received from:

- Ian Atkins - Holiday
- There were no apologies from the members.

4. Chief executive's review

CEO Valerie Walwyn reflected on the challenges faced in the last financial year, particularly with regard to the external economic environment. The CEO also provided an insight into the ongoing strategy for the credit union.

5. Approval of the minutes of the 2014/2015 AGM

The minutes from the 2014/2015 AGM, which was held on 20 November 2015, were included on pages 9-14 of the 2015/2016 Annual Report. Hard copies of the report were posted to all confirmed AGM attendees prior to the meeting and could also be obtained upon request. It was also published on Plane Saver's website (in the members' area) and copies of the report were available to all members at the meeting.

Grantley Yearwood asked for a member who had attended the AGM the previous year to move acceptance of the minutes as a true record of the meeting. It was **proposed** by Tek Sharma and seconded by Edward Olliffe. This was unanimously **agreed** to by the members with a show of hands.

There were no matters arising from the 2014/2015 AGM minutes.

6. Reports

Treasurer's report (page 19 of the 2015/2016 Annual Report)

Treasurer Graham Tomlin highlighted that there were two or three things to pick out from the last financial year.

1. There were challenges to the finance team with regard to changes in governance. This was due to the transition to FRS102 regulating standards. This required a significant system change. Graham thanked CEO Valerie Walwyn, Chief Financial Officer Helena Pretorius and their staff for giving up the weekend to make sure we could create accounts that were fit for purpose with regard to FRS102. He also thanked Kesho (the developers) who helped us with the transition when we needed it most.
2. Vice Treasurer Dave Sharman came up with a new and improved system for how we calculate arrears. This has enabled us to predict more readily what we may find in the case of bad debt, and it will prove extremely useful as we go through the year.

These were the only areas that stood out, and Graham stated that there would be other opportunities for questions later in the meeting along with the resolution of dividends.

Grantley Yearwood asked if all had read the treasurer's report as written on page 19 of the 2015/2016 Annual Report and asked for acceptance of the report. This was proposed by David Boney, which was unanimously **agreed** to with a show of hands. No questions were posed.

Minutes 2015/2016

Supervisory Committee's and internal auditor's reports (pages 20 and 21 of the 2015/2016 Annual Report)

Chairman of the Supervisory Committee Angelo Jayawardena presented the Supervisory Committee's and internal auditor's reports and asked the floor for any questions.

Angelo stated that the Supervisory Committee membership has increased by 100% so to speak, with Ishtiaq Zayee-Mellick joining and making this a team of three. Ishtiaq has over 30 years' experience in finance, internal controls and governance. Approval is also awaiting for Martine Goodrich, who has over 30 years' experience in IT systems, so the committee is in a good position to go forward in the New Year.

Angelo also highlighted that the internal auditor comes into the office to support the Supervisory Committee, providing reports to the management and Board of Directors. He thanked them for their help and looked forward to further working together.

The Supervisory Committee's report is included on page 20 and the internal auditor's report is on page 21 of the 2015/2016 Annual Report. Grantley Yearwood asked if these reports could be accepted by the members. This was unanimously **agreed** to with a show of hands. No questions were posed.

Independent auditor's report (page 22 of the 2015/2016 Annual Report onwards)

David Hunter from Beever and Struthers, the registered auditors for 2015/2016, presented the auditor's report, based on information in the annual reports (page 22 onwards).

He then took the members through the income and expenditure account for the year ended 30 September 2016 (page 27) and the balance sheet (page 28).

Income and expenditure

David Hunter highlighted that the accounts have increased from seven pages within the annual report to twenty-two. This new format is a consequence of the new FRS102 accounting standards, meaning a completely revised format of accounts with a lot more information included.

The accounts now feature a lot of information that is in the annual return, so it is expected that the accounts will reduce in number of pages next year.

Page 27 of the 2015/2016 Annual Report shows the biggest single change is with respect to the dividend. The whole format of the revenue account has changed, allowing more disclosure. The results from the previous year are exactly the same as you have seen before.

The dividend has been reduced by £300,000, which has made a big difference to the surplus for the year. The other two key changes are that the administration expenses have increased by approximately £100,000 and the provision for bad debt (which is identified as impaired losses on loans to members) has reduced by about £250,000.

The principal reason for the reduction in the provision for bad debt is the more detailed methodology introduced by Dave Sharman. Previously, specific provisions were made against some of the old arrears, and a general provision of 2% was made against the rest of it. This can no longer be done, so Plane Saver has taken a more sophisticated approach. The net result of this is that the overall level of provision has been reduced. The benefit of this can be seen in the total comprehensive income of just over £600,000.

Balance sheet

David Hunter explained that cash is up by £3.9 million, loans are down by £1 million, shares have increased by £2.3 million and reserves have increased by £600,000.

Note 2 (page 32 of the 2015/2016 Annual Report) identifies the implications of the new FRS102 accounting standards - these are not likely to have an impact during this coming year, but they will be something to look at with regard to offsetting the discount factor associated with future income. This will apply in a couple of years' time.

Note 3 (page 33) highlights areas of judgement and, very specifically, provision against arrears on loans.

Note 10 (page 36) goes into detail about credit risk and bad debt. This shows how Plane Saver has conducted its activities for the year.

Note 15 (page 39) talks about financial risk management, and these are the things the Financial Conduct Authority and Prudential Regulation Authority are particularly interested in.

David drew members' attention to page 26, where it states that the auditor's opinion is that the financial statements that follow give a true and fair view of the state of Plane Saver's affairs as at 30 September 2016 and that it complies with the required legislation.

Questions

Members posed the following questions to the auditor and the Board of Directors:

Question 1

Daniel Odisho asked for an explanation of the increase in various items, including administration expenses, directors' expenses and printing and stationery costs.

Answer 1

Graham Tomlin explained the various cost rises:

- Recruitment and agency costs went up due to the recruitment of the new CEO and the use of temporary staff for maternity cover.
- Staff training costs also went up, because the new CEO wanted to ensure that staff were appropriately trained.
- Directors' expenses included various training courses. Some directors' training was included in expenses rather than in the training budget, which may help to explain the increase. Directors' training was undertaken by Alexander Sloan, who are extremely capable.
- Legal and professional fees have increased, partly due to payments for credit-checking on members' loans and following these up when they go wrong.
- Increased printing and stationery costs are related to increased marketing activity, while spending on conferences and events increased due to networking and learning experiences, such as a recent visit by a delegation to a large credit union in the US to see how Plane Saver can improve its product offering and service.
- Payment waiver is an expense that is gradually being phased out.

Graham Tomlin highlighted that there had been increased expenditure, but it was for good reasons.

Graham Tomlin assured members that our internal auditors have been ensuring that everything is checked thoroughly.

Question 2

Tek Sharma asked about the process of loans that fall into arrears, and how we follow up such cases.

Answer 2

Graham Tomlin answered that in some cases people's circumstances change overnight, such as their employment ceasing for reasons outside their control. In such cases, people are unable to pay their loans. There is a certain period where if the loan is not repaid and it is in arrears, it needs to be fully provided for, but we don't stop trying to recover the debt and that is part of the legal process.

There have also been a number of cases where there has been a family break-up, which impacts people's loan repayments.

What we have focused on in the last year is making provision for numerous cases, and we should see a reduction going forward. Dave Sharman has managed to create £200,000 out of nothing.

Graham Tomlin assured members that any debt written off has to be agreed at board level - after recommendation from the Risk Committee.

Question 3

Tek Sharma asked what lengths Plane Saver goes to in order to recover the money and what the approach is towards British Airways staff who leave with a lump sum.

Answer 3

Graham Tomlin highlighted that in some cases we go as far as county court judgements, attachment of earnings if they get another job, and attachment to property.

Valerie Walwyn highlighted that British Airways staff have a term in their loan contract under which they agree to repay any money outstanding to Plane Saver from their severance pay.

Question 4

Daniel Odisho asked if we have any insurance against bad debtors.

Answer 4

Graham Tomlin stated that this was part of the payment waiver protection; however, due to the expense, this may not be something we continue with.

Valerie Walwyn highlighted that bad debt in the sector is around 7% and that Plane Saver's bad debt is around 1%, so the team are doing their utmost to protect members' money. There are cases where we need to write this money off due to legislation, but we will continue to recover the rest of the money.

Minutes 2015/2016

Question 5

Dhiren Varia asked how many loans are in arrears and whether this appears in the financial statement where it shows bad debt recovered.

Answer 5

Graham Tomlin explained that this is shown in Note 10b (page 36). He said it takes five years before you have to make 100% provision; however, if you write the bad debts off too early you will not be able to get any money back.

If people become bankrupt, you cannot legally recover the money. Graham stated that Rob Lovesey will be in touch with the member to provide a figure direct.

Question 6

Sylvia William asked what credit referencing agencies Plane Saver use.

Answer 6

Graham Tomlin explained we are using Call Credit.

Valerie Walwyn added that we use Call Credit as our main provider, but if we have any doubts we do an added check with Experian.

Question 7

David Boney asked about the new mobile app and how secure this will be.

Answer 7

Rob Lovesey answered that we have been thorough in our due diligence in order to ensure that the third party we are using meets the industry standards required. He explained that Plane Saver are currently going through a test phase ahead of the launch and have conducted a penetration test to ensure it is secure.

There were no further questions. Grantley Yearwood then **proposed** the acceptance of the auditor's report, which was seconded by Tek Sharma, and this was unanimously **agreed** to by a show of hands.

7. Recommendations for dividends

The treasurer relayed the board's recommendations for dividends for 2015/2016 and **proposed** as follows:

| | |
|-------------------------|----|
| Regular Saver | 1% |
| Christmas Account | 1% |
| Juvenile Account | 1% |
| Flexi Saver | 0% |
| Dormant Account | 0% |

Graham Tomlin also explained that he would like to reward borrowers with a 5% rebate on interest paid on their loans for the last financial year. This approach aims to reward the borrowers, who are actually earning the money for Plane Saver.

This then gives members an added benefit of borrowing from Plane Saver, rather than borrowing from high-street providers.

Graham then asked the members to consider endorsing the recommended dividend resolutions. His proposal was seconded by David Boney and then unanimously **agreed** to by a show of hands.

Graham Tomlin informed members that the Cash ISA and Platinum dividends are not considered at the AGM, as they run on a different time frame and are dealt with separately. These dividends are proposed as a guideline projected rate.

Grantley Yearwood also confirmed that the Cash ISA would not be reopened any time soon and that the maximum savings balance is £250 per month, but existing members can keep their current savings deduction.

8. Appointment of auditor (Item 7 on agenda)

Graham Tomlin said that every third year, Plane Saver would go out to tender for an auditor. Plane Saver will invite Beever and Struthers to bid but will also welcome two others. This is under the guidance of our internal auditors. Appointment will, therefore, be left for the Board of Directors to decide.

This was unanimously **agreed** to by a show of hands.

9. Motions (Item 8 on agenda)

There were no motions for consideration.

10. Honorarium (Item 9 on agenda)

Joy Maitland proposed an honorarium of £2,000 for the Treasury team, which was seconded by Manjit Bason and unanimously **agreed** to by a show of hands.

11. Elections (Item 10 on agenda)

Grantley Yearwood stated that three directors were up for re-election and there was one additional vacancy.

A nomination was submitted by Derrick Gordon; however, his application came after the deadline of 14 days prior to the meeting. As Derrick was not present at the meeting, he could not be elected to the board at this time. However, his application will be followed up by the Nominations Committee after the meeting.

Grantley Yearwood proposed that as there were no other nominations, the three board members up for re-election should be re-elected. This was unanimously **agreed**.

12. Questions

Grantley Yearwood asked if there were any questions from the members. There were no questions raised.

13. Any other business

Graham Tomlin thanked Grantley Yearwood for his time as chair, as he is now standing down. He accepted a gift as a token of the board's and members' appreciation for all his hard work, time and commitment to Plane Saver.

Grantley went on to thank fellow board members, the Supervisory Committee, the internal auditor and, most of all, the staff at Plane Saver.

Finally, Grantley thanked the members for their valued support.

Tek Sharma asked if there is more that Plane Saver can do to get members to attend the AGM. Grantley welcomed feedback and ideas to be provided to the board for future consideration.

Close of meeting

Grantley Yearwood thanked everyone again for attending and declared the 2015/2016 AGM closed at 8 p.m.

'Plane Saver lent to me when my credit profile was less than perfect and others weren't able to help. They helped me see the light at the end of a dark financial tunnel.'

Plane Saver Member
Emergency Loan

Plane Saver Board and CEO



Ian Atkins President

Ian is a founder member of Plane Saver and was thus involved even before the credit union's inception in May 1993. Over the years he has served in numerous positions on the Plane Saver board, including that of treasurer, vice president and then president.

At the outset, Ian was one of those who put in time as a volunteer dealing with general office tasks to ensure the day-to-day running of the operation as it got off the ground. With his wife, Barbara, Ian has been a committed foster carer for some fifteen years and specialises in dealing with those most difficult cases often shunned by the less experienced.

Ian is also on the Supervisory Committee of the Association of British Credit Unions (ABCUL) as well as the London South East Credit Union Forum.



Valerie Walwyn CEO, Plane Saver Credit Union

Valerie has over 30 years' experience of working across the private, public and voluntary sectors in roles where she is primarily developing and driving the business forward or leading the organisation through change or transition.

Valerie is a natural leader, with bags of energy and an unstinting commitment to meeting the needs of her various stakeholders. Her work experience is predominantly within the social sector, where she uses her business acumen, common-sense approach to resolving issues, and strong work ethic to achieve the business objectives.

Her extensive experience and strong social ethos are underpinned with a master's degree (MSc) in business management from the University of Birmingham and various qualifications in leadership, teaching, counselling and coaching. Valerie has been approved by the Prudential Regulation Authority under the Senior Managers Regime as fit and proper to hold the position of CEO of Plane Saver with delegated authority to run the day-to-day business. She is a member of the Chartered Banking Institute and a founder member of the Centre for Community Finance Europe. Valerie is a well-respected member of the ABCUL and works closely with ABCUL and her peers on the ongoing development of the credit union sector.



Joy Maitland Vice President

Joy Maitland is a leadership development and organisational excellence consultant, with a wealth of senior-level business experience and a track record of injecting teams and organisations with vision, passion and energy, helping to improve performance by identifying and developing talent at all levels. As an executive coach, she works with senior and mid-level managers on critical development needs to accelerate leadership, designs and implements dynamic leadership development solutions, and advises on broader operational activities.

Joy has worked with numerous world-leading brands, including Cable & Wireless, 3M, Sony, RBS and Credit Lyonnais. Inemmo was launched in 2005 following her role as group director operations within the FTSE 250 firm Taylor Nelson Sofres.

Joy is a member of the Institute of Consulting and the Association of Corporate Governance Practitioners. She holds fellowships with the Institute of Directors, the Institute of Leadership & Management, the Chartered Management Institute and the Institute of Training and Occupational Learning.



Dave Sharman Acting Treasurer

Dave moved to the UK in 2013 and since then he has worked at British Airways in a number of financial-management roles - most recently leading British Airways' overseas finance department.

Dave is a chartered member of Chartered Accountants Australia & New Zealand, and first become involved in the credit union movement while running the audits of a number of New Zealand-based credit unions. He is excited to be involved in the governance of Plane Saver and the opportunities the organisation has to further build on its service offering to members.



June Parsons Board Member

June worked for British Airways since 1980 in a variety of roles in finance, sales, marketing, distribution, learning and development, recruitment and engineering before moving to her current role as a talent transition consultant, managing and supporting a team of up to 100 colleagues.

During her career June has contributed to large project teams managing major change, such as the cutover to a new reservations system, plus managed projects ranging from partnering with City and Guilds to provide accredited courses for up to 65,000 travel agents, corporate events, management/leadership workshops, professional/volume recruitment and on-boarding to engineering compliance.

In her spare time June enjoys volunteering, travelling and choral singing, serving as the chair of her choir.

Since joining the board June has led recruitment campaigns, joined the Risk Committee and recently been elected to chair the Nominations Committee. She is passionate about serving the community and is looking forward to working with the other board members to ensure Plane Saver continues to grow and prosper for its members.

June is an Associate member of the Chartered Institute of Personnel and Development and has an MBA from Lancaster Business School.



Nick Donovan Board Member

Currently a campaign director at Global Witness, an anti-corruption organisation, Nick was previously assistant director at the Royal British Legion where, along with others, he campaigned for the establishment of an Armed Forces credit union.

Nick also sat on the Royal British Legion's Risk Committee, which monitored risks through the active management of a risk register. Previously, he worked for five years at the Prime Minister's Strategy Unit and, during his military service, served in Iraq in a Royal Engineers bomb-disposal team.

He has an MA from Warwick University and a BA degree from Leeds University.



Roger Hardman Board Member

Roger joined the Plane Saver board in September 2016. Roger brings a wealth of experience with regard to welfare within the Armed Forces. He is currently head of welfare at SSAFA, the Armed Forces Charity.

'I have saved with Plane Saver for many years. Over time I was able to save a deposit for a house.'
Plane Saver Member
Help to Buy

Plane Saver Board Attendance

| | 2016 | | | 2017 | | | | | | | | | Total |
|-------------------|------|-----|-----|------|-----|-----|-----|-----|-----|-----|-----|-----|-------|
| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | |
| Grantley Yearwood | A | Y | R | - | - | - | - | - | - | - | - | - | 1 |
| Ian Atkins | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | 12 |
| Graham Tomlin | Y | Y | Y | Y | Y | Y | Y | A | Y | R | - | - | 8 |
| Sunni Coupe | A | Y | A | A | A | A | Y | A | R | - | - | - | 2 |
| Nick Donovan | A | Y | Y | Y | A | A | Y | Y | A | Y | A | Y | 7 |
| June Parsons | Y | Y | Y | A | Y | Y | Y | Y | Y | Y | Y | Y | 11 |
| Joy Maitland | Y | Y | Y | Y | Y | Y | Y | A | Y | Y | Y | Y | 11 |
| Dave Sharman | Y | Y | A* | Y | Y | Y | Y | Y | Y | Y | Y | Y | 11 |
| Roger Hardman | E | Y | A* | Y | Y | Y | Y | Y | Y | Y | Y | Y | 10 |

| | |
|------------------------------|----|
| Attended: | Y |
| Co-opted: | C |
| Resigned: | R |
| Apologies: | A |
| Attended via teleconference: | Y |
| Apologies (teleconference): | A* |
| Elected: | E |

Treasurer's Report

Dave Sharman
Acting Treasurer

I'd like to thank Valerie and her team for their hard work this year.

Having reviewed our 2017 results and projections for the year ahead, the Board of Directors are pleased to recommend a dividend of 1.0% on Regular, Christmas and Junior Savings accounts, in line with last year's dividend.

Looking to the year ahead, the key financial challenge for Plane Saver is to continue to build on its recent gains in loans performance – to offer products that members value and to be the first choice for more members' lending needs.

Some key points from the 2017 results are as follows:

- **Interest income** was down by £283,335, from £2,573,229 in 2016 to £2,289,874 in 2017. This was due to lower average interest rates on loans (2017: 11.1%; 2016: 12.4%) as Plane Saver responded to the overall competitive environment, as well as an average loan book that was 7% lower in value than it was in the previous year (2017 average loan book value: £18.9 million, 2016 average loan book value: £20.3 million).
The reduction in average loan book value was driven by weaker lending performance in 2016 and the early part of 2017, when new lending was not enough to replace loans repaid. This trend reversed in the later part of 2017, where an increased focus on targeted loan products, marketing and more efficient loans assessment saw the team achieve record loans issued and beat their lending target for the year, whilst maintaining Plane Saver's focus on responsible lending. The impact of this improved loan performance should be seen more clearly in next year's results.
- **Dividends** were down by £261,310, from £617,667 in 2016 to £356,357 in 2017. This expense includes the dividend on Regular, Christmas and Junior Savings accounts approved at the December 2016 AGM, as well as interest on Platinum and ISA accounts – all of which were awarded a return of 1.0%. We also paid £116,166 to our borrowers as a 5% **loan-interest rebate** approved at the December 2016 AGM. In the previous year, dividends and interest were awarded at a higher rate of 2.0%, with no loan-interest rebate.

- **Administration** costs were up by £132,182, from £997,301 in 2016 to £1,129,483 in 2017. The increase was mainly in the area of staff and temporary worker costs, as a number of vacancies that were open in 2016 were filled in 2017 and additional staff were taken on to scale for growth and respond to increasing regulatory requirements.
- **Impairment losses** on loans, net of bad debts recovered, were up by £96,884, from £144,854 in 2016 to £241,738 in 2017. Most of this increase was due to the previous year including a one-off accounting adjustment of £77,000 when our impairment-provisioning policy was revised to comply with the new FRS102 standards. The remaining £20,000 was due to underlying increases in overdue loans. While our impairment losses are still low for the credit union sector, the management team are keeping a close eye on this trend and have put in place changes in the arrears-management process to improve loan collection.

'Early lending results from the first months of 2018 are promising and I wish the team every success for the rest of the year.'

Dave Sharman
Acting Treasurer

Supervisory Report

Atesh Mayer

Chairman, Supervisory Committee

This year has been an interesting year for the Supervisory Committee, with changes of committee members. We are pleased to announce that Martine Goodrich joined us after 36 years with British Airways Information Technology (IT). However, sadly, Angelo Jayawardena decided to resign due to ill health. We thank him for his years of excellent service, and we will miss his knowledge and experience.

Martine used her experience to review the IT strategy and business continuity plan for Plane Saver during the year. Neither plan had received significant attention for some time and they needed review and investment by the Board of Directors and the CEO. Recommendations for improvement were made; some progress has been made, but more needs to be done in the next year.

The Supervisory Committee team visits Plane Saver on a regular basis to carry out reviews to verify compliance with finance regulations, credit union rules, policies and procedures. In particular, the focus during the year was to review expenses, payments and complaints. We provided regular reports to the board on weaknesses and recommended corrective action to make savings and improve controls.

We are supported in the work we carry out by the internal auditor, who completes detailed audits based on an agreed work programme. This enables recommendations to be actioned to satisfy the relevant financial authorities.

This year saw significant changes in Plane Saver's organisational structure. In particular, our long-standing treasurer resigned following the replacement of the chief financial officer. We welcome the arrival of the new Finance Manager Terry Jackson and Compliance Officer Kenivea Gravilliers. We look forward to working with them to further improve controls within the business.

We would like to thank the board, CEO Valerie Walwyn and all the staff at Plane Saver, including the previous chief financial officer, for the support provided to the Supervisory Committee to enable us to carry out our duties. The staff have a wealth of knowledge and experience.

Many thanks to the whole team for the work carried out over the year. Well done and thanks to all!

Finally, thank you all for coming today to attend the Plane Saver AGM.

'Many thanks to the whole team for the work carried out over the year. Well done and thanks to all!'

Atesh Mayer
Chairman, Supervisory Committee

Plane Saver Credit union Limited

Report and Financial statements

For the year ended 30th September 2017

Firm Reference Number 213609

Registered Number 345C

Contents

| | |
|---|----------|
| Administrative Information | 27 |
| Directors' Report | 28 |
| Auditors' Report | 29 to 31 |
| Statement of Comprehensive Income | 32 |
| Statement of Financial Position | 33 |
| Statement of Changes in Equity | 34 |
| Statement of Cashflows | 35 |
| Notes to the Financial Statements | 36 to 45 |

Plane Saver Credit Union Limited

Administrative Information
For the year ended 30th September 2017

Directors who served in the year and at the date of authorisation of the financial statements:

I Atkins - Chairman of the Board
J Maitland - Vice Chair and Board Secretary
D Sharman - Deputy Treasurer
J Parsons
N Donovan
R Hardman
G Yearwood - resigned December 2016
S Coupe - resigned May 2017
G Tomlin - resigned August 2017

Registered Office:

The Barn
Manor Lane
Harlington
Middlesex
UB3 5EQ

Auditors:

Beever and Struthers
St. George's House
215/219 Chester Road
Manchester
M15 4JE

Bankers:

Barclays Bank plc
Santander UK plc
Holmesdale Building Society
Nationwide Building Society

Plane Saver Credit Union Limited

Directors' Report and Statement of the Board of Directors Responsibilities
For the year ended 30th September 2017

The directors present their report and the financial statements of the credit union for the year ended 30 September 2017.

Principal activity

The Credit Union's principal activity is that of a credit union offering savings and loan opportunities to its members.

Results for the year

The Credit Union's results are presented on page 32 and show total comprehensive income for the year of £197,242 (2016: £604,221).

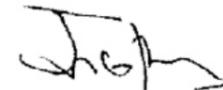
Statement of the Board of Directors responsibilities

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 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 estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Credit Union will continue in business.

The Board of Directors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time 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 is 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.

Signed on behalf of the Board:



Director

Plane Saver Credit Union Limited

Independent Auditor's 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 2017 which comprise the Statement of Comprehensive Income and Retained Earnings, Statement of Changes in Equity, the Statement of Financial Position 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).

This report is made solely to the Credit Union's members, as a body, in accordance with section 87(2) 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'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 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.

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 2017 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

We have nothing to report to you in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Board's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Credit Union's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Plane Saver Credit Union Limited

Independent Auditor's 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 is 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 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

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 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 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 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 Auditor's 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.

A further description of our responsibilities for the 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.



Beever and Struthers, Statutory Auditor
St. George's House
215/219 Chester Road
Manchester
M15 4JE

Date: 22. 11. 2017.

Plane Saver Credit Union Limited

Statement of Comprehensive Income For the year ended 30th September 2017

| | Note | 2017 £ | 2016 £ |
|---|------|------------------|------------------|
| Loan interest and similar income receivable | 4 | 2,289,874 | 2,573,229 |
| Loan interest rebate | | (116,166) | - |
| Interest payable | 5 | (356,357) | (617,667) |
| Net interest income | | 1,817,351 | 1,955,562 |
| Fees and commissions receivable | 6 | 787 | 1,119 |
| Fees and commissions payable | | (611) | (995) |
| | | 176 | 124 |
| Other income | 6a | 31,420 | 60,883 |
| Total net income | | 1,848,947 | 2,016,569 |
| Administration expenses | 8a | (1,129,483) | (997,301) |
| Other operating expenses | 8b | (231,171) | (222,892) |
| Depreciation and amortisation | 12 | (22,058) | (20,378) |
| Donations | | (5,500) | - |
| Impaired losses on loans to members | 10c | (241,738) | (144,854) |
| Surplus before taxation | | 218,997 | 631,144 |
| Taxation | 9 | (21,755) | (26,923) |
| Total comprehensive income | | 197,242 | 604,221 |

There are no other 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 notes on pages 36 to 45 form part of these financial statements

Plane Saver Credit Union Limited

Statement of Financial Position
As at 30th September 2017

| ASSETS | Note | 2017 £ | 2016 £ |
|---|------|-------------------|-------------------|
| Cash, cash equivalents and liquid deposits: | | | |
| Loans and advances to banks | 16 | 25,505,700 | 24,287,496 |
| Loans and advances to members | 10a | 19,179,132 | 19,479,719 |
| Tangible fixed assets | 12 | 477,905 | 468,065 |
| Prepayments and accrued income | | 55,675 | 48,926 |
| Total assets | | 45,218,412 | 44,284,206 |
| LIABILITIES | | | |
| Subscribed capital - repayable on demand | 11b | 39,140,149 | 38,364,138 |
| Other payables | 13 | 182,710 | 221,757 |
| | | 39,322,859 | 38,585,895 |
| Retained earnings | | | |
| Reserves | 14 | 5,895,553 | 5,698,311 |
| Total liabilities | | 45,218,412 | 44,284,206 |

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

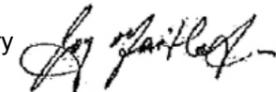
Director



Director



Secretary



Date of approval: 22/NOV/2017

The notes on pages 36 to 45 form part of these financial statements

Plane Saver Credit Union Limited

Statement of Changes in Equity
For the year ended 30th September 2017

| | 2017 £ | 2016 £ |
|---|------------------|------------------|
| As at 1st October 2016 | 5,698,311 | 5,094,090 |
| Total comprehensive income for the year | 197,242 | 604,221 |
| As at 30th September 2017 | 5,895,553 | 5,698,311 |

The notes on pages 36 to 45 form part of these financial statements

Plane Saver Credit Union Limited

Statement of Cashflows
For the year ended 30th September 2017

| | Note | 2017 £ | 2016 £ |
|--|------------------|-------------------|-------------------|
| Cash flows from operating activities | | | |
| Surplus before taxation | | 218,997 | 631,144 |
| Adjustment for non-cash items | | | |
| Depreciation | 12 | 22,058 | 20,378 |
| Impaired losses | 10c | 318,641 | 206,831 |
| | (a) | 559,696 | 858,353 |
| Movements in: | | | |
| Debtors | | (6,749) | (5,285) |
| Other payables | | (33,879) | (92,356) |
| | (b) | (40,628) | (97,641) |
| Cash flows from changes in operating assets and liabilities | | | |
| Cash inflow from subscribed capital | 11a | 22,391,420 | 21,932,422 |
| Cash outflow from repaid capital | 11a | (21,971,766) | (20,340,478) |
| New loans to members | 10d | (7,958,182) | (6,507,979) |
| Repayment of loans and interest by members | 10d | 10,005,060 | 9,743,709 |
| | | 2,466,532 | 4,827,674 |
| Dividends paid | 11a | 356,357 | 767,040 |
| Loan interest charged | 10d | (2,064,932) | (2,438,613) |
| Taxation paid | | (26,923) | (24,849) |
| | (c) | 731,034 | 3,131,252 |
| Net cash flow from operating activities | (a+b+c) | 1,250,102 | 3,891,964 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 12 | (31,898) | (609) |
| Net cash flow from investing activities | (d) | (31,898) | (609) |
| Net increase in cash and cash equivalents | (a+b+c+d) | 1,218,204 | 3,891,355 |
| Cash and cash equivalent at beginning of year | | 24,287,496 | 20,396,141 |
| Cash and cash equivalent at end of year | 16 | 25,505,700 | 24,287,496 |

The notes on pages 36 to 45 form part of these financial statements

Plane Saver Credit Union Limited

Notes to the financial statements
For the year ended 30th September 2017

1 Legal and regulatory framework

The Credit Union is a society registered under the Co-operative and Provident Societies Act 1965, whose principal activity is to operate as a credit union, within the meaning of the Credit Union Act 1979. The Credit Union has registered with the Financial Conduct Authority under the provisions of the Financial Services and Markets Act 2000.

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

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 the historic cost basis.

Going concern

The financial statements are prepared on a going concern basis.

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.

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 straight line basis over its estimated useful life as follows:

| | |
|-------------------------------|------------------------|
| Office and computer equipment | 25% per annum on cost |
| Land and buildings | 2.5% per annum on cost |

Plane Saver Credit Union Limited

Notes to the financial statements
For the year ended 30th September 2017

2 Accounting policies (continued)

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).

Deferred grants and funding / revenue contributions

Deferred grants in respect of capital expenditure are credited to the income and expenditure account over the estimated useful life of the relevant fixed assets. Deferred grants and funding in respect of revenue items are credited to the income and expenditure account over the period to which they relate or to match the relevant expenditure. Any grants / funding shown in the balance sheet represent the grants / funding receivable to date less the amount so far credited to the income and expenditure account.

Financial assets - Loans and advances to members

Loans to members are financial assets with fixed or determinable payments. Loans are made to members for provident or productive purposes on such security (or without security) and terms as the rules of the Credit Union provide. Loans are recognised when cash is advanced to members and measured at amortised cost using the effective interest method.

The Credit Union does not transfer loans to third parties.

Impairment of financial assets

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

Financial liabilities - subscribed capital

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

Retained earnings

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

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 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, the payment of dividends and enabling extraordinary expenditure.

Plane Saver Credit Union Limited

Notes to the financial statements
For the year ended 30th September 2017

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 specifically reviewing all loans in arrears. The criteria used is whether the loan will be paid in the medium term and whether there is a regular pattern of repayments.

4 Loan interest receivable and similar income

| | 2017 £ | 2016 £ |
|--|-------------------------|-------------------------|
| Loan interest receivable from members | 2,181,098 | 2,438,614 |
| Bank interest receivable on cash and liquid deposits | 108,776 | 134,615 |
| Total loan interest receivable and similar income | <u>2,289,874</u> | <u>2,573,229</u> |

5 Interest expense

Interest expense is the dividend paid to members for the prior year. The dividend is formally proposed by the Directors after the year end and is confirmed at the following AGM. As a result it does not represent a liability at the balance sheet date unless there is a formal commitment at that time. The Credit Union has no interest bearing shares. Any donations made are expensed.

| | 2017 £ | 2016 £ |
|--------------------------------------|-----------------------|-----------------------|
| Dividend paid during the year | <u>356,357</u> | <u>617,667</u> |
| Dividend rate: | | |
| Ordinary share accounts | 1.00% | 2.00% |
| ISAs | 1.00% | 2.00% |
| Platinum accounts | 1.00% | 2.00% |
| Xmas shares | 1.00% | 2.00% |
| Junior savers | 1.00% | 2.00% |

Plane Saver Credit Union Limited

Notes to the financial statements
For the year ended 30th September 2017

6 Fees and commissions receivable

| | 2017 £ | 2016 £ |
|----------------------|------------|--------------|
| Insurance commission | 787 | 1,119 |
| | <u>787</u> | <u>1,119</u> |

6a Other income

| | 2017 £ | 2016 £ |
|------------------------|---------------|---------------|
| Lottery administration | 31,420 | 29,784 |
| CUNA rebate | - | 31,099 |
| | <u>31,420</u> | <u>60,883</u> |

7 Expenses

| | 2017 £ | 2016 £ |
|-------------------------------|------------------|------------------|
| Administration expenses | 8a 1,129,483 | 997,301 |
| Other operating expenses | 8b 231,171 | 222,892 |
| Depreciation and amortisation | 14 22,058 | 20,378 |
| | <u>1,382,712</u> | <u>1,240,571</u> |

8a Administrative expenses

| | 2017 £ | 2016 £ |
|------------------------------------|------------------|----------------|
| Employment costs | 8d 526,526 | 433,716 |
| Recruitment and agency staff | 83,047 | 10,755 |
| Staff training | 8,086 | 7,268 |
| Directors' expenses | 21,810 | 20,059 |
| Auditor's remuneration | 8c 9,096 | 5,280 |
| Internal audit fees | 12,363 | 10,029 |
| Telephone and postage | 23,444 | 24,226 |
| Computer maintenance | 32,586 | 24,770 |
| Legal and professional | 60,901 | 73,086 |
| Office expenses | 63,812 | 48,286 |
| Printing, stationery and publicity | 72,257 | 67,830 |
| Other insurance | 10,256 | 6,323 |
| Conference and meetings | 30,577 | 37,125 |
| Honorarium | - | 2,000 |
| Credit agency fees | 12,581 | 19,474 |
| Payment waiver | 162,141 | 207,074 |
| | <u>1,129,483</u> | <u>997,301</u> |

Plane Saver Credit Union Limited

Notes to the financial statements
For the year ended 30th September 2017

8b Other operating expenses

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

| | 2017 £ | 2016 £ |
|---|----------------|----------------|
| Cost of occupying offices (excluding depreciation) | | |
| Rent and internet costs | <u>31,498</u> | <u>32,588</u> |
| Regulatory and financial management costs | | |
| FCA and PRA fees | 22,942 | 16,377 |
| CUNA mutual insurance | 147,903 | 148,502 |
| ABCUL dues | 13,173 | 11,682 |
| Fidelity insurance | 15,655 | 13,743 |
| | <u>199,673</u> | <u>190,304</u> |
| Total | <u>231,171</u> | <u>222,892</u> |

8c Auditors remuneration

| | 2017 £ | 2016 £ |
|------------------------------|--------------|--------------|
| Audit Fees | 6,456 | 5,290 |
| Underprovision in prior year | 2,640 | - |
| | <u>9,096</u> | <u>5,290</u> |

8d Employment costs

| | 2017 £ | 2016 £ |
|--|----------------|----------------|
| Wages and salaries | 472,627 | 395,725 |
| Social security costs | 45,913 | 37,716 |
| Payments to defined contribution pension schemes | 1,986 | 275 |
| Compensation for loss of office | 6,000 | - |
| Total employment costs | <u>526,526</u> | <u>433,716</u> |

9 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.

| | 2017 £ | 2016 £ |
|--|---------------|---------------|
| UK corporation tax at 20% (2016: 20%). | 21,755 | 26,923 |
| | <u>21,755</u> | <u>26,923</u> |

Plane Saver Credit Union Limited

Notes to the financial statements
For the year ended 30th September 2017

10a Credit risk disclosure - Total loans for regulatory purposes

The Credit Union does not offer mortgages and as a result all loans are unsecured, except that there are restrictions on the extent to which borrowers may withdraw their savings whilst loans are outstanding.

The limit on how much may be borrowed by each member is 1.5% of total shares of the credit union.

The average amount borrowed by individual members in the financial year was £3,548. For the previous year the average was £3,402.

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.

Due to the change in regulations, the impaired debts over 12 months are no longer automatically written off, and instead carried forward as part of the impairment provision.

| | 2017 | | 2016 | |
|----------------------------------|-------------------|-----------------|-------------|-----------------|
| | Amount £ | Proportion % | Amount £ | Proportion % |
| Arrears analysis: | | | | |
| Not yet past due | 18,475,022 | 93.74% | 19,372,326 | 98.26% |
| Up to 3 months past due | 714,385 | 3.62% | 129,854 | 0.66% |
| Between 3 and 6 months past due | 195,943 | 0.99% | 158,309 | 0.80% |
| Between 6 and 9 months past due | 92,424 | 0.47% | 45,630 | 0.23% |
| Between 9 and 12 months past due | 90,829 | 0.46% | 8,587 | 0.04% |
| Over 1 year past due | 141,087 | 0.72% | - | - |
| | 19,709,690 | 100% | 19,714,706 | 100% |

Impairment allowance (530,558) (234,987)

Total carrying value of loans 19,179,132 19,479,719

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

10b Allowance account for impairment losses

| | 2017 £ | 2016 £ |
|---|----------------|----------------|
| As at 1 October 2016 | 234,987 | 381,337 |
| Increase/(decrease) in allowance losses in the year | 295,571 | (146,350) |
| As at 30 September 2017 | <u>530,558</u> | <u>234,987</u> |

Plane Saver Credit Union Limited

Notes to the financial statements
For the year ended 30th September 2017

10c Impairment losses recognised for the year

| | 2017 £ | 2016 £ |
|---|----------------|----------------|
| Impairment of individual financial assets | 23,070 | 353,181 |
| Increase in impairment allowances during the year | 295,571 | (146,350) |
| | <u>318,641</u> | <u>206,831</u> |
| Reversal of impairment where debts recovered | (76,903) | (61,977) |
| Total impairment losses recognised for the year | <u>241,738</u> | <u>144,854</u> |

10d Loans and advances to members - movements during the year

| | 2017 £ | 2016 £ |
|-----------------------------------|-------------------|-------------------|
| As at 1 October 2016 | 19,714,706 | 20,865,004 |
| Advanced during the year | 7,958,182 | 6,507,979 |
| Interest charged | 2,064,932 | 2,438,613 |
| Repaid during the year | (10,005,060) | (9,743,709) |
| Loans written off during the year | (23,070) | (353,181) |
| As at 30 September 2017 | <u>19,709,690</u> | <u>19,714,706</u> |

11a Subscribed capital and juniors' deposits - movements during the year

| | 2017 £ | 2016 £ |
|--------------------------------|-------------------|-------------------|
| As at 1 October 2016 | 38,364,138 | 36,005,154 |
| Received during the year | 22,391,420 | 21,932,422 |
| Dividends paid during the year | 356,357 | 767,040 |
| Repaid during the year | (21,971,766) | (20,340,478) |
| As at 30 September 2017 | <u>39,140,149</u> | <u>38,364,138</u> |

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

11b Subscribed capital and juniors' deposits - breakdown

| | 2017 £ | 2016 £ |
|------------------------|-------------------|-------------------|
| Members' shareholdings | 39,092,120 | 38,318,669 |
| Junior deposits | 48,029 | 45,469 |
| | <u>39,140,149</u> | <u>38,364,138</u> |

Plane Saver Credit Union Limited

Notes to the financial statements
For the year ended 30th September 2017

12 Tangible Fixed Assets

| | Land and Buildings £ | Office and Computer Equipment £ | Total £ |
|-----------------------|----------------------------|--|-----------------------|
| Cost | | | |
| At 1 October 2016 | 509,541 | 114,548 | 624,089 |
| Additions | - | 31,898 | 31,898 |
| Disposals | - | - | - |
| At 30 September 2017 | <u>509,541</u> | <u>146,446</u> | <u>655,987</u> |
| Depreciation | | | |
| At 1 October 2016 | 58,783 | 97,241 | 156,024 |
| Charge for the year | 10,344 | 11,714 | 22,058 |
| Disposals | - | - | - |
| At 30 September 2017 | <u>69,127</u> | <u>108,955</u> | <u>178,082</u> |
| Net book value | | | |
| At 30 September 2017 | <u>440,414</u> | <u>37,491</u> | <u>477,905</u> |
| At 30 September 2016 | <u>450,758</u> | <u>17,307</u> | <u>468,065</u> |

13 Other payables

| | 2017 £ | 2016 £ |
|--------------------------------------|----------------|----------------|
| Expense accruals and other creditors | 160,955 | 194,834 |
| UK Corporation Tax | 21,755 | 26,923 |
| | <u>182,710</u> | <u>221,757</u> |

14 Reserves

| | Statutory Reserve £ | Voluntary Reserve £ | Total £ |
|------------------------------------|---------------------------|---------------------------|------------------|
| At 1 October 2016 | 2,123,681 | 3,574,630 | 5,698,311 |
| Comprehensive surplus for the year | - | 197,242 | 197,242 |
| Transfer between reserves | 135,053 | (135,053) | - |
| At 30 September 2017 | <u>2,258,734</u> | <u>3,636,819</u> | <u>5,895,553</u> |

15 Additional financial instrument disclosures

15a 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 reviews and agrees policies for managing each of these risks, which are summarised below.

Plane Saver Credit Union Limited

Notes to the financial statements
For the year ended 30th September 2017

15a Financial risk management (continued)

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. In order to manage this risk the Board approves the Credit Union's 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 exposures on receivables and payables that form an integral part of a Credit Union's operations. The Credit Union considers rates of interest receivable when deciding on the dividend rate payable on subscribed capital.

15b Interest rate risk disclosure

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

| | Amount £ | 2017 Average interest rate % | Amount £ | 2016 Average interest rate % |
|--|-------------------|--|-------------------|--|
| Financial assets | | | | |
| Loans to members | <u>19,709,690</u> | <u>11.07%</u> | <u>19,714,706</u> | <u>12.37%</u> |
| Financial liabilities | | | | |
| Subscribed capital and junior deposits | <u>39,140,149</u> | <u>0.91%</u> | <u>38,364,138</u> | <u>1.61%</u> |

15c Liquidity risk disclosures

Excluding short term other payables, as noted in the balance sheet, the credit union's financial liabilities, the subscribed capital, are repayable on demand.

Plane Saver Credit Union Limited

Notes to the financial statements
For the year ended 30th September 2017

15d Fair value of financial instruments

The credit union does not hold any financial instruments at fair value.

16 Cash and cash equivalents

| | 2017 | 2016 |
|---|-------------------|-------------------|
| | £ | £ |
| Loans and advances to banks | 25,505,700 | 24,287,496 |
| Less: amounts maturing after three months | - | - |
| | <u>25,505,700</u> | <u>24,287,496</u> |

17 Post balance sheet events

There are no material events after the balance sheet date to disclose.

18 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.

19 Related party transactions

During the year 34 (2016 - 26) members of the Board, staff and management team and 25 (2016 - 25) of their close family members had shares and 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.

Staff members have no preferential treatment on their shares but may apply for an unsecured loan of 3.3% interest but cannot take part in any decision making in respect of the loan application.

Plane Saver Credit Union Ltd

The Barn, Manor Lane
Harlington, Hayes
Middlesex UB3 5EQ

Tel: 020 8607 5020



Find out more at:
www.planesavercu.co.uk
or call: **0208 607 5020**
or follow us:  

Plane Saver CU Ltd. is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. Registration No. FRN213609.