

Alexander Sloan  
180 St Vincent Street  
Glasgow  
G2 5SG

13/1/2021

Dear Alexander Sloan

We confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the following representations to you in connection with your audit of the credit union's financial statements for the year ended 30 September 2020.

#### **General**

1. We acknowledge as directors our responsibility under the Credit Union Act 1979 and the Co-operative and Community Benefit Societies Act 2014 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you. All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the credit union have been properly reflected and recorded in the accounting records. All other records and related information, including correspondence from the regulator, minutes of all management and member meetings have been made available to you.
2. The financial statements are free of material misstatements, including omissions.
3. We confirm that we have approved all year end adjustments processed during the preparation of the financial statements.

#### **Internal Control and Fraud**

4. We acknowledge our responsibility for the design and implementation of internal control systems to prevent and detect fraud and error. We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

#### **Loans**

5. All loans from the Credit Union to Committee Members, Staff and their relatives were issued under normal terms and they received no special privileges due to their position with the Credit Union.
6. The Credit Union has reviewed the adequacy of loan provisions and is satisfied that the loan provision in the financial statements is adequate to provide for the credit union's doubtful debts. We believe that the provision provides adequate cover for the amortised cash flows using the effective interest rates.

**Assets and Liabilities**

7. The credit union has satisfactory title to all assets and there are no liens or encumbrances on the credit union's assets, except for those that are disclosed in the notes to the financial statements.
8. We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and have disclosed in the notes to the financial statements all guarantees that we have given to third parties.
9. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
10. The death benefit scheme is a voluntary scheme and the Credit Union are not legally obliged to make payment to members in excess of the provision.

**Accounting Estimates**

11. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

**Legal Claims**

12. We have disclosed to you all claims in connection with loan or insurance mis-selling or litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

**Laws and Regulations**

13. We confirm that there have been no instances of non-compliance (including breaches and possible breaches) with any contract or with those laws and regulations which provide a legal framework within which the scheme conducts its business, namely:-
  - PRA and FCA handbooks
  - The Credit Union Act 1979 and The Co-operative and Community Benefit Societies Act 2014
  - The Financial Services and Markets Act 2000.
  - Money Laundering Regulations
  - Credit Union Rulebook
  - Data Protection Legislation

**Related Parties**

14. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements of law or accounting standards.

**Subsequent Events**

15. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

**Going Concern**

16. We believe that the credit union's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the credit union's needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the credit union's ability to continue as a going concern need to be made in the financial statements.

17. In making our assessment we have taken into account the current COVID19 Pandemic, the impact that this is having and is likely to continue to have on our planned future activities and developments. We have projected our cashflows and are satisfied that, to the best of our knowledge and based on assumptions which we feel appropriate at the time of writing, our cashflow and financial stability is not threatened. The Credit Union would put appropriate restrictions on share balances in the event that it was required to ensure compliance with the capital ratio.

Yours faithfully

Signed on behalf of the board of directors on 13/1/2021

*James Ian Davis*

.....

(Director)

*[Handwritten Signature]*

.....

(Director)



**Alexander Sloan**

Accountants and Business Advisers

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**TRANSAVE CREDIT UNION LIMITED**

**T/A TRANSAVEUK CREDIT UNION**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

Registration No. 213773

**TRANSAVE CREDIT UNION LIMITED  
T/A TRANSAVEUK CREDIT UNION  
CREDIT UNION INFORMATION**

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**FCA number** 213773

**Registered Society number** IP00465C

**Directors**

I Davies  
R Hardman-Jones  
K Dunn  
B Swann  
P Boden  
M Foster  
J Townson  
T Salam  
P Newman  
P Rogers  
C Clark  
P Spencer-Smith  
James Sallows  
Dave Mason

(Appointed 27 November 2019)

(Appointed 10 October 2019)

(Appointed 1 February 2020)

**Secretary**

C Clark

**Registered office**

G4 Business Centre  
Carlisle Street East  
Sheffield  
S4 7QN

**Auditor**

Alexander Sloan  
180 St Vincent Street  
Glasgow  
G2 5SG

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# **TRANSAVE CREDIT UNION LIMITED T/A TRANSAVEUK CREDIT UNION DIRECTORS' REPORT**

***FOR THE YEAR ENDED 30 SEPTEMBER 2020***

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The Directors present their annual report and financial statements for the year ended 30 September 2020.

## **Principal activities**

The principal activity of the credit union continued to be that defined in 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.

## **Results and dividends**

The results for the year are set out on page 6.

## **Directors**

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

I Davies	
R Hardman-Jones	
K Dunn	
B Swann	
P Boden	
M Foster	
J Townson	
T Salam	
P Newman	
P Rogers	
C Clark	(Appointed 27 November 2019)
C Britton	(Resigned 25 October 2019)
P Spencer-Smith	
James Sallows	(Appointed 10 October 2019)
Dave Mason	(Appointed 1 February 2020)

## **Compliance statement**

Under the Prudential Regulation Authority rulebook the Board of Directors must report to the members at the Annual General Meeting on certain areas of compliance within the credit union. The credit union is therefore pleased to report that during the year the credit union has been in compliance with:

Depositor Protection Rules 11, 12, 14 and the requirements of rule 15 that relate to rule 11; and

PRA Credit Union Rule 2.10 (fidelity bond insurance requirements); and:

The requirements of compliance under the PRA "additional activities".

**TRANSAVE CREDIT UNION LIMITED  
T/A TRANSAVEUK CREDIT UNION  
DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**Statement of Directors' responsibilities**

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Legislation requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under the Credit Union Act 1979 and the Co-operative and Community Benefit Societies Act 2014 the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the credit union and of the surplus or deficit of the credit union for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the credit union's transactions and disclose with reasonable accuracy at any time the financial position of the credit union and enable them to ensure that the financial statements comply with the Credit Union Act 1979 and the Co-operative and Community Benefit Societies Act 2014. Directors are also responsible for safeguarding the assets of the credit union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement of disclosure to auditor**

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information of which the credit union's auditor is unaware. Additionally, the Directors individually have taken all the necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the credit union's auditor is aware of that information.

**Auditor**

A resolution for the re-appointment of Alexander Sloan as auditors of the credit union is to be proposed at the forthcoming Annual General Meeting.

By order of the board

*Charlie Clark*

.....

C Clark

**Secretary** 10/1/2021

Date: .....

**TRANSAVE CREDIT UNION LIMITED  
T/A TRANSAVEUK CREDIT UNION  
REPORT FROM THE CEO AND PRESIDENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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As we look back on the financial year just ended our thoughts are inevitably dominated by the hugely disruptive impact of the COVID-19 pandemic on both Transave's day-to-day operations and on the lives of our members.

As you will know the majority of these members are front line key workers and we are sad to report that a number of individuals lost their lives as a direct result of the pandemic. Our thoughts go out to their families.

We are heartened though by the way we have been able to adapt rapidly to support our membership and on our organisation's resilience in these challenging times. Our thanks go to all staff and directors, without whose help none of this would have been possible.

Following the UK wide lockdown in March all our office-based staff were encouraged to work from home and quickly adapted to the world of virtual working.

At the same time we instigated a number of measures to help members whose finances had been adversely affected by the pandemic. For example members with a loan were able to apply for a 3-month payment holiday and request an extension of their loan term to reduce payments.

Strategies that were already in place around digital transformation have also been accelerated to ensure our members experienced a seamless digital experience and that we continued to help operators and employer partners promote Transave within their businesses.

As a result we approach our 25th anniversary year with renewed confidence that we can continue to serve our members despite the challenges that lie ahead.

*James Ian Davies*

.....  
I Davies  
**President**  
13/1/2021



R Hardman-Jones  
**Chief Executive**

**TRANSAVE CREDIT UNION LIMITED  
T/A TRANSAVEUK CREDIT UNION  
INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF TRANSAVE CREDIT UNION LIMITED**

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**Opinion**

We have audited the financial statements of Transave Credit Union Limited (the 'credit union') for the year ended 30 September 2020 which comprise the revenue account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows 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 FRS 102 *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 2020 and of its surplus or deficit for the year then 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 Credit Union Act 1979 and the Co-operative and Community Benefit Societies Act 2014.

**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 in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the 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.

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

**TRANSAVE CREDIT UNION LIMITED  
T/A TRANSAVEUK CREDIT UNION  
INDEPENDENT AUDITOR'S REPORT (CONTINUED)  
TO THE MEMBERS OF TRANSAVE CREDIT UNION LIMITED**

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

We have nothing to report in respect of the following matters where the 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; or
- a satisfactory system of control over transactions has not been kept by the credit union in accordance with the requirements of the legislation; or
- the Revenue Account and Balance Sheet are not in agreement with the books of account of the credit union; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement, the Directors 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 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 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 Directors either intend to liquidate the credit union or to cease operations, or have no realistic alternative but to do so.

**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 website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the credit union's members, as a body, in accordance with 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.

*Alexander Sloan*

**Alexander Sloan**  
**Accountants and Business Advisers**  
**Statutory Auditor**  
14/1/2021

180 St Vincent Street  
Glasgow  
G2 5SG

**TRANSAVE CREDIT UNION LIMITED  
T/A TRANSAVEUK CREDIT UNION  
REVENUE ACCOUNT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Notes	2020 £	2019 £
Loan interest receivable and similar income	3	3,082,918	2,786,558
Interest payable and similar charges	4	(506,852)	(511,552)
Net interest receivable		<u>2,576,066</u>	<u>2,275,006</u>
Fees and commissions payable	5	(23,013)	(21,849)
Net fees and commissions		<u>(23,013)</u>	<u>(21,849)</u>
Other operating income	6	31,799	30,009
Administrative expenses	7	(1,513,810)	(1,431,490)
Depreciation and amortisation		(11,060)	(12,569)
Other operating expenses	8	(145,609)	(163,220)
Impairment on loans for bad and doubtful debts	14	(687,111)	(351,206)
<b>Surplus before taxation</b>		<u>227,262</u>	<u>324,681</u>
Corporation tax	10	(6,091)	(4,197)
<b>Surplus for the year</b>		<u><u>221,171</u></u>	<u><u>320,484</u></u>

The Revenue Account has been prepared on the basis that all operations are continuing operations.  
The notes on pages 11 to 28 form an integral part of these financial statements.

**TRANSAVE CREDIT UNION LIMITED**  
**T/A TRANSAVEUK CREDIT UNION**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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	Notes	2020 £	2019 £
Surplus for the year		221,171	320,484
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u>221,171</u>	<u>320,484</u>

**TRANSAVE CREDIT UNION LIMITED  
T/A TRANSAVEUK CREDIT UNION  
BALANCE SHEET**

**AS AT 30 SEPTEMBER 2020**

	Notes	2020 £	2019 £
<b>Assets</b>			
Cash and balances at central banks	12	200	200
Loans and advances to banks	12	9,285,461	3,364,163
Loans and advances to customers	13	28,529,932	27,669,599
Debt securities	15	1,935,864	1,914,113
Tangible assets	16	81,109	92,169
Prepayments		10,238	12,518
<b>Total assets</b>		<b>39,842,804</b>	<b>33,052,762</b>
<b>Liabilities and reserves</b>			
Customer accounts	17	34,627,873	28,075,833
Other liabilities	18	100,615	88,784
Provisions for liabilities	21	130,000	125,000
		34,858,488	28,289,617
General reserve	26	4,283,503	3,849,401
Other reserves	26	700,813	913,744
Total reserves		4,984,316	4,763,145
<b>Total liabilities and reserves</b>		<b>39,842,804</b>	<b>33,052,762</b>

The financial statements were approved by the Board of Directors and authorised for issue on 13/1/2021 and are signed on its behalf by:

*James Ian Davies*

.....  
I Davies  
**Director**

*R Hardman-Jones*

.....  
R Hardman-Jones  
**Director**

*Charlie Clark*

.....  
C Clark  
**Secretary**

The notes on pages 11 to 28 form an integral part of these financial statements.

**TRANSAVE CREDIT UNION LIMITED  
T/A TRANSAVEUK CREDIT UNION  
STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Revenue Reserve £	Appropriation Reserve £	General Reserve £	Total £
<b>Balance at 1 October 2018</b>	331,345	524,838	3,586,478	4,442,661
Year ended 30 September 2019:				
Surplus and total comprehensive income for the year	-	-	320,484	320,484
Other movements	60,000	(2,439)	(57,561)	-
<b>Balance at 30 September 2019</b>	<b>391,345</b>	<b>522,399</b>	<b>3,849,401</b>	<b>4,763,145</b>
Year ended 30 September 2020:				
Surplus and total comprehensive income for the year	-	-	221,171	221,171
Transfers	-	-	-	-
Other movements	-	(212,931)	212,931	-
<b>Balance at 30 September 2020</b>	<b>391,345</b>	<b>309,468</b>	<b>4,283,503</b>	<b>4,984,316</b>

The notes on pages 11 to 28 form an integral part of these financial statements.

**TRANSAVE CREDIT UNION LIMITED  
T/A TRANSAVEUK CREDIT UNION  
STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Notes	£	2020 £	£	2019 £
<b>Cash flows from operating activities</b>					
Surplus for the period			221,171		320,484
Depreciation and amortisation	9	11,060		12,569	
Corporation tax expenses	10	6,091		4,197	
Provision movement	14	725,008		423,306	
Interest income on loans	3	(3,050,147)		(2,731,482)	
Distribution on members shares	4	506,852		511,552	
			(1,801,136)		(1,779,858)
<b>Working capital adjustments</b>					
Change in other receivables and prepayments		2,280		(10,934)	
Change in other liabilities		16,205		37,552	
Change in provisions		5,000		-	
			23,485		26,618
<b>Cash flows from changes in operating assets and liabilities</b>					
Loan repayments less loans advanced	13	1,464,806		(2,561,244)	
Customer balance cash movement		6,045,188		2,876,798	
Movement on funds in investments	12	(21,751)		(19,216)	
Movement on funds on deposit	12	(3,005,000)		(761,052)	
			4,483,243		(464,714)
Corporation tax paid			(10,465)		(3,562)
<b>Net cash flow from operating activities</b>			2,916,298		(1,901,032)
<b>Net increase/(decrease) in cash and cash equivalents</b>					
			2,916,298		(1,901,032)
Cash and cash equivalents at beginning of year			2,478,311		4,379,343
<b>Cash and cash equivalents at end of year</b>			<b>5,394,609</b>		<b>2,478,311</b>

The notes on pages 11 to 28 form an integral part of these financial statements.

# TRANSAVE CREDIT UNION LIMITED T/A TRANSAVEUK CREDIT UNION NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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## **1 Accounting policies**

### **Background information**

Transave Credit Union Limited 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.

### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Co-operative and Community Benefit Societies Act 2014.

The financial statements are prepared in sterling, which is the functional currency of the credit union. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

### **1.2 Going concern**

The Credit Union has prepared financial projections taking into account the expected impact Covid-19 on the Credit Union's financial reserves. While it is unknown how long the pandemic will last or the extent of the impact on the economy, at the time of approving the financial statements, the Directors have a reasonable expectation that the credit union has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

### **1.3 Income**

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

Interest receivable on loans to members and bank interest are recognised using the effective interest rate basis and are calculated and accrued on a daily basis.

### **1.4 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	12% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

### **1.5 Investments**

Interests in associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

**TRANSAVE CREDIT UNION LIMITED**  
**T/A TRANSAVEUK CREDIT UNION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**1 Accounting policies**

**(Continued)**

**1.6 Impairment of fixed assets**

At each reporting period end date, the credit union reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the credit union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the revenue account, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the revenue account, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**1.7 Cash at bank and in hand**

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of less than 8 days.

**1.8 Financial instruments**

The credit union has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the credit union's balance sheet when the credit union becomes party to the contractual provisions of the instrument.

***Basic financial assets***

Basic financial assets, which include loans to members and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the revenue account, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

**TRANSAVE CREDIT UNION LIMITED**  
**T/A TRANSAVEUK CREDIT UNION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**1 Accounting policies**

**(Continued)**

***Impairment of financial assets***

The credit union assesses, at each balance sheet date, if there is objective evidence that any of its loans to members are impaired. The loans are assessed collectively in groups that share similar credit risk characteristics, because no loans are individually significant. In addition, if, during the course of the year, there is objective evidence that any individual loan is impaired, a specific loss will be recognised. Any impairment losses are recognised in the revenue account, as the difference between the carrying value of the expected cash flows.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the credit union transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

***Basic financial liabilities***

Basic financial liabilities, including members deposits are classified as debt and are initially recognised at transaction price. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Other financial liabilities***

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through the revenue account. Debt instruments may be designated as being measured at fair value through the revenue account to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the credit union's contractual obligations expire or are discharged or cancelled.

**1.9 Taxation**

The tax expense for the period comprises current tax. Tax is recognised in the revenue account, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

***Current tax***

The tax currently payable is based on taxable surplus for the year. Taxable surplus differs from the surplus as reported in the revenue account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The credit union's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**TRANSAVE CREDIT UNION LIMITED**  
**T/A TRANSAVEUK CREDIT UNION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**1 Accounting policies**

**(Continued)**

**1.10 Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

**1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the credit union is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.13 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

**2 Judgements and key sources of estimation uncertainty**

In the application of the credit union's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**TRANSAVE CREDIT UNION LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**2 Judgements and key sources of estimation uncertainty**

**(Continued)**

**Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

***Loan Impairment***

The credit union assesses, at each reporting date, if there is objective evidence that any of its loans to customers are impaired. The loans are assessed collectively in groups that share similar credit-risk characteristics. In addition, if, during the course of the year, there is objective evidence that any individual loan is impaired, a specific loss will be recognised. Any impairment losses are recognised in the Revenue Account, as the difference between the carrying value of the loan and the net present value of the expected cash flows.

***Death benefit scheme***

The credit union makes provision for future payments through the discretionary death benefit trust to member's family in the event of the member's death. The level of provision is estimated by the credit union based on the history of claims. Further details of the provision are included in the provision note to the financial statements.

**3 Interest receivable and similar income**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Interest income on loans	3,050,147	2,731,482
Interest income on bank deposits	716	28,364
Income from investments	32,055	26,712
	<u>3,082,918</u>	<u>2,786,558</u>

**TRANSAVE CREDIT UNION LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**4 Interest payable and similar charges**

As shares are classed as a liability the dividend on these shares is classed as interest for accounting purposes under FRS 102:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Interest and similar charges paid during the period</b>		
Dividend on dividend bearing shares	500,312	510,714
Distributions to juvenile members	6,540	838
	<u>506,852</u>	<u>511,552</u>

The distributions on member's shares represents distributions paid in the year which were approved at the last Annual General Meeting. The dividend rates approved at the previous AGM were:

	<b>2020</b>	<b>2019</b>
	<b>%</b>	<b>%</b>
<b>Distribution rates paid during year</b>		
Ordinary share dividend	2.00	2.25
Juvenile share dividend	2.00	2.25
	<u>2.00</u>	<u>2.25</u>

At the forthcoming Annual General Meeting the Directors will propose the following dividends based on the results for the current year. If approved these dividends will be included as a cost in next year's financial statements once they have been paid.

	<b>2020</b>	<b>2019</b>
	<b>%</b>	<b>%</b>
<b>Distribution rates to be proposed at the Annual General Meeting</b>		
Ordinary share dividend	1.00	2.00
Juvenile share dividend	1.00	2.00
	<u>1.00</u>	<u>2.00</u>

**5 Fees and commissions payable**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank charges	23,013	21,849
	<u>23,013</u>	<u>21,849</u>

**6 Other operating income**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other income	31,799	30,009
	<u>31,799</u>	<u>30,009</u>

**TRANSAVE CREDIT UNION LIMITED**  
**T/A TRANSAVEUK CREDIT UNION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**7 Administrative expenses**

	Notes	2020 £	2019 £
Staff costs	11	913,019	863,417
Death benefit insurance		140,875	72,260
External auditor's remuneration		15,994	14,876
Member communication and advertising		103,576	76,841
Legal, professional and credit control costs		106,467	157,720
Computer and software expenses		138,236	77,816
Travel costs		51,454	68,072
Donations		750	1,500
General administration costs		43,439	98,988
		<u>1,513,810</u>	<u>1,431,490</u>

**8 Other operating expenses**

	2020 £	2019 £
Costs of occupying offices	145,609	163,220
	<u>145,609</u>	<u>163,220</u>

**9 Operating surplus**

	2020 £	2019 £
Operating surplus for the year is stated after charging:		
Fees payable to the credit union's external auditor for the audit of the financial statements	15,994	14,876
Depreciation of owned tangible fixed assets	11,060	12,569
Operating lease charges	78,000	75,829
	<u>105,054</u>	<u>103,274</u>

**10 Taxation**

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	6,091	10,465
Adjustments in respect of prior periods	-	(6,268)
	<u>6,091</u>	<u>4,197</u>

**TRANSAVE CREDIT UNION LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

The actual charge for the year can be reconciled to the expected charge for the year based on the surplus or deficit and the standard rate of tax as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Surplus before taxation	227,262	324,681
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	43,180	61,689
Tax effect of income not taxable in determining taxable profit	(37,089)	(57,492)
Taxation charge for the year	6,091	4,197

**11 Employees**

The average monthly number of persons (including Directors) employed by the credit union during the year was:

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Customer service	19	19

Their aggregate remuneration comprised:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	804,490	768,115
Social security costs	66,370	64,906
Pension costs	42,159	30,396
	913,019	863,417

**TRANSAVE CREDIT UNION LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**12 Loans and advances to banks**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Cash held at banks	5,394,409	2,478,111
Bank deposits	3,891,052	886,052
	<hr/>	<hr/>
Loans and advances to banks	9,285,461	3,364,163
Cash in hand	200	200
	<hr/>	<hr/>
Total cash and bank balances	<u>9,285,661</u>	<u>3,364,363</u>
<b>Loans split by repayment period</b>		
Cash and cash equivalents	5,394,609	2,478,311
Amounts maturing in over 8 days	3,891,052	886,052
	<hr/>	<hr/>
	<u>9,285,661</u>	<u>3,364,363</u>

**13 Loans and advances to customers**

	<b>Notes</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
<b>Loan movement</b>			
Opening balances		28,927,888	23,652,275
Interest on loans		3,050,147	2,731,482
Loans advanced during the period		14,052,571	16,871,026
Loans repaid during the period		(15,517,377)	(14,309,782)
Loans derecognised		(59,834)	(17,113)
		<hr/>	<hr/>
Loan impairment provisions	<b>14</b>	(1,923,463)	(1,258,289)
		<hr/>	<hr/>
		<u>28,529,932</u>	<u>27,669,599</u>
<b>Loans split by repayment period</b>			
Capital repayments due within 1 year		12,518,497	12,538,789
Capital repayments due after 1 year		17,934,898	16,389,099
Loan impairment provisions	<b>14</b>	(1,923,463)	(1,258,289)
		<hr/>	<hr/>
		<u>28,529,932</u>	<u>27,669,599</u>
<b>Loans split by type</b>			
Loans to members		30,453,395	28,927,888
Loan impairment provisions	<b>14</b>	(1,923,463)	(1,258,289)
		<hr/>	<hr/>
		<u>28,529,932</u>	<u>27,669,599</u>

**TRANSAVE CREDIT UNION LIMITED**  
**T/A TRANSAVEUK CREDIT UNION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**14 Loan impairment**

	<b>Write off Provision £</b>	<b>Arrears Provision £</b>	<b>Total Provisions £</b>
<b>Loan impairment provision</b>			
Opening balances	309,021	949,268	1,258,289
Provision movement	-	665,174	665,174
	<u>309,021</u>	<u>1,614,442</u>	<u>1,923,463</u>
Closing balances	<u>309,021</u>	<u>1,614,442</u>	<u>1,923,463</u>

Under Financial Reporting Standard 102 (FRS 102), the criteria for derecognising (writing off a loan) is different from when the credit union would write off the loan for internal purposes. Loans written off by the Board that do not meet the criteria in FRS 102 for being derecognised are not written off in these financial statements. The loans the credit union feel should be written off but which do not meet the criteria in FRS 102 for being derecognised are fully provided in the write off provision which is shown above. As a result there is no net effect on the surplus or net assets of the credit union from this requirement of FRS 102.

	<b>Notes</b>	<b>2020 £</b>	<b>2019 £</b>
<b>Impairment revenue account charge</b>			
Impairment provision movement		665,174	406,193
Bad debts derecognised	<b>13</b>	59,834	17,113
Bad debts recovered		(37,897)	(72,100)
		<u>687,111</u>	<u>351,206</u>

**15 Investments**

	<b>2020 £</b>	<b>2019 £</b>
Debt securities	<u>1,935,864</u>	<u>1,914,113</u>
Listed investments carrying amount	<u>1,935,864</u>	<u>1,914,113</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**16 Tangible fixed assets**

	<b>Fixtures and fittings</b>
	<b>£</b>
<b>Cost</b>	
At 1 October 2019 and 30 September 2020	165,132
<b>Depreciation and impairment</b>	
At 1 October 2019	72,963
Depreciation charged in the year	11,060
At 30 September 2020	84,023
<b>Carrying amount</b>	
At 30 September 2020	81,109
At 30 September 2019	92,169

**17 Customer accounts**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Deposit movement</b>		
Opening balances	28,075,833	24,687,483
Deposited during the period	23,940,167	19,890,047
Withdrawn during the period	(17,388,127)	(16,501,697)
	<u>34,627,873</u>	<u>28,075,833</u>
<b>Deposits split by type</b>		
Standard dividend bearing member shares	34,116,894	27,832,292
Corporate dividend bearing shares	250,000	-
Juvenile member deposits	260,979	243,541
	<u>34,627,873</u>	<u>28,075,833</u>

**18 Other liabilities**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Corporation tax	6,091	10,465
Other taxation and social security	17,745	18,033
Accruals and deferred income	76,779	60,286
	<u>100,615</u>	<u>88,784</u>

**TRANSAVE CREDIT UNION LIMITED**  
**T/A TRANSAVEUK CREDIT UNION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**19 Credit risk on bank and investments**

The credit union invests unused funds in the following investments:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank accounts	5,394,409	2,478,111
Bank term deposits	3,891,052	886,052
Investments	1,935,864	1,914,113
	<u>11,221,325</u>	<u>5,278,276</u>

The credit union believes the full amount of these investments is recoverable.

**TRANSAVE CREDIT UNION LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**20 Credit risk on lending**

The credit union holds the following security against its loans to members:

	<b>2020</b>	<b>2019</b>
	£	£
<b>Security for loans</b>		
Attached shares	11,780,340	11,494,456

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. Where loans are not impaired it is expected that the amounts repayable will be received in full. The status 'past due' includes any loan where payments are in arrears. The amount included is the entire loan amount and not just the overdue amount.

	<b>2020</b>	<b>2019</b>
	£	£
<b>Loans not individually impaired</b>		
Not past due	28,289,398	26,802,596
Up to 3 months past due	478,220	893,518
	<u>28,767,618</u>	<u>27,696,114</u>
<b>Loans individually impaired</b>		
Between 3 and 6 months past due	305,550	232,883
Between 6 months and 1 year past due	302,564	170,329
Over 1 year past due	768,642	519,541
Individually impaired and written off for internal purposes	309,021	309,021
	<u>1,685,777</u>	<u>1,231,774</u>
Total loans	30,453,395	28,927,888
Impairment allowance	(1,923,463)	(1,258,289)
	<u>28,529,932</u>	<u>27,669,599</u>

**TRANSAVE CREDIT UNION LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**21 Provisions for liabilities**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Death benefit provision	130,000	125,000
	<u>          </u>	<u>          </u>
Movements on provisions:		<b>Death benefit provision</b>
		<b>£</b>
At 1 October 2019		125,000
Additional provisions in the year		5,000
		<u>          </u>
At 30 September 2020		130,000
		<u>          </u>

The Credit Union operate a discretionary benefit trust scheme. Under the scheme the Credit Union in the event of a member's death will meet the cost of their loan and provide the shares and a funeral grant to their next of kin. Payment from the trust is discretionary and depends on the Credit Union's financial position. A provision is included for the amount the Credit Union has informed members will be available in the trust.

**22 Retirement benefit schemes**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution schemes</b>		
Charge to revenue account in respect of defined contribution schemes	42,159	30,396
	<u>          </u>	<u>          </u>

The credit union operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the credit union in an independently administered fund.

**TRANSAVE CREDIT UNION LIMITED**  
**T/A TRANSAVEUK CREDIT UNION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**23 Financial risk management**

The credit union manages its shares and loans so that it earns income from the margin between interest receivable and interest payable (including dividends paid).

The main financial risks arising from the activities of the credit union are credit risk, liquidity risk and market risk. The Board 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 obligations relating to repayment to the credit union, resulting in financial loss to the credit union. In order to manage this risk the Board approves 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 the likelihood of repayment has changed. The credit union also monitors its banking arrangements for credit risk.

***Liquidity risk***

The policy of the credit union is to maintain sufficient funds in liquid form at any time to ensure that it can meet its liabilities as they fall due and meet the liquidity ratios set by the regulators. The objective of the policy is to provide a degree of protection against any unexpected developments that may arise.

***Market risk***

Market risk generally comprises of interest rate risk, foreign currency risk and other price risk. The main risks impacting the credit union are set out below:

Interest rate risk: The main interest rate risk for the credit union arises between the interest rate exposure on loans, bank deposits and shares that form an integral part of a credit union's operations. The credit union considers rates of interest receivable when deciding on proposed dividend rates. Dividend rates are based on the historical results of the credit union and the credit union's strategic plans. The credit union does not use interest rate options to hedge its own positions.

Foreign Currency Risk: All transactions are carried out in sterling and therefore the credit union is not exposed to any form of foreign currency risk.

Other price risk: The credit union only holds investments in government securities and those with credit institutions that meet the criteria of Chapter 6 of the PRA rulebook. The credit union monitors the investments throughout the year.

**TRANSAVE CREDIT UNION LIMITED**  
**T/A TRANSAVEUK CREDIT UNION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**24 Interest rates on financial instruments**

The following table shows the interest earned during the year divided by the closing loan balance and the dividend/interest paid during the year divided by the closing share balance

	2020		2019	
	Amount	Rates received	Amount	Rates received
	£	in year	£	in year
		%		%
<b>Financial assets</b>				
Loans to members	30,453,395	10.02%	27,669,599	9.87%
Loans and advances to banks	9,285,461	0.01%	3,364,163	0.84%
	<u>39,738,856</u>		<u>31,033,762</u>	
	<u><u>39,738,856</u></u>		<u><u>31,033,762</u></u>	
<b>Financial liabilities</b>				
Juvenile deposits	(260,979)	2.51%	(243,541)	0.34%
Dividend bearing shares	(34,366,894)	1.46%	(27,832,292)	1.80%
	<u>(34,627,873)</u>		<u>(28,075,833)</u>	
	<u><u>(34,627,873)</u></u>		<u><u>(28,075,833)</u></u>	

**25 Capital**

The credit union classes all of its reserves as capital. The credit union manages its reserves through its financial and budgeting policies and procedures. The Prudential Regulation Authority sets out requirements for regulatory capital that the credit union must maintain. The credit union's compliance with the requirements at the year end is set out below:

	2020	2019
	%	%
Actual regulatory capital	<u>11.73</u>	<u>12.83</u>
<b>Regulatory requirement</b>		
Base capital requirement	7.25	8.00
Capital buffer	-	2.00
Total capital requirement	<u>7.25</u>	<u>10.00</u>

**TRANSAVE CREDIT UNION LIMITED**  
**T/A TRANSAVEUK CREDIT UNION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**26 Reserves**

**General Reserve**

The general reserve represents the base capital of the credit union and is the retained surpluses and deficits which have not been allocated to another specific reserve.

**Revenue**

The revenue reserve represents funds the credit union has allocated to meet future unexpected costs.

**27 Financial commitments, guarantees and contingent liabilities**

Contingent Liabilities

The credit union participates in the Financial Services Compensation Scheme (FSCS) which provides protection for its members up to the level of protection offered by the FSCS. As a result of the credit union's participation it has a contingent liability, which cannot be quantified, in respect of future contributions to the FSCS, as required by the Financial Services and Markets Act 2000.

**28 Operating lease commitments**

**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Within one year	61,819	61,819
Between two and five years	109,260	147,079
In over five years	-	24,000
	<hr/>	<hr/>
Total lessee operating lease commitment	<u>171,079</u>	<u>232,898</u>

**TRANSAVE CREDIT UNION LIMITED**  
**T/A TRANSAVEUK CREDIT UNION**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**29 Related party transactions**

The credit union classes the Directors and members of the senior management team as key management.

**Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	246,550	256,476
Pension expense	13,407	10,932
	<u>259,957</u>	<u>267,408</u>

**Transactions with key management**

Balances held by members of key management and their close family members in the credit union are set out below. Loans to key management and their close family members are on standard terms and conditions.

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Loans to key management and their close family	54,200	66,904
Shares held by key management and their close family	479,776	106,657
	<u>533,976</u>	<u>173,561</u>

**The following page does not form part of the statutory accounts**

**TRANSAVE CREDIT UNION LIMITED  
T/A TRANSAVEUK CREDIT UNION  
DETAILED REVENUE ACCOUNT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Notes	2020 £	2019 £
<b>Income</b>			
Interest income on loans	3	3,050,147	2,731,482
Interest income on bank deposits	3	716	28,364
Income from investments		32,055	26,712
Other income	6	31,799	30,009
		<u>3,114,717</u>	<u>2,816,567</u>
<b>Expenditure</b>			
Staff costs	11	913,019	863,417
Death benefit insurance		140,875	72,260
Auditors remuneration		15,994	14,876
Member communication and advertising	7	103,576	76,841
Legal, professional and credit control costs	7	106,467	157,720
Computer and software expenses	7	138,236	77,816
Travel costs	7	51,454	68,072
Bank charges	5	23,013	21,849
Donations	7	750	1,500
General administration costs	7	43,439	98,988
Costs of occupying offices	8	145,609	163,220
Depreciation and amortisation	9	11,060	12,569
Impairment on loans for bad and doubtful debts	14	687,111	351,206
		<u>2,380,603</u>	<u>1,980,334</u>
Surplus before taxation		734,114	836,233
Corporation tax	10	(6,091)	(4,197)
		<u>728,023</u>	<u>832,036</u>
Distributions		(506,852)	(511,552)
Surplus for the year		<u><u>221,171</u></u>	<u><u>320,484</u></u>

## Certificate Of Completion

Envelope Id: BCDDDB1F27F244EBF93F517A3A9702879	Status: Completed
Subject: Transave Annual Accounts	
Source Envelope:	
Document Pages: 36	Signatures: 9
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Disabled	Steven Cunningham
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	180 St Vincent Street
	nil
	Glasgow, Glasgow G2 5SG
	steven.cunningham@alexandersloan.co.uk
	IP Address: 51.132.22.113

## Record Tracking

Status: Original	Holder: Steven Cunningham	Location: DocuSign
1/8/2021 3:28:27 AM	steven.cunningham@alexandersloan.co.uk	

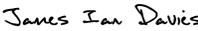
## Signer Events

Signer Events	Signature	Timestamp
Charlie Clark charlie.clark@transaveuk.co.uk Executive Director TransaveUK Security Level: Email, Account Authentication (None)	  Signature Adoption: Pre-selected Style Using IP Address: 94.14.112.113	Sent: 1/8/2021 5:05:15 AM Viewed: 1/8/2021 5:06:27 AM Signed: 1/10/2021 3:01:42 AM

**Electronic Record and Signature Disclosure:**  
Accepted: 1/8/2021 5:06:27 AM  
ID: 66c03b53-8cc9-4a69-85f9-49f351615ce6

Rachael Hardman-Jones rachael@transaveuk.co.uk Security Level: Email, Account Authentication (None)	  Signature Adoption: Drawn on Device Using IP Address: 51.155.18.9	Sent: 1/8/2021 5:05:15 AM Viewed: 1/11/2021 6:44:04 AM Signed: 1/11/2021 6:44:36 AM
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**Electronic Record and Signature Disclosure:**  
Accepted: 5/20/2019 1:36:32 AM  
ID: e0123d79-abf6-44b1-bebc-f9b8dc868b3a

James Ian Davies ji.davies@icloud.com Security Level: Email, Account Authentication (None)	  Signature Adoption: Pre-selected Style Using IP Address: 92.17.79.113	Sent: 1/11/2021 6:44:38 AM Resent: 1/13/2021 3:09:16 AM Resent: 1/13/2021 3:09:30 AM Resent: 1/13/2021 4:29:22 AM Viewed: 1/13/2021 5:23:04 AM Signed: 1/13/2021 5:45:36 AM
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**Electronic Record and Signature Disclosure:**  
Accepted: 1/13/2021 5:23:04 AM  
ID: 535ea39c-3821-4763-9baf-8d33ca5c9f4d

Alexander Sloan steven.cunningham@alexandersloan.co.uk Partner Alexander Sloan Security Level: Email, Account Authentication (None)	  Signature Adoption: Pre-selected Style Using IP Address: 51.132.22.113	Sent: 1/13/2021 5:45:38 AM Viewed: 1/14/2021 12:59:35 AM Signed: 1/14/2021 12:59:59 AM
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**Electronic Record and Signature Disclosure:**  
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<b>In Person Signer Events</b>	<b>Signature</b>	<b>Timestamp</b>
<b>Editor Delivery Events</b>	<b>Status</b>	<b>Timestamp</b>
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<b>Certified Delivery Events</b>	<b>Status</b>	<b>Timestamp</b>
<b>Carbon Copy Events</b>	<b>Status</b>	<b>Timestamp</b>
<b>Witness Events</b>	<b>Signature</b>	<b>Timestamp</b>
<b>Notary Events</b>	<b>Signature</b>	<b>Timestamp</b>
<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
Envelope Sent	Hashed/Encrypted	1/8/2021 5:05:15 AM
Certified Delivered	Security Checked	1/14/2021 12:59:35 AM
Signing Complete	Security Checked	1/14/2021 12:59:59 AM
Completed	Security Checked	1/14/2021 12:59:59 AM
<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
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Browsers:	Final release versions of Internet Explorer® 6.0 or above (Windows only); Mozilla Firefox 2.0 or above (Windows and Mac); Safari™ 3.0 or above (Mac only)
PDF Reader:	Acrobat® or similar software may be required to view and print PDF files
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	Allow per session cookies

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