

Plane Saver Credit Union Limited

Report and Financial statements

**For the year ended
30 September 2020**

Firm Reference Number	213609
Registered Number	345C

Plane Saver Credit Union Limited

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For the year ended 30 September 2020

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Plane Saver Credit Union Limited

Administrative Information
For the year ended 30 September 2020

Directors	J Atkins - Chairman of the Board J Maitland - Vice Chair and Board Secretary D Sanghvi - Treasurer J Parsons R Hardman R Finney (appointed 18 December 2019) M Gulzar (appointed 22 January 2020)
Registered office	The Barn Manor Lane Harlington Middlesex UB3 5EQ
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

Plane Saver Credit Union Limited

Directors' report and Statement of the Board of Directors responsibilities For the year ended 30 September 2020

The directors present their report and financial statements of the Credit Union for the year ended 30 September 2020

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 6 and show total comprehensive income for the year of £139,752 (2019: £102,544). The Board of Directors recognises the impact of COVID-19 during the second half of the financial year on its members, and the Credit Union has taken necessary actions to mitigate the impact on the results for the year, and to ensure that the Credit Union continues 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 the going concern basis unless it is inappropriate to presume that the Credit Union will continue in business.

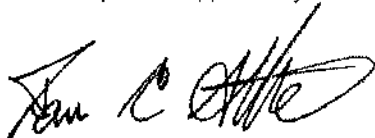
The Board of Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time of the financial position of the Credit Union and to enable them to ensure that the financial statements comply with the Co-Operative and Community Benefit Societies Act 2014. 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

At the date of approval of these accounts, the UK remains in the midst of the COVID-19 pandemic. It is not possible for the Board of Directors to predict the duration or magnitude of any potential adverse consequences as a result of the pandemic at this time.

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 28/10/2020 and signed on its behalf.



I Atkins
Director

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 2020 which comprise the Statement of comprehensive income and 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 2020 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 of Directors 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 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.

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.

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: 30/10/2020

Plane Saver Credit Union Limited

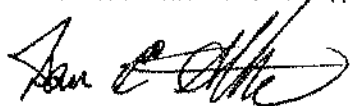
Statement of comprehensive income
For the year ended 30 September 2020

	Note	2020 £	2019 £
Loan interest and similar income receivable	4	2,268,942	2,245,422
Interest payable	5	(349,107)	(355,739)
Net interest income		1,919,835	1,889,683
Fees and commissions receivable	6	862	894
Fees and commissions payable		(2,404)	(1,660)
		1,918,293	1,888,917
Other income	6a	21,500	16,498
Total net income		1,939,793	1,905,415
Administration expenses	8	(1,110,717)	(1,239,384)
Other operating expenses	8a	(124,412)	(120,008)
Depreciation and amortisation	13	(60,312)	(48,433)
Donations		-	(100)
Impaired losses on loans to members	11b	(470,076)	(369,433)
Surplus before taxation		174,276	128,057
Taxation	10	(34,524)	(25,513)
Total comprehensive income		139,752	102,544

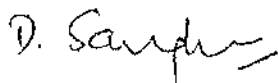
There are no items of comprehensive income other than reported above.

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
Director



D Sanghvi
Director

Date of approval: 28/10/2020

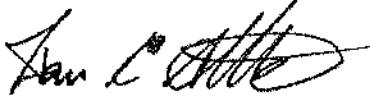
The notes on pages 10 to 20 form part of these financial statements.

Plane Saver Credit Union Limited

**Statement of financial position
As at 30 September 2020**

ASSETS	Note	2020 £	2019 £
Cash, cash equivalents, liquid deposits, loans and advances to banks	17	27,911,165	21,868,978
Loans and advances to members	11	18,243,403	23,018,186
Tangible fixed assets	13	544,548	585,133
Prepayments and accrued income		97,998	74,515
Total assets		46,797,114	45,546,812
LIABILITIES			
Subscribed capital - repayable on demand	12	40,468,446	39,357,525
Other payables	14	162,414	162,785
		40,630,860	39,520,310
Retained earnings Reserves	15	6,166,254	6,026,502
Total liabilities and reserves		46,797,114	45,546,812

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



I Atkins
Director



D Sanghvi
Director

Date of approval: 28/10/2020

The notes on pages 10 to 20 form part of these financial statements

Plane Saver Credit Union Limited

**Statement of changes in equity
For the year ended 30 September 2020**

Statement of changes in equity for the year ended 30 September 2020

	2020 £	2019 £
As at 1st October 2019	6,026,502	5,923,958
Total comprehensive income for the year	139,752	102,544
At 30 September 2020	<u><u>6,166,254</u></u>	<u><u>6,026,502</u></u>

The notes on pages 10 to 20 form part of these financial statements

Plane Saver Credit Union Limited

Statement of cashflows For the year ended 30 September 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Surplus before taxation		174,276	128,057
Adjustment for non-cash items			
Interest payable	12	349,107	355,738
Depreciation	13	60,312	48,433
Impaired losses	11b	500,840	413,978
	(a)	1,084,535	946,206
Movements in:			
Debtors		(23,483)	(535)
Other payables		(9,382)	2,801
	(b)	(32,865)	2,266
Cash flows from changes in operating assets and liabilities			
Cash inflow from subscribed capital	12	15,567,200	15,923,976
Cash outflow from repaid capital	12	(14,805,386)	(14,978,467)
New loans to members	11c	(7,027,058)	(12,854,813)
Repayment of loans and interest by members	11c	11,301,001	9,795,341
		5,035,757	(2,113,963)
Taxation paid		(25,513)	(20,544)
	(c)	5,010,244	(2,134,507)
Net cash flow used in operating activities	(a+b+c)	6,061,914	(1,186,035)
Cash flows from investing activities			
Fixed assets additions	13	(19,727)	(124,521)
Net cash flow used in investing activities	(d)	(19,727)	(124,521)
Net decrease in cash and cash equivalents	(a+b+c+d)	6,042,187	(1,310,556)
Cash and cash equivalent at beginning of year		21,868,978	23,179,534
Cash and cash equivalents at the end of year	17	27,911,165	21,868,978

The notes on pages 10 to 20 form part of these financial statements

Plane Saver Credit Union Limited

Notes to the financial statements
For the year ended 30 September 2020

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 is 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

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 the 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

Plane Saver Credit Union Limited

Notes to the financial statements
For the year ended 30 September 2020

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 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.

2.7 Impairment of financial assets

The Credit Union assesses, at each the Statement of financial position 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.

2.8 Financial liabilities - subscribed capital

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

2.9 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 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 2020

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

	2020	2019
	£	£
Loan interest receivable from members	2,086,944	2,111,142
Bank interest receivable on cash and liquid deposits	181,998	134,280
Total loan interest receivable and similar income	2,268,942	2,245,422

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.

	2020	2019
	£	£
Returns paid during the year	349,107	355,739
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%

Plane Saver Credit Union Limited

Notes to the financial statements
For the year ended 30 September 2020

6 Fees and commissions receivable

	2020 £	2019 £
Insurance commission	862	894
	<u>862</u>	<u>894</u>

6a Other income

	2020 £	2019 £
Lottery administration on behalf of Friends of Plane Saver	21,500	16,000
Other	-	498
	<u>21,500</u>	<u>16,498</u>

7 Expenses

	2020 £	2019 £
Administration expenses	1,110,717	1,239,384
Other operating expenses	125,356	120,008
Depreciation and amortisation	60,312	48,433
	<u>1,296,385</u>	<u>1,407,825</u>

8 Administrative expenses

	2020 £	2019 £
Employment costs	692,254	722,519
Recruitment and agency staff	24,848	43,495
Staff training	4,397	14,474
Directors' expenses	5,841	9,006
Auditors' remuneration	11,849	9,823
Internal audit fees	8,991	18,350
Telephone and postage	29,064	18,208
Computer maintenance	89,898	64,141
Legal and professional	79,499	73,341
Office expenses	52,775	59,276
Printing, stationery and publicity	46,459	74,784
Other insurance	3,731	3,156
AGM, annual conference and meetings	28,377	50,886
Credit agency fees	26,915	40,553
Payment waiver (net of rebate)	5,819	37,373
	<u>1,110,717</u>	<u>1,239,384</u>

Plane Saver Credit Union Limited

Notes to the financial statements
For the year ended 30 September 2020

8a Other operating expenses

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

	2020 £	2019 £
Regulatory and financial management costs		
FCA, PRA and other fees	10,517	1,230
CUNA mutual insurance	80,313	83,958
ABCUL dues	20,422	18,691
Fidelity insurance	13,160	16,129
	<u>124,412</u>	<u>120,008</u>
Total	<u>124,412</u>	<u>120,008</u>

8b Auditors' remuneration

	2020 £	2019 £
Audit fees	10,416	10,200
Non-audit services	1,371	600
Over/(under) provision in respect of previous year	62	(977)
	<u>11,849</u>	<u>9,823</u>

9 Employees and employment costs

9a Number of employees

The average monthly number of employees during the year were:

	2020	2019
Office staff	<u>21</u>	<u>24</u>

9b Employment costs

	2020 £	2019 £
Wages and salaries	612,223	638,545
Social security costs	53,979	61,493
Payments to defined contribution pension schemes	26,052	22,481
Total employment costs	<u>692,254</u>	<u>722,519</u>

Plane Saver Credit Union Limited

**Notes to the financial statements
For the year ended 30 September 2020**

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.

	2020 £	2019 £
UK corporation tax at 19% (2019: 19%)	<u>34,524</u>	<u>25,513</u>
	<u><u>34,524</u></u>	<u><u>25,513</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.

No individual member can borrow more than 1.5% of the total shares of the Credit Union.

The average amount borrowed by individual members in the financial year was £4,268. For the previous year the average was £4,549.

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.

	2020 Amount £	Proportion %	2019 Amount £	Proportion %
Arrears analysis:				
Not yet past due	17,704,851	89.73%	22,493,884	93.55%
Up to 3 months past due	478,055	2.42%	483,151	2.00%
Between 3 and 6 months past due	183,903	0.93%	160,389	0.67%
Between 6 and 9 months past due	165,832	0.84%	104,967	0.44%
Between 9 and 12 months past due	172,831	0.88%	156,100	0.65%
Over 1 year past due	1,025,871	5.20%	646,368	2.69%
	<u>19,731,343</u>	100.00%	<u>24,044,859</u>	100.00%
Impairment allowance	(1,487,940)		(1,026,673)	
Total carrying value of loans	<u><u>18,243,403</u></u>		<u><u>23,018,186</u></u>	

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.

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 2020

11a Impairment provision

	2020	2019
	£	£
As at 1 October 2019	1,026,673	818,520
Loans written off in the year	(39,573)	(205,825)
Increase in allowance losses in the year	500,840	413,978
As at 30 September 2020	<u>1,487,940</u>	<u>1,026,673</u>

11b Impairment losses recognised for the year

	2020	2019
	£	£
Increase in impairment allowances during the year	500,840	413,978
Reversal of impairment where debts recovered	(30,764)	(44,545)
Total impairment losses recognised for the year	<u>470,076</u>	<u>369,433</u>

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

	2020	2019
	£	£
As at 1 October 2019	24,044,859	21,191,212
Advanced during the year	7,027,058	12,854,813
Repaid during the year	(13,387,945)	(11,906,483)
Interest charged	2,086,944	2,111,142
Loans written off during the year	(39,573)	(205,825)
As at 30 September 2020	<u>19,731,343</u>	<u>24,044,859</u>

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

	2020	2019
	£	£
As at 1 October 2019	39,357,525	38,056,278
Received during the year	15,567,200	15,923,976
Interest paid during the year	349,107	355,738
Repaid during the year	(14,805,386)	(14,978,467)
As at 30 September 2020	<u>40,468,446</u>	<u>39,357,525</u>

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

During the year 2,226 members joined the Credit Union and 2,112 left. At the year end there are 15,297 members.

Plane Saver Credit Union Limited

Notes to the financial statements
For the year ended 30 September 2020

12a Subscribed capital and juniors' deposits - breakdown

	2020	2019
	£	£
Members' shareholdings	40,400,378	39,300,911
Junior deposits	68,068	56,614
	<u>40,468,446</u>	<u>39,357,525</u>

13 Tangible assets

	Land and buildings	Office and computer equipment	Total
	£	£	£
Cost			
At 1 October 2019	526,336	308,781	835,117
Additions	3,000	16,727	19,727
Disposals	-	-	-
At 30 September 2020	<u>529,336</u>	<u>325,508</u>	<u>854,844</u>
Accumulated depreciation			
At 1 October 2019	85,910	164,074	249,984
Charge for the year	9,296	51,016	60,312
Disposals	-	-	-
At 30 September 2020	<u>95,206</u>	<u>215,090</u>	<u>310,296</u>
Net book value			
At 30 September 2020	<u>434,130</u>	<u>110,418</u>	<u>544,548</u>
At 30 September 2019	<u>440,426</u>	<u>144,707</u>	<u>585,133</u>

14 Other payables

	2020	2019
	£	£
Expense accruals and other creditors	127,834	137,216
UK Corporation Tax	34,580	25,569
	<u>162,414</u>	<u>162,785</u>

Plane Saver Credit Union Limited

Notes to the financial statements
For the year ended 30 September 2020

15 Reserves	Statutory reserve £	Voluntary reserve £	Total £
At 1 October 2019	2,439,944	3,586,558	6,026,502
Comprehensive surplus for the year	139,752	-	139,752
Transfer between reserves	-	-	-
At 30 September 2020	<u>2,579,696</u>	<u>3,586,558</u>	<u>6,166,254</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

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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.

	2020		2019	
	Average		Average	
	interest		interest	
Amount	rate	Amount	rate	
£	%	£	%	
Financial assets				
Loans to members	<u>19,731,343</u>	9.91%	<u>24,044,859</u>	9.17%
Financial liabilities				
Subscribed capital and junior deposits	<u>40,468,446</u>	1.00%	<u>39,357,525</u>	0.90%

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

	2020	2019
	£	£
Cash and cash equivalents	9,418,758	12,221,433
Loans to banks maturing after three months	<u>18,492,407</u>	<u>9,647,545</u>
	<u><u>27,911,165</u></u>	<u><u>21,868,978</u></u>

18 Post balance sheet events

At the date of approval of these accounts, the UK remains in the midst of the COVID-19 pandemic. It is not possible for the Board of Directors to predict the duration or magnitude of any potential adverse consequences as a result of the pandemic at this time.

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

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Notes to the financial statements
For the year ended 30 September 2020

19 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.

20 Related party transactions

During the year 19 (2019: 23) members of the Board of Directors, staff and management team and 9 (2019: 16) 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 rates from 2.0% interest 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 £5,841 (2019: £9,006).