S&U Est 1938

the credit you deserve

Annual Report and Accounts

for the period ended 31 January 2012

Stock code: SUS

S&U Plc

Annual Report and Accounts for the period ended 31 January 2012

Stock code: SUS

www.suplc.co.uk

Welcome to S&U

Founded in 1938, S&U plc group has over 140,000 customers and provides work for over 800 people.

Our aim is to provide Britain's foremost consumer and motor finance service. We continually strive to achieve that ideal to the benefit of our customers, our employees and of course our shareholders.

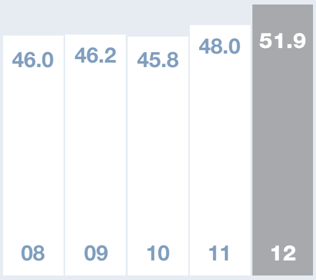
Visit us online

For more information, visit us online at:

www.suplc.co.uk

Our Performance

Revenue
£m



Revenue
£51.9m
(2011: £48.0m)

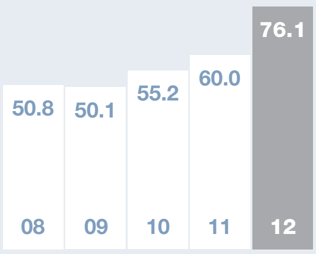
+8%

Profit before tax
£m

Profit before tax
£12.2m
(2011: £9.9m)

+24%

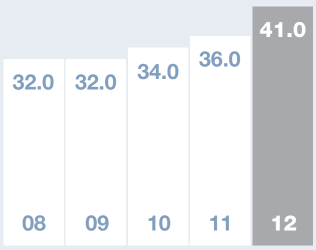
Basic EPS
pence



Earnings per Share
76.1p
(2011: 60.0p)

+27%

Dividend declared
pence



Dividend declared
41p
(2011: 36p)

+14%

- Record performance by Advantage in motor finance — profit before tax up 40%
- 12% increase in home credit profit before tax.
- Treasury position strengthened — gearing now at 34% (2011: 43%)

Our Business

Our Governance

Our Financials

Shareholder Information

Group at a Glance

Our aim is to provide Britain's foremost niche consumer and motor finance service. We have over 140,000 customers and provide work for over 800 people.

% Share of Group Revenue:
66%

Turnover:
£34.1m

Home Credit Consumer Finance

S&U was founded in Birmingham in 1938 by Clifford Coombs, a charismatic figure from South Wales.
His secret lay in his ability to charm and motivate people, whether they were customers or employees. By 1975, changing customer tastes and sophistication saw S&U and its sister company SD Taylor transform their goods based credit business into a finance and HP operation. This was successfully taken forward by Clifford's sons Derek and Keith Coombs for the following three decades!

Consistent with this customer focused home credit operation we now trade as Loansathome4u.

Loansathome4u provide valued home credit facilities to customers via 500 agents across the UK. The emphasis on a personal relationship between customer and agent is as central to Loansathome4u's philosophy today as it was to Clifford Coombs' success.

www.loansathome4u.co.uk

% Share of Group Revenue:
34%

Turnover:
£17.8m

Motor Finance

Set up in 1999, Advantage has grown to be one of the most progressive and innovative motor finance companies in the country and is a member of the Finance and Leasing Association. Advantage employs over 70 people and has provided motor finance for over 45,000 customers across the UK, growing at the rate of 5,000 per year.

Operating within the non-prime market sector, Advantage has built its excellent reputation and track record on quality as opposed to quantity. Funding is invested wisely through a very experienced management team the majority of whom have been with the Company since inception. Low staff turnover and a strong focus on reward and recognition are fundamental to the success of Advantage which has achieved 12 consecutive years of record profits.

www.advantage-finance.co.uk

Chairman's Statement

We see significant opportunities to attract customers to our kind of responsible, carefully underwritten and flexible finance.

I am pleased to announce an excellent year for S&U. Profits before tax have climbed to a record £12.2m (2011: £9.9m). Our loyal customers, both old and new, continue to appreciate the flexibility and value our services and products provide. In challenging times for many, every customer at S&U does count and it is this unique relationship which makes our continued growth both responsible and sustainable. We look to our future with quiet confidence.

Financial Review

Group profit before tax is £12.2m, an increase of just under a quarter on last year. Revenue is up 8% at £51.9m. Loansathome4U, our Home Credit division, produced profits of £6.3m against £5.6m last year — a very commendable and consistent performance from both Home Credit companies. Debt quality improved, customer numbers rose and cash generation has continued healthily. Advantage, our Motor Finance business, has produced another record year as profits rose to £5.9m (2011: £4.2m) and all key performance indicators were not just met but substantially exceeded.

Good lending, as many in the finance industry too often in past years had forgotten, is generally rewarded with incoming cash. Despite a growth in customer numbers and transactions in both Home Credit and Motor Finance, S&U's net bank borrowings have fallen again by £2.9m this year. Group Gearing is now just 34% against 43% last year and 57% in 2010. This trend demonstrates the consistency and strength of our treasury policy.

Reflecting this strong profitability and cash generation, S&U's net assets have risen to £54.9m (2011: £50.1m). Net receivables before provisions are £113.1m (2011: £108.5m) and total borrowings are now down at £18.8m (2011: £21.7m). During the year we repaid a medium term loan from RBS, and our current bank facilities give us substantial head room for our predicted organic growth and further acquisitions.

Highlights

- Profit before tax up by 24% to £12.2m (2011: £9.9m)
- Gearing reduced to 34% (2011: 43%)
- Earnings per share of 76p (2011: 60p)
- Final Dividend payment of 18p (2011: 16p). Annual total dividend for the year increased to 41p per ordinary share (2011: 36p)

Dividend

Our progressive but responsible approach to business is reflected in our dividend policy. This year's performance merits an increase in both dividends and in cover. The Board therefore proposes to recommend a final dividend of 18p per ordinary share. This will be paid on 22 June 2012 to ordinary shareholders on the register on 1 June 2012 subject to shareholder approval at the Annual General Meeting on 24 May 2012.

Taken with the payment of the second interim dividend in March this year, this will represent a total dividend for the year of 41p (2011: 36p) per ordinary share. Dividend cover will increase to 1.8 times from 1.67 last year.

Operating Results

	Year Ended 31 January 2012 £m	Year Ended 31 January 2011 £m
Revenue	**51.9**	48.0
Cost of Sales	**17.9**	17.1
Gross Profit	**34.0**	30.9
Administrative Expenses	**21.2**	20.0
Operating Profit	**12.8**	10.9
Finance Costs (Net)	**0.6**	1.0
Profit before Taxation	**12.2**	9.9

Home Credit

- Profits increase by 12% to £6.3m
- 53 weeks Home Credit trading this year versus 52 weeks last year — like for like profits increase is 7%
- Consistent profits in both Northern and the Southern divisions
- Customer numbers up by 2%
- Debt quality strengthened
- New Branches opening in Glasgow, Swindon and Rotherham
- Acquisition of Home Credit business of Norton Finance post year end

Net Assets £54.9m

Dividend cover over £1.8 times

Pam from Warrington

Our customer Pam has been using the Home Credit facilities of Loansathome4u for over 20 years. In addition to receiving cash loans Pam has also used the service provided by our agent to help purchase shopping vouchers and a Cooker. Three years ago Pam's husband lost his job and they had to go on reduced loan repayment terms. Our agent Sandra helped the customer through this and eventually the repayments improved and we were able to do business with her at the important times of the year. Her husband is now back in work and Pam is full of praise for the goods and services that we offer; "I have dealt with Loansathome4u for over 20 years and they have helped me through the bad times as well as the good, Sandra has always been sympathetic and helpful and I look to her as a friend, she has watched my children grow up and they now deal with her!"

Our Home Credit Division, trading as Loansathome4U, had a very successful year. Profits before tax were £6.3m (2011: £5.6m) an increase of 12%. At a time when consumers generally are justifiably cautious, the business increased customer numbers by 2%. Debt quality has continued to improve, and this is reflected in an increase in revenue of over 7% on last year and in lower bad debt.

The success in Home Credit depends upon nurturing the weekly and monthly relationship between representative and the customers. In times of economic difficulty and uncertainty, customers above all value this relationship and the understanding, flexibility and convenience it brings. Our mantra that "every customer counts" to us, is not just an empty slogan but actually describes the very ethos of our business. Whilst our products compete on price, it is the consequent level of service to customers throughout the loan term that really distinguishes Home Credit from more remote lending.

We are therefore very confident that the current reviews by the Office of Fair Trading into higher cost credit and into the possible imposition of total charge for credit caps, will recognise the unique and beneficial place Home Credit has in providing responsible finance to over four million people throughout the UK. We also anticipate that the Competition Commissions review of its 2006 remedies on competition and on transparency and price comparison will be similarly benign.

A strong Home Credit service is a local service, which is why we have opened another two branches, in Glasgow and Swindon this year. Following our acquisition of the Home Credit business of Norton Finance recently, we plan to open another branch in Rotherham which will be a springboard to a stronger presence in Yorkshire generally.

As the availability of consumer credit is likely to remain constrained over the next five years, we see significant opportunities to attract customers to our kind of responsible, carefully underwritten and flexible finance. Although the Internet will be one route to market, more traditional ways such as customer recommendation and local contact will remain paramount.

We have therefore continued to develop our management training programmes, revised our Training Manuals for representatives and now plan to introduce the new government's re-skill qualifications for our employed and administrative staff.

As a result, the level of professionalism and commitment of our self-employed agents and of our staff and management is, in my view at its highest for a generation. That, above all gives us a strong base for the expansion and continued success of our Home Credit Division.

Motor Finance

- Record profits of £5.9m (2011: £4.2m) for the twelfth successive year
- Record collections quality as monthly repayments near £2.5m
- Record transaction and customer numbers
- Extended broker network and new products for franchised dealers

For the twelfth consecutive year, Advantage Finance our motor finance business based in Grimsby, has produced record profits. This year profits before tax were £5.9m (2011: £4.2m) an increase of 40%.

Net cash from operating activities £7.9m

Gearing 34%

Mr & Mrs B from Burnley.

As a staff nurse, Mrs B often needed to be at work during unsociable hours and therefore a reliable car was very important. Their existing car was showing signs of age and needed updating. They chose a suitable vehicle at a nearby motor dealer and their application for finance was forwarded to Advantage who were able to approve the application within minutes. After agreeing part-exchange terms with the dealer, and loan terms with Advantage's telephone adviser, Mr & Mrs B were able to sign up for their new car and collect it later the same day. When contacted by Advantage shortly afterwards to confirm safe delivery of their new car, Mr B commented "I cannot fault Advantage, they provided a brilliant service".

Revenues are up by 11% and applications continue at around 13,000 per month of which Advantage write around 400.

In an era when the supply of speciality and non prime finance is restricted, and likely to remain so, we foresee significant opportunities. Advantage's state of the art underwriting and scoring systems, developed over a decade of customer service, allow it to predict future payment accurately and to select customers accordingly. As a result, debt quality has never been better, provisioning charges have fallen on last year and collections now approach £2.5m per month.

Consequently, Advantage has been able to combine healthy growth with continuing cash generation, this year of £0.5m. In 2013, significant opportunities for growth, and the quality of our loan book, merit a net investment into Advantage of around £4m. This will be funded from our own resources.

Communitas, our second mortgage operation, continues its orderly run off. Total outstanding net book debt is now just £462,000 (2011: £654,000) and the trading loss has halved again to £60,000 from £126,000 last year.

Funding

- Gearing reduced to 34% (2011: 43%)
- Net cash inflow from operating activities of £8m
- Group borrowings reduced by £2.9m
- Significant headroom for acquisitions and organic growth

Our excellent relationships with our banking partners have continued over the past year in new medium term and other facilities. We have significant medium term headroom for new business opportunities, organic growth and Home Credit acquisitions.

Our Community

S&U, whilst maintaining focus on the service to customers and wealth creation which are the bedrock of our business, have involved themselves in fundraising and community activities for those less fortunate than themselves. Amongst the organisations supported are Marie Curie Cancer Care, who are building a hospice in Solihull, The Foundation for Conduction Education which treats people with motor disabilities and, more recently, The Princes Trust, which provides opportunities for local youngsters in training and employment. These and other activities, and the fun and fund raising involved, are a great credit to the people involved and reflect S&U's progressive and responsible approach to business built up over nearly 75 years.

Current Trading and Outlook

Predictions for growth, consumer spending and the labour market remain subdued for the year to come and the recent fall in High Street Sales reflects this. However, the Group's trading remains encouraging and, together with the long term market opportunities mentioned above, and the professionalism and focus of our people at S&U, we face the future with confidence.

I pay tribute to the commitment and enthusiasm of all at S&U, to the support of our Board, and most of all to the loyalty of our customers. Together we will work hard to continue the progress of this year.

Anthony Coombs
Chairman
28 March 2012

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 January 2012.

Principal activities

The principal activity of the S&U plc Group (the "Group") continues to be that of consumer credit and motor finance throughout England, Wales and Scotland. The principal activity of S&U plc Company (the "Company") continues to be that of consumer credit.

Business review, results and dividends

A review of developments during the year together with key performance indicators and future prospects is given in the Chairman's Statement on page 3. The results for the 2012 year include 53 weeks of trading for the consumer credit business (2011: 52 weeks) and 52 weeks (2011: 52 weeks) for the motor finance business. There were no significant events after the balance sheet date other than the acquisition of the home credit business of Norton Finance (£0.75m of gross assets).

The Group's profit on ordinary activities after taxation was £8,935,000 (2011: £7,043,000). Dividends of £4,355,000 (2011: £4,074,000) were paid during the year.

After the year end a second interim dividend for the financial year of 12.0p per ordinary share (2011: 10.0p) was paid to shareholders on 23 March 2012.

The directors now recommend a final dividend, subject to shareholders approval of 18.0p per share (2011: 16.0p). This, together with the interim dividends of 23.0p per share (2011: 20.0p) already paid, makes a total dividend for the year of 41.0p per share (2011: 36.0p).

Directors and their interests

The directors of the Company during and after the year and the beneficial interests of the directors at the year end and their immediate families in the ordinary shares of the Company are set out below:

	At 31 January 2012	At 31 January 2011
AMV Coombs	**727,330**	526,330
GDC Coombs	**787,970**	587,970
KR Smith	**26,600**	26,600
D Markou	**4,500**	4,500
F Coombs	**33,550**	33,550
JG Thompson	**2,000**	–
CH Redford	**1,000**	–
MJ Mullins	**–**	–
MJ Thompson	**–**	–

There were no changes to the directors' interests shown above between 31 January 2012 and 28 March 2012.

Mr MJ Thompson was appointed as a director on 23 March 2011 and has no beneficial interests in the ordinary shares of the Company.

In addition, Grevayne Properties Limited, a Company of which Messrs GDC and AMV Coombs are directors and shareholders, owned 298,048 ordinary shares in the Company at 31 January 2012 (2011: 298,048). During the year the Company obtained supplies at market rates amounting to £4,730 (2011: £4,753) from Grevayne Properties Limited. The amount due to Grevayne Properties Limited at the year end was £nil (2011: £nil).

The directors had no interests in the Company's preference shares or in the shares of its subsidiaries.

In accordance with the Company's Articles of Association Messrs AMV Coombs, MJ Mullins and D Markou being eligible, offer themselves for re-election.

No director had any interest in any material contract during the year relating to the business of the Group.

Details of directors share options are provided in the report of the Board to the Shareholders on Remuneration Policy on page 10.

Auditor

Each of the persons who is a director at the date of approval of the annual report confirms that; so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Substantial shareholdings

At 28 March 2012, the Company had been notified of the following interests of 3% or more in its issued ordinary share capital (excluding those of the directors disclosed above):

Shareholder	No of shares	% of share capital
DM Coombs	3,039,032	25.9%
Wiseheights Limited	2,420,000	20.6%
Mrs CMG Coombs	1,587,795	13.5%

Employees

The Group's policy is to give full and fair consideration to applications for employment by disabled persons, having regard to the nature of their employment. Suitable opportunities and training are offered to disabled persons in order to provide their career development.

The Group also recognises the need to communicate with employees. Regular updates are sent out to each employee to keep employees informed of the progress of the business as well as regular memos to the branches in respect of new initiatives.

Principal risks and uncertainties

The Group is involved in the provision of consumer credit and a key risk for the Group is the credit risk inherent in amounts receivable from customers which is principally controlled through our credit control policies supported by ongoing reviews for impairment. The Group is also subject to legislative and regulatory change within the consumer credit sector and this is managed through internal compliance procedures and close involvement with trade organisations such as the Consumer Credit Association and the Finance and Leasing Association. The Group's activities expose it to the financial risks of changes in interest rates and where appropriate the Group uses interest rate derivative contracts to hedge these exposures in bank borrowings. More detail of the Group's financial risk management policies is included in note 22.

Statement of going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out above. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are set out in the financial statements and Chairman's Statement. The Group's objectives, policies and processes for managing its capital are described in the notes to the financial statements. Details of the Group's financial risk management objectives, its financial instruments and hedging activities; and its exposures to credit risk, market risk and liquidity risk are also set out in the notes to the financial statements. In considering all of the above the directors believe that the Group is well placed and has sufficient financial resources to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Environment

The Group recognises the importance of its environmental responsibilities and designs and implements policies to reduce any damage that might be caused by the Group's activities.

Political and charitable contributions

During the year the Company and the Group made contributions to a number of local charities of £16,640 (2011: £4,171). No political contributions were made.

Creditor payment policy

The Group and the Company do not follow any published code of practice but agrees terms and conditions with its suppliers. Payment is then made on the terms agreed, subject to the appropriate terms and conditions being met by the supplier. Trade creditor days for the Group for the year ended 31 January 2012 were 44 days (2011: 41 days), and trade creditor days for the Company were 45 days (2011: 34 days), calculated in accordance with the requirements set down in the Companies Act 2006. This represents the ratio, expressed in days, between the amounts invoiced to the Group and the Company by their suppliers in the year and the amount due, at the year end, to trade creditors within one year.

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board

C Redford
Secretary
28 March 2012

Directors and Advisers

Anthony Coombs MA (Oxon)
Chairman, Aged 59

Nominations Committee

Joined S&U in 1975 and was appointed Managing Director in 1999 and then Chairman in 2008. Between 1987 and 1997 served as a Member of Parliament and was a member of the Government. Serves on the Executive of the Consumer Credit Association and chairs its Public Relations Committee and is a director of a number of companies and charities including chairing the trustees of the National Institute for Conductive Education.

Graham Coombs (Oxon) MSc (Lon)
Deputy Chairman, Aged 59

Joined S&U after graduating from London Business School in 1976. He is responsible for the subsidiary, S D Taylor Limited and for property matters. He was appointed Deputy Chairman in 2008.

Chris Redford ACA
Group Finance Director, Aged 47

A Chartered Accountant with over 10 years business experience in the Fast Moving Consumer Goods, food and travel sectors prior to his appointment as Finance Director of Advantage Finance in 1999. Following a successful start up period for Advantage he was appointed as Group Finance Director with effect from 1 March 2004.

Demetrios Markou MBE FCA
Non-executive, Aged 68

Nominations, Audit and Renumeration Committees

A Chartered Accountant with over 35 years experience in public practice in Birmingham and director of many private companies. He has extensive commercial and political experience.

Keith Smith TD FCIM
Non-executive, Aged 73

Nominations, Audit and Renumeration Committees

A former member of the London Stock Exchange and Fellow of the Securities Institute, he has been a principal in stockbroking firms for more than thirty years, specialising in corporate finance. He is the senior non-executive director.

Fiann Coombs BA (Lon) MSc (Lon)
Non-executive, Aged 43

An economic analyst with wide-ranging professional and commercial skills and experience, Fiann has brought these skills to the considerable benefit of the S&U Group since his appointment to the Board in 2002.

Guy Thompson
Aged 56

Guy joined the Group in 1999 as Managing Director of Advantage Finance and has overseen an excellent performance in their first 12 years. Guy has a strong track record in the finance and motor sectors and since his appointment brings these skills to the Board of S&U plc.

Mike Mullins
Aged 54

Mike joined S&U in 1997 and started out as an agent in the then Newton Abbot branch covering Torbay, after 9 months taking over as branch manager of the same branch. He then moved through the ranks of management and in September 2009 assumed overall control of our Group Home Credit operations.

Mike Thompson DMS FIoD
Aged 48

First joined the Group in 1985 as an SD Taylor representative in the Warrington and Widnes areas and has had wide Home Credit experience with Provident and Shopacheck. Rejoined the Group as a manager in 1994, and was appointed SD Taylor Managing Director in 2000 since when Mike has successfully overseen significant growth in our northern Home Credit operation.

Secretary
C Redford ACA

Registered Office
Royal House
Prince's Gate
Homer Road
Solihull
West Midlands
B91 3QQ
Tel: 0121 705 7777

Bankers
HSBC Bank plc
130 New Street
Birmingham
B2 4JU

Royal Bank of Scotland
5th Floor
2 St Philips Place
Birmingham
B3 2RB

Solicitors
DLA
Victoria Square
Birmingham
B2 4DL

Auditors
Deloitte LLP
Statutory Auditors
Birmingham

Registrars
Capita IRG plc
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU
Tel: 020 8639 3039

Media and Investor Relations
Smithfield Financial Ltd
10 Aldersgate Street
London
EC1A 4HJ

Stockbrokers
Arden Partners
125 Old Broad Street
London
EC2 1AR

Report of the Board to the Shareholders on Remuneration Policy

Introduction

This report has been prepared in accordance with Schedule 8 of the Accounting Regulations under the Companies Act 2006. The report also meets the relevant requirements of the Listing Rules of the Financial Services Authority and describes how the board has applied the principles relating to directors' remuneration in the Combined Code. As required by the Act, a resolution to approve the report will be proposed at the Annual General Meeting of the Company at which the financial statements will be approved.

The Act requires the auditor to report to the Company's members on certain parts of the Directors' Remuneration Report and to state whether in their opinion those parts of the report have been properly prepared in accordance with the Accounting Regulations. The report has therefore been divided into separate sections for audited and unaudited information.

UNAUDITED INFORMATION

Remuneration committee

The Company has established a Remuneration Committee which is constituted in accordance with the recommendations of the Combined Code. The members of the committee are Mr D Markou and Mr K Smith, who are both independent non-executive directors. The committee is chaired by Mr K Smith.

None of the Committee has any personal financial interest (other than as shareholders), conflicts of interest arising from cross-directorship or day-to-day involvement in running the business. The committee makes recommendations to the board. No director plays a part in any discussions about their own remuneration.

Remuneration Policy

The performance measurement of the executive directors and key members of senior management and the determination of their annual remuneration package are undertaken by the Committee and are assessed annually for the following financial period. The remuneration of the non-executive directors is determined by the board within limits set out in the Articles of Association.

There are four main elements of the remuneration package for executive directors and senior management:

- Basic annual salary (including directors fees);
- Taxable benefits in kind, which in the main include company car plus related expenses and medical insurance;
- Performance related bonus payments incorporating longer term share option incentives; and
- Pension arrangements.

The Remuneration Committee believe that it is important to offer long term incentives to executive directors, and during 2010 a long-term incentive plan (the "LTIP") was put in place. The LTIP allows for the grant of awards in the form of nil-priced or nominal-priced share options over shares worth up to a maximum of 50 per cent of salary in any year. The participants are not entitled to exercise their options for a period determined by the Committee which is generally no earlier than three years from the date of award. The vesting of awards at the end of the performance period will be subject to the relevant participant remaining in employment and the achievement of specified stretching performance conditions based on EPS and share price performance. The LTIP offers greater flexibility than the previously existing S&U plc 2008 Discretionary Share Option Plan ("DSOP"). The two schemes are being run in parallel for the benefit of the Directors and senior employees. However, there is an annual maximum level which restricts the total number of awards that could be made under both the DSOP and the LTIP in any one year to 100 per cent of salary. In exceptional circumstances, (including, but without limitation, in the year of recruitment) this annual limit may be increased to 150 per cent of annual salary at the absolute discretion of the Committee.

Basic Salary

An executive director's basic salary is determined by the Committee prior to the beginning of each year and when an individual changes position or responsibility. In deciding appropriate levels, the Committee considers the Group as a whole and comparable positions in the financial sector.

Annual Bonus Payments

The Committee establishes the objectives that must be met for each financial year if a bonus in cash or in share options is to be awarded. In setting appropriate bonus parameters the Committee considers the Group's pre tax profit performance for the year and the appropriate percentage of basic salary to be awarded for each executive. The Committee believes that any incentive compensation awarded should be tied to the interests of the Company's shareholders and that the principal measure of those interests is in total shareholder return. The strategic objectives, control system and indicators are also aligned to total shareholder return. The executive directors were awarded bonuses in respect of the year ended January 2011 totalling £130,000 as detailed in last year's report. The bonuses payable to executive directors in respect of the year ended January 2012 total £217,000 as shown in the table of directors' emoluments below.

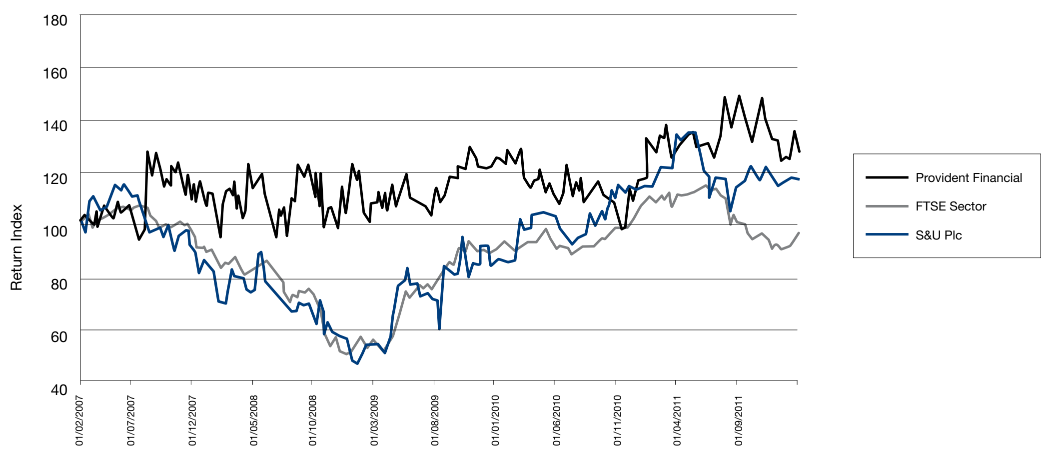
Pension arrangements

The Company makes contributions to a defined contribution pension scheme in respect of AMV Coombs, GDC Coombs, JG Thompson, MJ Mullins, MJ Thompson and CH Redford. None of the directors has accrued benefits under the defined benefit scheme.

Performance graph

The following graph shows the Company's performance, measured by total shareholder return, compared with the performance of the FTSE Speciality and Other Financial Services Index also measured by total shareholder return. The performance has also been benchmarked against Provident Financial, a leading competitor. These comparators have been selected since they illustrate S&U's relative performance within their sector.

5 Year Return index for FTSE Speciality and other Financial Services Sector at 31 January 2012



The market price of the ordinary shares at 31 January 2012 was 612.5p and the range during the year was 547.5p to 705p.

Report of the Board to the Shareholders on Remuneration Policy continued

Directors' contracts

It is the Company's policy that executive directors should have contracts with an indefinite term providing for a maximum of one year's notice.

AMV Coombs and GDC Coombs have rolling 12 month contracts. In the event of early termination, the directors' contracts provide for compensation up to a maximum of basic salary for the notice period.

Executive director's contracts of service will be available for inspection at the Annual General Meeting ("AGM").

Non-executive directors

It is Company policy that non-executive directors are not granted service contracts. All non-executive directors have specific terms of engagement and their remuneration is determined by the board based on independent surveys of fees paid to non-executive directors of similar companies. The basic fee paid to each non-executive director in the year was £24,000. Non-executives are not eligible to join the Company's pension scheme.

AUDITED INFORMATION

Aggregate directors' remuneration

The total amounts for directors' remuneration were as follows:

	2012 £000	2011 £000
Emoluments	**1,393**	1,213
Money purchase pension contributions	**146**	130
	1,539	1,343

Directors' emoluments

	Fees £000	Salaries £000	Bonus £000	Benefits in kind £000	Total 2012 £000	Total 2011 £000
Executive directors						
AMV Coombs	24	228	45	16	**310**	317
GDC Coombs	24	208	45	6	**283**	264
CH Redford	24	108	27	19	**178**	161
JG Thompson	24	154	50	23	**251**	241
MJ Mullins	24	110	27	9	**170**	140
MJ Thompson (appointed March 11)	21	80	23	5	**129**	–
Non-executive directors						
MF Hepplewhite (retired May 10)	–				**–**	20
D Markou	22				**22**	22
KR Smith	26				**26**	25
F Coombs	24				**24**	23
	213	885	217	78	**1,393**	1,213

Directors' pension entitlements

6 directors are members of money purchase schemes (2011: 5). Total contributions paid by the Company in respect of such directors are shown in aggregate above.

Share option plan 2008 (DSOP)

Further to shareholder approval at the AGM in May 2008, the Company introduced the S&U plc 2008 Discretionary Share Option Plan. Under the plan, annual awards of share options may be granted with an exercise price equal to the market value of the shares at the date of grant. The Plan allows for the grant of options over shares worth up to a maximum of twenty-five (25) per cent of salary in any year (although grants under the UK Approved Addendum will be subject to the relevant statutory limit of £30,000). In exceptional circumstances the Board may, at its discretion, grant higher awards of up to fifty (50) per cent of base salary. It is expected that options will be granted on an annual basis but will only be granted if performance conditions based on the Company's and individual performance have been satisfied. The performance conditions that will apply to the grant of options are determined by the Company on an annual basis and will be regularly reviewed to determine whether they are appropriate for the Company. The participants will not be entitled to exercise their options for a period determined by the Committee which is generally no earlier than three years from the date of award. The vesting of awards at the end of the three year period will not be subject to further performance conditions but will be subject to the relevant participant remaining in employment.

Awards held by the directors under the S&U plc 2008 Discretionary Share Option Plan are as follows:

	Date of Grant	Awards: Number of Share Options held at 31.1.2012	Exercise Price	Earliest Vesting Date	Expiry Date
CH Redford	26.5.2009	1,000	397.5p	26.5.2012	26.5.2019
	24.5.2010	1,995	537.5p	24.5.2013	24.5.2020
JG Thompson	26.5.2009	1,500	397.5p	26.5.2012	26.5.2019
	24.5.2010	202	537.5p	24.5.2013	24.5.2020
M Mullins	26.5.2009	2,000	397.5p	26.5.2012	26.5.2019
	24.5.2010	2,500	537.5p	24.5.2013	24.5.2020
		9,197			

At 31 January 2011 a total of 19,197 DSOP options were held. A total of 10,000 DSOP share options were exercised during the year (detailed below) resulting in 9,197 share options still held as above at 31 January 2012.

On 2 November 2011 JG Thompson exercised 6,000 share options at an exercise price of 382.5p and CH Redford exercised 4,000 share options also at an exercise price of 382.5p — the average share price on that day was 615p.

Report to the Board to the Shareholders on Remuneration Policy continued

Long Term Incentive Plan (LTIP 2010)

Further to shareholder approval at the AGM in May 2010, the Company introduced the S&U plc 2010 Long Term Incentive Plan. The LTIP allows for the grant of awards in the form of nil-priced or nominal-priced share options over shares worth up to a maximum of 50 per cent of salary in any year. The participants are not entitled to exercise their options for a period determined by the Committee which is generally no earlier than three years from the date of award. The vesting of awards at the end of the performance period will be subject to the relevant participant remaining in employment and the achievement of specified stretching performance conditions based on EPS and share price performance. The LTIP offers greater flexibility than the previously existing S&U plc 2008 Discretionary Share Option Plan ("DSOP"). The two schemes are being run in parallel for the benefit of the Directors and senior employees. However, there is an annual maximum level which restricts the total number of awards that could be made under both the DSOP and proposed new LTIP in any one year to 100 per cent of salary. In exceptional circumstances, (including, but without limitation, in the year of recruitment) this annual limit may be increased to 150 per cent of annual salary at the absolute discretion of the Committee.

Awards held by the directors under the S&U plc 2010 Long Term Incentive Plan are as follows:

	Date of Grant	Awards: Number of Share Options held at 31.1.2012	Exercise Price	Earliest Vesting Date	Expiry Date
AMV Coombs	24.5.2010	10,000	12.5p	24.5.2013	24.5.2020
	27.5.2011	10,000	12.5p	27.5.2014	27.5.2021
GDC Coombs	24.5.2010	10,000	12.5p	24.5.2013	24.5.2020
	27.5.2011	10,000	12.5p	27.5.2014	27.5.2021
CH Redford	24.5.2010	5,500	12.5p	24.5.2013	24.5.2020
	24.9.2010	2,500	12.5p	24.9.2013	24.9.2020
	27.5.2011	3,500	12.5p	27.5.2014	27.5.2021
JG Thompson	24.5.2010	10,000	12.5p	24.5.2013	24.5.2020
	24.9.2010	30,000	12.5p	24.9.2013	24.9.2020
	24.9.2010	7,500	12.5p	24.9.2013	24.9.2020
	27.5.2011	7,500	12.5p	27.5.2014	27.5.2021
M Mullins	24.5.2010	5,000	12.5p	24.5.2013	24.5.2020
	27.5.2011	4,000	12.5p	27.5.2014	27.5.2021
MJ Thompson	27.5.2011	2,500	12.5p	27.5.2014	27.5.2021
		118,000			

At 31 January 2011 a total of 83,000 LTIP share options were held by the directors and 2,500 LTIP share options held by M Mullins lapsed during the year. On 27 May 2011, when the share price was 640p per share, a total of 37,500 LTIP share options were issued resulting in 118,000 share options still held as above at 31 January 2012. Under the terms of the LTIP two exceptional awards of 10,000 options each were made to AMV Coombs and GDC Coombs in recognition of their exceptional management of the group in a difficult economic climate over the past year – other non-exceptional awards are subject to the achievement of stretching performance targets and all awards are subject to the standard terms and conditions of the LTIP.

Approval

This report was approved by the Board of Directors on 28 March 2012 and signed on its behalf by:

Keith Smith
Chairman of the Remuneration Committee

Corporate Governance

In July 2003 the FRC Combined Code (the “Code”) was issued by the London Stock Exchange and was updated in June 2010. The Code sets out Provisions for Good Corporate Governance along with a series of supporting principles. Section 1 of the Code is applicable to listed companies.

A narrative statement on how the Company has applied the provisions and a statement explaining the extent to which the provisions of the Code have been complied with, appear below.

Narrative statement

The Code establishes 14 Code Provisions, which are split into three areas in this report, “Directors”, “Relations with Shareholders” and “Accountability and Audit”. The current position of the Company in each area is described below.

Directors

During the period under review, the Company was controlled through the Board of Directors which comprised six executive and three non-executive directors. The Chairman is mainly responsible for the running of the Board, he has to ensure that all directors receive sufficient relevant information on financial, business and corporate issues prior to meetings. He is also responsible for co-ordinating the Company’s business and implementing Group strategy. The Chairman and Deputy Chairman are jointly responsible for acquisitions outside the traditional business, the development of the business into new areas, and relations with the investing community, public and media. All directors are able to take independent professional advice in the furtherance of their duties if necessary.

The Board has a formal schedule of matters reserved to it and meets at least three times a year with monthly circulation of papers. It is responsible for overall Group strategy, acquisition and divestment policy, approval of major capital expenditure projects and consideration of significant financing matters. It monitors the exposure to key business risks and reviews the strategic direction of individual trading subsidiaries, their codes of conduct, their annual budgets, their progress towards achievement of those budgets and their capital expenditure programmes. The Board also considers environmental and employee issues and key appointments. It also ensures that all directors receive appropriate training on appointment and then subsequently as appropriate. All directors, in accordance with the Code, will submit themselves for re-election at least once every three years. The Board considers the performance of the directors and committees on an ongoing basis, and the contributions of individuals to their roles.

The Board has established a Nominations Committee, an Audit Committee and a Remuneration Committee. Each committee operates within defined terms of reference. Trading companies are managed by separate boards of directors. The minutes of their meetings and of the standing committees will be circulated to and reviewed by the Board of Directors. Terms of reference for the committees are available from S&U plc head office and on our website www.suplc.co.uk.

Mr KR Smith and Mr D Markou have served as non-executive directors on the Board for over 9 years. Notwithstanding this length of service the Board considers them to be independent owing to their robust judgement and character. In addition their financial, business and stock market training and experience are considered invaluable to the Board at this stage of the Group’s development. The Board has designated Mr KR Smith as Senior Independent Director. The Board has considered the balance between the independent and non-independent directors and considers it to be satisfactory. The Board has and will consider the composition of committees on an ongoing basis. The Nominations Committee is composed of Mr KR Smith who also chairs this committee, together with the other independent non-executive director and Mr AMV Coombs. The Audit Committee is composed of the two independent non-executive directors. The Remuneration Committee is composed of the same two independent non-executive directors. Chairmen of these committees are appointed from among the members. The Chairman of the Audit Committee is Mr D Markou and the Chairman of the Remuneration Committee is Mr KR Smith.

The work of the Nominations Committee is to regularly review the size, structure and composition of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary, including the process and advertising in respect of Board appointments.

Mr AMV Coombs, Mr MJ Mullins and Mr D Markou are proposed for re-election at the next Annual General Meeting. Mr D Markou is a non-executive director and the Chairman has determined Mr D Markou’s performance to be both effective and committed.

Corporate Governance continued

Meeting Attendance	Board	Nominations	Remuneration	Audit
Number of meetings	**5**	**1**	**3**	**2**
AMV Coombs	5	1	na	na
GDC Coombs	5	na	na	na
KR Smith	5	1	3	2
D Markou	5	1	3	2
F Coombs	5	na	na	na
JG Thompson	5	na	na	na
MJ Mullins	5	na	na	na
MJ Thompson	4	na	na	na
CH Redford	5	na	na	na

Relations with Shareholders

The Company continues to communicate with both institutional and private investors and responds quickly to all queries received verbally or in writing. All shareholders have at least twenty working days notice of the Annual General Meeting at which all directors are introduced and are available for questions.

The Board is aware of the importance of maintaining close relations with investors and analysts for the Group's market rating. Positive steps are being taken to enhance these relationships and the members of the Board obtain regular feedback from major shareholders and discuss this at Board meetings.

Accountability and Audit

Financial Reporting

Reviews of the performance and financial position of the Group are included in the Chairman's Report. The Board uses this, together with the Chairman's Statement and the Directors' Report within pages 3 to 7, to present a balanced and understandable assessment of the Company's position and prospects. The Directors' responsibilities in respect of the financial statements are described on page 18 and those of the auditor on page 19.

Internal Control

The Board acknowledges that it is responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group's internal control systems are reviewed regularly with the aim of continuous improvement. Whilst the Board acknowledges its overall responsibility for internal control, it believes strongly that senior management within the Group's operating businesses should also contribute in a substantial way and this has been built into the process. The Board does not consider there is a need for a formal independent internal audit function due to the size of the Group.

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. The process has been in place for the year under review and up to the date of approval of the report and financial statements. The process is regularly reviewed by the Board and accords with the revised guidance in the Combined Code.

The Board intends to keep its risk control procedures under constant review particularly as regards the need to embed internal control and risk management procedures further into the operations of the business and to deal with areas of improvement which come to management's and the Board's attention.

As might be expected in a Group of this size, a key control procedure is the day to day supervision of the business by the executive directors, supported by the managers with responsibility for operating units and the central support functions of finance, information systems and human resources.

The executive directors are involved in the budget setting process, constantly monitor key statistics and review management accounts on a monthly basis, noting and investigating major variances. All significant capital expenditure decisions are approved by the Board as a whole.

The executive directors receive reports setting out key performance and risk indicators and consider possible control issues brought to their attention by early warning mechanisms, which are embedded within the operational units and reinforced by risk awareness training. The executive directors also receive regular reports from the credit control and health and safety functions, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high level review of the arrangements.

Relationship with Auditor

The Audit Committee has specific terms of reference which deal with its authority and duties. It meets at least twice a year with the external auditor attending by invitation in order that the Committee can review the external audit process and results. The Committee overviews the monitoring of the adequacy of the Group's internal controls and whistleblowing procedures, accounting policies and financial reporting and provides a forum through which the Group's external auditor reports to the non-executive directors. The Committee assists the Board in discharging its duties to ensure the financial statements meet legal requirements, and also reviews the independence of the external auditor. Independence of the external auditor has been assessed through examination of the nature and value of non-audit services performed during the year. The value of non-audit services is disclosed on page 30 and all non-audit service requirements are considered fully before an appointment is made. The non-audit services provided were corporate finance and tax compliance services.The objectivity and independence of the auditor has been safeguarded by all work being completed by partners and staff who, whilst having specialist knowledge of the sector, have no involvement in the audit of the financial statements.

Equality and Diversity

The Group is committed to ensuring that existing members of staff, job applicants, or workers are treated fairly in an environment which is work-focussed and free from any form of discrimination. The Group will always wish to ensure appointments reflect the best skills available for the job. Currently 31% of senior management positions are held by women.

COMPLIANCE STATEMENT

Throughout the year ended 31 January 2012 the Company has been in compliance with the Code Provisions set out in the June 2010 FRC Combined Code on Corporate Governance except for the following matters:

Section A.2 of the Code requires that the roles of Chairman and Chief Executive should not be exercised by the same individual and that a Chief Executive should not go on to be Chairman of the same Company. In May 2008, Mr AMV Coombs previously Chief Executive of the Company was appointed Chairman upon the retirement of Mr DM Coombs. After careful consideration of this option and other options for this appointment and after consultation with the major shareholders, the Nomination Committee and the Board considered that this appointment was the best option given the size, nature and structure of the Company.

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and Article 4 of the IAS Regulation and have also chosen to prepare the Parent Company financial statements under IFRSs as adopted by the EU. Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the management report, which is incorporated into the directors' report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board

Anthony Coombs
Chairman
28 March 2012

Chris Redford
Group Finance Director
28 March 2012

Independent Auditor's Report to the Members of S&U Plc

We have audited the financial statements of S&U plc for the year ended 31 January 2012 which comprise the Group Income Statement and the Group and Company Statements of Comprehensive Income, the Group and Company Balance Sheets, the Group and Company Cash Flow Statements, the Group and Company Statements of Changes in Equity and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company'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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 January 2012 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in note 1 to the Group financial statements, the Group in addition to complying with its legal obligation to apply IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the Group financial statements comply with IFRSs as issued by the IASB.

Independent Auditor's Report to the Members of S&U Plc continued

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' 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:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the directors' statement, contained on page 7, in relation to going concern;
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to shareholders by the Board on directors' remuneration.

Peter Birch (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom
28 March 2012

Group Income Statement

Year ended 31 January 2012

	Note	2012 £000	2011 £000
Revenue	3	**51,919**	48,016
Cost of sales	4	**(17,870)**	(17,146)
Gross profit		**34,049**	30,870
Administrative expenses		**(21,237)**	(19,937)
Operating profit	6	**12,812**	10,933
Finance costs (net)	7	**(596)**	(1,074)
Profit before taxation	2	**12,216**	9,859
Taxation	9	**(3,281)**	(2,816)
Profit for the year		**8,935**	7,043
Earnings per share basic	11	**76.1p**	60.0p
Earnings per share diluted	11	**75.1p**	59.5p

All activities derive from continuing operations.

Statement of Comprehensive Income

	Group 2012 £000	Group 2011 £000	Company 2012 £000	Company 2011 £000
Profit for the year	**8,935**	7,043	**5,396**	4,599
Gain on cash flow hedge	**-**	325	**-**	325
Actuarial loss on defined benefit pension scheme	**(15)**	(18)	**(15)**	(18)
Credit for cost of future share based payments	**176**	62	**88**	33
Tax credit/charge on items taken directly to equity	**16**	(91)	**16**	(91)
Total Comprehensive Income for the year	**9,112**	7,321	**5,485**	4,848

Balance Sheet

31 January 2012

	Note	Group 2012 £000	Group 2011 £000	Company 2012 £000	Company 2011 £000
Assets					
Non current assets					
Property, plant and equipment	12	**1,625**	1,446	**929**	748
Investments	13	**—**	—	**2,432**	2,432
Amounts receivable from customers	14	**27,726**	25,705	**132**	149
Retirement benefit asset	26	**20**	15	**20**	15
Deferred tax assets	19	**64**	3	**52**	24
		29,435	27,169	**3,565**	3,368
Current assets					
Inventories	15	**129**	134	**129**	134
Amounts receivable from customers	14	**49,774**	49,013	**17,832**	17,467
Trade and other receivables	16	**394**	392	**29,122**	30,591
Cash and cash equivalents		**17**	292	**17**	880
		50,314	49,831	**47,100**	49,072
Total assets		**79,749**	77,000	**50,665**	52,440
Liabilities					
Current liabilities					
Bank overdrafts and loans	17	**(806)**	—	**(695)**	—
Trade and other payables	18	**(1,606)**	(1,677)	**(927)**	(1,021)
Current tax liabilities		**(2,101)**	(1,658)	**(549)**	(358)
Accruals and deferred income		**(1,924)**	(1,148)	**(728)**	(463)
		(6,437)	(4,483)	**(2,899)**	(1,842)
Non current liabilities					
Bank loans	17	**(18,000)**	(22,000)	**(18,000)**	(22,000)
Financial liabilities	21	**(450)**	(450)	**(450)**	(450)
		(18,450)	(22,450)	**(18,450)**	(22,450)
Total liabilities		**(24,887)**	(26,933)	**(21,349)**	(24,292)
Net assets		**54,862**	50,067	**29,316**	28,148
Equity					
Called up share capital	20	**1,668**	1,667	**1,668**	1,667
Share premium account		**2,173**	2,136	**2,173**	2,136
Profit and loss account		**51,021**	46,264	**25,475**	24,345
Total equity		**54,862**	50,067	**29,316**	28,148

These financial statements were approved by the Board of Directors on 28 March 2012.
Signed on behalf of the Board of Directors

A M V Coombs **G D C Coombs**

Statement of Changes in Equity

31 January 2012

Group	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 February 2010	1,667	2,136	43,017	46,820
Profit for year	–	–	7,043	7,043
Other comprehensive income for year	–	–	278	278
Total comprehensive income for year	–	–	7,321	7,321
Dividends	–	–	(4,074)	(4,074)
At 31 January 2011	1,667	2,136	46,264	50,067
Profit for year	–	–	8,935	8,935
Other comprehensive income for year	–	–	177	177
Total comprehensive income for year	–	–	9,112	9,112
Issue of new shares in year	1	37	–	38
Dividends	–	–	(4,355)	(4,355)
At 31 January 2012	1,668	2,173	51,021	54,862

Company	£000	£000	£000	£000
At 1 February 2010	1,667	2,136	23,571	27,374
Profit for year	–	–	4,599	4,599
Other comprehensive income for year	–	–	249	249
Total comprehensive income for year	–	–	4,848	4,848
Dividends	–	–	(4,074)	(4,074)
At 31 January 2011	1,667	2,136	24,345	28,148
Profit for year	–	–	5,396	5,396
Other comprehensive income for year	–	–	89	89
Total comprehensive income for year	–	–	5,485	5,485
Issue of new shares in year	1	37	–	38
Dividends	–	–	(4,355)	(4,355)
At 31 January 2012	1,668	2,173	25,475	29,316

Cash Flow Statement

Year ended 31 January 2012

	Note	Group 2012 £000	Group 2011 £000	Company 2012 £000	Company 2011 £000
Net cash from operating activities	23	**7,896**	9,347	**7,252**	7,324
Cash flows used in investing activities					
Proceeds on disposal of property, plant and equipment		**65**	48	**52**	17
Purchases of property, plant and equipment		**(725)**	(408)	**(545)**	(192)
Net cash used in investing activities		**(660)**	(360)	**(493)**	(175)
Cash flows (used in)/from financing activities					
Dividends paid		**(4,355)**	(4,074)	**(4,355)**	(4,074)
Issue of new shares		**38**	–	**38**	–
Issue of new borrowings		**18,000**	–	**18,000**	–
Repayment of borrowings		**(22,000)**	(6,000)	**(22,000)**	(6,000)
Net increase/(decrease) in overdraft		**806**	(12)	**695**	(1)
Net cash used in financing activities		**(7,511)**	(10,086)	**(7,622)**	(10,075)
Net decrease in cash and cash equivalents		**(275)**	(1,099)	**(863)**	(2,926)
Cash and cash equivalents at the beginning of period		**292**	1,391	**880**	3,806
Cash and cash equivalents at the end of period		**17**	292	**17**	880
Cash and cash equivalents comprise					
Cash and cash in bank		**17**	292	**17**	880

There are no cash and cash equivalent balances which are not available for use by either the Group or the Company (2011: £nil).

Notes to the Accounts

Year ended 31 January 2012

1. Accounting Policies

1.1 General Information

S&U plc is a Company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 9 which is also the Group's principal business address. All operations are situated in the United Kingdom.

1.2 Basis of preparation

As a listed Company we are required to prepare our consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation. We have also prepared our S&U plc Company financial statements in accordance with IFRS endorsed by the European Union. These financial statements have been prepared under the historical cost convention as modified by the revaluation of derivative financial instruments to fair value. The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries for the year ended 31 January 2012. As discussed in the directors' report, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

In the current year and in accordance with IFRS requirements, certain new and revised Standards and Interpretations have been adopted but these have had no significant effect on the amounts reported in these financial statements. At the date of authorisation of these financial statements the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

IFRS 7 (amended Oct 2010 and Dec 2011)	Disclosures — Offsetting Financial Assets and Liabilities
IFRS 9 (part issued)	Financial Instruments
IFRS 10	Consolidated Financial Statements
IFRS 12	Disclosure of Interests in Other Entities
IAS 1 (revised May 2011)	Separate Financial Statements
IAS 12 (amended Dec 2010)	Deferred Tax: Recover of Underlying Assets
IAS 19 (revised June 2011)	Employee Benefits
IAS 27 (revised May 2011)	Separate Financial Statements
IAS 32 (amended Dec 2011)	Offsetting Financial Assets and Liabilities

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group other than the adoption of IFRS 9 which may have a material impact on the financial assets reported by the Group. It is not practical to provide a reasonable estimate of the effect of IFRS 9 until more detailed guidance becomes available nearer the date and a more detailed review is undertaken.

1.3 Revenue recognition

Credit charges are recognised in the income statement for all loans and receivables measured at amortised cost using the effective interest rate method (EIR). The EIR is the rate that exactly discounts estimated future cash flows of the loan back to the present value of the advance. Acceptance fees charged to customers and any direct transaction cost are included in the calculation of the EIR. Under IAS 39 credit charges on loan products continue to accrue at the EIR on all impaired capital balances throughout the life of the agreement irrespective of the terms of the loan and whether the customer is actually being charged arrears interest. This is referred to as the gross up adjustment to revenue and is offset by a corresponding gross up adjustment to the loan loss provisioning charge to reflect the fact that this additional revenue is not collectable.

Notes to the Accounts continued

Year ended 31 January 2012

1. Accounting Policies continued

Commission received from third party insurers for brokering the sale of insurance products, for which the Group does not bear any underlying insurance risk is recognised and credited to the income statement when the brokerage service has been provided.

Sales of goods are recognised in the income statement when the product has been supplied.

1.4 Amounts receivable from customers

All customer receivables are initially recognised at the amount loaned to the customer plus direct transaction costs. After initial recognition the amounts receivable from customers are subsequently measured at amortised cost.

The directors assess on an ongoing basis whether there is objective evidence that a loan asset or group of loan assets is impaired and requires a deduction for impairment. A loan asset or a group of loan assets is impaired only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the loan. Objective evidence may include evidence that a borrower or group of borrowers is experiencing financial difficulty, default or delinquency in repayments. Impairment is then calculated by estimating the future cash flows for such impaired loans, discounting the flows to a present value using the original EIR and comparing this figure with the balance sheet carrying value. All such impairments are charged to the income statement. For all accounts which are not impaired, a further incurred but not reported provision (IBNR) is calculated and charged to the income statement based on management's estimates of the propensity of these accounts to default from conditions which existed at the balance sheet date.

Key assumptions in ascertaining whether a loan asset or group of loan assets is impaired include information regarding the probability of any account going into default and information regarding the likely eventual loss including recoveries. These assumptions and assumptions for estimating future cash flows are based upon observed historical data and updated as management considers appropriate to reflect current and future conditions. All assumptions are reviewed regularly to take account of differences between previously estimated cash flows on impaired debt and the eventual losses.

1.5 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Certain freehold property is held at previous revalued amounts less accumulated depreciation as the Group has elected to use these amounts as the deemed cost as at the date of transition to IFRS under the transitional arrangements of IFRS 1.

Depreciation is provided on the cost or valuation of property, plant and equipment in order to write such cost or valuation over the expected useful lives as follows:

Freehold Buildings	2% per annum straight line
Computers	20% per annum straight line
Fixtures and Fittings	10% per annum straight line or 20% per annum reducing balance
Motor Vehicles	25% per annum reducing balance

Freehold Land is not depreciated.

1.6 Inventories

Inventories are stated at the lower of cost or net realisable value.

1.7 Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

1. Accounting Policies continued

1.8 Preference shares

The issued 31.5% preference share capital is carried in the balance sheet at amortised cost and shown as a financial liability. The issued 6% preference share capital is valued at par and shown as called up share capital.

1.9 Pensions

The Group contributes to a defined benefit pension scheme. The defined benefit pension asset at the balance sheet date is calculated as the fair value of the plan assets less the present value of the defined benefit obligation. Actuarial gains and losses are recognised immediately in the financial statements.

The Group also operates several defined contribution pension schemes and the pension charge represents the amount payable by the Company for the financial period.

1.10 Share based payments

The Company issues share-based payments under the S&U plc 2008 Discretionary Share Option Plan and the S&U plc 2010 Long Term Incentive Plan. The cost of these share based payments is based on the fair value of options granted as required by IFRS2. This cost is then charged to the income statement over the three year vesting period of the related share options with a corresponding credit to reserves. When any share options are exercised, the proceeds received are credited to share capital and share premium.

1.11 Leases

Rental costs under operating leases are charged to the income statement on a straight line basis.

1.12 Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

1.13 Derivative financial instruments

The Group's activities expose it to the financial risks of changes in interest rates and the Group uses interest rate derivative contracts where appropriate to hedge these exposures. The Group does not use derivative financial instruments for speculative purposes. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors which provides written principles on the use of financial derivatives.

Changes in the fair value of derivative financial instruments that are designated as effective hedges of future cash flows are directly recognised in equity and the ineffective portion is recognised immediately in the income statement. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of an asset or liability then at the time the asset or liability is recognised the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or liability, amounts deferred in equity are recognised in the income statement in the same period in which the hedged item affects profit or loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised or no longer qualifies for hedge accounting. At that time any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur the net cumulative gain or loss is recognised in equity is transferred to net profit or loss for the period.

1.14 Critical accounting judgements and key sources of estimation uncertainty

The key accounting judgements which the directors have made in the process of applying the Group's accounting policies and which have the most significant effect on the amounts recognised in the financial statements are the judgements relating to revenue recognition and impairment in 1.3 and 1.4 above. The Directors consider that there are no key sources of estimation uncertainty other than those inherent in the consumer credit market in which we operate.

Notes to the Accounts continued

Year ended 31 January 2012

2. Segmental analysis

Analyses by class of business of revenue and profit before taxation are stated below:

	Revenue		Profit before taxation	
Class of business	Year ended 31.1.12 £000	Year ended 31.1.11 £000	Year ended 31.1.12 £000	Year ended 31.1.11 £000
Consumer credit, rentals and other retail trading	34,137	31,967	6,310	5,632
Motor finance	17,782	16,049	5,906	4,227
	51,919	48,016	12,216	9,859

Analyses by class of business of assets and liabilities are stated below:

	Assets		Liabilities	
Class of business	Year ended 31.1.12 £000	Year ended 31.1.11 £000	Year ended 31.1.12 £000	Year ended 31.1.11 £000
Consumer credit, rentals and other retail trading	37,087	37,407	5,922	3,718
Motor finance	42,662	39,593	(30,809)	(30,651)
	79,749	77,000	(24,887)	(26,933)

Depreciation of assets for consumer credit was £381,000 (2011: £363,000) and for motor finance was £72,000 (2011: £60,000). Fixed asset additions for consumer credit were £545,000 (2011: £320,000) and for motor finance were £180,000 (2011: £88,000).

The net finance credit for consumer credit was £96,000 (2011: £69,000) and for motor finance was a cost of £692,000 (2011: £1,143,000). The tax charge for consumer credit was £1,720,000 (2011: £1,632,000) and for motor finance was £1,561,000 (2011: £1,184,000).

The significant products in consumer credit, rentals and other retail are unsecured home credit loans. The significant products in motor finance are car loans secured under hire purchase agreements.

The assets and liabilities of the parent Company are classified as consumer credit, rentals and other retail trading.

No geographical analysis is presented because all operations are situated in the United Kingdom.

3. Revenue

	2012 £000	2011 £000
Interest income	48,591	44,743
Insurance and other commissions and fees	3,328	3,273
Total revenue	51,919	48,016

4. Cost of sales

	2012 £000	2011 £000
Loan loss provisioning charge — consumer credit	7,043	7,275
Loan loss provisioning charge — motor finance	5,750	5,883
Total loan loss provisioning charge	12,793	13,158
Other cost of sales	5,077	3,988
Total cost of sales	17,870	17,146

5. Information regarding employees

	2012 No.	2011 No.
The average number of persons employed by the Group in the year was:		
Consumer credit, rentals and other retail trading	301	296
Motor finance	74	68
	375	364

	2012 £000	2011 £000
Staff costs during the year (including directors):		
Wages and salaries	9,150	8,723
Social security costs	1,001	909
Pension costs for money purchase scheme	271	243
	10,422	9,875

Directors' remuneration is disclosed in the audited section of the Directors' Remuneration Report.

6. Operating Profit

	2012 £000	2011 £000
Operating profit is after charging/(crediting):		
Depreciation and amortisation:		
Owned assets	453	423
Staff costs	10,422	9,875
Cost of future share based payments	176	–
Rentals under operating leases:		
Hire of plant and machinery	5	5
Other operating leases	412	401
Loss on sale of fixed assets	58	36
Rentals received/receivable under operating leases	(121)	(116)

Notes to the Accounts continued

Year ended 31 January 2012

6. Operating Profit continued

The analysis of auditor's remuneration is as follows:

	2012 £000	2011 £000
Fees payable to the Group's auditor for the audit of the Company's annual accounts	45	43
Fees payable to the Group's auditor for other services to the Group		
The audit of Company's subsidiaries	37	37
Total audit fees	82	80
Audit related assurance services	22	22
Taxation compliance services	20	15
Corporate Finance services	80	–
Other services	–	12
Total non-audit fees	122	49
Total	204	129

7. Finance costs (net)

	2012 £000	2011 £000
31.5% cumulative preference dividend	142	142
Bank loan and overdraft	453	935
Other interest payable	2	2
Interest payable and similar charges	597	1,079
Interest receivable	(1)	(5)
	596	1,074

8. Profit of parent Company

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent Company is not presented as part of these accounts. The parent Company's profit for the financial year after taxation amounted to £5,396,000 (2011: £4,599,000).

9. Tax on profit before taxation

	2012 £000	2011 £000
Corporation tax at 26.3% (2011: 28%) based on the profit for the year	3,343	2,827
Adjustment in respect of prior years	(17)	(45)
	3,326	2,782
Deferred tax (timing differences — origination and reversal)	(45)	34
	3,281	2,816

The actual tax charge for the current and the previous year exceeds the standard rate for the reasons set out in the following reconciliation.

9. Tax on profit before taxation continued

	2012 £000	2011 £000
Profit on ordinary activities before tax	**12,216**	9,859
Tax on profit on ordinary activities at standard rate of 26.3% (2011: 28%)	**3,216**	2,761
Factors affecting charge for the period:		
Expenses not deductible for tax purposes	**85**	95
Effects of other tax rates	**(3)**	5
Prior period adjustments	**(17)**	(45)
Total actual amount of tax	**3,281**	2,816

The corporation tax rate was reduced from 28% to 26% with effect from 1 April 2011, therefore the tax rate applicable to the current period is a blended rate of 26.3%.

The Government announced in the Budget on 21 March 2012 that it intends to enact a reduction in the corporation tax rate to 24% with effect from 1 April 2012, with future annual reductions of 1% to 22% from 1 April 2014. The effect of these proposed tax rate reductions will be reflected in future periods depending on when they are substantively enacted.

10. Dividends

	2012 £000	2011 £000
2nd Interim paid for the year ended 31/1/2011 – 10.0p per Ord share (10.0p)	**1,174**	1,174
Final paid for the year ended 31/1/2011 – 16.0p per Ordinary share (15.0p)	**1,878**	1,760
1st Interim paid for the year ended 31/1/2012 – 11.0p per Ord share (10.0p)	**1,291**	1,174
Total ordinary dividends paid	**4,343**	4,108
6% cumulative preference dividend paid March and September	**12**	12
Credit for unpresented dividend payments over 12 years old	**–**	(46)
Total dividends paid	**4,355**	4,074

A second interim dividend of 12.0p per ordinary share for the year ended 31 January 2012 was paid on 23 March 2012 and the directors are proposing a final dividend for the year ended 31 January 2012 of 18.0p per ordinary share. The final dividend will be paid on 22 June 2012 to shareholders on the register at close of business on 1 June 2012 subject to approval by shareholders at the Annual General Meeting on Thursday 24 May 2012.

11. Earnings per ordinary share

The calculation of earnings per ordinary share is based on profit after tax of £8,935,000 (2011: £7,043,000).

The number of shares used in the basic eps calculation is the average number of shares in issue during the year of 11,739,721 (2011: 11,737,228). There are a total of 156,197 dilutive share options in issue (2011: 102,197). The number of shares used in the diluted eps calculation is 11,892,430 (2011: 11,837,009).

Notes to the Accounts continued
Year ended 31 January 2012

12. Property, plant and equipment

Group	Freehold land and buildings £000	Motor vehicles £000	Fixtures and Fittings £000	Total £000
Cost or valuation				
At 1 February 2010	397	2,247	1,412	4,056
Additions	2	321	85	408
Disposals	–	(274)	(6)	(280)
At 31 January 2011	399	2,294	1,491	4,184
Additions	30	496	199	725
Disposals	–	(322)	(8)	(330)
At 31 January 2012	429	2,468	1,682	4,579
Accumulated depreciation				
At 1 February 2010	129	1,254	1,128	2,511
Charge for the year	9	307	107	423
Eliminated on disposals	–	(190)	(6)	(196)
At 31 January 2011	138	1,371	1,229	2,738
Charge for the year	10	333	110	453
Eliminated on disposals	–	(229)	(8)	(237)
At 31 January 2012	148	1,475	1,331	2,954
Net book value				
At 31 January 2012	281	993	351	1,625
At 31 January 2011	261	923	262	1,446

Included in the above is land at a cost or valuation of £60,000 (2011: £60,000) which is not depreciated.

Company	Freehold land and buildings £000	Motor vehicles £000	Fixtures and Fittings £000	Total £000
Cost or valuation				
At 1 February 2010	80	1,340	812	2,232
Additions	–	158	34	192
Disposals	–	(133)	–	(133)
At 31 January 2011	80	1,365	846	2,291
Additions	–	443	102	545
Disposals	–	(277)	–	(277)
At 31 January 2012	80	1,531	948	2,559
Accumulated depreciation				
At 1 February 2010	23	707	663	1,393
Charge for the year	1	196	54	251
Eliminated on disposals	–	(101)	–	(101)
At 31 January 2011	24	802	717	1,543
Charge for the year	1	235	58	294
Eliminated on disposals	–	(207)	–	(207)
At 31 January 2012	25	830	775	1,630
Net book value				
At 31 January 2012	55	701	173	929
At 31 January 2011	56	563	129	748

Included in the above is land at cost of £22,000 (2011: £22,000) which is not depreciated.

12. Property, plant and equipment continued

The net book value of tangible fixed assets leased out under operating leases was:

	Group 2012 £000	Group 2011 £000	Company 2012 £000	Company 2011 £000
	211	203	**90**	88

13. Investments and related party transactions

Company	2012 £000	2011 £000
Shares in subsidiary companies		
At historic cost less impairment	**2,432**	2,432

Interests in subsidiaries

The principal subsidiaries of the Company, all of which are wholly owned directly by the Company, operate in Great Britain and are incorporated in England and Wales.

Subsidiary	Principal activity
S D Taylor Limited	Consumer credit, rentals and other retail trading
Advantage Finance Limited	Motor finance

Related party transactions

Group

Transactions between the Company and its subsidiaries, which are related parties have been eliminated on consolidation and are not disclosed in this note. During the year the Group obtained supplies at market rates amounting to £4,730 (2011: £4,753) from Grevayne Properties Limited a Company which is a related party because Messrs G D C and A M V Coombs are directors and shareholders. The amount due to Grevayne Properties Limited at the year end was £nil (2011: £nil). During the year the company sold a car to Mr A Coombs for £39,486 being a fair estimate of its market value. During the year, by order of the Board and in view of his 50 year service to the Company without company pension contribution the former Chairman Mr DM Coombs received a discretionary payment for the year of £120,000 (2011: £120,000). The Board will carefully review this discretionary payment in succeeding years, but do not anticipate that such payments will ever exceed this amount. All related party transactions were settled in full.

Company

The Company received dividends from other Group undertakings totalling £4,200,000 (2011: £3,700,000). During the year the Company recharged other Group undertakings for various administrative expenses incurred on their behalf. The Company also received administrative cost recharges from other Group undertakings. At 31 January 2012 the Company was owed £28,832,942 (2011: £30,334,331) by other Group undertakings and owed £nil (2011: £nil). All related party transactions were settled in full.

Notes to the Accounts continued

Year ended 31 January 2012

14. Amounts receivable from customers

	Group 2012 £000	Group 2011 £000	Company 2012 £000	Company 2011 £000
Consumer credit, rentals and other retail trading	52,849	52,982	26,739	26,630
Motor finance hire purchase	60,338	55,564	–	–
	113,187	108,546	26,739	26,630
Less: Loan loss provision consumer credit, rentals and other retail trading	(17,604)	(17,553)	(8,775)	(9,014)
Less: Loan loss provision motor finance	(18,083)	(16,275)	–	–
Amounts receivable from customers	77,500	74,718	17,964	17,616
Analysis by future date due				
- due within one year	49,774	49,013	17,832	17,467
- due in more than one year	27,726	25,705	132	149
Amounts receivable from customers	77,500	74,718	17,964	17,616

	Group 2012 £000	Group 2011 £000	Company 2012 £000	Company 2011 £000
Analysis of security				
Loans secured on vehicles under hire purchase agreements	41,587	38,221	–	–
Loans secured on residential property under 2nd mortgage agreements	462	654	–	–
Other Loans (unsecured)	35,451	35,843	17,964	17,616
Amounts receivable from customers	77,500	74,718	17,964	17,616
Analysis of overdue				
Not impaired				
Neither past due nor impaired	54,272	49,432	8,927	8,323
Past due up to 3 months but not impaired	9,137	9,228	4,677	4,623
Past due over 3 months but not impaired	7,029	7,197	3,630	3,646
Impaired				
Past due up to 3 months	3,568	4,255	541	623
Past due over 3 months and up to 6 months	1,297	1,959	133	297
Past due over 6 months or default	2,197	2,647	55	104
Amounts receivable from customers	77,500	74,718	17,964	17,616

The credit risk inherent in amounts receivable from customers is reviewed under impairment as per note 1.4 and under this review the credit quality of assets which are neither past due nor impaired was considered to be good. The above analysis of when loans are due is based upon original contract terms which are not rescheduled — the carrying amount of amounts receivable from customers whose terms have been renegotiated that would otherwise be past due or impaired is therefore £nil (2011: £nil).

14. Amounts receivable from customers continued

Analysis of movements on loan loss provisions

Group	Consumer credit, rentals and other trading £000	Motor finance £000	Total Group £000
At 1 February 2010	17,036	12,779	29,815
Charge for year	7,275	5,883	13,158
Amounts written off during year	(4,044)	(976)	(5,020)
Unwind of discount	(2,714)	(1,411)	(4,125)
At 31 January 2011	17,553	16,275	33,828
Charge for year	7,043	5,750	12,793
Amounts written off during year	(4,241)	(2,126)	(6,367)
Unwind of discount	(2,751)	(1,816)	(4,567)
At 31 January 2012	17,604	18,083	35,687

Company	£000	£000	£000
At 1 February 2010	9,404	–	9,404
Charge for year	3,645	–	3,645
Amounts written off during year	(2,666)	–	(2,666)
Unwind of discount	(1,369)	–	(1,369
At 31 January 2011	9,014	–	9,014
Charge for year	3,502	–	3,502
Amounts written off during year	(2,361)	–	(2,361)
Unwind of discount	(1,380)	–	(1,380)
At 31 January 2012	8,775	–	8,775

There has been no material change in the average discount rate used for either consumer credit or motor finance during the years to 31 January 2011 and 31 January 2012.

15. Inventories

	Group 2012 £000	Group 2011 £000	Company 2012 £000	Company 2011 £000
Goods for resale	**129**	134	**129**	134

The carrying value of inventories is not materially different to the fair value.

Notes to the Accounts continued

Year ended 31 January 2012

16. Trade and other receivables

	Group 2012 £000	Group 2011 £000	Company 2012 £000	Company 2011 £000
Amounts owed by subsidiary undertakings	–	–	28,833	30,334
Other debtors	38	37	30	27
Prepayments and accrued income	356	355	259	230
	394	392	29,122	30,591

All the above amounts fall due within one year. The amounts owed by subsidiary undertakings in the Company's balance sheet are stated net of impairment. Under IFRS7 there are no amounts included in trade and other receivables which are past due but not impaired. The carrying value of trade and other receivables is not materially different to their fair value.

17. Bank overdrafts and loans

	Group 2012 £000	Group 2011 £000	Company 2012 £000	Company 2011 £000
Bank overdrafts and loans — due within one year	806	–	695	–
Bank loan — due in more than one year	18,000	22,000	18,000	22,000
	18,806	22,000	18,695	22,000

The carrying value of bank overdrafts and loans is not materially different to the fair value.

S&U plc had the following overdraft facilities available at 31 January 2012:

— a facility for £6 million (2011: £6m) which is subject to annual review in April 2012.

— a facility for £2 million (2011: £2m) which is subject to annual review in April 2012.

— a facility for £0.1 million (2011: £0.1m) which is subject to annual review in April 2012.

Total drawdowns of these overdraft facilities at 31 January 2012 were £806,000 (2011: £nil).

The bank overdraft and loans are secured over the assets of the Group under a multilateral guarantee.

The Company is part of the Group overdraft facility and at 31 January 2012 was £694,863 overdrawn (2011: £nil).

A maturity analysis of the above borrowings is given in note 22.

18. Trade and other payables

	Group 2012 £000	Group 2011 £000	Company 2012 £000	Company 2011 £000
Trade creditors	784	589	469	284
Other creditors	822	1,088	458	737
	1,606	1,677	927	1,021

The carrying value of trade and other payables is not materially different to the fair value.

19. Deferred tax

Group	Accelerated tax depreciation £000	Revaluation of property £000	Share based payments £000	Derivative financial instrument £000	Retirement benefit obligations £000	Total £000
At 1 February 2010	53	(42)	–	121	(4)	128
(Debit)/credit to income	(11)	7	–	(30)	–	(34)
(Debit) to equity	–	–	–	(91)	–	(91)
At 31 January 2011	42	(35)	–	–	(4)	3
(Debit)/credit to income	(18)	3	61	–	(1)	45
Credit to equity	–	–	16	–	–	16
At 31 January 2012	24	(32)	77	–	(5)	64

Company	£000	£000	£000	£000	£000	£000
At 1 February 2010	35	–	–	121	(4)	152
(Debit) to income	(7)	–	–	(30)	–	(37)
(Debit) to equity	–	–	–	(91)	–	(91)
At 31 January 2011	28	–	–	–	(4)	24
(Debit)/credit to income	(8)	–	21	–	(1)	12
Credit to equity	–	–	16	–	–	16
At 31 January 2012	20	–	37	–	(5)	52

The Group and the Company have assessed that all the deferred tax assets and liabilities shown above should be offset for financial reporting purposes.

Legislation to reduce the tax rate to 25% from 1 April 2012 was substantively enacted on 5 July 2011. The prevailing rate of corporation tax at the balance sheet date at which the deferred tax balance is expected to reverse is therefore 25% and this has been applied to calculate the deferred tax position at 31 January 2012 (2011: 27%).

The Government announced in the Budget on 21 March 2012 that it intends to enact a reduction in the corporation tax rate to 24% with effect from 1 April 2012, with future annual reductions of 1% to 22% from 1 April 2014. These future tax rate reductions are expected to have a similar impact on the financial statements as disclosed in the current period, however the actual impact will be dependent on the group's deferred tax position at that time.

Notes to the Accounts continued

Year ended 31 January 2012

20. Called Up Share Capital And Preference Shares

	2012 £000	2011 £000
Called up, allotted and fully paid		
11,747,228 Ordinary shares of 12.5p each (2011:11,737,228)	**1,468**	1,467
200,000 6.0% Cumulative preference shares of £1 each	**200**	200
Called up share capital	**1,668**	1,667

The 6.0% cumulative preference shares enable the holder to receive a cumulative preferential dividend at the rate of 6.0% on paid up capital and the right to a return of capital plus a premium of 10p per share at either a winding up or a repayment of capital. The 6.0% cumulative preference shares do not carry voting rights so long as the dividends are not in arrears.

21. Financial liabilities

Preference Share Capital	2012 £000	2011 £000
Called up, allotted and fully paid		
3,599,106 31.5% Cumulative preference shares of 12.5p each (2011: 3,599,106)	**450**	450

The 31.5% cumulative preference shares entitle the holder to receive a cumulative preference dividend of 31.5% plus associated tax credit and the right to a return of capital plus a premium of 22.5p per share on either a winding up or a repayment of capital. The rights of the holders of these shares to dividends and returns of capital are subordinated to those of the holders of the 6.0% cumulative preference shares. The 31.5% cumulative preference shares do not carry voting rights so long as the dividends are not in arrears.

22. Financial instruments

The Group and the Company's principal financial instruments are amounts receivable from customers, cash, preference share capital, bank overdrafts and bank loans.

The Group and the Company's business objectives rely on maintaining a well spread customer base of carefully controlled quality by applying strong emphasis on good credit management, both through strict lending criteria at the time of underwriting a new credit facility and continuous monitoring of the collection process. The home credit hire purchase debts are secured by the goods. The motor finance hire purchase debts are secured by the financed vehicle.

As at 31 January 2012 the Group's indebtedness amounted to £18,806,000 (2011: £22,000,000) and the Company's indebtedness amounted to £18,695,000 (2011: £22,000,000). The Group gearing was 34.3% (2011: 43.4%), being calculated as net borrowings as a percentage of total equity. The Board is of the view that the gearing level remains conservative, especially for a lending organisation. The table below analyses the Group and Company assets and liabilities into relevant maturity groupings based on the remaining period at the balance sheet date (to contractual maturity).

S&U plc has unused borrowing facilities at 31 January 2012 of £7.3 million (2011: £8.1m). The preference share capital financial liability of £450,000 has no maturity date and is classified as more than five years.

22. Financial instruments continued

The average effective interest rate on financial assets of the Group at 31 January 2012 was estimated to be 43% (2011: 41%). The average effective interest rate on financial assets of the Company was estimated to be 66% (2011: 62%). The average effective interest rate of financial liabilities of the Group at 31 January 2012 was estimated to be 4% (2011: 5%). The average effective interest rate on financial liabilities of the Company at 31 January 2011 was estimated to be 4% (2011: 5%).

Derivative financial instruments

The Group's activities expose it to the financial risks of changes in interest rates and the Group uses interest rate derivative contracts to hedge these exposures where appropriate in accordance with the accounting policy noted in 1.13 above. This risk of change in interest rates was lower for the Group in 2011 and 2012 due to the reduced level of borrowings. Previously a 5 year hedge contract on £20m of the Group's borrowings was entered into on 20 September 2005 and matured on 20 September 2010.

Currency and credit risk

The Group has no material exposure to foreign currency risk. The credit risk inherent in amounts receivable from customers is reviewed under impairment as per note 1.4. It should be noted that the credit risk at the individual customer level is limited by strict adherence to credit control rules which are regularly reviewed. The credit risk is also mitigated in the motor finance segment of our business by ensuring that the valuation of the security at origination of the loan is within glasses guide and cap limits. Group trade and other receivables and cash are considered to have no material credit risk as all material balances are due from highly rated banking counterparties.

Interest rate risk

The Group's activities expose it to the financial risks of changes in interest rates and the Group uses interest rate derivative contracts where appropriate to hedge these exposures in bank borrowings in accordance with the accounting policy noted in 1.13 above. There is considered to be no material interest rate risk in cash, trade and other receivables, preference shares and trade and other payables.

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the liability outstanding at the balance sheet date was outstanding for the whole year.

If interest rates had been 0.5% higher/lower and all other variables were held constant, the Group's;

— profit for the year ended 31 January 2012 would decrease/increase by £0.1 million (2011: decrease/increase by £0.1 million). This is mainly attributable to the Group's exposure on its variable rate borrowings.

— total equity would decrease/increase by £0.1 million (2011: decrease/increase by £0.1 million). This is mainly attributable to the Group's exposure on its variable rate borrowings.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's;

— profit for the year ended 31 January 2012 would decrease/increase by £0.2 million (2011: decrease by £0.1 million or increase by £0.2 million). This is mainly attributable to the Group's exposure on its variable rate borrowings.

— total equity would decrease/increase by £0.2 million (2011: decrease by £0.1 million or increase by £0.2 million). This is mainly attributable to the Group's exposure on its variable rate borrowings.

Notes to the Accounts continued

Year ended 31 January 2012

22. Financial instruments continued

Capital risk management

The Board of Directors assess the capital needs of the Group on an ongoing basis and approve all capital transactions. The Group's objective in respect of capital risk management is to maintain a conservative "Group Gearing" level with respect to market conditions, whilst taking account of business growth opportunities in a capital efficient manner. "Group Gearing" is calculated as the sum of Bank Overdrafts plus Bank Loans less Cash and Cash Equivalents divided by Total Equity. At 31 January 2012 the Group gearing level was 34.3% (2011: 43.4%) which the directors consider to have met their objective.

External capital requirements are imposed by the FSA on Advantage Finance. Throughout the year this Company has maintained a capital base greater than this requirement.

Fair values of financial assets and liabilities

The fair values of amounts receivable from customers, bank loans and overdrafts and other assets and liabilities with the exception of the junior preference share capital are considered to be not materially different from their book values. The junior preference share capital classified as a financial liability is estimated to have a fair value of £1.9m (2011: £1.9m) but is considered more appropriate under IFRS to be included in the balance sheet at amortised cost. Fair values which are recognised or disclosed in these financial statements are determined in whole or in part using a valuation technique based on assumptions that are supported by prices from observable current market transactions in the same instrument (i.e. without modification or repackaging) and based on available observable market data.

Liquidity risk

The Group's liquidity risk is shown in the following tables which measure the cumulative liquidity gap. Most of the Group's financial assets are repayable within one year which together with gearing of less than 50% results in a positive liquidity position.

Group At 31 January 2012	Less than 1 year £000	More than 1 year but not more than 2 years £000	More than 2 years but not more than 5 years £000	More than 5 years £000	Non-interest bearing £000	Total £000
Financial assets	49,774	12,234	15,380	112	–	77,500
Other assets	–	–	–	–	2,232	2,232
Cash at bank and in hand	17	–	–	–	–	17
Total assets	49,791	12,234	15,380	112	2,232	79,749
Shareholders' funds	–	–	–	–	(54,862)	(54,862)
Bank overdrafts and loans	–	–	(18,806)	–	–	(18,806)
Financial liabilities	–	–	–	(450)	–	(450)
Other liabilities	–	–	–	–	(5,631)	(5,631)
Total liabilities and shareholders' funds	–	–	(18,806)	(450)	(60,493)	(79,749)
Cumulative gap	49,791	62,025	58,599	58,261	–	–

22. Financial instruments continued

Group At 31 January 2011	Less than 1 year £000	More than 1 year but not more than 2 years £000	More than 2 years but not more than 5 years £000	More than 5 years £000	Non-interest bearing £000	Total £000
Financial assets	49,013	11,504	13,939	262	–	74,718
Other assets	–	–	–	–	1,990	1,990
Cash at bank and in hand	292	–	–	–	–	292
Total assets	49,305	11,504	13,939	262	1,990	77,000
Shareholders' funds	–	–	–	–	(50,067)	(50,067)
Bank overdrafts and loans	–	(6,000)	(16,000)	–	–	(22,000)
Financial liabilities	–	–	–	(450)	–	(450)
Other liabilities	–	–	–	–	(4,483)	(4,483)
Total liabilities and shareholders' funds	–	(6,000)	(16,000)	(450)	(54,550)	(77,000)
Cumulative gap	49,305	54,809	52,748	52,560	–	–

Company At 31 January 2012	Less than 1 year £000	More than 1 year but not more than 2 years £000	More than 2 years but not more than 5 years £000	More than 5 years £000	Non-interest bearing £000	Total £000
Financial assets	17,832	132	–	–	–	17,964
Other assets	–	–	–	–	32,684	32,684
Cash at bank and in hand	17	–	–	–	–	17
Total assets	17,849	132	–	–	32,684	50,665
Shareholders' funds	–	–	–	–	(29,316)	(29,316)
Bank overdrafts and loans	–	–	(18,695)	–	–	(18,695)
Financial liabilities	–	–	–	(450)	–	(450)
Other liabilities	–	–	–	–	(2,204)	(2,204)
Contingent liabilities	(111)	–	–	–	–	(111)
Total liabilities and shareholders' funds	(111)	–	(18,695)	(450)	(31,520)	(50,776)
Cumulative gap	17,738	17,870	(825)	(1,275)	(111)	(111)

Notes to the Accounts continued

Year ended 31 January 2012

22. Financial instruments continued

Company At 31 January 2011	Less than 1 year £000	More than 1 year but not more than 2 years £000	More than 2 years but not more than 5 years £000	More than 5 years £000	Non-interest bearing £000	Total £000
Financial assets	17,318	149	–	–	–	17,467
Other assets	–	–	–	–	34,093	34,093
Cash at bank and in hand	880	–	–	–	–	880
Total assets	18,198	149	–	–	34,093	52,440
Shareholders' funds	–	–	–	–	(28,148)	(28,148)
Bank overdrafts and loans	–	(6,000)	(16,000)	–	–	(22,000)
Financial liabilities	–	–	–	(450)	–	(450)
Other liabilities	–	–	–	–	(1,842)	(1,842)
Contingent liabilities	(597)	–	–	–	–	(597)
Total liabilities and shareholders' funds	(597)	(6,000)	(16,000)	(450)	(29,990)	(53,037)
Cumulative gap	17,601	11,750	(4,250)	(4,700)	(597)	(597)

The gross contractual cash flows payable under financial liabilities are analysed as follows:

Group At 31 January 2012	Repayable on Demand £000	Less than 1 year £000	More than 1 year but not more than 2 years £000	More than 2 years but not more than 5 years £000	More than 5 years £000	Total £000
Bank overdrafts and loans	806	–	–	–	–	806
Trade and other payables	–	1,606	–	–	–	1,606
Tax liabilities	–	2,101	–	–	–	2,101
Accruals and deferred income	–	1,924	–	–	–	1,924
Bank loans	–	–	–	18,000	–	18,000
Financial liabilities	–	–	–	–	450	450
At 31 January 2012	806	5,631	–	18,000	450	24,887

Group At 31 January 2011	Repayable on Demand £000	Less than 1 year £000	More than 1 year but not more than 2 years £000	More than 2 years but not more than 5 years £000	More than 5 years £000	Total £000
Bank overdrafts and loans	–	–	–	–	–	–
Trade and other payables	–	1,677	–	–	–	1,677
Tax liabilities	–	1,658	–	–	–	1,658
Accruals and deferred income	–	1,148	–	–	–	1,148
Bank loans	–	–	6,000	16,000	–	22,000
Financial liabilities	–	–	–	–	450	450
At 31 January 2011	–	4,483	6,000	16,000	450	26,933

22. Financial instruments continued

Company At 31 January 2012	Repayable on Demand £000	Less than 1 year £000	More than 1 year but not more than 2 years £000	More than 2 years but not more than 5 years £000	More than 5 years £000	Total £000
Bank overdrafts and loans	695	–	–	–	–	695
Trade and other payables	–	927	–	–	–	927
Tax liabilities	–	549	–	–	–	549
Accruals and deferred income	–	728	–	–	–	728
Bank loans	–	–	–	18,000	–	18,000
Deferred tax liabilities	–	–	–	–	–	–
Financial liabilities	–	–	–	–	450	450
At 31 January 2012	695	2,204	–	18,000	450	21,349

Company At 31 January 2011	Repayable on Demand £000	Less than 1 year £000	More than 1 year but not more than 2 years £000	More than 2 years but not more than 5 years £000	More than 5 years £000	Total £000
Bank overdrafts and loans	–	–	–	–	–	–
Trade and other payables	–	1,021	–	–	–	1,021
Tax liabilities	–	358	–	–	–	358
Accruals and deferred income	–	463	–	–	–	463
Bank loans	–	–	6,000	16,000	–	22,000
Deferred tax liabilities	–	–	–	–	–	–
Financial liabilities	–	–	–	–	450	450
At 31 January 2011	–	1,842	6,000	16,000	450	24,292

Notes to the Accounts continued

Year ended 31 January 2012

23. Reconciliation of operating profit to net cash from operating activities

	Group 2012 £000	Group 2011 £000	Company 2012 £000	Company 2011 £000
Operating Profit	12,812	10,933	5,755	4,908
Finance costs paid	(597)	(1,191)	(205)	(264)
Finance income received	1	5	384	316
Tax paid	(2,883)	(2,679)	(359)	(612)
Depreciation on plant, property and equipment	453	423	294	251
Loss on disposal of plant, property and equipment	28	36	18	15
(Increase)/decrease in amounts receivable from customers	(2,782)	1,718	(348)	2,134
Decrease in inventories	5	2	5	2
(Increase)/decrease in trade and other receivables	(2)	175	1,469	729
(Decrease) in trade and other payables	(71)	(212)	(94)	(351)
Increase in accruals and deferred income	776	93	265	181
Increase in cost of future share based payments	176	62	88	33
Movement in retirement benefit asset/obligations	(20)	(18)	(20)	(18)
Net cash from operating activities	7,896	9,347	7,252	7,324

24. Financial commitments

Capital commitments

At 31 January 2012 and 31 January 2011, the Group and Company had no capital commitments contracted but not provided for.

Operating lease commitments

At 31 January 2012 and 31 January 2011, the Group and Company had annual commitments under non-cancellable other operating leases as set out below:

	Group 2012 £000	Group 2011 £000	Company 2012 £000	Company 2011 £000
Land and buildings				
Leases which expire:				
Within one year	97	31	83	23
Within two to five years	216	258	109	151
After five years	38	14	10	9
	351	303	202	183
Other				
Leases which expire:				
Within one year	1	1	–	–
Within two to five years	–	–	–	–
After five years	–	–	–	–
	1	1	–	–

25. Contingent liabilities

In respect of the Group, the Directors are not aware of any contingent liabilities. The Company has entered into cross-guarantee arrangements with respect to the bank overdrafts of certain of its subsidiaries. The maximum exposure under this arrangement at 31 January 2012 was £111,000 (2011: £597,000).

26. Retirement benefit obligations

The Company operates a defined benefit scheme in the UK. The plan is funded by payment of contributions to a separate trustee administered fund. The pension cost relating to the scheme is assessed in accordance with the advice of a qualified independent actuary using the attained age method. The last formal valuation was at 31 March 2010. At that valuation it was assumed that future investment returns would be 4.0%, salary increases for active members would be 3.5% per annum and inflation would be 3.5% per annum. The valuation results have been updated on the advice of a qualified actuary to take account of the requirements of IAS 19 in order to assess the liabilities of the scheme as at 31 January 2012. The last actuarial valuation highlighted that the scheme was in surplus on an ongoing basis with the value of assets being sufficient to cover the actuarial value of accrued liabilities. No contributions are therefore being paid to the scheme at the present time and the estimated amount of contributions expected to be paid into the scheme during the year to 31 January 2013 is £nil.

Disclosures made in accordance with IAS 19

A full actuarial valuation was carried out at 31 March 2010 and updated to 31 January 2012 by a qualified independent actuary. The valuation method used was the attained age method. The major assumptions used by the actuary were (in nominal terms):

	At year end 31 January 2012	At year end 31 January 2011
Rate of increase in salaries	**4.0%**	4.9%
Rate of increase in pensions in payment	**2.5%**	3.4%
Discount rate	**4.6%**	5.6%
Inflation assumption	**2.5%**	3.4%

The analysis of the scheme assets and the expected rate of return at the balance sheet date were as follows:

	Expected rate of return at 31 January 2012	Fair value at 31 January 2012 £000	Expected rate of return at 31 January 2011	Fair value at 31 January 2012 £000
Equities	7.0%	769	6.9%	812
Bonds	4.6%	185	5.6%	197
Cash	0.5%	98	0.5%	91
Total market value of assets		1,052		1,100

The amount included in the balance sheet arising from the Group's obligations in respect of its defined benefit schemes is as follows:

	2012 £000	2011 £000
Fair value of plan assets	**1,052**	1,100
Present value of defined benefit obligations	**(1,032)**	(1,085)
Pension asset	**20**	15

Our Business
Our Governance
Our Financials
Shareholder Information

Notes to the Accounts continued

Year ended 31 January 2012

26. Retirement benefit obligations continued

	2012 £000	2011 £000
Current service cost	**4**	3
Interest on obligation	**43**	43
Expected return on plan assets	**(67)**	(64)
Expense recognised in the income statement	**(20)**	(18)
Opening net (asset)	**(15)**	(15)
Expense	**(20)**	(18)
Contributions paid	**–**	–
Actuarial loss	**15**	18
Closing net (asset)	**(20)**	(15)

The expense credit in both years is shown within administrative expenses.

History of experience adjustments

	2012 £000	2011 £000	2010 £000	2009 £000	2008 £000
Expected return on plan assets	67	64	57	79	78
Actuarial gain/(loss) on plan assets	(76)	90	157	(234)	(49)
Actual return on plan assets	(9)	154	214	(155)	29
Movement in present value of obligation					
Present value of obligation at 1 February	1,085	975	794	999	1,055
Interest cost	43	43	46	53	52
Current service cost	4	3	3	7	8
Benefits paid	(39)	(44)	(53)	(55)	(85)
Actuarial (gain)/loss on obligation	(61)	108	185	(210)	(31)
Present value of obligation at 31 January	1,032	1,085	975	794	999
Experience adjustment on scheme liabilities					
Actuarial (gain)/loss as percentage of scheme liabilities	6%	10%	19%	26%	3%
Movement in fair value of plan assets					
Fair value of plan assets at 1 February	1,100	990	829	1,039	1,095
Expected return on plan assets	67	64	57	79	78
Contributions	–	–	–	–	–
Benefits paid	(39)	(44)	(53)	(55)	(85)
Actuarial (loss)/gain on plan assets	(76)	90	157	(234)	(49)
Fair value of plan assets at 31 January	1,052	1,100	990	829	1,039
Experience adjustment on scheme assets					
Actuarial (loss)/gain as percentage of scheme assets	7%	8%	16%	28%	5%

Five Year Financial Record

	2008 £000	2009 £000	2010 £000	2011 £000	2012 £000
Revenue	45,978	46,182	45,795	48,016	51,919
Operating profit	10,876	10,131	10,437	10,933	12,812
Profit before taxation	8,578	8,263	9,003	9,859	12,216
Taxation	(2,613)	(2,388)	(2,522)	(2,816)	(3,281)
Profit for the year	5,965	5,875	6,481	7,043	8,935
Assets employed					
Fixed assets	2,233	1,889	1,545	1,446	1,625
Amounts receivable and other assets	75,763	78,171	78,673	75,554	78,124
	77,996	80,060	80,218	77,000	79,749
Liabilities	(35,713)	(36,278)	(33,398)	(26,933)	(24,887)
Total equity	42,283	43,782	46,820	50,067	54,862
Earnings per Ordinary share	50.8p	50.1p	55.2p	60.0p	76.1p
Dividends declared per Ordinary share	32.0p	32.0p	34.0p	36.0p	41.0p
Key ratios					
Return on capital employed	14.8%	13.5%	13.9%	15.1%	17.3%
Group gearing	74.0%	71.6%	56.9%	43.4%	34.3%

Key ratios have been calculated as follows:
"Return on capital employed" is calculated as Operating Profit divided by the sum of Total Equity plus Bank Overdrafts and Loans in Current Liabilities plus Bank Loans and Financial Liabilities (both as disclosed within Non Current Liabilities).

"Group Gearing" is calculated as the sum of Bank Overdrafts plus Bank Loans less Cash and Cash Equivalents divided by Total Equity.

Financial Calendar

Annual General Meeting			**24 May 2012**
Announcement of results	Half year ending 31 July 2012		**September 2012**
	Year ending 31 January 2013		**March 2013**
Payment of dividends	6% Cumulative preference shares		**30 September 2012 & 31 March 2013**
	31.5% Cumulative preference shares		**31 July 2012 & 31 January 2013**
	Ordinary shares	— 2011/2012 Final	**22 June 2012**
		Ex-dividend Date	**30 May 2012**
		Record Date	**1 June 2012**
		— 2012/2013 First interim	**November 2012**
		— 2012/2013 Second interim	**March 2013**

Directions to our AGM

Annual General Meeting, Nuthurst Grange Country House Hotel, 24 May 2012 at 11.30am

From M42

Leave the M42 at junction 4 (signed Henley-in-Arden and A3400)

Join the A3400 (Stratford Road), following signs from Hockley Heath and Henley-in-Arden.

Continue on the A3400 for 2.5 miles until the junction with Nuthurst Grange Road.

Turn right onto Nuthurst Grange Road. The entrance to the hotel is on the left-hand side (see map)

From M40 Southbound

Leave the M40 at junction 16 (signed Henley-in-Arden and A3400).

Join the A3400 (Stratford Road), following signs to Hockley Heath.

Turn left onto Nuthurst Grange Road.

The entrance to the hotel is on the left-hand side (see map)

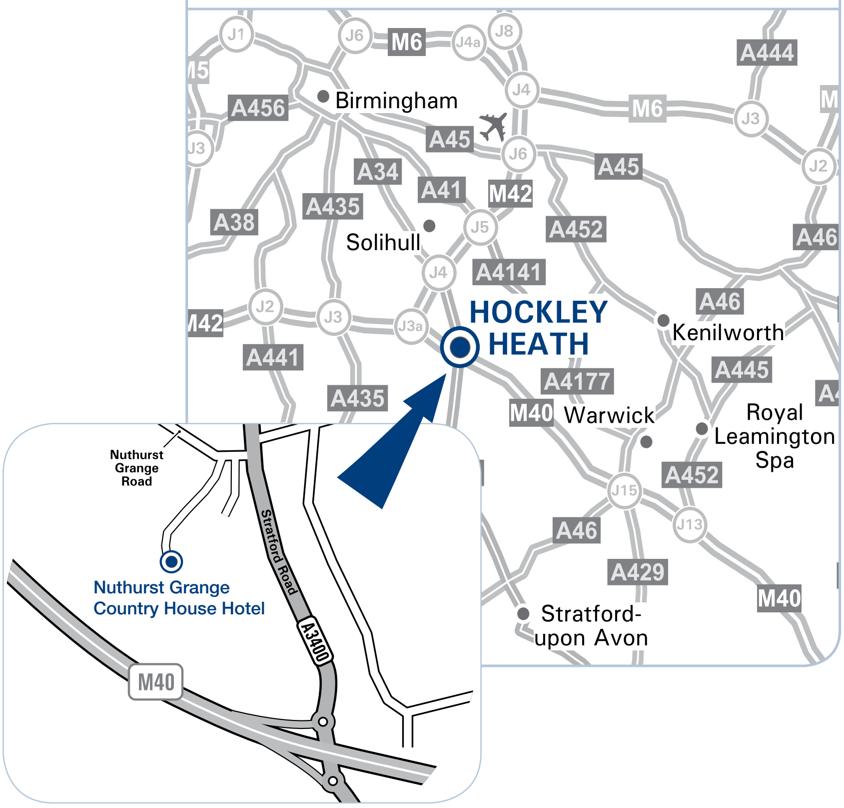
From M40 Northbound

Follow M40 to its conclusion then join the M42 towards Birmingham international Airport.

Leave the M42 at junction 4 (signed Henley-in-Arden and A3400).

Follow directions above "From M42".

Nuthurst Grange Country House Hotel
Hockley Heath, Warwickshire, B94 5NL
Telephone: 01564 783972



Locations

ALDERSHOT
BACUP
BARTON
BIRMINGHAM
BRISTOL
CARLISLE
DEESIDE
DISS
EDINBURGH
EXETER
FALMOUTH
GLASGOW
GRIMSBY
HEREFORD
KILMARNOCK
LANARK
LEEDS
LONDON
MILTON KEYNES
NEATH
NEWCASTLE-UPON-TYNE
NOTTINGHAM
PENMAENMAWR
PETERBOROUGH
ROTHERHAM
SHEFFIELD
SOUTHAMPTON
STOKE-ON-TRENT
STOCKTON
SWINDON
ULVERSTON
WARRINGTON
WEST BROMWICH

S&U Est 1938
the credit you deserve

Royal House, Prince's Gate, Homer Road,
Solihull, West Midlands, B91 3QQ

T: 0121 705 7777 **F:** 0121 705 7878

Registered in England No. 342025

INVESTOR IN PEOPLE

CONSUMER CREDIT ASSOCIATION • UNITED KINGDOM • CCA

www.suplc.co.uk