

Treasurer's Report

Reflection

The 2024/25 financial year represented an important step forward in strengthening Plane Saver's financial position. After a number of years in which the Credit Union invested heavily to support future growth, this year represented a return to a sustainable surplus, while continuing to deliver strong value to members and maintaining robust capital and liquidity buffers. This improvement reflects the disciplined actions taken across lending, cost control and risk management.

Financial performance

For the year ended 30 September 2025, Plane Saver generated a surplus before tax of £257,951, compared with a loss of £254,571 in the previous year. After taxation, the Credit Union reported total comprehensive income of £174,719, contributing to an increase in reserves to £5.47m. This improvement demonstrates disciplined management of lending income, costs and impairments, and early benefits from previous investment and a more efficient operating base.

Income from lending remained the primary driver of overall performance, with loan interest and related income of approximately £6.5m contributing to net lending revenue of £5.2m after recognising impairments of around £1.25m. The year-on-year improvement on Net lending revenue was 27%. Providing this context helps members understand the scale and momentum of our core business. While impairments remain a material cost, they are consistent with planning assumptions and continue to trend in line with prudent provisioning standards, supported by strengthened arrears management and updated impairment methodologies now in place.

Operating costs increased modestly, with total expenses rising to £3.41m. The year saw higher personnel costs as we continued to invest in our human resources, continued investment in technology and data capabilities, and increased regulatory and professional costs associated with operating as a larger Level 3 credit union. A key priority for the year ahead is ensuring that cost growth remains below income growth so that we deliver a steadily improving cost-to-income ratio and stronger operating margins over time.

Balance sheet and member value

The balance sheet remains healthy and well-positioned to support further growth. The loan book increased by 11% to £53.8m, with more than £23.6m of new lending issued during the year. Member shares and deposits also increased by 4% to £57.9m, supported by expanded product offerings, including new notice accounts and fixed-term deposits introduced during

the year. Importantly, this growth has been achieved while maintaining strong credit underwriting standards and a prudent approach to risk.

The capital-to-assets ratio stood at 8.6%, above the PRA minimum, with the liquidity ratio of 14.6% comfortably exceeded regulatory requirements. These buffers provide a solid foundation for future lending, investment in digital transformation and the continued integration of the Money Matters merger.

During the year, the Credit Union paid £1.75m in dividends and interest to members across our various savings products, maintaining strong returns in what has remained a competitive interest-rate environment.

Risk, governance and regulatory alignment

This year, the PRA highlighted several focus areas for growing credit unions: enhanced credit-risk reporting, more frequent policy updates, strengthened forecasting and regular stress testing. In response, we have expanded financial and risk oversight, improved the quality and granularity of management information, introduced bi-annual forecasting cycles and further enhanced our provisioning methodologies.

We are also developing our Digital and AI Governance Policy to ensure that new technologies—particularly those supporting credit decisioning and compliance analytics—are implemented safely, transparently and in line with Consumer Duty expectations.

Looking ahead

Plane Saver enters 2025/26 with a stronger balance sheet, improved profitability and the foundations for a more modern and efficient operating model. Our priorities for the year ahead focus on four areas:

1. Strengthening operating leverage by ensuring income growth consistently outpaces cost growth;
2. Further improving credit control, arrears performance and impairment outcomes;
3. Supporting delivery of the Digital Transformation Roadmap to modernise member experience and back-office efficiency;
4. Maintaining strong capital and liquidity so the organisation remains resilient as it continues to grow.

I would like to thank the Finance Team, Senior Management Team and Board colleagues for their support throughout the year, and our members for their continued trust. Plane Saver remains firmly committed to providing fair and sustainable financial services, and I look forward to supporting the organisation through the next phase of its growth.