



# Annual Report

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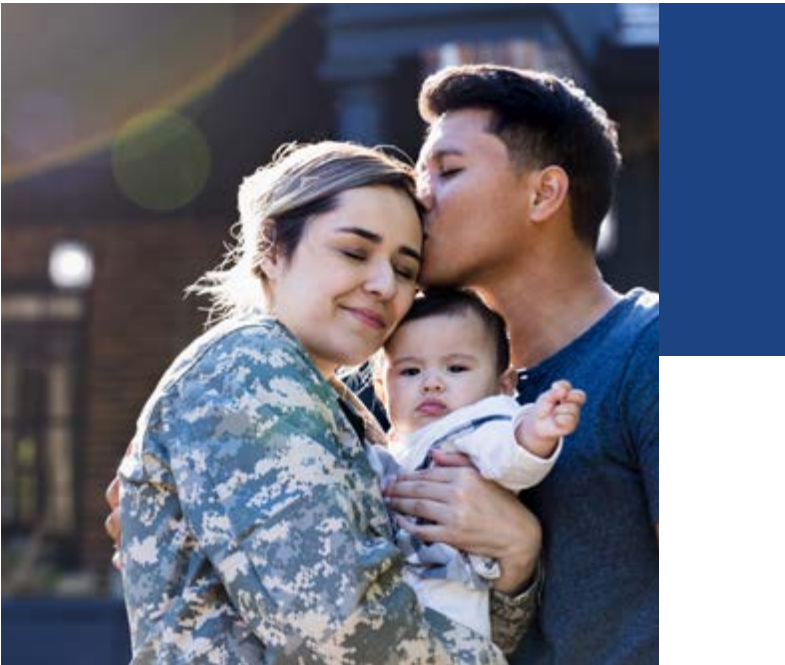
2020/2021



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“Together we can help build a better financial future for everyone.”  
IAN ATKINS



# Message from the Chair

These past months have been an incredibly challenging time for everyone, especially those who have lost relatives and friends or have struggled with the health impacts of COVID-19. We remain humbled by so many of the stories of our members and reaffirm our commitment to work together to support you and the communities in which we live, work and play, so that we can get through these challenges together.

In April our former CEO Valerie Walwyn-Tait elected to retire, opting for a different pace of life and to find more time for the other things she enjoys. Valerie led Plane Saver with great commitment and skill for just over five years and brought a vibrancy and energy to the team, putting people at the heart of the organisation. We all recognise and appreciate the valuable contributions she has made to Plane Saver and thank her sincerely for her service. Following her retirement, we are pleased to welcome Gary Lewis as our interim CEO to build on the foundation currently in place and position Plane Saver for the future.

Over the years, the increasingly digital environment, social trends and new business ideas continue to challenge us to transform how we do business. This theme of disruption, challenge and change has been accelerated by COVID-19, which in turn has caused a change in many people's circumstances as they come to terms with the emotional and financial impact.

In the coming years, the role of the credit union movement and of Plane Saver in the lives of its members will become even more important as we are uniquely positioned to deliver the services that meet the needs of our members. As a founding member of Plane Saver 28 years ago, I am immensely proud of all we have achieved and the fact that we continue to subscribe to the ethos of 'People Helping People', collaborating with our members to build a strong and resilient community.

Like many other workplaces up and down the UK, we saw a move to hybrid-working with the team attending the office on a rota basis. This has led us to review the way we work, adapt and move with the ebb and flow of the ongoing government restrictions and business need. The safety and wellbeing of our workforce is paramount, and we remain committed to fostering a work environment that empowers our employees with the right space to work, think and collaborate. For this reason, and recognising the limitations of the Barn as a listed building, we embarked upon a project to find more suitable premises and workspace. We expect that 2022 will see us relocate to new office premises.

I thank the Board for all their efforts, expertise, and commitment. I am incredibly grateful for their valuable contributions, time and energy. It is an honour and privilege to be your Chair.

Last, but by no means least, I thank the entire Plane Saver Team for their efforts, passion and commitment. They work tirelessly every day serving our membership. I, for one, am proud to be a member. Under Gary's stewardship, we have already seen Plane Saver grow from strength to strength, becoming an agile organisation that is fit for the future, with a committed, driven and enthusiastic team that will ensure its continued growth and success. Together we can help build a better financial future for everyone.

Ian Atkins  
Chair  
Plane Saver Credit Union  
December 2021



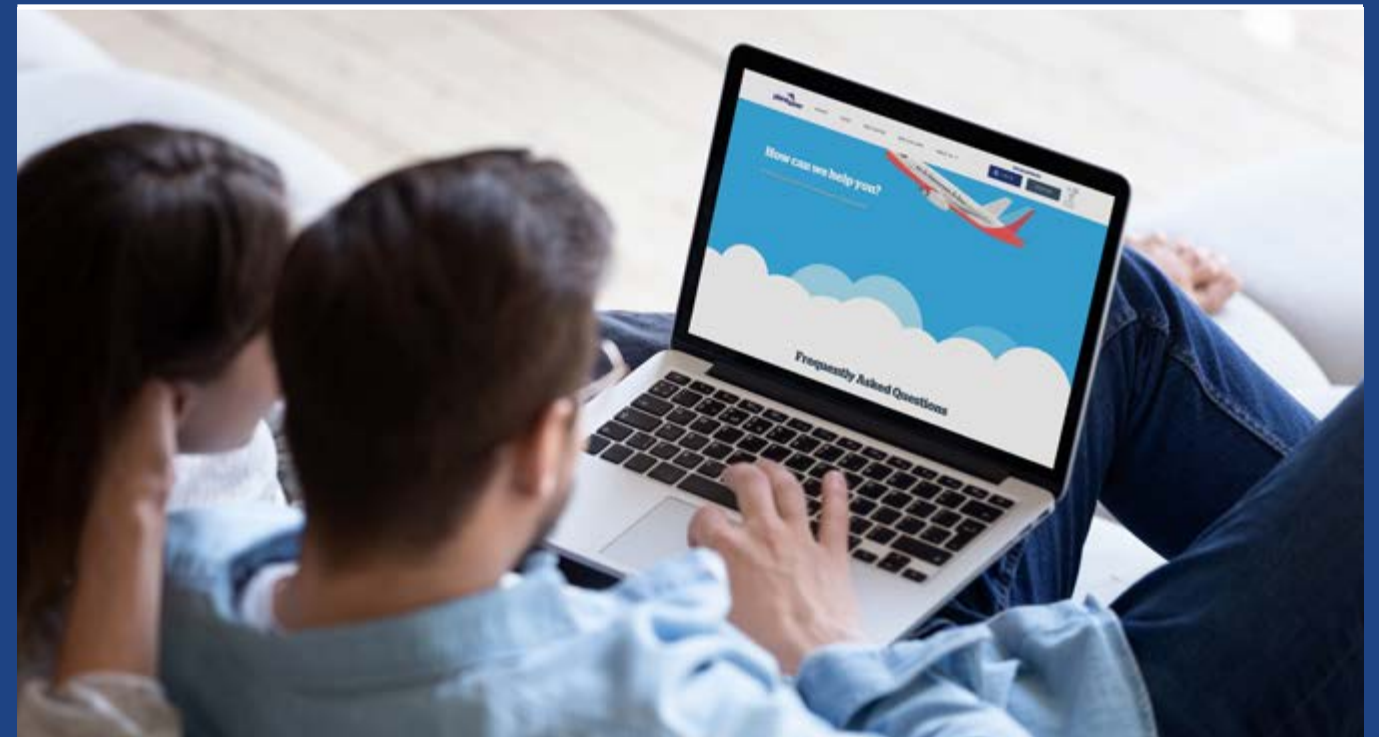
# resilient

## Message from the CEO

I would like to start by thanking the board for the trust shown in me to guide Plane Saver through these challenging times and to our staff who have worked tirelessly to serve the needs of our members. The organisation I took over is on a firm financial footing and we will look to build what I see as a bright future ahead for Plane Saver. I would also like to thank my predecessor Valerie Walwyn-Tait for all her contributions and continued support during my transition. I wish her the very best in her future endeavours.

The pandemic has taken a substantial personal and financial toll on all of us. In the UK, 137 thousand people have lost their lives and 11.7 million have been furloughed. While we remain optimistic that the more acute impacts of the pandemic have passed, we understand that there will be lingering effects, some of which are likely to reshape the way we live and work for some time to come.

In response, we must adapt both in how we operate and in how we deliver products and services to our members. Increasingly, business and commerce will be conducted online with limited physical interaction. We must be cognisant of the challenges that exist in the new ways of working, including the increasing requirements to build robust and secure technological infrastructure, the challenge of ensuring that appropriate accommodations are made to care for the wellbeing of our employees, and continuing to effectively deliver the best service to our members. Moreover, it is critical that the increasing reliance on automation and indirect interaction does not compromise the delivery of personalised service. We will not allow automation to replace direct communication with our members; we will only offer it as an alternative means for our members' convenience.



As a result, Plane Saver has accelerated the implementation of our key strategic priorities. We have increased investment in technology to accommodate a larger array of online services and remote working for our staff, both carried out with a keen focus on cybersecurity. This will include increased functionality within our mobile app and a wider range of services available through our website. We have also introduced new products in response to the needs of our members and streamlined our membership and lending processes.

Despite the challenging environment, we have turned the corner and delivered a solid performance. We saw new loan issuance of £8.6 million for the 2020/2021 fiscal year, a 23% increase over last year, with consistent growth in new loans over the last several months. Membership has grown and come from a more diverse mix of sectors within our common bond, with a total membership of 16,133. We have also continued to attract additional savings, resulting in an asset base that has surpassed £50.0 million. Importantly, we remain strongly capitalised with £6.0 million in reserves and healthy balance sheet ratios, with a capital ratio of 11% and liquidity ratio of 18%.

Going forward, we must continue to focus on growing our membership through the expansion of our common bond and the acquisition of additional payroll partners. To fuel our investment plans, we will continue to grow the loan book through an expansion of our loan products, as well as the addition of new sources of revenue. We nonetheless recognise the importance of retaining and investing in our employees to achieve our ambitious goals, along with continuing to attract a diverse range of skillsets to support a rapidly growing business.

We understand that our payroll partners have faced an equally difficult time and we have endeavoured to provide support to their employees through virtual and face-to-face financial webinars/health briefs that were undertaken by our staff. We have received very positive feedback from these events and plan to build on them in the year ahead.

Along with the focus on growth, we will also remain focused on our core ethos as a not-for-profit, ethical in how we conduct business and fair in how we interact with members and staff. We realise the importance of our environmental footprint and of creating a sustainable business that supports the communities in which our members live and work. Maintaining a culture of mutual respect and full engagement with our members and employees is a critical element to our success.

Reflecting on the past year, I would like to give my sincere appreciation to the members of the Armed Forces and Protective Service personnel who help to keep us safe every day, as well as the healthcare and other key workers whose efforts have helped to save countless lives during the pandemic.

Finally, I would like to welcome all our new members, thank all our existing members for their loyalty, and acknowledge the time and dedication of our board of directors and the endless dedication and professionalism of our staff.

### Gary Lewis

Interim CEO  
Plane Saver Credit Union  
December 2021



# Meet the board



**IAN ATKINS**  
CHAIR AND FOUNDING MEMBER OF  
PLANE SAVER

Ian has served on the Plane Saver Board in a variety of roles including that of Treasurer, Vice Chair and Chair. He also worked as a dedicated volunteer to help get the credit union off the ground, managing general office tasks to ensure efficient operation. He has held a variety of roles at the Association of British Credit Unions (ABCUL) including Director and Chair of the Board Composition and Democracy Working Group and is currently the Assistant Treasurer at the London South-East Credit Union Forum. He is also a member of the Barbados Cultural Organisation.

He is a committed foster carer, and with the support of his wife Barbara, for over 20 years has specialised in providing a loving and stable home for children shunned by less experienced carers.



**JOY MAITLAND**  
FLoD FCMI FInstLM  
VICE CHAIR AND BOARD  
SECRETARY

Joy has a wealth of senior-level corporate management experience, and continued involvement with various organisations at Board level. She holds fellowships with the Institute of Directors (IoD), the Institute of Leadership and Management (TILM), and the Chartered Management Institute (CMI).

Joy is a multi-award-winning Executive Coach and author of *'From Alpha to Zen'- Leadership for a brave new world*. She is a firm believer in continuous learning and improvement. Her motto, "Be the Difference. Make the Difference," has served as her North Star in everything she does, whether in the workplace or wider society.

As coach and mentor, Joy supports current and future leaders in adopting modern leadership techniques as well as innovative ways of working, to achieve leadership excellence.



**JUNE PARSONS**  
CHAIR OF NOMINATIONS  
COMMITTEE

June is a former British Airways employee, where she held key positions in finance, sales, marketing, distribution, learning and development, recruitment, engineering and HR. During her career there, June contributed to large project teams managing major business transformation. Projects she helped to facilitate include migration of the airline's reservation system onto a new platform, designing and facilitating leadership and management programmes, managing recruitment campaigns/onboarding, plus reporting on engineering quality systems.

Since leaving British Airways June has focused on voluntary work, running a small property management business and being a proactive member of the Plane Saver team.

She is a member of the Association of Corporate Governance Practitioners (ACGP) and an Associate Member of the Chartered Institute of Personnel Development (CIPD).

**DINESH SANGHVI**  
TREASURER

Dinesh joined the Board of Directors in early 2019 and brings to Plane Saver a wide range of skills acquired over 35 years in senior finance roles. During his career Dinesh held Finance Directorships in listed IT and technology companies, including the global business consulting company CGI Group.

He is a fellow of the Chartered Institute of Management Accountants and is an Enterprise Mentor at the Prince's Trust.

His business and technology expertise acquired within global, multimillion-pound organisations is a massive asset to the Plane Saver team and members.



**ROGER HARDMAN**  
CHAIR OF RISK COMMITTEE

Roger joined the Plane Saver Board in September 2016 and brings a wealth of knowledge regarding the Armed Forces, having served in the RAF for 22 years. He went on to work at the MOD in Whitehall, and then became Head of Welfare at a major Armed Forces charity in the City of London.

He is currently working as an IT Consultant and his clients have included the Ministry of Justice, St James's Place Wealth Management, O2 and the Just Group. Roger is happy to share his knowledge of projects, change and strategy in the Forces and in financial services on the Board and the Risk Committee to bring success at Plane Saver.



**ROBERT FINNEY**  
DIRECTOR

Robert joined the Plane Saver Board in December 2019. He is a corporate/commercial lawyer who for more than 25 years has specialised in banking, financial and commodity markets, governance and financial regulation.

Robert brings with him broad experience of regulatory, legal and governance issues across the financial services sector, including an understanding of our regulators, the PRA and the FCA.

Having also acted as a non-executive board member of a large international law firm of which he was a partner, and served on its risk and audit committees, Robert has direct governance experience too. He is also a director of a Multi-Academy Trust, and serves on its finance, audit and risk committee.



# About Us

## Loans and Savings Made Simple

Plane Saver Credit Union was founded in 1993 and was known as the **British Airways (UK) Employee Credit Union** until 1997, when we took the decision to extend our reach to include other airlines and their associated companies. Since then, we have expanded our membership to include military personnel using the trading name **First Defence Finance**.

Today we are proud to say that we are one of the largest credit unions in the UK, with **over 16,000 members** and **in excess of £50 million in assets**. It is one of our primary goals to achieve sustained growth while giving back to local communities.

We are a not-for-profit organisation. We have no external stakeholders so it is our members who benefit from any profit we make in the form of an annual dividend. We also provide our members with flexible and fairer finance. To Plane Saver our members are more than just a credit score.

**“Honestly love how human the organisation is.”**

Our members are at the heart of everything we do. We know from feedback that members appreciate that human touch, having real people at the end of the phone who take the time to listen and fully understand, providing that individual personal service.

That personal touch was even more important during COVID-19 when many members felt its impact financially and emotionally. It was a difficult time, particularly for those who lost relatives and friends, struggled with the health impacts, were made redundant or placed on furlough, and we worked tirelessly to help those who needed it including reducing members' monthly loan repayments.



# Mission Statement

We are an ethical financial organisation that supports our members and improves their wellbeing by helping them make sound financial decisions at all stages of their lives.

We offer flexible savings and affordable loans, making it easy to set a little aside for a 'rainy day'. Everyone saves with us, even borrowers, helping create a nation of savers and increase financial resilience.

**“The process from start to finish has been easy and stress free. The money goes straight from wages. No pressure or constant reminders. Honestly one of the best companies for financial help.”**

We are passionate about customer service excellence and strive to ensure we treat our members fairly at every stage of their journey.

We are committed to supporting members throughout life's ups and downs, from providing access to financial education and consolidating debts into one easy monthly payment to offering affordable loans to keep people out of the clutches of high-cost lenders. We are here to help, whatever the circumstances. We believe everyone should have access to affordable finance regardless of their financial situation.

We know that being less stressed about money gives members more time to be able to do the things they most enjoy in life and is better for their overall emotional wellbeing.

**“Plane Saver are always helpful and advise you the best option for your circumstances.”**



# Our Values



## Purpose

We are here for our members, helping them through life's up and downs whether that's saving for retirement or giving access to an affordable loan for that emergency when the boiler breaks down. It's important to us that everyone gets to save, even borrowers, and has access to an affordable loan.



## Service

Treating our members fairly and providing customer service excellence is at the heart of what we do. We work with our partners to provide a variety of services including financial education and briefings, face-to-face presentations, webinars and training in order to increase financial wellbeing.



## Community

We have an ever-expanding community from all sections of society. We are one community working together, here for every stage of the financial journey from a junior saver to retiree. It is important that our members have a sense of belonging and feel valued and respected.



## Understanding

We provide a personalised service and have real people at the end of our phone lines. This is so we can take the time to listen to your story to provide the best solution for you. To us you are more than a number. You are a valued member.

## Supporting our Members

Highlights of 2020/2021



**£50.2m**  
TOTAL ASSETS



**£18.8m**  
TOTAL LOAN BOOK



**£8.6m**  
IN NEW LOANS




**£6.0m**  
IN RESERVE



**£44.0m**  
IN TOTAL SAVINGS

AVERAGE INTEREST  
RATE ON THE  
LOAN BOOK



**9.8%**

**18%** LIQUIDITY  
RATIO

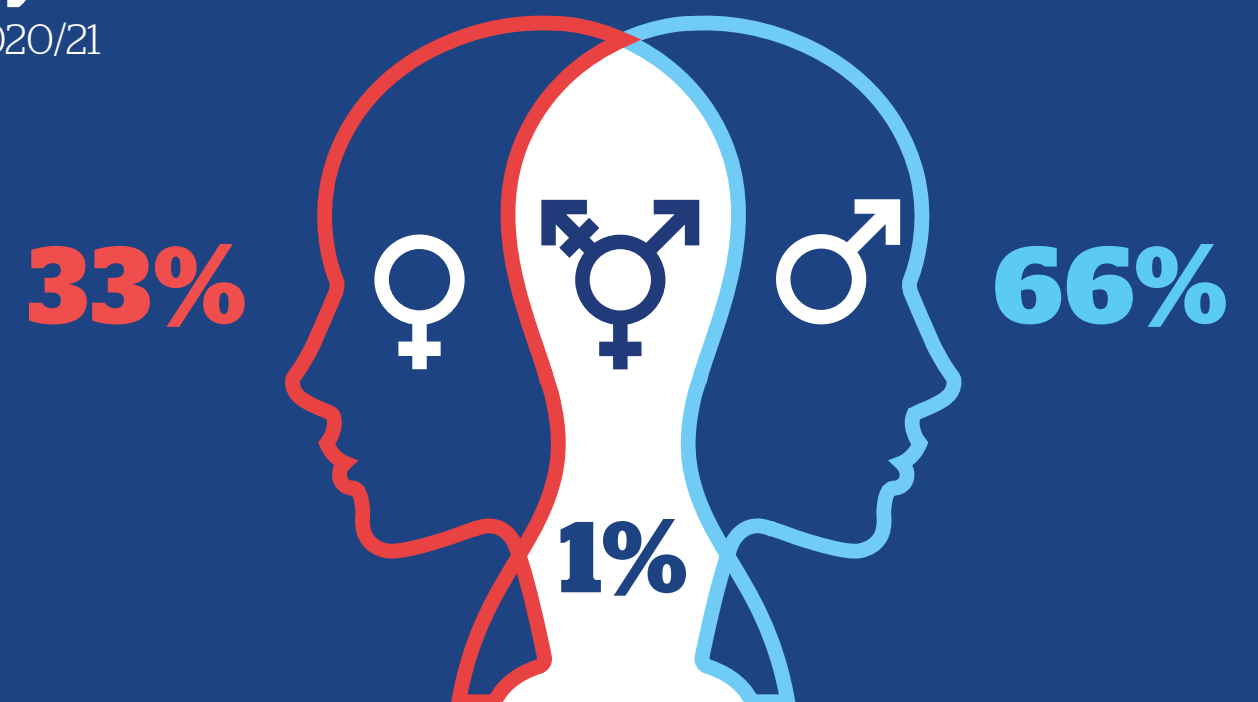
**11%** CAPITAL  
RATIO

Over  
**90%**  
of our members  
have successfully  
logged on to our  
mobile app



**16,133**  
TOTAL NUMBER OF MEMBERS

### Membership by Gender 2020/21





# Value Delivery and Impact

Plane Saver Credit Union is proud to have continually supported our members through the global pandemic. We have a never-ending focus on our members, and we continue to improve and innovate our services and product offerings to ensure that we offer our members the best possible journey.

Plane Saver Credit Union is positioned to offer real value to its members in the years ahead due to continued investment in technology and the onboarding of key personnel. We have also endeavoured to consistently improve our product offerings and services, and members' feedback has been vital in allowing us to achieve this.

We continue to support and assist the military through face-to-face briefings with the focus on financial education and support. This ongoing commitment has resulted in our military member numbers steadily increasing year-on-year.

As our membership numbers continue to grow, we are also pleased to advise that we have members located all over the UK and are determined to continue with this trend. In fact, we have continued to grow our overseas military numbers.

**“Out of all the companies I have ever had to deal with, Plane Saver are the best, most helpful and professional I have ever dealt with.”**

**“I have been struggling with the debt loop for a while and now finally have a loan that consolidates everything into one monthly payment. This has taken a whole weight off my shoulders.”**

**“Staff so helpful and understanding and patient. Thanks for a great team at the end of the phone.”**



# Navigating Uncertainty

**Many of the challenges we saw this year in dealing with the pandemic, including the regular outbreak of new COVID-19 variants, appear set to carry on into the new year. We are nonetheless committed to ensuring our products and services are tailored to meet the evolving needs of our members. In support of our employees, we have adopted a hybrid working model comprised of a balance between office and home working.**

For any organisation, it is important to retain existing talent while onboarding fresh talent with specific skillsets. We are committed to providing the best training to our staff, ensuring adequate room for advancement in their careers and gaining the skills required for working effectively with the latest technology. In our business plan for the year ahead, we established goals for the investment in both technology and personnel.

While we are cognisant that investment will be required to improve many of our legacy systems and strengthen our cybersecurity, it is important that we are committed to maintaining our total cost management objective for the year ahead.

We are proud to advise that members can now connect with us via phone, email, website and our mobile app, and we are delighted to announce that we have record numbers using our app. Digital transformation will be a continued focus for us over the next 12 months.

Over the course of the year, we have diversified our membership base through targeted marketing and business development. We have already seen the merits of this strategy, and we now have members located in nearly every region in the UK.

We will continue to support our existing partners with financial briefings, health fairs and education pieces. We already have a busy schedule planned for 2022 and we will also initiate several open days to promote our services.

The global pandemic has reaffirmed the importance of diversification and continually seeking new ways to grow as a business. As well as the investment in technology and talent, we will seek to continue our strategy of collaborating with strategic partners moving forward. Although we are very proud of our existing product and service, we must acknowledge the outside threats from high street banks and fintech companies and ensure that we are well-positioned.



# Treasurer’s Report

## Looking back

Whilst we experienced a continued impact of the pandemic, we succeeded in helping our members by increasing new lending. However, this was offset by a high level of loan repayments that started in September 2019 (arising from the large number of redundancies at one of our major payroll partners) resulting in a further reduction in our loan book. Consequently, our interest income declined by 20%. However, with new marketing initiatives, we were successful in reversing this loan book decline in the last three months of the year. This has now set us on a course for a steady recovery over the next couple of years.

## Looking ahead

The new financial year is expected to be just as demanding due to the economic uncertainties created by the enduring presence of the Covid virus. It will undoubtedly take time to rebuild the loan book to pre-pandemic levels, but the leadership team will continue to develop the aforementioned marketing initiatives to exploit new markets with new partners. The changing climate also raises the possibility of greater loan defaults. Thus, we will need to develop new processes to detect early warning signals and work closely and sympathetically with members in financial difficulties to minimise defaults while maintaining high service levels.

## Regulatory Requirements

All Credit Unions are regulated by the Financial Conduct Authority (FCA) and by the Prudential Regulation Authority (PRA). The PRA is part of the Bank of England and sets standards and monitors our compliance against them via the regular returns we are obliged to make. Through this process, they continually monitor and assess risks to ensure our financial stability.

Once again, I am pleased to report that throughout the year, Plane Saver remained well within the PRA requirements for Capital Reserves, Solvency and Cash Liquidity, ensuring security of members' savings.

## Financial Performance

As a result of the smaller loan book and derisory bank deposit rates, interest income was nearly 20% or £445,007 lower than previous year.

Administration and operating costs were slightly higher mainly due to the overlap between the departing CEO and the incoming Interim CEO as well as extra legal costs relating to our consumer credit licence application.

Reassuringly, I am pleased to report that by diligently working with members in financial difficulty and a high level of recovery, we were able to reduce loan default (impairment) provision significantly from £470,076 the previous year to £252,433, a remarkable reduction of 46%. Total impairment provision for potential default on loan repayment increased marginally from 7.5% to 7.6% of the average gross loan book but remains well within the regulator’s tolerance levels. However, despite this reduction in defaults, we recorded an after-tax loss for the year of £152,762.



## Member Savings & Loan Book

Due to the uncertain economic climate, our members continued to save more of their earnings and entrusted those savings to us. Thus, net savings during the year increased by £3.5 million from £40.5 million to £44.0 million.

Requests for loans in the early part of year were severely affected by the various lockdowns. However, as reported earlier, the success of new marketing initiatives resulted in an overall increase in approved new loans from £7.0 million last year to £8.6 million this year. Against this, member repayment of existing loans decreased from £11.3 million last year to £9.2 million (both excluding interest) but were higher than new loans. Notwithstanding higher new loans and lower repayments, our gross loan book decreased from £19.7 million to £18.8 million.

The average rate of interest charged on the total loan book decreased marginally from 9.9% in 2020 to 9.8% in 2021, maintaining our competitive position.

## Shareholders’ Funds

Member deposits grew by 8.8% to £44.0 million as follows:

	2021	2020
Ordinary Shares	£34,856,828	£30,831,911
ISA Accounts	£5,706,714	£6,087,960
Platinum Accounts	£3,349,590	£3,480,507
Children's Savings	£96,816	£68,068
TOTAL	£44,009,948	£40,468,446

For the first time in our history, **Total Assets grew above £50 million** as a result of more members saving more with us.

Despite the loss this year, our **reserves stand at a very healthy £6,013,492.**

## Risks

Over the past twenty months, and in common with most financial services businesses, and more specifically Credit Unions, we have seen significant changes in how we need to operate. Some changes will be permanent while others will be transient. Either way, we have to be smarter in assessing new risks. This will require investment in technology, people and training. Following on from the loss this year, we have a new business plan that focuses on this investment. As I reported last year, it will take time before we revert to pre-Covid levels but with fresh leadership and our strong financial position, I am confident we will succeed.

## Conclusion

The Board has approved the new business plan and supports the investment required during the coming year. Taking this, and our healthy reserves, into account, the Board is pleased to recommend an unchanged dividend/interest of 1% on all accounts.

Finally, I would like to thank the Finance Team, whose dogged determination resulted in the exceptional reduction in the loan default provision. This is no mean feat while working remotely, dealing with members' difficult circumstances and continuing to work with the operations team. Another clean audit report is a tribute to their disciplined approach and professionalism.

**Dinesh Sanghvi**  
Treasurer  
Plane Saver Credit Union

progressive



# Internal Audit Report

Accountants and Business Advisers carry out a programme of Internal Audit on behalf of the Board of Directors of Plane Saver Credit Union.

We perform reviews on a regular basis on the Credit Union's controls and systems. Due to the pandemic, visits have been conducted remotely but we have been provided with access to allow us to carry out the tests required. As part of our reviews, we consider the Credit Union's compliance with policies and procedures as well as the PRA and FCA's Credit Union rulebooks.

Following each review, we provide a detailed report to the Board on our findings and make recommendations where we believe that improvements can be made to the efficiency or effectiveness of processes in the Credit Union. We work with a wide range of Credit Unions and make recommendations on sector best practice where appropriate.

During 2020/21 we carried out four separate reviews of Plane Saver Credit Union. Our reviews have focused on:

- Compliance and Complaints
- Risk Management
- Money Laundering
- Follow-up Review of points raised in previous reports

Our plan for 2021/22 includes carrying our reviews of:

- Lending
- Shares
- Operational Resilience
- IT
- HR

**Steven Cunningham**  
Partner, Alexander Sloan



# Ensuring Financial Stability



To ensure continued financial stability into the future, it is essential that we are cognisant of maintaining our cost base and strive to be an efficient and sustainable business moving forward. Due to continued hard work and exceptional efforts from our credit control team, we reduced our loan default provision. When it comes to analysing risk and our growing loan book, we must adopt a conservative, forward-looking, and comprehensive provisioning approach.

As we strive to grow our loan, savings and member numbers throughout the next 12 months, it is important that we invest in improving our analytics software so that we can analyse various trends within the sectors that we are serving. Having these advanced analytics available will afford us the opportunity to make decisions in real-time.

To allow us to achieve controlled sustainable growth, it is important that we continuously reinforce our values and behaviours throughout the organisation. We are currently undertaking a process of upskilling our existing talent through continuous in-house training and development so that we can create an environment where personal performance is optimised.

To this end we are supporting staff members who wish to gain additional qualifications relevant to their current or future roles. We have also partnered with the Skills Growth Network to allow our staff to gain specific qualifications at no cost.

Like any other business, we must be aware that this global pandemic is still with us, and we have to prepare ourselves for potentially a slower 2022, particularly during the first half of the year. In our business plan, we have set out a detailed contingency plan to deal with any of these worst-case scenarios.





# Members, Colleagues and Partners

It is essential that we strive to offer our members the best products and service. We must continue to actively engage with our existing and prospective members, ensuring that they are aware of all our product offerings and that those products continue to meet their needs. We are continually streamlining our member journey to provide members with the best possible user experience.

Like any business in the UK at present, the retention of existing personnel and onboarding of new personnel remains a challenge. As of the end of September 2021, the number of job vacancies in the UK was at a record high of 1.1 million. This has led to many employees exploring the job market in search of higher salaries and more senior job titles. It is imperative that we retain our existing staff to be able to continue to offer an exceptional member experience. To enable us to do so, we have launched several initiatives and have a speak up and open-door policy in place.

We have an array of partners, some of which are listed below. We are in continuous contact with our partners to ensure that we are adequately meeting their requirements. We provide regular reports with relevant and actionable information to allow us to refine our products and services for their employees. We also assist them with financial education and information briefs both virtually and face to face.

For more information on becoming a payroll partner and how this might benefit your organisation please email our payroll partnership manager JD McMahon at [BusDev@planesaver.co.uk](mailto:BusDev@planesaver.co.uk).



# Diversity and Inclusion

We endeavour to foster a culture where everyone can be themselves every day, no matter if you work, save or borrow with us. With Plane Saver, everyone is valued, supported and respected, and we provide our members access to fair policies, procedures and practices. In support of that objective, we seek to ensure that our workforce and our Board reflects the members and communities we serve.

We strive to create an inclusive environment where differences are celebrated and everyone feels able not just to participate but also to grow and flourish, utilising their strengths and achieve their full potential. We encourage diversity of thought and alternative thinking styles, mindsets, knowledge, skills and experience, recruiting individuals both for their skillsets as well as their contribution to this diversity.

Collaboration brings people together and allows everyone to have a voice, no matter their age, gender, religion, culture or identity. We encourage our workforce to be empowered to actively listen, engage, share their knowledge and differing ideas, and speak out on issues that affect them. This diversity of thought, ideas and ways of working will ensure that we provide the best service to our members.

We want to foster that sense of belonging so that everyone feels part of our Plane Saver community. Knowing that their contribution matters and makes a difference to those around them. In this way we look to create an innovative and creative environment that better serves our members.

**"I feel a tremendous sense of pride working for Plane Saver; as a team we are valued and included and our differences are embraced. This coming together of different ideas and views ensures we meet the needs of all our members."**

PLANE SAVER TEAM MEMBER



Our partners include:

BRITISH AIRWAYS

dunwoody



Ministry of Defence



trusted to deliver

American Airlines

AirTanker

UNITED



# Outlook for 2022



2021 has been a very challenging year for the UK economy and the UK business sector due to COVID-19 and Brexit, which has resulted in inflation rates peaking at 3.2% in August 2021 and edging down to 3.1% in September 2021. On a monthly basis, CPI increased 0.3% in September 2021, compared with a rise of 0.4% in September 2020.

The Bank of England, as of 30 September 2021, are warning that inflation will climb to 4% by year-end, doubling its target level, owing largely to the deepening energy price shock.

The latest Omicron Covid variant is a cause for concern and poses a new challenge to the UK and the global economy. Many scientists predict that the impact on the emergence of new variants may only be short-lived and not as severe as at the beginning of the pandemic, but only further testing and analysis will fully determine if this will be the case.

GDP is estimated to have grown by 0.6% overall in September 2021 but remains 0.6% below its pre-coronavirus pandemic level (February 2020) as per data from the ONS. Consequently, the UK economy is only expected to return to its pre-pandemic level in Q1 2022 with growth of 5.2% forecast for 2022. Labour shortages have been a major issue in 2021 coupled with rising inflation rates, leading to greater pressure on employers to increase wages in line with current inflation rates.



The aviation and travel industry is set to be affected by the emergence of new strains of the virus, with additional countries added to the UK's red list. Tighter restrictions have been activated for all passengers entering the UK. Cargo remains a very strong business for airlines in 2021, and this trend is set to continue in 2022.

In the housing market, 2021 is set to be the strongest for home buying activity since 2006, according to the main trade body for UK banks. The average UK home is valued at £270,000 as of September 2021, which is £28,000 higher than it was in September 2020 as per the ONS house price index.

UK house prices are expected to continue to rise in 2022, and house price growth is estimated to be the highest in the North-West of England and the East Midlands and weakest in London as per the latest report from the Property Investor website.

On the military front, the UK, USA and Australia unveiled a new security partnership (Aukus) as the three countries seek to strengthen stability in the Indo-Pacific region as China expands its mobility, might and influence.

The Indo-Pacific region pact between UK, USA and Australia is significant as both the UK and USA have made the decision to share nuclear technology with Australia in a move that will strengthen the ability of each country to support its security and defence interests.







Once a member  
always a member.

Plane Saver Credit Union Limited

# Report and Financial statements

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Firm Reference Number    213609  
Registered Number        345C

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Plane Saver Credit Union Limited

Administrative information  
For the year ended 30 September 2021

Directors	I Atkins - Chairman of the Board J Maitland - Vice Chair and Board Secretary D Sanghvi - Treasurer J Parsons R Hardman R Finney M Gulzar (resigned 21 April 2021) A Murray (appointed 21 April 2021)
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 Aldermore Bank plc

Plane Saver Credit Union Limited

Directors' report and Statement of the Board of Directors responsibilities  
For the year ended 30 September 2021

The directors present their report and financial statements of the Credit Union for the year ended 30 September 2021.

Principal activity

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

Results for the year

The Credit Union's results are presented on page 6 and show a total loss for the year of £152,762 (2020: £139,752 profit). The Credit Union, in common with most businesses, was severely affected by Covid-19 and experienced difficult trading conditions. Throughout the year, the Board and the Senior Management Team acted to support its stakeholders and took all necessary actions to mitigate the impact on the results for the year, and to ensure that the Credit Union continued to operate effectively.

Statement of the Board of Directors responsibilities

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

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

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

Post balance sheet events

At the date of approval of these accounts, the COVID-19 pandemic remains prevalent in the UK. It is not possible for the Board of Directors to accurately 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 29th November 2021 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 2021 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity, the Statement of cashflows and notes to the financial statements including a summary of Significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Credit Union’s affairs as at 30 September 2021 and of its income and expenditure for the year ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-Operative and Community Benefit Societies Act 2014 and the Credit Unions Act 1979.

### Basis for opinion

We conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Credit Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

# Plane Saver Credit Union Limited

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

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. The Board of Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the Board’s report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

- proper books of account have not been kept by the Credit Union in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the Credit Union in accordance with the requirements of the legislation; or
- the revenue account or the other accounts (if any) to which our report relates and the Statement of financial position are not in agreement with the books of account of the Credit Union; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of the Board of Directors

As explained more fully in the Statement of Board’s responsibilities set out on page 2, the Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



Plane Saver Credit Union Limited

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

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below.

- Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with law and regulations, was as follows:
- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
  - We identified the laws and regulations applicable to the Company through discussion with directors and other management, and from our commercial knowledge and experience of the relevant sector;
  - The specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company, are as follows:
    - Companies Act 2006.
    - Employment legislation.
    - Taxation.
  - We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and reviewing board minutes; and
  - Laws and regulations were communicated within the audit team at the planning meeting, and during the audit as any further laws and regulation were identified. The audit team remained alert to instances of non-compliance throughout the audit.

- We assessed the susceptibility of the Company’s financial statements to material misstatement, including obtaining an understanding of how fraud might occur by:
- Making enquires of management as to where they consider there was susceptibility to fraud and their knowledge of actual suspected and alleged fraud;
  - Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
  - Reviewing the financial statements and testing the disclosures against supporting documentation;
  - Performing analytical procedures to identify any unusual or unexpected trends or anomalies;
  - Inspecting and testing journal entries to identify unusual or unexpected transactions;
  - Assessing whether judgement and assumptions made in determining significant accounting estimates were indicative of management bias; and
  - Investigating the rationale behind significant transactions, or transactions that are unusual or outside the company’s usual course of business.

Plane Saver Credit Union Limited

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

- The areas that we identified as being susceptible to misstatement through fraud were:
- Management bias in the estimates and judgements made;
  - Management override of controls; and
- Posting of unusual journals or transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. A further description of our responsibilities for audit of the financial statements, is located on the Financial Reporting Council’s web-site at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor’s report.

Use of our report

This report is made solely to the Credit Union’s members, as a body, in accordance with Section 87 of the Co-Operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Credit Union members those matters we are required to state to them in an Auditors’ report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Credit Union and the Credit Union’s members, as a body, for our audit work, for this report, or for the opinions we have formed.

Barnes Roffe LLP

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

Date: 7th December 2021

Plane Saver Credit Union Limited

Statement of comprehensive income  
For the year ended 30 September 2021

	Note	2021 £	2020 £
Loan interest and similar income receivable	4	1,823,935	2,268,942
Interest payable	5	(367,864)	(349,107)
<b>Net interest income</b>		<b>1,456,071</b>	<b>1,919,835</b>
Fees and commissions receivable	6	610	862
Fees and commissions payable		(4,744)	(2,404)
		<b>1,451,937</b>	<b>1,918,293</b>
Other income	6a	19,250	21,500
<b>Total net income</b>		<b>1,471,187</b>	<b>1,939,793</b>
Administration expenses	8	(1,171,245)	(1,110,717)
Other operating expenses	8a	(112,092)	(124,412)
Depreciation and amortisation	13	(61,547)	(60,312)
Donations		(112)	-
Impaired losses on loans to members	11b	(252,433)	(470,076)
<b>(Deficit)/surplus before taxation</b>		<b>(126,242)</b>	<b>174,276</b>
Taxation	10	(26,520)	(34,524)
<b>Total comprehensive income</b>		<b>(152,762)</b>	<b>139,752</b>

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

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

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



I Atkins  
Director



D Sanghvi  
Director



J Maitland  
Vice Chair and Board Secretary

Date of approval: 29th November 2021

The notes on pages 35 to 45 form part of these financial statements.

Plane Saver Credit Union Limited

Statement of financial position  
As at 30 September 2021

	Note	2021 £	2020 £
<b>ASSETS</b>			
Cash, cash equivalents, liquid deposits,			
loans and advances to banks	17	32,187,760	27,911,165
Loans and advances to members	11	17,387,655	18,243,403
Tangible fixed assets	13	505,744	544,548
Prepayments and accrued income		139,279	97,998
<b>Total assets</b>		<b>50,220,438</b>	<b>46,797,114</b>
<b>LIABILITIES</b>			
Subscribed Capital and Juniors' Deposits	12	44,009,948	40,468,446
Other payables	14	196,998	162,414
		<b>44,206,946</b>	<b>40,630,860</b>
Retained earnings			
Reserves	15	6,013,492	6,166,254
<b>Total liabilities and reserves</b>		<b>50,220,438</b>	<b>46,797,114</b>

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



J Maitland  
Vice Chair and Board Secretary

Date of approval: 29th November 2021

The notes on pages 35 to 45 form part of these financial statements.



## Plane Saver Credit Union Limited

### Statement of changes in equity For the year ended 30 September 2021

	2021 £	2020 £
As at 1st October 2020	6,166,254	6,026,502
Total comprehensive income for the year	(152,762)	139,752
<b>At 30 September 2021</b>	<b>6,013,492</b>	<b>6,166,254</b>

The notes on pages 35 to 45 form part of these financial statements.

## Plane Saver Credit Union Limited

### Statement of cashflows For the year ended 30 September 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
(Deficit)/surplus before taxation		(126,242)	174,276
<b>Adjustment for non-cash items</b>			
Interest payable	12	367,864	349,107
Depreciation	13	61,547	60,312
Impaired losses	11b	294,307	500,840
	(a)	<u>597,476</u>	<u>1,084,535</u>
<b>Movements in:</b>			
Debtors		(41,281)	(23,483)
Other payables		<u>42,644</u>	<u>(9,382)</u>
	(b)	<u>1,362</u>	<u>(32,865)</u>
<b>Cash flows from changes in operating assets and liabilities</b>			
Cash inflow from subscribed capital and juniors' deposits	12	17,202,104	15,567,200
Cash outflow from repaid capital and juniors' deposits	12	(14,028,466)	(14,805,386)
New loans to members	11c	(8,589,471)	(7,027,058)
Repayment of loans and interest by members	11c	<u>9,150,912</u>	<u>11,301,001</u>
		3,735,079	5,035,757
Taxation paid		<u>(34,580)</u>	<u>(25,513)</u>
	(c)	<u>3,700,500</u>	<u>5,010,244</u>
<b>Net cash flow generated in operating activities</b>	(a+b+c)	<u>4,299,338</u>	<u>6,061,914</u>
<b>Cash flows from investing activities</b>			
Fixed assets additions	13	<u>(22,743)</u>	<u>(19,727)</u>
<b>Net cash flow used in investing activities</b>	(d)	<u>(22,743)</u>	<u>(19,727)</u>
<b>Net increase in cash and cash equivalents</b>	(a+b+c+d)	4,276,595	6,042,187
Cash and cash equivalent at beginning of year		<u>27,911,165</u>	<u>21,868,978</u>
<b>Cash and cash equivalents at the end of year</b>	17	<u>32,187,760</u>	<u>27,911,165</u>

The notes on pages 35 to 45 form part of these financial statements.

Plane Saver Credit Union Limited

Analysis of changes in net debt  
For the year ended 30 September 2021

	At 1 October 2020 £	Cash flow £	At 30 September 2021 £
<strong>Cash and cash equivalents</strong>			
Cash	9,418,758	1,238,924	10,657,682
Loans to banks	18,492,407	3,037,671	21,530,078
Cash equivalents	27,911,165	4,276,595	32,187,760
<strong>Borrowings</strong>			
Debt due within one year			
Debt due after one year			
	-	-	-
Total	27,911,165	4,276,595	32,187,760

The notes on pages 35 to 45 form part of these financial statements.

Plane Saver Credit Union Limited

Notes to the financial statements  
For the year ended 30 September 2021

1 Legal and regulatory framework

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

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

2 Accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

The financial statements are prepared on a historic cost basis.

2.2 Going concern

The financial statements are prepared on a going concern basis and the Board of Directors have taken consideration of the impact of COVID-19 on the Credit Union. The Board of Directors note that the Credit Union is trading adequately and has sufficient working capital and other finance available to continue trading for a period of not less than 12 months from the Statement of financial position date. As such, the Board of Directors believe that there are no significant uncertainties in their assessment of whether the Credit Union is a going concern and therefore have prepared the accounts on a going concern basis.

2.3 Income

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

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

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

2.4 Tangible fixed assets

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

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

- Office and computer equipment25% per annum on cost
- Buildings2.5% per annum on cost
- LandNot depreciated



## Plane Saver Credit Union Limited

### Notes to the financial statements For the year ended 30 September 2021

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

##### 2.8 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 make any transfer from its statutory reserve where its statutory reserve stands at less than 10% of total assets or as otherwise defined by the regulator.
- Voluntary reserve: Retained earnings not applied to statutory reserves are for the purpose of absorbing unexpected losses and enabling extraordinary expenditure.

## Plane Saver Credit Union Limited

### Notes to the financial statements For the year ended 30 September 2021

#### 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

	2021 £	2020 £
Loan interest receivable from members	1,684,357	2,086,944
Bank interest receivable on cash and liquid deposits	139,578	181,998
<b>Total loan interest receivable and similar income</b>	<b>1,823,935</b>	<b>2,268,942</b>

#### 5 Interest payable

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

	2021 £	2020 £
Returns paid during the year	367,864	349,107
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 2021

#### 6 Fees and commissions receivable

	2021 £	2020 £
Insurance commission	<u>610</u>	<u>862</u>
	<b>610</b>	<b>862</b>
<b>6a Other income</b>		
	2021 £	2020 £
Lottery administration on behalf of Friends of Plane Saver	<u>19,250</u>	<u>21,500</u>
	<b>19,250</b>	<b>21,500</b>

#### 7 Expenses

	2021 £	2020 £
Administration expenses	<b>1,171,245</b>	1,110,717
Other operating expenses	<b>112,092</b>	124,412
Depreciation and amortisation	<u><b>61,547</b></u>	<u>60,312</u>
	<b>1,344,884</b>	<b>1,295,441</b>

#### 8 Administrative expenses

	2021 £	2020 £
Employment costs	<b>724,070</b>	692,254
Recruitment and agency staff	<b>35,772</b>	24,848
Staff training	<b>6,364</b>	4,397
Directors' expenses	<b>3,106</b>	5,841
Auditors' remuneration	<b>11,418</b>	11,849
Internal audit fees	<b>8,640</b>	8,991
Telephone and postage	<b>30,531</b>	29,064
Computer maintenance	<b>107,489</b>	89,898
Legal and professional	<b>75,548</b>	79,499
Office expenses	<b>54,873</b>	52,775
Printing, stationery and publicity	<b>65,583</b>	46,459
Other insurance	<b>7,527</b>	3,731
AGM, annual conference and meetings	<b>7,860</b>	28,377
Credit agency fees	<b>17,676</b>	26,915
Payment waiver (net of rebate)	<u><b>14,788</b></u>	<u>5,819</u>
	<b>1,171,245</b>	<b>1,110,717</b>

## Plane Saver Credit Union Limited

### Notes to the financial statements For the year ended 30 September 2021

#### 8a Other operating expenses

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

	2021 £	2020 £
<b>Regulatory and financial management costs</b>		
FCA, PRA and other fees	<b>7,101</b>	10,517
CUNA mutual insurance	<b>71,847</b>	80,313
ABCUL dues	<b>19,724</b>	20,422
Fidelity insurance	<u><b>13,420</b></u>	<u>13,160</u>
	<b>112,092</b>	<b>124,412</b>
<b>Total</b>	<b>112,092</b>	<b>124,412</b>

#### 8b Auditors' remuneration

	£	£
Audit fees	<b>10,200</b>	10,416
Non-audit services	<b>1,200</b>	1,371
Over provision in respect of previous year	<b>18</b>	62
	<u><b>11,418</b></u>	<u>11,849</u>

#### 9 Employees and employment costs

##### 9a Number of employees

The average monthly number of employees during the year was:

	2021	2020
Office staff	<u><b>19</b></u>	<u>21</u>

##### 9b Employment costs

	2021 £	2020 £
Wages and salaries	<b>631,738</b>	612,223
Social security costs	<b>63,529</b>	53,979
Payments to defined contribution pension schemes	<u><b>28,803</b></u>	<u>26,052</u>
Total employment costs	<b>724,070</b>	<b>692,254</b>



Plane Saver Credit Union Limited

Notes to the financial statements  
For the year ended 30 September 2021

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.

	2021	2020
	£	£
UK corporation tax at 19% (2020: 19%).	26,520	34,524
	26,520	34,524

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 £35,000.

The average amount borrowed by individual members in the financial year was £5,609 (2020 - £4,268).

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.

	2021		2020	
	Amount	Proportion	Amount	Proportion
	£	%	£	%
Arrears analysis:				
Not yet past due	16,956,263	90.11%	17,704,851	89.73%
Up to 3 months past due	350,483	1.86%	478,055	2.00%
Between 3 and 6 months past due	159,634	0.85%	183,903	0.93%
Between 6 and 9 months past due	147,714	0.78%	165,832	0.84%
Between 9 and 12 months past due	177,100	0.94%	172,831	0.88%
Over 1 year past due	1,026,574	5.46%	1,025,871	5.20%
	18,817,768	100.00%	19,731,343	100.00%

Impairment allowance	(1,430,113)	(1,487,940)
Total carrying value of loans	17,387,655	18,243,403

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 2021

11a Impairment provision

	2021	2020
	£	£
As at 1 October 2020	1,487,940	1,026,673
Loans written off during the year	(352,134)	(39,573)
Increase in provision during in the year	294,307	500,840
As at 30 September 2021	1,430,113	1,487,940

11b Impairment losses recognised for the year

	2021	2020
	£	£
Increase in impairment provision during the year	294,307	500,840
Reversal of impairment where debts recovered	(41,874)	(30,764)
Total impairment losses recognised for the year	252,433	470,076

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

	2021	2020
	£	£
As at 1 October 2020	19,731,343	24,044,859
Advanced during the year	8,589,471	7,027,058
Repaid during the year	(10,835,269)	(13,387,945)
Interest charged	1,684,357	2,086,944
Loans written off during the year	(352,134)	(39,573)
As at 30 September 2021	18,817,768	19,731,343

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

	2021	2020
	£	£
As at 1 October 2020	40,468,446	39,357,525
Received during the year	17,202,104	15,567,200
Interest paid during the year	367,864	349,107
Repaid during the year	(14,028,466)	(14,805,386)
As at 30 September 2021	44,009,948	40,468,446

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

During the year 1,675 members joined the Credit Union and 839 left. At the year end there are 16,133 members.

## Plane Saver Credit Union Limited

### Notes to the financial statements For the year ended 30 September 2021

#### 12a Subscribed capital and juniors' deposits - breakdown

	2021	2020
	£	£
Members' shareholdings	43,913,132	40,400,378
Junior deposits	96,816	68,068
	<b>44,009,948</b>	<b>40,468,446</b>

#### 13 Tangible assets

	Land and buildings	Office and computer equipment	Total
	£	£	£
<b>Cost</b>			
At 1 October 2020	529,336	325,508	854,844
Additions		22,743	22,743
At 30 September 2021	<b>529,336</b>	<b>348,251</b>	<b>877,587</b>
<b>Accumulated depreciation</b>			
At 1 October 2020	95,206	215,090	310,296
Charge for the year	9,333	52,214	61,547
At 30 September 2021	<b>104,539</b>	<b>267,304</b>	<b>371,843</b>
<b>Net book value</b>			
<b>At 30 September 2021</b>	<b>424,797</b>	<b>80,947</b>	<b>505,744</b>
At 30 September 2020	434,130	110,418	544,548

#### 14 Other payables

	2021	2020
	£	£
Expense accruals and other creditors	170,478	127,834
UK Corporation Tax	26,520	34,580
	<b>196,998</b>	<b>162,414</b>

## Plane Saver Credit Union Limited

### Notes to the financial statements For the year ended 30 September 2021

#### 15 Reserves

	Statutory reserve	Voluntary reserve	Total
	£	£	£
At 1 October 2020	2,579,696	3,586,558	6,166,254
Comprehensive deficit for the year	(152,762)	-	(152,762)
Transfer between reserves	-	-	-
At 30 September 2021	<b>2,426,934</b>	<b>3,586,558</b>	<b>6,013,492</b>

#### 16 Additional financial instrument disclosures

##### 16a Financial risk management

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

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

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

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

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

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

Plane Saver Credit Union Limited

Notes to the financial statements  
For the year ended 30 September 2021

16b	Interest rate risk disclosure	The following table shows the average interest rates applicable to relevant financial assets and financial liabilities.			
		Amount	Average	Amount	Average
		£	interest rate	£	interest rate
			%		%
Financial assets					
	Loans to members	18,817,768	9.04%	19,731,343	9.91%
Financial liabilities					
	Subscribed capital and junior deposits	44,009,948	1.00%	40,468,446	1.00%
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

	2021	2020
	£	£
Cash and cash equivalents	10,657,682	9,418,758
Loans to banks maturing after three months	21,530,078	18,492,407
	32,187,760	27,911,165

18 Post balance sheet events

At the date of approval of these accounts, the COVID-19 pandemic remains prevalent in the UK. It is not possible for the Board of Directors to accurately 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.

Plane Saver Credit Union Limited

Notes to the financial statements  
For the year ended 30 September 2021

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 24 (2020: 19) members of the Board of Directors, staff and management team and 8 (2020: 9) of their close family members had shares or loans within the Credit Union.	
		None of the directors, or close family members of either the directors or staff, have any preferential terms on their loans or shares. Directors and staff members may however, apply for an unsecured loan at interest rates assessed on the same basis as for other members but must remove themselves from any decision making in respect of any application.	
		During the year members of the Board of Directors received reimbursement for out of pocket expenses incurred as a result of completing their duties for the Credit Union, totalling £416 (2020: £5,841).	



# Notes





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