S&U

Strong foundations **confident future**

Annual Report and Accounts

for the Year ended 31 January 2015

Stock code SUS

Company Registration No 00342025

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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
www suplc co uk

OUR VALUES

Respect for every customer and for the quality of service this demands of us

Conservative approach to underwriting and collections to help ensure sustainable growth

Our success depends on understanding and interacting with the communities we serve

Always treating customers fairly

OUR BUSINESS

Motor Finance
Motor finance facilities provided to over 70,000 customers in UK since inception in 1999, via secured hire purchase loans

Home Credit
Home credit facilities provided to over 90,000 households in UK via small size unsecured personal loans

REASONS TO INVEST

Highly respected group which prides itself on exceptional customer service

Track record of growth and profitability

Prudent and well established lending process

Strong balance sheet

Financial Highlights

REVENUE (£m)
£74.4m
(2014 £60 8m)

+22%

PROFIT BEFORE TAX (£m)
£23.2m
(2014 £17 3m)

+34%

BASIC EPS (PENCE)
£156.0p
(2014 £113 2p)

+38%

DIVIDEND DECLARED (PENCE)
66p
(2014 54p)

+22%

BASIC EPS (PENCE)
INCREASED BY 38%

PROFIT BEFORE TAX
INCREASED BY 34%

Contents

Group at a Glance

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

RECORD MOTOR FINANCE DEBT QUALITY AND RESULTS

MOTOR FINANCE PROFIT BEFORE TAX UP 46% TO £16 7m

Motor Finance

Founded 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 90 people and has provided motor finance for over 70,000 customers across the UK, growing at the rate of 12,000 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 15 consecutive years of record profits

VISIT US ONLINE www advantage-finance co uk

"Delivering excellent levels of customer service is a central philosophy at Advantage. We believe that placing customers at the heart of the business has been a key factor in our ongoing success."

Guy Thompson
Managing Director
Advantage Finance

OUR HOME CREDIT HISTORY

77 YEARS IN BUSINESS!

HOME CREDIT RESULTS

OUR PROFIT BEFORE TAX UP 11% TO £6 5m

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 Keith and Derek Coombs during 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 over 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

VISIT US ONLINE www loansathome4u co uk

"Our aim is to always give 100% customer satisfaction and to build our business on a foundation of happy and fairly treated customers."

Mike Mullins
Managing Director
Loansathome4u

A1 Chairman's Statement

"I am very pleased to announce another record set of results for S&U plc. Profit before tax is £23.2m (2014: £17.3m) and substantial growth has been generated across all of our companies."

Anthony Coombs
Chairman

I am very pleased to announce another record set of results for S&U plc Profit before tax is £23 2m (2014 £17 3m) and substantial growth has been generated across all of our companies This is evidenced by new loan advances achieving a best ever £131m and in receivables at £141m (2014 £107m), an increase of 32% We are proud to offer 140,000 loyal customers financial products which are fair, appropriate, flexible and popular – and rooted in standards of service which have sustained the Company for nearly 77 years They will continue to underpin S&U's further progress

Highlights

- Earnings per share increased 38% to 156 0p (2014 113 2p)
- Profit before tax increased by 34% to £23 2m (2014 £17 3m)
- Group gearing at 65 8% (2014 46 7%) – £30m of additional longer term borrowing facilities arranged during year
- Final dividend of 30p (2014 24p) A total for the year of 66p per share (2014 54p)
- Revenue increased 22% to £74 4m (2014 £60 8m)
- Net assets increased 17% to £81 5m (2014 £69 4m)

Financial Review

Whilst Advantage Finance, our Motor Finance subsidiary has produced yet another record performance, this year has also seen sterling outcomes at our Home Credit operations, trading as Loansathome4u Both divisions have benefited from rising consumer confidence and, latterly, a perceptible increase in disposable real incomes

Advantage Finance produced a record profit before tax of £16 7m (2014 £11 5m), a remarkable 46% increase and over double the profits of just two years ago This partly reflects a 48% increase in advances and, more importantly, a 40% increase in collections These reached on average £4 7m a month against just £3 3m per month in 2013/14 As a result, debt quality is at its highest level ever

Our Home Credit division grasped opportunities for expansion by posting profits of £6 5m (2014 £5 8m), an 11% increase Profits increased in both our North and South businesses and robust debt quality was evidenced by customer collections rising by 12% on net receivables up 2% Customer household numbers rose by just over 7% throughout the year accompanied by a similar increase in our representative force

Dividends

As the owners of the Company, shareholders are entitled to see the success of the business responsibly reflected in both capital value and dividend yield The current results and prospects of the Group prompt the Board to recommend a final dividend this year of 30p per ordinary share (2014 24p) This will be paid on 10 July 2015 to ordinary shareholders on the share register at 19 June 2014 This dividend is, as always, subject to approval by shareholders at S&U's AGM on 21 May 2015

This final dividend means that total dividends for this year will be 66p (2014 54p) per ordinary share, an increase of 22% Dividend cover will nevertheless increase slightly to 2 36 (2014 2 10)

Corporate Governance, Regulation and Board Composition

The consumer finance Industry faces changes in the way and in the scope, in which it is regulated April 1st last year saw the emergence of the Financial Conduct Authority as the Regulator of both our Home Credit and Motor Finance divisions Well-resourced and proactive, the FCA has already embarked upon thematic reviews of the consumer credit sector, including of home credit, to which S&U was pleased to contribute This provided us with valuable feedback for the full authorisation process which begins in April this year The FCA has also investigated the high cost short term lending sector, including pay-day lending from which home credit was sensibly and properly excluded

Throughout our long history S&U has always prided itself on the quality of service and fair dealing it has provided its customers It is particularly so in Home Credit, where the relationship between representative and customer is pivotal to treating customers fairly as well as to our sustainable commercial success

None the less, the new FCA regime requires us to prove and document procedures and policies in a rigorous and more formal way The FCA's detailed standards for

STRATEGIC REPORT

conduct for the Consumer Credit Industry include Principals for Business, Senior Management Systems and Controls ("SYSC"), Requirements for Complaints Handling and Statements of Principle on the Code of Practice for Approved Persons The FCA has issued significant guidance over the past year, most recently on Consumer Vulnerability just two months ago They have also issued substantial statements on the Detailed Rules for Consumer Credit, on Risk Outlook and on Financial Incentives This is intended to give a large, varied and very diverse industry guidance on matters such as sales processes, product design, customer complaints and Treating Customers Fairly, Remuneration and Incentives, Skill Requirements and much more There are 50,000 firms which will be required to demonstrate compliance with this in detailed applications for full authorisation

S&U has invested both in advice from specialist regulatory advisers, from specialist lawyers and from trade associations such as the Consumer Credit Association (CCA) and Finance & Leasing Association (FLA) Our new Three Lines of Defence Risk Model will now formalise the way in which we do business All of this has required new and permanent oversight committees, the appointment of Compliance and Customer Care managers and a total review and training programme around our Policies and Procedures

As my lengthy experience on the Executive of the Consumer Credit Association confirms, much activity has resulted from some uncertainty as to how the authorisation process will work in practice As the maker, interpreter and enforcer of its consumer credit sourcebook ("CONC") Rules, the FCA has undertaken to regulate in a "proportionate" way To do otherwise would result in uncertainty, injustice, lack of investment and ultimately in the possible contraction of a consumer credit industry which, for many decades has been a valued source of customer choice and an engine for economic growth

Our preparations for the new regime have happily encompassed the recent appointment to the S&U Board of Graham Pedersen, formerly of the Prudential Regulation Authority, and a man of great experience in regulating the Banking, Motor Finance and Home Credit industries Graham has agreed to Chair our new Compliance Committee and will also guide us on matters of Corporate Governance more widely

The performance of our Board both reflects and influences that of the Company generally S&U has long benefited from the identity of interest and purpose of significant shareholders who are also directors This is perceived as re-enforcing S&U's traditional approach towards responsible and sustainable growth

Last year saw the sad passing of Derek Coombs, my Uncle and predecessor as S&U Chairman Much has been written of Derek's remarkable and varied life but, on behalf of the Board and all at S&U I pay tribute to his dynamic and hugely beneficial contribution to the Group and to his considerable and wise counsel to us all

Current Trading and Outlook

Although the new Regulatory Regime, signs of emerging competition and of course the forthcoming General Election create the usual uncertainties, our expertise, the commitment of our people and the loyalty of our customers and introducers give us great confidence for the future As the great South African golfer Gary Player once opined "the harder I practice, the luckier I get" It is the dedication and hard work of all at S&U, our entrepreneurial spirit and our service to every one of our customers which has sustained S&U for the past 77 years – and which will continue to do so

Anthony Coombs
Chairman
23 March 2015

» EARNINGS

EARNINGS PER SHARE UP 38% TO 156 0p

» BORROWINGS

£30m OF ADDITIONAL LONGER TERM BORROWINGS ARRANGED DURING YEAR

» NET ASSETS

NET ASSETS INCREASED 17% TO £81 5m

A2 Business Model & Strategy

A2 1 Strategic Review

S&U's principal activities are in the provision of home credit to 90,000 households throughout the United Kingdom, excepting Northern Ireland, and of secured motor finance to nearly 25,000 people throughout the country

The loans and hire purchase products we provide generate our profits and trading assets This year Group profit before tax has risen by 34% to £23 2m (2014 £17 3m) and the book debt underpinning this has increased to £141 0m (2014 £107 0m) Group net borrowing has risen to £53 6m (2014 £32 4m), as an additional £23 2m investment in Advantage Finance has been partially off-set by our established and cash generative home credit division

The Group provides finance for everyday purposes and for motor purchases for people, generally in lower and middle income groups, some with impaired credit records, and who therefore may have difficulty in accessing main stream credit. Whilst Treating our Customers Fairly ("TCF") may have seen greater prominence in regulatory circles in recent years, it and the trading Principles attaching to it have always been at the heart of our business TCF is not only ethically the right thing to do but is in our commercial interest As a Consumer Focus Report of 2011 pointed out for Home Credit, trust, control, clarity and convenience are crucial factors in their choice and loyalty to financial service providers

By providing finance to them, we give our customers the means of smoothing out their weekly and monthly financial commitments, of getting to work and holding down a job, and in many cases of rehabilitating their credit rating In home credit, the regular contact and home visit service we provide give us a unique, privileged and accurate insight into our customers' financial circumstances and capacity to repay This explains why customer satisfaction ratings for home credit are the best in the consumer credit field

These industry wide traits are complemented by S&U's business philosophy In both home credit and motor finance we seek both growth and sustainability, we temper ambition with caution This is the result of 77 years of lending experience which has taught us that whilst it is important to take advantage of market opportunities, as the recent expansion at Advantage has demonstrated, this has always been tempered by a conservative approach to underwriting, cost and collections

Advantage Finance constantly refines its underwriting model to more accurately forecast the probable payment capability of those applying for finance Its debt quality is a reflection of the prescience of this model, and its success in matching ability to pay with borrowings requirements

Such a strategy very much suits the times in which we live Although the British economy is now undoubtedly in robust recovery, and consumer confidence, employment and real incomes rising, legacy debt issues place a premium on conservative underwriting and responsible customer management S&U will benefit from this improvement, by continuing to focus on trading with people in full or part-time employment

As the flow of credit and liquidity returns to a healthier economy, competition has undoubtedly intensified in our markets Merger activity, from which Loansathome4u is already benefiting, has occured in the home credit industry, and more will follow as the new authorisation regime encourages smaller concerns to sell up In motor finance, a buoyant market has attracted new and returning entrants We respond by refining our product ranges, making further improvements to our underwriting procedures and to the quality and speed of service we offer

Such service is underpinned, as it always has been, in three ways first, by the professionalism of our people and systems in overseeing the close and loyal relationships we have with our customers and motor finance brokers, second, by the sophistication, particularly in motor finance, of our bespoke underwriting systems which enable us to predict customer performance throughout the income and social scale, third, by our relatively small current market

2014 saw the advent of regulation of the Consumer Credit industry by the Financial Conduct Authority ("FCA") Taking over from the FSA and OFT, FCA will be a much more powerful, well resourced and proactive regulator It has already issued a steady stream of papers which flesh out its Principles of good conduct and TCF outcomes Despite S&U's long experience in the financial services industry, and the excellent relationships we have generally enjoyed with both customers and regulators, we take nothing for granted in preparing for what will be a rigorous process of Authorisation This begins in April for our Home Credit companies and in December for Advantage Finance Although TCF, product affordability and sustainability have long been part of the warp and weft of our business methods, the task is now to prove this to the Regulator and relate this to the above principles Preparations have been underway last year and we have retained outside advisers to assist us in this process Given our experience and the FCA's pledge to proportionate regulation we are confident of a satisfactory outcome

Indeed it is clear FCA has recognised that the home credit industry provides a distinctive service to its customers Thus the industry was specifically excluded from inclusion as a High Cost Short Term Lender in the FCA's review last year of the Pay Day credit sector Our loans are small, the relationship between representative and customer is close, valued and flexible, there are no additional charges for default or late payment and the cost of credit is relatively small when related to the customers' financial circumstances The OFT previously recognised our products and practices as simple and transparent, and, as such, likely to promote sustainable and responsible lending We anticipate the FCA will follow the same approach

Our confidence in the future for both our home credit and motor finance businesses is evidenced by our continuing investment in book debt and responsible customer acquisition in both We are making further investment in I T for motor finance and home credit to improve productivity, proven compliance and customer service

A2.2 Business Review

Operating Results

	Year Ended 31 January 2015 £m	Year Ended 31 January 2014 £m
Revenue	74 4	60 8
Cost of Sales	23 5	19 7
Gross Profit	50 9	41 1
Administrative Expenses	26 0	23 1
Operating Profit	24 9	18 0
Finance Costs (Net)	1 7	0 7
Profit before Taxation	23 2	17 3

The results for the 2015 year include 52 weeks of trading for the consumer credit business (2014 52 weeks) and 12 months (2014 12 months) for the motor finance business

Advantage Finance

Highlights

- Record profit before tax at £16 7m (2014 £11 5m) an increase of 46%
- New loan transactions up by 41% (2014 an increase of 38%)
- Net receivables at a record £106m (2014 £73m)
- Record debt quality and collections
- Live customer numbers now 25,000 (2014 18,000)

Advantage Finance, our Grimsby based motor finance provider has produced its 15th successive set of record results Profit before tax at £16 7m (2014 11 5m) marked a rise of 46% Although the returns available in a healthy market of some 7 4m annual used car sales have attracted (as we anticipated last year) increased competition, Advantage has increased transaction numbers by 41% and net receivables by 46%

It has continued to introduce new, more flexible, products which have been very well received by Introducer Partners Advantage's underwriting expertise enables them to responsibly match products to customers' needs which are, in turn, reflected in very high quality collections These underpin Advantages' future earnings and provide a solid and sustainable platform for further growth I congratulate all at Advantage for yet another fine performance

Loansathome4u

Highlights

- Profit before tax £6 5m (2014 £5 8m) an increase of 11%
- Customer household numbers increased by 7%
- New branches opened in Bridgend, Greenock and Liverpool Coatbridge in Glasgow planned early this year
- Debt quality improves further as customer collections rise by 12%
- Representative and customer acquisition from industry consolidation

Our Home Credit division, Loansathome4u, grew in both profitability and size Profits before tax were £6 5m (2014 £5 8m) an increase of 11% whilst customer household numbers grew by 7% Customer collections reflect both our responsible and customer friendly lending policies and rose by 12% against net receivables 2% higher

As customer numbers increased throughout the year, the stability of our business reflects both the rigour and consistency of our under-writing We have been able to benefit from a consolidation within the Home Credit industry – a trend which has continued at the prospect of Financial Conduct Authority (FCA) authorisation this year The Home Credit division has also been able to benefit from re-organisation and mergers affecting three of our largest competitors We continue to explore opportunities for attracting representatives and for business acquisition where they responsibly arise

A2 3 Funding Review

Treasury and Funding

Additional term loan facilities of £30 0m were arranged in the year and we maintain excellent relationships with our funding partners – the Group has sufficient headroom to finance anticipated growth this year Bank facilities of £70m have been confirmed through to 2018, Group borrowings at year end were £53 6m and gearing is well within budgeted levels at 66% (2014 47%) The cash generative quality of both Home Credit and Motor Finance resides in the Group's robust debt quality

For the longer term, S&U has invested considerable resource and expertise in its Deposit Taking Application to the Prudential Regulatory Authority (PRA) and the FCA The decision on a formal application is now expected in H1 2015 and, if a licence is applied for and granted, we anticipate that deposits will be taken from the beginning of 2016

A2.4 Principal Risks and Uncertainties

The Group is involved in the provision of consumer credit and it is considered that the key material risk to which the Group is exposed is the credit risk inherent in amounts receivable from customers This risk is principally controlled through our credit control policies supported by ongoing reviews for impairment

A2 Business Model & Strategy continued

Funding risk relates to the availability of sufficient borrowing facilities for the Group to meet its liabilities as they fall due This is managed by ensuring that the Group has a variety of funding sources and by managing the maturity of borrowing facilities such that sufficient funding is available for the medium term Compliance with banking covenants is monitored closely so that facilities remain available at all times

In terms of legal risk, the Group is subject to legislation including consumer credit legislation which contains very detailed and highly technical requirements The Group has procedures in place and employs dedicated compliance resource to ensure compliance with this legislation

In relation to regulatory risk, the principal trading businesses in the Group currently operate under interim permissions from the Financial Conduct Authority The Group's home credit division will be applying for full authorisation by the FCA during the next 12 months In order for the authorisation process to be successful the Group will need to demonstrate that it meets the FCA's expectations in terms of regulatory compliance Failure to do so could result in regulatory sanction The Group has controls and processes in place to ensure compliance with the revised regulations and is working closely with specialist regulatory advisers and trade organisations such as the Consumer Credit Association and the Finance and Leasing Association to ensure that the Group's application is successful

Other operational risks which the group faces are the risks including reputational issues relating to process, system or personnel failure and the Group manages these risks by ensuring sufficient expert resources and recovery plans are in place The Group is a nationwide retail lender and individual exposures are for small amounts to many individual borrowers so concentration risk is low although it is recognised that because the Group only operates in the UK and in two forms of lending (motor finance and home credit) there is an element of market concentration 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

Motor Finance

"When my car was involved in an accident in November the team helped me out and it felt nice and personal I spoke to a lovely lady on the phone today called Amanda She was bright, bubbly, very friendly and very well informed and was able to assist me with exactly what I need and went that extra step to help me with a payment option I had no idea about "

"Can I just say since taking finance out with Advantage finance I have had not one single bad person on the phone, not one single issue just pure and simple fantastic customer service You guys are not like other companies, this company doesn't seem so money orientated and you seem to actually care about the customer which I think is fantastic "

"Every staff member this company has seems friendly, extremely well trained and really just fantastic Like I said fantastic company, fantastic staff, happy customer!!"

Mr W from Hertfordshire

"Since taking finance out with Advantage finance I have had not one single bad person on the phone, not one single issue just pure and simple fantastic customer service."

A3 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, borrowing facilities, legal and regulatory risk position are set out in the financial statements and Strategic Report

In assessing the going concern, the directors are mindful of the need to effectively manage the Group's risks Details of the Group's financial risk management objectives, its financial instruments, and its exposures to credit risk, market risk and liquidity risk are set out in the notes to the financial statements and in the principal risks and uncertainties noted in A2 4 above The Group's objectives, policies and processes for managing its capital are described 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

A4 Corporate Social Responsibility

A4 1 Employees

S&U maintains a "family ethos" for all those who work within it We pride ourselves on the centrality of the customer–staff relationship in all our operations We therefore ensure that all staff receive appropriate initial training and regular retraining in the field and in areas of specialism We encourage employees to gain professional qualifications where appropriate External management training is also undertaken in both home credit and motor finance divisions

The new FCA regulatory regime for consumer credit will undoubtedly reinforce the OFT's traditional emphasis on treating customers fairly All employees and representatives within the Group will be required to demonstrate appropriate knowledge and skills Far from regarding the new regime as a hindrance to successful operations, we see it as an opportunity to formalise and deepen existing good practice towards our customers Such practice will continue to permeate the Group at every level and on a day to day basis

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 It goes without saying that a Group based on a family ethos has no truck with discrimination of any kind – except of course differentiate on the basis of performance People prosper and are promoted within S&U purely on merit

For most people this is measured weekly, but formal reviews of performance take place annually and all operations are reviewed on a monthly basis We encourage staff to make suggestions for constructive change within the Group and this is promoted by our very "flat" management structure

A4 2 Community

S&U does not exist in a vacuum Our success, particularly in home credit, depends upon our understanding and interacting with the communities we serve

Our immediate communities of course are customers We have well established policies for any who may wish to complain, routed to our Compliance Departments' in Grimsby and Solihull Our records demonstrate we enjoy high levels of customer satisfaction and success in helping customers who have a complaint to make For instance in the Group as a whole last year, only 78 complaints (2014 79) were dealt with by the Financial Ombudsman and 64 were decided in the Group's favour (2014 68)

S&U supports its wider community through charitable giving and activities relating to fundraising During the year the Group gave over £50,000 in charitable contributions, most of it through the recently formed Keith Coombs Trust The Trust which Anthony Coombs chairs, but which has a Board of independent trustees, mainly gives to charities helping children particularly with disabilities Last year the Company supported The National Institute for Conductive Education, which deals with adults and children with cerebral palsy, strokes and head injuries, Red Boots, Cure Leukaemia for Kids and other like charities

The Group also makes financial contributions in the artistic and cultural fields During the year it sponsored the Birmingham Royal Ballet and innovative new theatrical productions at The Almeida and Royal Court Theatres

A4 3 Environment and Health and Safety Policy

The Group is not engaged in manufacturing or other processes which might compromise the health and safety of our staff or our visitors Appropriate checks are made on all who join the Company, mainly to prove their financial integrity and stability and their suitability to deal with our customers

S&U makes sure its staff are aware of how they can promote their personal safety Happily instances involving aggression to our representatives are extremely rare and are always reported to the police

S&U is engaged in the motor and consumer finance fields and therefore its overall environmental impact is considered to be low The main area of environmental impact is made by its team as they drive about their daily business. We encourage the use of environmentally friendly vehicles and indeed the Company's Car Purchase Policy has reflected this in the past few years In the last year of the 32 cars purchased, 28 met the highest level emission standards

A4 4 Greenhouse gas (GHG) emissions

This section includes our mandatory reporting of greenhouse gas emissions required to be reported under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013

This greenhouse gas reporting year has been established to align with our financial reporting year, being 1 February 2014 to 31 January 2015

A4 Corporate Social Responsibilty continued

Greenhouse gas emissions data
For period 1 February 2014 to 31 January 2015

	Tonnes CO_2	
	Year ended 31 January 2015	**Year ended 31 January 2014**
Scope 1 (Direct emissions)		
Combustion of fuel – Petrol & diesel used by company cars	446	843
(48% of our fleet is 115g/km or lower)		
Gas consumption	11	19
Air conditioning systems	44	44
Scope 2 (Energy indirect emissions)		
Purchased electricity	159	190
Total scope 1 and 2	660	1096
Scope 3 (Other indirect emissions)		
Water consumption	1	2
Waste	3	0
Total scope 1, 2 and 3	664	1098
Company's chosen intensity measurement		
Normalised tonnes scope 1, 2 and 3 CO_2e per £m turnover	8 9	18 1

Gas and electricity usage is based on consumption recorded on purchase invoices Vehicle fuel usage is based on expense claims and recorded mileage

We have reported on all material emission sources we deem ourselves responsible for

The methodology used to calculate our emissions is based on the "Environmental Reporting Guidelines including mandatory greenhouse gas emissions reporting guidance" (June 2013) issued by the Department for Environment, Food & Rural Affairs ("DEFRA") We have also utilised DEFRA'S 2014 conversion factors within our reporting methodology

The 2013 data forms the baseline data for subsequent periods In order to express our annual emissions in absolute and relative terms, we have used turnover in our intensity ratio calculation, as this is the most relevant indication of our growth and provides for a good comparative measure over time Normalised data is based on a total turnover of £74 4m

We have continued to make a concerted effort to reduce our carbon footprint For example, across our business we have continued to focus on the reduction of business travel emissions by

- Purchasing new, more fuel efficient fleets
- Ensuring journeys are planned in a structured way for fuel efficiency
- Promoting the use of rail travel
- Restricting heating to working hours in many of our sites

A5 Approval of Strategic Report

Section A of this Annual Report comprises a Strategic Report prepared for the Group as a whole in accordance with Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013

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

Anthony Coombs
Chairman
23 March 2015

Home Credit Consumer Finance

"I would like to say what an asset to the company your local rep Steve is. When I first contacted Steve he replied to me within 24 hours and I had an offer of credit within 48 hours. He is always courteous and polite and when I lost my husband he made sure the office understood my situation and was very sympathetic. I am now back on track with my accounts and know who to turn to when I need credit at such short notice."

Mrs N from Runcorn

B1 Board of Directors

Anthony Coombs MA (Oxon)
(Chairman)
(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 and trustee of a number of companies and charities

Guy Thompson
(Managing Director)
Guy joined the Group in 1999 as Managing Director of Advantage Finance and has overseen an excellent performance in their first 15 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

Graham Coombs MA (Oxon) MSc (Lon)
(Deputy Chairman)
Joined S&U after graduating from London Business School in 1976 He was appointed Deputy Chairman in 2008

Chris Redford ACA
(Group Finance Director)
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

Mike Thompson DMS FIoD
(Managing Director)
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

Mike Mullins
(Managing Director)
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

Keith Smith TD FCIM
(Non-executive)
(Nominations, Audit and Remuneration 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 independent Director

Demetrios Markou MBE FCA
(Non-executive)
(Nominations, Audit and Remuneration 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

Fiann Coombs BA (Lon) MSc (Lon)
(Non-executive)
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

Graham Pedersen
(Non-executive)
(Nominations, Audit and Remuneration Committees)
Graham joined the Board of S&U in early 2015 and brings enormous experience both as a regulator at the Prudential Regulation Authority and as banker with detailed knowledge and involvement in the speciality finance sector

Professional Advisers

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

Company Secretary
M K Bhogal ACMA CGMA

Bankers
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130 New Street
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Registrars
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Shareholders can contact Capita on 0871 664 0300 (calls cost 10p per minute plus network costs)

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B2 Directors' Remuneration Report

B2 1 Report of the Board to the shareholders on Remuneration Policy

Introduction

On behalf of your Board, I am pleased to present our Directors' Remuneration Report for the year ended 31 January 2015 It sets out the remuneration policy and remuneration details for the executive and non-executive directors of the Company It has been prepared in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended in August 2013

To reflect the requirements of the revised remuneration reporting regulations this Report is presented in three sections

1 Annual Statement by the Chair of the Remuneration Committee

This section summarises the major decisions and changes on directors' remuneration during the year ending 31 January 2015 and the context in which those decisions and changes were made

2 Annual Remuneration Report

This section provides details of the amounts earned in respect of the year ended 31 January 2015 and how the Remuneration Policy will be operated for the year commencing 1 February 2015 This is subject to an advisory vote at the 2015 AGM

3 Remuneration Policy Summary

This section summarises the Company's forward looking Remuneration Policy It was approved with a binding vote at the Annual General Meeting (AGM) on 20 May 2014 A copy of our full Remuneration Policy Report is on our website www suplc co uk

The Companies Act 2006 requires the auditor to report to the Shareholders on certain indicated parts of the Annual Remuneration Report (section 3) and to state whether in their opinion those parts of the report have been properly prepared in accordance with the Regulations The Annual Statement and the Remuneration Policy Report are not subject to audit

2014/15 key decisions and pay outcomes

The aim of the Company's Remuneration Policy is to deliver simple and fair remuneration packages which are linked to both Company and personal performance, retention focused and appropriate for the Company, its Shareholders and the directors

During the year the Remuneration Committee conducted a review of the Remuneration Policy and confirmed that it continues to be aligned with the Company's business strategy and consulted with major Shareholders not represented on the S&U plc Board The Remuneration Committee also reviewed the previous remuneration outcomes against Company performance and considered best practice and remuneration trends within both the Company and the wider financial services industry The Remuneration Committee concluded after studying remuneration trends in comparable sized companies as well as the Company's direct competitors that there exists a shortfall in executive pay compared to the industry The Remuneration Committee resolved to make appropriate increases for the years ending 31 January 2014 and 31 January 2015 to move base salaries to a level which is market competitive Historically, the executive directors have received directors' fee in addition to base salary With effect from 1 February 2014, the director fee has been incorporated into base salaries for the executive directors Non-executive directors will continue to receive directors' fee in line with market

In light of the above, for the year ending 31 January 2015, base salary increases for the executive directors were in the range 2% – 5% for Anthony Coombs, Graham Coombs and Mike Mullins which was in line with the range of salary increases across the Company A 17% base salary increase was awarded to Guy Thompson, a 12% increase was awarded to Chris Redford and a 7% increase was awarded to Mike Thompson to reflect their performance, experience and contribution to the Group and that their base salaries are below market positioning

As described in the business review section of this Annual Report, the Company has achieved record profits of £23 2m (2014 £17 3m) spearheaded by Advantage Finance, our motor finance lender which now contributes around 72% of group profit Consequently, annual bonuses of between £10,000 and £75,000 were earned by the executive directors for achieving the profit before tax ("PBT") targets

Guy Thompson, Managing Director of Advantage Finance Limited, has an exceptional award for Long Term Incentive Plan Options ("LTIP") over 65,000 shares which was approved by Shareholders at the AGM in 2013 This award is subject to the achievement of rigorous performance conditions for the financial years ending 31 January 2014 to 31 January 2018 based on the audited number of new motor finance contracts and the audited PBT in respect of these financial years 20% of these LTIP options can vest each year For the year ended 31 January 2015 the performance targets for 13,000 shares subject to this LTIP option were met and the performance targets for 5,000 shares subject to the LTIP options granted on 3 October 2012 were met Although both these LTIP options are also subject to continued employment until 29 August 2018, the value of the shares vesting by reference to performance to 31 January 2015 is shown in the single figure of remuneration on page 19 based on the three month average share price to 31 January 2015 less the exercise price payable

During the year ending 31 January 2015, Chris Redford, Mike Mullins and Mike Thompson were also granted options under the LTIP and the S&U plc Share Option Plan 2008 ("DSOP") and Guy Thompson was also granted DSOP options subject to the achievement of Group or divisional PBT performance conditions for the year ending 31 January 2015 For the year ending 31 January 2015, LTIP options over 2,000 shares and DSOP options over 600 shares granted to Chris Redford during the year to 31 January 2015 vested in full as the Group PBT target of £22 0million for the year was exceeded For the year ending 31 January 2015, LTIP options over 2,000 shares and DSOP options over 1,450 shares granted to Mike Mullins and DSOP options over 450 shares granted to Guy Thompson during the year to 31 January 2015 vested in full as the divisional PBT performance targets were met Although these options are also subject to continued employment until the third anniversary of the date of grant, the value of the shares vesting by reference to performance to 31 January 2015 is shown in the single figure of remuneration on page 19 based on the three month average share price to 31 January 2015 less the exercise price payable The divisional PBT performance targets for the LTIP and DSOP options granted to Mike Thompson during the year to 31 January 2015 were not met therefore these options lapsed in full

Further details regarding base salary increases, bonus payments and the grant and vesting of LTIP and DSOP options made to the executive directors are set out in the Annual Report on Remuneration

Key remuneration decisions for the year ending 31 January 2016

The fundamental structure of the package remains unchanged although to further align interests future bonus payments will now be subject to malus and clawback for 2 years

For the year ending January 2016

- Base salary Increases for executive directors were in the range 4 6% – 6 4% for Anthony Coombs, Graham Coombs, Chris Redford, Mike Thompson and Mike Mullins which was slightly above the range of salary increases across the Company to reflect their contribution to the Company and that their base salaries are below market positioning An 8% base salary increase was awarded to Guy Thompson to reflect the continuing excellent performance of Advantage and his experience and contribution to the Company
- The maximum annual bonus opportunity is £50,000 for Anthony Coombs and Graham Coombs, £30,000 for Mike Mullins and Mike Thompson, £60,000 for Chris Redford, and £75,000 for Guy Thompson The annual bonus will continue to be assessed against stretching Group or divisional PBT targets *
- The Remuneration Committee has resolved to grant the following LTIP options to the executive directors

Executive director	Number of shares subject to LTIP options	PBT performance targets for the year ending 31 January 2016*	Performance period
Chris Redford	2,000	Group PBT target	Financial year to 31 January 2016
Mike Mullins	2,000	S&U Home Credit PBT target	
Mike Thompson	2,000	S D Taylor Home Credit PBT target	

* The Remuneration Committee considers that the Group and divisional PBT targets for both the annual bonus and LTIP are commercially sensitive and should therefore remain confidential to the Company They provide our competitors with insight into our business plans, expectations and our strategic actions. However the Remuneration Committee will disclose how the bonus pay-out and LTIP vesting relates to performance against the Group PBT targets on a retrospective basis

The above awards will vest subject to (in addition to the above performance conditions) continued employment for the three year period from the date of grant

No further LTIP or DSOP options will be granted to the executive directors during the year to 31 January 2016

The Remuneration Committee continues to welcome Shareholder feedback on their remuneration decisions or on any issue related to executive remuneration

I commend this report to Shareholders and ask that you support the resolutions to approve the Company's Remuneration Policy Report and the Annual Remuneration Report at the Company's AGM on 21 May 2015

Keith Smith
Chairman of the Remuneration Committee
March 2015

B2 Directors' Remuneration Report continued

B2 2 Annual Remuneration Report
This section covers how the remuneration policy was implemented in the year ending 31 January 2015 Certain elements of the Annual Remuneration Report are subject to audit and this has been highlighted at the start of each section

Remuneration Committee (this section is not subject to audit)
The Company has established a Remuneration Committee which is constituted in accordance with the recommendations of the Combined Code The members of the Remuneration Committee are Mr G Pedersen, Mr D Markou and Mr K Smith, who are all independent non-executive directors Biographical details of these directors are set out on pages 14 and 15 The Remuneration Committee is chaired by Mr K Smith

None of the Remuneration 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 Remuneration Committee makes recommendations to the board

The Remuneration Committee is responsible within the authority delegated by the Board for determining the Remuneration Policy and for determining the specific remuneration packages for each of the executive directors In setting the Remuneration Policy for executive directors the Remuneration Committee considers

› the need to attract retain and motivate high quality executive directors to optimise company performance,
› the need for an uncomplicated link between executive director performance and rewards,
› the need for the correct mixes of fixed and variable rewards and short term and long term rewards for executive directors,
› best practice and remuneration trends within the company and the financial services industry,
› the requirements of the UK Corporate Governance Code and existing executive director contracts, and
› previous Shareholder feedback

The Remuneration Committee's terms of reference were reviewed during the year and are available on our website www suplc co uk

Advisers to the Remuneration Committee
The Remuneration Committee is assisted in its work by the Chairman, Deputy Chairman and the Group Finance Director The Chairman is consulted on the remuneration of those who report directly to him and also of other senior executives No executive director or employee is present or takes part in discussions in respect of matters relating directly to their own remuneration

During the year, the Remuneration Committee was also assisted in its work by Deloitte LLP Deloitte LLP was appointed by the Board and the advice provided to the Remuneration Committee was limited to technical advice in connection with the new reporting regulations in connection with the disclosure of directors' remuneration The Board took into account the Remuneration Consultants Group's Code of Conduct when reviewing the appointment of Deloitte LLP and also took into account Deloitte LLP's role as external auditor Deloitte LLP's fees for providing advice to the Company during the year were charged on a time and materials basis and were £10,300 The Remuneration Committee is satisfied that all advice received was objective and independent

Single Figure Tables (this section is subject to audit)

The table below sets out in a single figure the total amount of remuneration including each component received by each of the directors for the year ended 31 January 2015

	Age	Salaries and fees	Allowances and benefits	Pension Contribution/ Salary Supplement in Lieu of Pension	Bonus	Share incentive plans (DSOP/LTIP)	Total
Executive directors							
A M V Coombs	62	313	27	–	50	–	390
G D C Coombs	62	288	17	8	50	–	363
C H Redford	50	188	20	24	60	48	340
J G Thompson	59	275	25	36	75	388	799
M J Mullins	57	166	11	16	30	64	287
M J Thompson	51	153	16	15	10	–	194
Non-executive directors							
K R Smith	76	32					32
D Markou	70	29					29
K Innes Ker (resigned Oct 14)	55	22					22
F Coombs	46	29					29
G Pedersen (appointed Feb 15)	60						–
Total		**1,495**	**116**	**99**	**275**	**500**	**2,485**

The table below sets out in a single figure the total amount of remuneration including each component received by each of the directors for the year ended 31 January 2014

	Salaries and fees	Allowances and benefits	Pension Contributions/ Salary Supplement in Lieu of Pension	Bonus	Share incentive plans (DSOP/LTIP)	Total
Executive directors						
A M V Coombs	304	26	–	40	–	370
G D C Coombs	275	17	47	40	–	379
C H Redford	168	19	24	30	287	528
J G Thompson	238	24	31	60	280	633
M J Mullins	163	12	16	5	–	196
M J Thompson	143	14	14	15	–	186
Non-executive directors						
K R Smith	31					31
D Markou	28					28
K Innes Ker	19					19
F Coombs	28					28
Total	**1,397**	**112**	**132**	**190**	**567**	**2,398**

B2 Directors' Remuneration Report continued

Salaries & fees	The amount of salary / fees received in the period
Allowances and benefits	The taxable value of benefits received in the period These are company car or allowance, private fuel, life insurance and private medical insurance
Pension	The pension figure represents the cash value of pension contributions received by the executive directors This includes the Company's contributions to the defined contribution pension scheme and any salary supplement in lieu of a Company pension contribution
Annual Bonus	Annual bonus is the value of the bonus earned in respect of the year A description of the performance targets against which the bonus pay-out was determined is provided on page 22
Share incentive plans (DSOP/LTIP)	For the year ended 31 January 2015, the value of options vesting under the share incentive plans has been calculated as follows C H Redford LTIP options over 2,000 shares and the DSOP options over 600 shares granted during the year to 31 January 2015 vested in full as the Group PBT target of £22 0million for the year was achieved Although both these options are also subject to continued employment until the third anniversary of the date of grant, the value of the shares vesting by reference to performance to 31 January 2015 is shown above based on the three month average share price to 31 January 2015 less the exercise price payable J G Thompson LTIP options over 2,500 shares and the DSOP options over 450 shares granted during the year to 31 January 2015 vested in full as the divisional PBT target for the year was achieved Although both these options are also subject to continued employment until the third anniversary of the date of grant, the value of the shares vesting by reference to performance to 31 January 2015 is shown above based on the three month average share price to 31 January 2015 less the exercise price payable In addition, 20% of the 65,000 LTIP options granted on 24 May 2013 (i e 13,000 shares) vested in respect of performance to 31 January 2015 In addition, 20% of the 25,000 LTIP options granted on 3 October 2012 (i e 5,000 shares) vested in respect of performance to 31 January 2015 Although both these LTIP options are also subject to continued employment until 29 August 2018, the value of the shares vesting by reference to performance to 31 January 2015 is shown above based on the three month average share price to 31 January 2015 less the exercise price payable M J Mullins LTIP options over 2,000 shares and the DSOP options over 1,450 shares granted during the year to 31 January 2015 vested in full as the divisional PBT target was achieved Although both these options are also subject to continued employment until the third anniversary of the date of grant, the value of the shares vesting by reference to performance to 31 January 2015 is shown above based on the three month average share price to 31 January 2015 less the exercise price payable For the year ended 31 January 2014 comparative figures the value of options vesting under the share incentive plans has been calculated as follows C H Redford LTIP options over 18,000 shares and the DSOP options over 1,500 shares granted during the year to 31 January 2014 vested in full as the Group PBT target of £16 8million for the year was achieved Although both these options are also subject to continued employment until the third anniversary of the date of grant, the value of the shares vesting by reference to performance to 31 January 2014 is shown above based on the three month average share price to 31 January 2014 less the exercise price payable J G Thompson 20% of the 65,000 LTIP options granted on 24 May 2013 (i e 13,000 shares) vested in respect of performance to 31 January 2014 In addition, 20% of the 25,000 LTIP options granted on 3 October 2012 (i e 5,000 shares) vested in respect of performance to 31 January 2014 Although both these LTIP options are also subject to continued employment until 29 August 2018, the value of the shares vesting by reference to performance to 31 January 2014 is shown above based on the three month average share price to 31 January 2014 less the exercise price payable

Individual elements of remuneration (this section is subject to audit apart from the application of the Remuneration Policy to the individual elements of remuneration for the year ending 31 January 2015)

Base salary and fees

Base salaries for individual executive directors are reviewed annually by the Remuneration Committee and are set with reference to individual performance, experience and responsibilities within the Group as well as with reference to similar roles in comparable companies Historically, the executive directors have received directors' fee in addition to base salary With effect from 1 February 2014, the director fee has been incorporated into base salaries for the executive directors Non-executive directors will continue to receive directors' fees in line with market

The Remuneration Committee concluded after studying remuneration trends in comparable sized companies as well as the Company's direct competitors that there exists a shortfall in executive pay compared to the industry The Remuneration Committee resolved to make appropriate increases in the year ending 31 January 2016 to move base salaries to a level which is market competitive

In light of the above, for the year ending 31 January 2015, base salary increases for the executive directors were in the range of 2% – 5% for Anthony Coombs, Graham Coombs and Mike Mullins which was in line with the range of salary increases across the Company A 17% base salary increase was awarded to Guy Thompson, a 12% increase was awarded to Chris Redford and a 7% increase to Mike Thompson to reflect their performance, experience and contribution to the Company and that their base salaries are below market positioning

As shown in the table below, for the year ending 31 January 2016 base salary increases for executive directors were in the range 4 6% – 6 4% for Anthony Coombs, Graham Coombs, Chris Redford, Mike Thompson and Mike Mullins which was slightly above the range of salary increases across the Company to reflect their contribution to the Company and that their base salaries are below market positioning An 8% base salary increase was awarded to Guy Thompson to reflect the continuing excellent performance of Advantage and his experience and contribution to the Company

Executive director	Base salary for year to 31 January 2015 £000	Base salary for year to 31 January 2016 £000	Increase %
A M V Coombs	313	333	6 4%
G D C Coombs	288	306 5	6 4%
C H Redford	188	200	6 4%
J G Thompson	278	300	7 9%
M J Mullins	165 5	175	5 7%
M J Thompson	153	160	4 6%

The remuneration policy for non-executive directors is determined by the Board Fees were reviewed in 2014 and 2015 and reflect the responsibilities and duties placed upon non-executive directors whilst also having regard to market practice The non-executive directors do not participate in any of the Company's share incentive plans nor do they receive any benefits or pension contributions

Non-executive director fees	2013/14	2014/15	2015/16
Basic fee	£28,000	£29,000	£30,000
Additional fee for			
– Senior Independent Non-executive director	£3,000	£3,000	£3,000

B2 Directors' Remuneration Report continued

Annual bonus

For the year ending 31 January 2015, annual bonuses for the executive directors were based on stretching Group or divisional PBT targets The table below sets out the maximum bonus opportunity that each of the executive directors could earn for the year ending 31 January 2015 together with the Group PBT targets and details of the actual bonus earned

	Performance targets*	Maximum bonus opportunity year ending 31 January 2015	Bonus pay-out % of maximum (actual PBT)	Actual bonus earned for the year ending 31 January 2015
A M V Coombs	Group PBT target (£22 0m)	£50,000	100% (£23 2m Group PBT achieved)	£50,000
G D C Coombs		£50,000		£50,000
C H Redford		£60,000		£60,000
J G Thompson	Advantage Finance PBT target	£75,000	100%	£75,000
M J Mullins	S&U Home Credit PBT target	£40,000	75%	£30,000
M J Thompson	S D Taylor Home Credit PBT target	£40,000	25%	£10,000

* Whilst the Remuneration Committee is aware that some shareholders wish to see detailed retrospective disclosure of bonus targets, it considers this inappropriate for the divisional PBT targets given that such targets are based on commercially sensitive information that the Board believes could negatively impact the Company's competitive position by providing our competitors with insight into our business plans and expectations, resulting in significant risk to future profitability and shareholder value We will review annually this commercial sensitivity and consequent non disclosure of the historic divisional pbt targets However, we are committed to providing as much information as we are able to in order assist our investors in understanding how our incentive pay-outs relate to performance delivered Details of the Group PBT targets are disclosed above

Annual bonus in 2015/16

For the year ending 2016, the maximum annual bonus opportunity is £50,000 for Anthony Coombs and Graham Coombs, £30,000 for Mike Mullins and Mike Thompson, £60,000 for Chris Redford and £75,000 for Guy Thompson The annual bonus will continue to be assessed against stretching Group and divisional PBT targets For bonuses with a 2015/16 performance period onwards claw back will apply in specific circumstances for a period of two years after the payout of the bonus The Remuneration Committee considers that the actual annual bonus targets are commercially sensitive and should therefore remain confidential to the Company They provide our competitors with insight into our business plans, expectations and our strategic actions However, the Remuneration Committee will continue to disclose how the bonus pay-out delivered relates to performance against the Group PBT targets on a retrospective basis

Long Term Incentives – Long Term Incentive Plan (LTIP) 2010 and Deferred Share Option Plan (DSOP) 2008

Awards granted during the period

The table below sets out the LTIP options granted to the executive directors during the year -

	Date of grant	Maximum opportunity (% salary)*	Number of options	Face value at grant, £	% of award vesting at threshold	Performance period
Chris Redford	20/05/14	21%	2,000	39,580	Full vesting once the PBT performance target for the financial year is satisfied	Financial year to 31 January 2015
Guy Thompson	20/05/14	18%	2,500	49,475		
Mike Mullins	20/05/14	24%	2,000	39,580		
Mike Thompson	20/05/14	26%	2,000	39,580		

* Based on share price at the date of grant.

All LTIP awards had an exercise price of £0 125

The performance period for these awards is the year to 31 January and the performance conditions were as follows

- Chris Redford's award was based on the achievement of a Group PBT of £22 0m for the year ended 31 January 2015
- Guy Thompson's award was based on the achievement of a PBT target for Advantage Motor Finance for the year ended 31 January 2015
- Mike Mullins' award was based on the achievement of a PBT target for S&U Home Credit for the year ended 31 January 2015
- Mike Thompson's award was based on the achievement of a PBT target for S D Taylor Home Credit for the year ended 31 January 2015

All the above awards will vest subject to (in addition to the above performance conditions) continued employment for the three year period from the date of grant

The table below sets out the DSOP options granted to the executive directors during the year -

	Date of grant	Maximum opportunity (% salary)*	Number of options	Face value at grant, £	% of award vesting at threshold	Performance period
Chris Redford	20/05/14	6%	600	11,355	Full vesting once the PBT performance target for the financial year is satisfied	Financial year to 31 January 2015
Guy Thompson	20/05/14	3%	450	8,516		
Mike Mullins	20/05/14	16%	1,450	27,441		
Mike Thompson	20/05/14	18%	1,450	27,441		

* Based on share price at the date of grant

DSOP awards had an exercise price of £18 925

The performance period for these DSOP awards is the year to 31 January 2015 and the performance conditions were as follows

› Chris Redford's LTIP and DSOP awards were based on the achievement of a Group PBT of £22 0m for the year ended 31 January 2015

› Mike Mullins' LTIP and DSOP awards were based on the achievement of a PBT for S&U Home Credit for the year ended 31 January 2015

› Mike Thompson's LTIP and DSOP awards were based on the achievement of a PBT for S D Taylor Home Credit for the year ended 31 January 2015

All the above awards will vest subject to (in addition to the above performance conditions) continued employment for the three year period to the date of grant

Awards vesting based on performance in respect the year ended 31 January 2015
For the year ending 31 January 2015

› the LTIP options over 2,000 shares and the DSOP options over 600 shares granted to Chris Redford during the year to 31 January 2015 vested in full as the Group PBT target of £22 0million for the year was achieved

› the LTIP options over 2,500 shares and the DSOP options over 450 shares granted to Guy Thompson during the year to 31 January 2015 vested in full as the divisional PBT target for the year was achieved 20% of the LTIP options granted to Guy Thompson on 24 May 2013 (i e 13,000 shares) and 5,000 shares subject to the LTIP options granted on 3 October 2012 vested as the PBT and new motor finance contracts targets for Advantage Finance were achieved

› the LTIP options over 2,000 shares and the DSOP options over 1,450 shares granted to Mike Mullins during the year to 31 January 2015 vested in full as the divisional PBT target for the year was achieved

› the divisional PBT performance targets for the LTIP and DSOP options granted to Mike Thompson during the year to 31 January 2015 were not met therefore these options lapsed in full

The Remuneration Committee considers that the divisional PBT targets are commercially sensitive and should therefore remain confidential to the Company They provide our competitors with insight into our business plans, expectations and our strategic actions However, the Remuneration Committee will continue to disclose how the LTIP vesting relates to performance against the Group PBT targets on a retrospective basis

B2 Directors' Remuneration Report continued

LTIP and DSOP awards for 2015/16

The Remuneration Committee has resolved to grant the following LTIP options to the executive directors

Executive director	Number of shares subject to LTIP options	PBT performance targets for the year ending 31 January 2016*	Performance period
Chris Redford	2,000	Group PBT target	Financial year
Mike Mullins	2,000	S&U Home Credit PBT target	to 31 January
Mike Thompson	2,000	S D Taylor Home Credit PBT target	2016

* The Remuneration Committee considers that the divisional PBT targets are commercially sensitive and should therefore remain confidential to the Company They provide our competitors with insight into our business plans, expectations and our strategic actions However, the Remuneration Committee will continue to disclose how the LTIP vesting relates to performance against the Group PBT targets on a retrospective basis

The above awards will vest subject to (in addition to the above performance conditions) continued employment for the three year period from the date of grant For 2015/16 malus will apply in specific circumstances for a period of two years after the end of the performance period upon which the vesting performance condition is based

No further LTIP or DSOP options will be granted during the year to 31 January 2016

Total pension entitlements (this section is subject to audit)

The Group makes contributions into a defined contribution scheme on behalf of G D C Coombs, J G Thompson, M J Mullins, M J Thompson, and C H Redford None of the directors has accrued benefits under the defined benefit scheme

Director	Defined contribution £000	Percentage of Salary %
G D C Coombs	8	3
C H Redford	24	14 5
J G Thompson	36	13
M J Mullins	16	10
M J Thompson	15	10

Company performance – shareholder return graph (this section is not subject to audit)

The following graph shows the Company's Shareholder Return performance, compared with the performance of the FTSE Sector Index, over the past six years 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

Executive Chairman Remuneration for previous six years (this section is not subject to audit)

The Group does not have a CEO but the table below shows the detail required by the regulations for our executive chairman Mr Anthony Coombs

	Single figure of remuneration (£000)	Annual bonus (% of maximum opportunity for the year)	Long term incentive (% of maximum number of shares for the year)
2015	390	100%	n/a
2014	370	100%	n/a
2013	445	50%	71%
2012	436	100%	100%
2011	360	100%	n/a
2010	337	57%	n/a

Percentage change in Executive Chairman Remuneration (this section is not subject to audit)

The table below sets out in relation to salary, taxable benefits and annual bonus the percentage increase in pay for Anthony Coombs compared to the wider workforce

Element	Executive Chairman	Wider Workforce
Base salary	3%	4%
Allowances and benefits	0%	n/a
Bonus	25%*	8%

* Anthony Coombs received a bonus of £40,000 for the year ending 31 January 2014 and a bonus of £50,000 for the year ending 31 January 2015

Relative Importance of Spend on Pay (this section is not subject to audit)

The graph below shows the relative importance of spend on pay against other cash outflows of the Group for the years ending 31 January 2015 and 31 January 2014 Given the nature of the Group's business, the other significant outflows for the Group are loan advances and dividends payable

Payments to past directors (this section is subject to audit)

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 D M Coombs received a discretionary payment for the year of £110,000 (2014 £120,000) Due to the sad passing of Mr D M Coombs in December 2014 this discretionary pension will not be paid in future years

Payments for loss of office (this section is subject to audit)

There were no loss of office payments made during the year ended 31 January 2015

Statement of directors' shareholding and share interests (this section is not subject to audit)

The table below details the shareholdings and share interests of the director as at 31 January 2015

B2 Directors' Remuneration Report continued

	Type	Owned Outright	Unvested subject to performance conditions	Unvested not subject to further performance conditions	Vested but unexercised	Total at 31 January 2015
A M V Coombs	Shares	1,334,027				1,334,027
	LTIP			5,000		5,000
	DSOP					–
G D C Coombs	Shares	1,530,207				1,530,207
	LTIP			5,000	20,000	25,000
	DSOP					–
C H Redford	Shares	6,095				6,095
	LTIP			20,000		20,000
	DSOP			1,500		1,500
J G Thompson	Shares	–				–
	LTIP		54,000	46,000		100,000
	DSOP			3,450		3,450
M J Mullins	Shares	–				–
	LTIP			2,000		2,000
	DSOP			1,450		1,450
M J Thompson	Shares	–				–
	LTIP					–
	DSOP					–
Non- executive directors						
KR Smith	Shares	26,600				26,600
D Markou	Shares	4,500				4,500
G Pedersen	Shares	–				–
F Coombs	Shares	33,550				33,550

Shareholder vote on January 2014 Remuneration Report (this section is not subject to audit)

The table below shows the voting outcome at the 20 May 2014 AGM for the remuneration policy report (binding) and for the January 2014 Directors Remuneration Report (advisory)

	Number of votes "For" and "Discretion"	% of votes cast	Number of votes "Against"	% of votes cast	Total Number of votes cast	Number of votes "withheld"
Policy	6,747,777	99 8%	11,096	0 2%	6,758,873	Nil
2014 Report	6,510,895	97 8%	145,188	2 2%	6,656,083	102,790

The Remuneration Committee welcomed the passing of the resolution and the support shown by those Shareholders who voted in favour and the Remuneration Committee has taken steps wherever practicable to understand Shareholder concerns when withholding their support

B2 3 Remuneration Policy Summary

The table below summarises the Remuneration Policy which was approved and took binding effect from the date of the AGM on 20 May 2014 The Remuneration Policy is determined by the Remuneration Committee The full remuneration policy can be found on our website www suplc co uk

The following table describes each of the components of the remuneration package for executive directors

Component	Purpose	Operation	Opportunity	Performance Measures
Base salary	To help recruit and retain executive directors To provide the core element of fixed remuneration, which reflects the director's experience and the size and scope of the role	Normally reviewed annually and fixed for 12 months, but may be reviewed more frequently in cases where an individual changes position or responsibility Salaries are determined by the Remuneration Committee, who will take into account a range of factors, including, but not limited to › Role, experience and individual performance, › Corporate and individual performance, › Pay levels for comparable positions in companies of a similar size and complexity, and › Group profitability and organisational salary budgets	No maximum salary opportunity has been set out in this policy report to avoid setting expectations for executive directors and employees The base salaries effective as at 1 February 2015 are shown in the annual report The Remuneration Committee has resolved to move base salaries progressively to a level which is market competitive taking account of individual factors such as › Increased individual responsibilities, › Performance in role, › An new executive director being moved to market positioning over time, › Remuneration trends within the financial services industry, › Alignment to market level	N/A
Benefits	To provide cost-effective benefits to help recruit and retain executive directors, through ensuring a competitive overall remuneration package	Executive directors are entitled to a range of benefits in line with market practice, including, but not limited to, private medical insurance, and a company car Other benefits may be provided based on individual circumstances These may include, for example, permanent health cover, death in service benefit, relocation and travel allowances	Whilst the Remuneration Committee has not set an absolute maximum, the value of benefits is set at a level which the Remuneration Committee considers is appropriately positioned against companies of a similar size and complexity in the relevant market	N/A

B2 Directors' Remuneration Report continued

Component	Purpose	Operation	Opportunity	Performance Measures
Annual Bonuses	To reward executive directors for the achievement of the annual financial and individual targets Provide alignment with Shareholders' interests	Targets are set annually and any pay-out is determined by the Remuneration Committee after the period-end, based on performance against those targets The Remuneration Committee may adjust the bonus pay-out either up or down should the formulaic outcome be considered not to produce a fair result for either the executive director or the Company, taking account of the Remuneration Committee's assessment of overall business performance For bonuses related to 2015/16 performance periods onwards clawback will apply in certain specific circumstances for a period of two years after the pay-out of the bonus	Up to 60% of base salary	Targets are set annually, reflecting the Group's strategy and alignment with key financial, strategic and/or individual objectives Targets, whilst stretching, do not encourage inappropriate business risks to be taken At least 80% of the bonus is assessed against key financial performance metrics of the business and the balance may be based on non-financial strategic measures and/or individual performance Vesting of the annual bonus will apply on a scale between 0% and 100% based on the Remuneration Committee's assessment of the extent to which the performance metrics have been met
Share Option Plan (DSOP) 2008	To provide an incentive to executive directors to achieve the annual and longer term financial and strategic business targets and to align their interests with those of Shareholders	The DSOP was approved by Shareholders at the 2008 AGM The DSOP can be operated as both an HMRC tax approved scheme and as an unapproved scheme The Remuneration Committee may grant options to acquire shares in the Company with an exercise price not less than the closing middle market quotation for a share for the dealing day immediately preceding the date the option is to be granted or, if the Remuneration Committee so determines, the average of such quotations for the three dealing days (or such other number of dealing days as the Remuneration Committee decides) immediately preceding the date the option is to be granted Vesting of options is dependent on the achievement of such performance conditions as the Remuneration Committee determines, measured over a minimum period of one year Options will normally become exercisable three years from date of grant subject to satisfaction of the performance conditions and the continued employment of the participant by the Group Options vest early on a change of control (or other relevant event) unless the Remuneration Committee determines otherwise As described in the annual report DSOP options may also vest early in "good leaver" circumstances	The DSOP allows for the grant of options over shares worth up to 25% of base salary in any plan year In exceptional circumstances, the Remuneration Committee may grant higher awards of up to 50% of base salary in any plan year In applying these limits no account will be taken of shares which have been awarded to ensure that a participant is not financially disadvantaged if he agrees to satisfy the Group's social security liability in relation to his option	The vesting of DSOP options is subject to the satisfaction of performance targets set by the Remuneration Committee The performance measures are reviewed regularly to ensure they remain relevant but will be based on individual and/or financial measures and/or share price growth related measures The relevant metrics and the respective weightings may vary each year based upon Company strategic priorities Vesting of DSOP options will apply on a scale between 0% and 100% based on the Remuneration Committee's assessment of the extent to which the performance metrics have been met

Component	Purpose	Operation	Opportunity	Performance Measures
Long Term Incentive Plan (LTIP) 2010	To provide an incentive to executive directors to achieve the annual and longer term financial and strategic business targets and to align their interests with those of Shareholders	The LTIP was approved by Shareholders at the 2010 AGM The Remuneration Committee may grant nil-priced or nominal-priced options to acquire shares in the Company Vesting of options is dependent on the achievement of such performance conditions as the Remuneration Committee determines, measured over a minimum period of one year Options will normally become exercisable three years from date of grant subject to satisfaction of the performance conditions and the continued employment of the participant by the Group LTIP options vest early on a change of control (or other relevant event) unless the Remuneration Committee determines otherwise, taking into account the performance conditions (as determined by the Remuneration Committee) and pro-rating for time, although the Remuneration Committee has discretion not to apply time pro-rating As described in the annual report LTIP awards may also vest early in "good leaver" circumstances	The LTIP allows for the grant of options over shares worth up to 50% of base salary in any plan year The DSOP and LTIP are run in parallel, and the Remuneration Committee may grant awards under both in any year The maximum opportunity across both schemes is limited to 100% of base salary in any plan year In exceptional circumstances, the Remuneration Committee may grant higher awards of up to 150% of base salary in any plan year In applying these limits no account will be taken of shares which have been awarded to ensure that a participant is not financially disadvantaged if he agrees to satisfy the Group's social security liability in relation to his option	The vesting of LTIP options is subject to the satisfaction of performance targets set by the Remuneration Committee The performance measures are reviewed regularly to ensure they remain relevant but will be based on individual and/or financial measures and/or share price growth related measures The relevant metrics and the respective weightings may vary each year based upon Company strategic priorities Vesting of LTIP options will apply on a scale between 0% and 100% based on the Remuneration Committee's assessment of the extent to which the performance metrics have been met
Retirement benefits	To provide competitive retirement benefits to help recruit and retain executive directors	The Company offers defined contribution pensions to all executive directors In appropriate circumstances, executive directors may take a salary supplement instead of contributions into a pension plan	Maximum contributions for a director will be up to 20% of base salary	N/A

The following table provides a summary of the key components of the remuneration package for non-executive directors

Component	Purpose	Operation	Opportunity
Fees	To provide the core fixed element of remuneration for the particular non-executive director role	The Board of Directors determines non-executive fees, taking into account the skills, knowledge, and experience of the individual, whilst taking into account appropriate market data Directors may be entitled to benefits such as the use of secretarial support, travel costs, or other benefits that may be appropriate	The fee is set as a fixed annual fee Overall fees paid to non-executive directors will remain within the limit set out in the Company's Articles of Association of £300,000, taking into account the percentage increase in the General Index of Retail Prices for the 12 preceding months

Approval

This report section B2 of the Annual Report and Accounts including both the Remuneration Policy Summary and The Annual Remuneration Report was approved by the Board of Directors on 23 March 2015 and signed on its behalf by

Keith Smith
Chairman of the Remuneration Committee

B3 Governance

B3.1 Audit Committee Report

Role and Responsibilities

The Audit Committee is a committee of the Board of Directors Its main role is to assist the Board and protect the interests of shareholders by reviewing the integrity and appropriateness of the Group's financial information, the systems of internal controls and risk management and the audit process

Composition of the Committee and Meetings

The Company has established an Audit Committee which is constituted in accordance with the recommendations of the UK Corporate Governance Code The members of the committee are Mr G Pedersen, Mr D Markou and Mr K Smith, who are all independent non-executive directors Biographical details of these directors are set out on pages 14 and 15 The committee is chaired by Mr D Markou Graham Pedersen joined the Audit Committee when he was appointed to the Board on 18th February 2015 Meetings are held not less than twice a year normally in conjunction with the interim and full year financial reports issued in September and March The external auditors or individual members of the Audit Committee may request a meeting if they consider one is necessary and the Committee ensure that discussions are held with the external auditors without executive Board members present During the year ending 31 January 2015 five meetings were held including Audit planning meetings

Significant Issues related to the financial statements

The significant issues and areas of judgement considered by the Audit Committee in relation to the 2015 Financial Statements were as follows

Impairment of receivables – Consumer Credit (Home Credit) – see accounting policy 1 4 on page 46
Receivables are impaired in Home Credit based on the number of cumulative contractual weekly payments that have been missed in the last 10 weeks Impairment is calculated using models which use historical payment performance to generate the estimated amount and timing of future cash flows from each arrears stage In addition, a collective provision is held against incurred losses in the remainder of the loan book

Judgement is applied as to the appropriate point at which receivables are impaired and the level of cash flows that are expected to be recovered from impaired customers

In order to assess the appropriateness of the judgements applied, an exercise is performed to assess the most recent performance of customers, including the cash collection performance of impaired customers This is used to help forecast expected cash collections which are then discounted at the effective interest rate and compared to the carrying value of receivables at the yearend with the difference being the impairment provision

In assessing the adequacy of the Home Credit impairment provision the Audit Committee considers

a) The work performed by management and by Deloitte as part of their external audit, including their challenge of the assumptions used by management, and
b) The findings in light of current trading performance and expected future trading performance

Impairment of receivables – Motor Finance – see also accounting policy 1 4 on page 46
Receivables are impaired in Motor Finance based on the overall contractual arrears status and also the number of cumulative contractual weekly payments that have been missed in the last 6 months Impairment is calculated using models which use historical payment performance and amounts recovered from security realisation to generate the estimated amount and timing of future cash flows from each arrears stage In addition, a collective provision is held against incurred losses in the remainder of the loan book

Judgement is applied as to the appropriate point at which receivables are impaired and the level of cash flows that are expected to be recovered from impaired customers

In order to assess the appropriateness of the judgements applied, an exercise is performed to assess the most recent performance of customers, including the cash collection and recovery performance of impaired customers This is used to help forecast expected cash collections which are then discounted at the effective interest rate and compared to the carrying value of receivables at the yearend with the difference being the impairment provision

In assessing the adequacy of the Motor Finance impairment provision the Audit Committee considers

a) The work performed by management and by Deloitte in validating the data used and their challenge of the assumptions used by management, and
b) The findings in light of current trading performance and expected future trading performance

Revenue Recognition – see also accounting policy 1 3 on page 45
Interest income is 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 the expected future cash flows of the loan back to present value being the amount advanced to the customer Under IAS 39 credit charge income should be recognised on the shorter of the expected life or the contractual life of the loan Ancillary insurance brokerage income for Motor Finance is credited to the income statement when the brokerage service has been provided, after taking into account expected refunds payable on customer early settlements and policy cancellations Under IAS 39 management have judged that credit charges should be taken over the contractual life of the loan for both Home Credit and Motor Finance

In assessing the appropriateness of revenue recognition the Audit Committee considers

a) The work performed by management and by Deloitte as part of their external audit, including their challenge of the assumptions used by management, and

b) The findings in light of current trading experience and expected future trading experience

External Audit

The Committee is responsible for assessing the effectiveness of the external audit process, for monitoring the independence and objectivity of the external auditor and for making recommendations to the Board in relation to the appointment of the external auditor The Committee is also responsible for developing and implementing the Group's policy on the provision of non audit services by the external auditor

The Committee considers the effectiveness of the external audit and the Group's relationship with the external auditor, Deloitte LLP, on an ongoing basis, and have conducted a formal review of the effectiveness of the annual audit before commencing this Annual Report to the Board This review consisted of considering a list of relevant questions, together with the senior financial management of the Group, without the external auditor present and then discussing the evaluation with the auditors The Committee was able to conclude, on the basis of this exercise and its experience over the year that the external audit process remained effective A further review will be carried out following the completion of audit procedures on all Group companies and reported on in next year's annual report

Deloitte LLP and its predecessor firms have been the auditors of the Group since 2000, although the lead audit partner rotates every five years, most recently following the completion of the audit for the year ended 31 January 2011 Before recommending their reappointment to the Board, the Committee engaged with the auditor's to ensure they are still providing the required quality of service and remain independent During the year the external auditor presented the Committee with their firm's transparency report, which is intended to demonstrate the steps it takes to ensure audit quality with reference to the Audit Quality Framework issued by the Professional Oversight Board of the Financial Reporting Council More specifically the Committee considered whether the auditor's understanding of their Group's business, their access to appropriate financial services and regulatory specialists within their firm, both locally and nationally, and their understanding of the sectors in which the Group operates were appropriate to the Group's needs On this basis the Committee concluded that the needs of the Group would not be best served by putting the external audit out to tender at this time The Committee has therefore recommended to the Board that the reappointment of Deloitte LLP should be proposed at the forthcoming Annual General Meeting

The Committee notes, however, the recent findings of the Competition Commission into the audit market which will require all FTSE 350 companies to put their audit out to tender every ten years, and, where auditors have been in office since before 2005, to conduct a tender no later than two years after the end of the current lead partner's five year term The group is not currently a FTSE 350 company but the Committee further notes that if it were, it would mean that the Group would be required to put its audit out to tender in or before its financial year ending 31 January 2018 A recommended course of action will be proposed to the Board at the appropriate time The Committee has not identified any factors which might restrict its choice of external auditor

Both the Committee and the external auditor have in place safeguards to avoid any compromise of the independence and objectivity of the external auditor The Committee considers the independence of the external auditor annually and the Group has a formal policy for the engagement of its external auditor to supply external non-audit services The policy is designed to ensure that neither the nature of the service to be provided nor the level of reliance placed on the services could impact the objectivity of the external auditor's opinion on the Group's financial statements

The policy precludes the appointment of the external auditor to provide any service where there is involvement in management functions or decision making, or any service on which management may place primary reliance in determining the adequacy of internal controls, financial systems or financial reporting The external auditor may provide corporate finance and similar services (provided there is no significant advocacy role) or tax services but, if the advice given or the position taken would be material to the Group, the prior consent of the Committee would be required Internal audit services will not be provided by the external auditor Other services may be procured by management without the prior consent of the Committee, but are reported to the Committee on an ongoing basis

Fees paid to the external auditor are shown in note 6 to the accounts Other than services required to be provided by external auditor by legislation or regulation, non-audit services relate to audit related assurance services, taxation services and regulatory advisory services Overall the fees paid to the external auditor for non-audit services were £70,000 (2014 £66,000)

The Committee considers that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy

Demetrios Markou
Chairman of the Audit Committee
23 March 2015

B3 Governance continued

B3 2 Corporate Governance

The latest version of the UK Corporate Governance Code was issued by the Financial Reporting Council in September 2014 The Code sets out Provisions for Good Corporate Governance along with a series of supporting principles

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 Code Provisions, which are split into five areas "Leadership", "Effectiveness", "Accountability", "Remuneration" and "Relations with Shareholders" The current position of the Company in each area is described below

Leadership

During the period under review, the Company was controlled through the Board of Directors which comprised six executive and three or four 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 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 K R 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 due to their robust judgement and character and the invaluable balance and experience they have brought to the Board's deliberations Apart from common shareholdings, neither Mr Smith nor Mr Markou have any other cross directorships or other significant commercial links with other directors In addition, their financial, business and stockmarket training and experience are considered invaluable to the Board at this stage of the Group's development In October 2014 Lady Katherine Innes Ker resigned as an S&U non-executive director to assume the Chairmanship of another company in the financial services sector In February 2015 we were delighted to welcome Graham Pedersen as a new independent non-executive director Graham brings a wealth of experience to the S&U board both as a regulator and a banker The Board has designated Mr K R Smith as Senior Independent Director Section B 1 2 of the Code requires that except for "smaller companies", at least half the board, excluding the chairman, should comprise non executive directors determined by the board to be independent "A smaller company" is defined as being outside the FTSE 350 S&U is therefore required to have two independent NEDs and therefore complies 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 K R Smith who also chairs this committee, together with the two other independent non-executive directors and Mr A M V Coombs The Audit Committee is composed of the three independent non-executive directors The Remuneration Committee is composed of the same three 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 K R 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 recruitment process and advertising in respect of Board appointments Prior to the appointment of our new non-executive director various recruitment agencies were utilised to identify a shortlist of candidates None of these agencies has any other connection with the Company Terms of reference for the Nominations Committee are available on our website www suplc co uk

Effectiveness

Our executive directors are appraised annually by the Chairman, the Deputy Chairman and the independent non-executives The Chairman and the Deputy Chairman are appraised annually by the independent non-executives The results of these appraisals are considered by the Remuneration Committee for the determination of their remuneration recommendations

Our non-executive directors receive full updates on Company progress and relevant issues and bring their experience and sound judgement to bear on matters arising The Chairman considers the effectiveness of each non-executive director annually

In accordance with the Company's Articles of Association, Mr Graham Pedersen offers himself for election and Messrs A M V Coombs, G D C Coombs, C H Redford, JG Thompson, M J Mullins, M J Thompson, K R Smith, F Coombs and D Markou being eligible offer themselves for re-election at the next Annual General Meeting Mr G Pedersen, Mr F Coombs, Mr K R Smith and Mr D Markou are non-executive directors and the Chairman has determined their performance to be both effective and committed

The Company Secretary Manjeet K Bhogal ACMA CGMA is available to provide advice and services to all Board members and is responsible for ensuring Board procedures are followed

All directors are also able to take independent advice in furtherance of their duties

Accountability

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 Strategic Report within pages 6 to 12, 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 36 and those of the auditor on page 37

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

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group 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 UK Corporate Governance 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 49 and all non-audit service requirements are considered by the Group before an appointment is made The non-audit services provided were audit related assurance, tax compliance and other 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

B3 Governance continued

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-focused and free from any form of discrimination The Group will always wish to ensure appointments reflect the best skills available for the role Currently women hold 29% of senior management positions and 67% of other employee positions and during the year one female director served on the Board

The attendance of individual directors at the regular meetings of the Board and its committees during the year ended 31 January 2015 is shown in the table below

Meeting Attendance	Board	Nominations	Remuneration	Audit
Number of meetings	6	1	3	5
A M V Coombs	6	1	na	na
G D C Coombs	6	na	na	na
K R Smith	6	1	3	5
D Markou	6	1	3	5
K Innes Ker (resigned October 14)	5	–	2	2
F Coombs	6	na	na	na
J G Thompson	5	na	na	na
M J Mullins	6	na	na	na
M J Thompson	6	na	na	na
C H Redford	6	na	na	na

* Mr Graham Pedersen was appointed on 18 February 2015 and so was not eligible to attend any meetings during the year to 31 January 2015

Remuneration

The Remuneration Committee has specific terms of reference which deal with its authority and duties and these, together with details of how the Company has complied with the Remuneration provisions of the UK Corporate Governance Code, are detailed in the Directors Remuneration Report on page 16

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 have been taken in recent years to enhance these relationships Twice yearly road shows are conducted by the Chairman and senior directors when the performance and future strategy of the company is discussed with larger shareholders Queries from all shareholders are dealt with personally by the Chairman, in addition, members of the Board obtain regular feedback from major shareholders and discuss this at Board meetings

B3 3 Compliance Statement

Throughout the year ended 31 January 2015 the Company has been in compliance with the Code Provisions set out in the September 2014 UK Corporate Governance Code except for the following matters

Section A 2 and A 3 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 Although not required by the Code, S&U has provided annual explanations to justify why the Board considered that the appointment of Mr A M V Coombs as Chairman in 2008 was the best option given the size, nature and structure of the company Since that date, Mr Coombs has served as Executive Chairman and his responsibilities as Managing Director have been devolved to the Managing Directors of the Home Credit and Motor Finance divisions The progress of the company has proved the success of these arrangements

B4 Directors' Report

The directors present their Annual Report and the audited financial statements for the year ended 31 January 2015

Dividends

Dividends of £6,734,000 (2014 £5,664,000) were paid during the year

After the year end a second interim dividend for the financial year of 19 0p per ordinary share (2014 16 0p) will be paid to shareholders on 10 April 2015

The directors now recommend a final dividend, subject to shareholders approval of 30 0p per share (2014 24 0p) This, together with the interim dividends of 36 0p per share (2014 30 0p) already paid, makes a total dividend for the year of 66 0p per share (2014 54 0p)

Substantial Shareholdings

At 23 March 2015, 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
D M Coombs (Deceased)	3,039,032	25 9%
Wiseheights Limited	2,420,000	20 6%

Capital Structure

Details of the issued share capital, together with details of the movements in the Company's issued shared capital during the year, are shown in note 20 The Company has one class of ordinary shares which carry no right to fixed income Each share carries the right to one vote at general meetings of the Company The cumulative preference shares carry 6% interest but do not carry voting rights

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation The directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights

Employees

The Group 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

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

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

Post Balance Sheet Events

There were no significant events after the balance sheet date

Directors

Under article 154 of the Company's articles of association, the Company has qualifying third party indemnity provisions for the benefit of its directors which remain in force at the date of this report

Information Presented In Other Sections

Certain information required to be included in the Director's report can be found in other sections of the Annual Report and Accounts as described below All the information presented in these sections is incorporated by reference into this Director's report by reference into this Director's report and is deemed to form part of this report

- The Group's principal risks and uncertainties are set out in section A2 4 in the Strategic Report
- Information concerning director's contractual arrangements and entitlements under share based remuneration arrangements is given in section B2 in the Directors' remuneration report
- Disclosures concerning greenhouse gas emissions are given in Section A4 4 in the Strategic Report

The Board confirms that the Annual Report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy

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

M K Bhogal
Company Secretary
23 March 2015

B5 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 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,
- the strategic 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, and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's performance, business model and strategy

By order of the Board

Anthony Coombs
Chairman
23 March 2015

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

Opinion on financial statements of S&U plc

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 2015 and of the Group's profit for the year then ended,
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (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

The financial statements comprise the Group Income Statement, the Group and Parent Company Statements of Comprehensive Income, the Group and Parent Company Balance Sheets, the Group and Parent Company Statements of Changes in Equity, the Group and Parent Company Cash Flow Statements, and the related notes 1 to 27 The financial reporting framework that has been applied in their preparation is applicable law and 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

Going concern

As required by the Listing Rules we have reviewed the directors' statement contained within the Strategic report on page 20 that the Group is a going concern We confirm that

- we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate, and
- we have not identified any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team

Risk	How the scope of our audit responded to the risk
Provision for impairment losses against loans and receivables The assessment of the Group's calculation of the £39 7 million provision for impairment losses against loans and receivables is complex and requires management to make significant judgements regarding the level and timing of future cash flows to be received from customers This is set out in the critical accounting judgements and key sources of estimation uncertainty on page 30 and the quantum of the provision is set out in note 14 to the financial statements	We challenged the appropriateness of the key management assumptions used in the impairment calculations for loans and receivables, including specifically, the estimation of future cash flows and the identification of impaired accounts This involved analysis of the Group's historical cash collection experience and benchmarking the key assumptions to external economic and industry data as well as reviewing cash flows subsequent to the year end Sensitivity analysis was performed in relation to the key assumptions in order to assess the potential for management bias We also used data analytics to test the mechanical accuracy of the models on which impairments are calculated by testing an extraction of source data from the lending systems and recalculating the provision in accordance with the approved provisioning policy

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

Risk	How the scope of our audit responded to the risk
Revenue recognition Revenue recognition and specifically the application of the requirement in IAS 39 "Financial Instruments" ("IAS 39") to recognise income on loans using an effective interest rate method is a complex area It requires management to make significant judgements relating to the expected life of each loan and the cash flows related thereto, with accounting entries generated using complex spreadsheet models This is set out in the critical accounting judgements and key sources of estimation uncertainty on page 30	We challenged management's assumptions used in the recognition of revenue using the effective interest rate method, including the impact of early redemptions, and assessed whether the revenue recognition policies adopted were in compliance with IFRS We considered the assumptions in respect of future cash flows by reference to the group's historical experience The effective interest rate was recalculated for a sample of loans Sensitivity analysis was performed in relation to the key assumptions in order to assess the potential for management bias We also tested the mechanical accuracy of the models which are used to determine revenue by agreeing a sample of model inputs back to underlying source data

The description of the above risks should be read in conjunction with the significant issues considered by the Audit Committee, as discussed on page 30

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters

Our application of materiality	We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced We use materiality both in planning the scope of our audit work and in evaluating the results of our work We determined materiality for the Group to be £1 7 million (2014 £1 3 million), which is 7 5% of pre-tax profit (2014 7 5% of pre-tax profit) We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £35,000 (2014 £26,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements Our audit work on the principal trading subsidiaries comprised statutory audits which were executed at levels of materiality applicable to each individual entity which were lower than group materiality and ranged from £0 2 million to £1 3 million
An overview of the scope of our audit	Our Group audit was scoped by obtaining an understanding of the Group and its environment, including group-wide controls, and assessing the risks of material misstatement at the Group level Based on that assessment, we focused our Group audit scope on the audit work at two locations Solihull and Grimsby, both of which were subject to a full audit These locations account for 100% of the Group's net assets (2014 100%), 100% of the Group's revenue (2014 100%) and 100% of the Group's pre-tax profit (2014 100%) Both locations were audited directly by the Group audit team At the Parent entity level we also tested the consolidation process
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 Strategic Report and 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

Adequacy of explanations received and accounting records	Under the Companies Act 2006 we are required to report to you if, in our opinion › we have not received all the information and explanations we require for our audit, or › 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 are not in agreement with the accounting records and returns We have nothing to report in respect of these matters
Directors' remuneration	Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns We have nothing to report arising from these matters
Corporate Governance Statement	Under the Listing Rules we are also required to review the part of the Corporate Governance Statement relating to the Company's compliance with ten provisions of the UK Corporate Governance Code We have nothing to report arising from our review
Our duty to read other information in the Annual Report	Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is › materially inconsistent with the information in the audited financial statements, or › apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit, or › otherwise misleading In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed We confirm that we have not identified any such inconsistencies or misleading statements

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

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 We also comply with International Standard on Quality Control 1 (UK and Ireland) Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied Our quality controls and systems include our dedicated professional standards review team, strategically focused second partner reviews and independent partner reviews

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

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Peter Birch (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, United Kingdom
23 March 2015

D1 The Accounts
D1.1 Group Income Statement

Year ended 31 January 2015

	Notes	2015 £000	2014 £000
Revenue	3	74,400	60,823
Cost of sales	4	(23,533)	(19,713)
Gross profit		50,867	41,110
Administrative expenses		(26,013)	(23,096)
Operating profit	6	24,854	18,014
Finance costs (net)	7	(1,680)	(727)
Profit before taxation	2	23,174	17,287
Taxation	9	(4,714)	(3,955)
Profit for the year attributable to equity holders		18,460	13,332
Earnings per share basic	11	156 0p	113 2p
Earnings per share diluted	11	154 3p	112 0p

All activities derive from continuing operations

Statement of Comprehensive Income

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Profit for the year attributable to equity holders	18,460	13,332	7,353	6,089
Actuarial loss on defined benefit pension scheme	(13)	(11)	(13)	(11)
Total Comprehensive Income for the year	18,447	13,321	7,340	6,078

Items above will not be reclassified subsequently to the Income Statement

D1.2 Balance Sheet

31 January 2015

	Notes	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
ASSETS					
Non current assets					
Property, plant and equipment	12	2,406	1,932	1,350	1,301
Investments	13	–	–	2,432	2,432
Amounts receivable from customers	14	74,070	49,917	101	120
Trade and other receivables	16	–	–	54,500	–
Retirement benefit asset	27	20	20	20	20
Deferred tax assets	19	285	343	68	128
		76,781	52,212	58,471	4,001
Current assets					
Inventories	15	59	136	59	136
Amounts receivable from customers	14	66,939	57,094	15,960	16,961
Trade and other receivables	16	645	497	15,264	44,977
Cash and cash equivalents		935	12	284	10
		68,578	57,739	31,567	62,084
Total assets		145,359	109,951	90,038	66,085
LIABILITIES					
Current liabilities					
Bank overdrafts and loans	17	–	(2,351)	–	(1,701)
Trade and other payables	18	(2,684)	(2,553)	(1,543)	(1,422)
Current tax liabilities		(3,303)	(2,681)	(815)	(587)
Accruals and deferred income		(2,958)	(2,506)	(868)	(744)
		(8,945)	(10,091)	(3,226)	(4,454)
Non current liabilities					
Bank Borrowings	17	(54,500)	(30,000)	(54,500)	(30,000)
Financial liabilities	21	(450)	(450)	(450)	(450)
		(54,950)	(30,450)	(54,950)	(30,450)
Total liabilities		(63,895)	(40,541)	(58,176)	(34,904)
NET ASSETS		81,464	69,410	31,862	31,181
Equity					
Called up share capital	20	1,685	1,677	1,685	1,677
Share premium account		2,215	2,215	2,215	2,215
Profit and loss account		77,564	65,518	27,962	27,289
Total equity		81,464	69,410	31,862	31,181

These financial statements were approved by the Board of Directors on 23 March 2015

Signed on behalf of the Board of Directors

A M V Coombs
Chairman

C Redford
Group Finance Director

D1.3 Statement of Changes in Equity

Year ended 31 January 2015

Group	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 February 2013	1,669	2,190	57,207	61,066
Profit for year	–	–	13,332	13,332
Other comprehensive income for year	–	–	(11)	(11)
Total comprehensive income for year	–	–	13,321	13,321
Issue of new shares in year	8	25	–	33
Cost of future share based payments	–	–	446	446
Tax credit on equity items	–	–	208	208
Dividends	–	–	(5,664)	(5,664)
At 31 January 2014	1,677	2,215	65,518	69,410
Profit for year	–	–	18,460	18,460
Other comprehensive income for year	–	–	(13)	(13)
Total comprehensive income for year	–	–	18,447	18,447
Issue of new shares in year	8	–	–	8
Cost of future share based payments	–	–	456	456
Tax charge on equity items	–	–	(123)	(123)
Dividends	–	–	(6,734)	(6,734)
At 31 January 2015	1,685	2,215	77,564	81,464

Company	£000	£000	£000	£000
At 1 February 2013	1,669	2,190	26,618	30,477
Profit for year	–	–	6,089	6,089
Other comprehensive income for year	–	–	(11)	(11)
Total comprehensive income for year	–	–	6,078	6,078
Issue of new shares in year	8	25	–	33
Cost of future share based payments	–	–	134	134
Tax credit on equity items	–	–	123	123
Dividends	–	–	(5,664)	(5,664)
At 31 January 2014	1,677	2,215	27,289	31,181
Profit for year	–	–	7,353	7,353
Other comprehensive income for year	–	–	(13)	(13)
Total comprehensive income for year	–	–	7,340	7,340
Issue of new shares in year	8	–	–	8
Cost of future share based payments	–	–	137	137
Tax charge on equity items	–	–	(70)	(70)
Dividends	–	–	(6,734)	(6,734)
At 31 January 2015	1,685	2,215	27,962	31,862

D1.4 Cash Flow Statement

Year ended 31 January 2015

	Notes	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Net cash used in operating activities	23	(13,404)	(5,407)	(15,294)	(5,924)
Cash flows (used in)/from investing activities					
Proceeds on disposal of property, plant and equipment		34	85	24	46
Purchases of property, plant and equipment		(1,130)	(821)	(529)	(604)
Net cash used in investing activities		(1,096)	(736)	(505)	(558)
Cash flows (used in)/from financing activities					
Dividends paid		(6,734)	(5,664)	(6,734)	(5,664)
Issue of new shares		8	33	8	33
Receipt of new borrowings		30,000	12,000	30,000	12,000
Repayment of borrowings		(5,500)	–	(5,500)	–
Net (decrease)/increase in overdraft		(2,351)	(223)	(1,701)	115
Net cash from financing activities		15,423	6,146	16,073	6,484
Net increase in cash and cash equivalents		923	3	274	2
Cash and cash equivalents at the beginning of year		12	9	10	8
Cash and cash equivalents at the end of year		935	12	284	10
Cash and cash equivalents comprise					
Cash and cash in bank		935	12	284	10

There are no cash and cash equivalent balances which are not available for use by either the Group or the Company (2014 £nil)

D2 Notes to the Accounts

Year ended 31 January 2015

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 3 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 The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries for the year ended 31 January 2015 As discussed in the strategic 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

New and amended standards adopted by the Group and Company

IFRS 10	Consolidated Financial Statements
IAS 32/IFRS 7 (amendments)	Offsetting Financial Assets and Liabilities

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 9	Financial Instruments
IFRS 15	Revenue from contracts with customers
IAS 19 (amendments)	Employee Benefits

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 proposed date and a more detailed review is undertaken

1 3 Revenue recognition

Interest income is 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

Commission received from third party insurers for brokering the sale of motor finance 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, after taking into account expected refunds payable on customer early settlements and policy cancellations

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

D2 Notes to the Accounts continued

Year ended 31 January 2015

1 **Accounting policies** continued

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 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 as required 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 year

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 IFRS 2 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 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

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 15 £000**	**Year ended 31 1 14 £000**	**Year ended 31 1 15 £000**	**Year ended 31 1 14 £000**
Consumer credit, rentals and other retail trading	38,298	34,676	6,459	5,818
Motor finance	36,102	26,147	16,715	11,469
	74,400	60,823	23,174	17,287

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

	Assets		Liabilities	
Class of business	**Year ended 31 1 15 £000**	**Year ended 31 1 14 £000**	**Year ended 31 1 15 £000**	**Year ended 31 1 14 £000**
Consumer credit, rentals and other retail trading	36,882	36,191	11,853	10,550
Motor finance	108,477	73,760	(75,748)	(51,091)
	145,359	109,951	(63,895)	(40,541)

Depreciation of assets for consumer credit was £474,000 (2014 £473,000) and for motor finance was £129,000 (2014 £104,000) Fixed asset additions for consumer credit were £529,000 (2014 £604,000) and for motor finance were £601,000 (2014 £217,000)

The net finance credit for consumer credit was £527,000 (2014 £459,000) and for motor finance was a cost of £2,207,000 (2014 £1,186,000) The tax charge for consumer credit was £1,270,000 (2014 £1,385,000) and for motor finance was £3,444,000 (2014 £2,570,000)

The significant products in consumer credit, rentals and other retail trading 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

D2 Notes to the Accounts continued

Year ended 31 January 2015

3 Revenue

	2015 £000	2014 £000
Interest and acceptance fee income	71,391	57,582
Insurance and other commissions and option fees	3,009	3,241
Total revenue	74,400	60,823

4 Cost of sales

	2015 £000	2014 £000
Loan loss provisioning charge – consumer credit	8,418	7,760
Loan loss provisioning charge – motor finance	5,863	5,087
Total loan loss provisioning charge	14,281	12,847
Other cost of sales	9,252	6,866
Total cost of sales	23,533	19,713

5 Information regarding employees

	2015 No	2014 No
The average number of persons employed by the Group in the year was		
Consumer credit, rentals and other retail trading	304	294
Motor finance	89	92
	393	386

	2015 £000	2014 £000
Staff costs during the year (including directors)		
Wages and salaries	12,064	10,569
Social security costs	1,162	964
Pension costs for money purchase scheme	292	291
	13,518	11,824

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

6. Operating profit

	2015 £000	2014 £000
Operating profit is after charging/(crediting)		
Depreciation and amortisation		
Owned assets	603	577
Staff costs	13,518	11,824
Cost of future share based payments	456	446
Rentals under operating leases		
Hire of plant and machinery	3	4
Other operating leases	398	443
Loss on sale of fixed assets	19	17
Rentals received/receivable under operating leases	(135)	(142)

The analysis of auditor's remuneration is as follows

	2015 £000	2014 £000
Fees payable to the Group's auditor for the audit of the Company's annual accounts	41	46
Fees payable to the Group's auditor for other services to the Group		
The audit of Company's subsidiaries	46	43
Total audit fees	87	89
Audit related assurance services	23	23
Tax compliance services	18	14
Other services	29	29
Total non-audit fees	70	66
Total	157	155

7 Finance costs (net)

	2015 £000	2014 £000
31 5% cumulative preference dividend	142	142
Bank loan and overdraft	1,537	584
Other interest payable	2	2
Interest payable and similar charges	1,681	728
Interest receivable	(1)	(1)
	1,680	727

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 £7,353,000 (2014 £6,089,000)

9 Tax on profit before taxation

	2015 £000	2014 £000
Corporation tax at 21 3% (2014 23 2%) based on profit for the year	4,823	3,976
Adjustment in respect of prior years	(44)	(13)
	4,779	3,963
Deferred tax (timing differences — origination and reversal)	(65)	(8)
	4,714	3,955

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

	2015 £000	2014 £000
Profit on ordinary activities before tax	23,174	17,287
Tax on profit on ordinary activities at standard rate of 21 3% (2014 23 2%)	4,936	4,011
Factors affecting charge for the period		
Expenses not deductible for tax purposes	51	48
Effects of other tax rates and timing differences	(229)	(91)
Prior period adjustments	(44)	(13)
Total actual amount of tax	4,714	3,955

The main rate of corporation tax was reduced from 23% to 21% with effect from 1 April 2014, therefore the tax rates applicable to the current period is a blended rate of 21 3%

Finance Act 2013 enacted a reduced tax rate of 20% with effect from 1 April 2015 The effect of this proposed tax rate reduction will be reflected in future periods

D2 Notes to the Accounts continued

Year ended 31 January 2015

10. Dividends

	2015 £000	2014 £000
2nd Interim paid for the year ended 31/1/2014 – 16 0p per Ordinary share (14 0p)	1,890	1,645
Final paid for the year ended 31/1/2014 – 24 0p per Ordinary share (20 0p)	2,840	2,353
1st Interim paid for the year ended 31/1/2015 – 17 0p per Ordinary share (14 0p)	2,015	1,654
Total ordinary dividends paid	6,745	5,652
6% cumulative preference dividend paid March and September	12	12
Credit for unpresented dividend payments over 12 years old	(23)	–
Total dividends paid	6,734	5,664

A second interim dividend of 19 0p per ordinary share for the year ended 31 January 2015 will be paid on 10 April 2015 and the directors are proposing a final dividend for the year ended 31 January 2015 of 30 0p per ordinary share The final dividend will be paid on 10 July 2015 to shareholders on the register at close of business on 19 June 2015 subject to approval by shareholders at the Annual General Meeting on Thursday 21 May 2015

11 Earnings per ordinary share

The calculation of earnings per ordinary share is based on profit after tax of £18,460,000 (2014 £13,332,000)

The number of shares used in the basic eps calculation is the average number of shares in issue during the year of 11,834,570 (2014 11,777,093) There are a total of 240,335 dilutive share options in issue (2014 283,835) The number of shares used in the diluted eps calculation is 11,967,224 (2014 11,898,890)

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 2013	449	2,662	1,925	5,036
Additions	15	667	139	821
Disposals	–	(279)	(65)	(344)
At 31 January 2014	464	3,050	1,999	5,513
Additions	423	456	251	1,130
Disposals	–	(273)	(21)	(294)
At 31 January 2015	**887**	**3,233**	**2,229**	**6,349**
Accumulated depreciation				
At 1 February 2013	163	1,606	1,477	3,246
Charge for the year	20	407	150	577
Eliminated on disposals	–	(177)	(65)	(242)
At 31 January 2014	183	1,836	1,562	3,581
Charge for the year	26	404	173	603
Eliminated on disposals	–	(220)	(21)	(241)
At 31 January 2015	**209**	**2,020**	**1,714**	**3,943**
Net book value				
At 31 January 2015	**678**	**1,213**	**515**	**2,406**
At 31 January 2014	281	1,214	437	1,932

Included in the above is land at a cost or valuation of £60,000 (2014 £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 2013	80	1,803	1,129	3,012
Additions	–	557	47	604
Disposals	–	(166)	(56)	(222)
At 31 January 2014	80	2,194	1,120	3,394
Additions	–	412	117	529
Disposals	–	(185)	–	(185)
At 31 January 2015	**80**	**2,421**	**1,237**	**3,738**
Accumulated depreciation				
At 1 February 2013	26	942	863	1,831
Charge for the year	1	342	86	429
Eliminated on disposals	–	(111)	(56)	(167)
At 31 January 2014	27	1,173	893	2,093
Charge for the year	1	350	95	446
Eliminated on disposals	–	(151)	–	(151)
At 31 January 2015	**28**	**1,372**	**988**	**2,388**
Net book value				
At 31 January 2015	**52**	**1,049**	**249**	**1,350**
At 31 January 2014	53	1,021	227	1,301

Included in the above is land at cost of £22,000 (2014 £22,000) which is not depreciated

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

	Group		Company	
	2015 £000	**2014 £000**	**2015 £000**	**2014 £000**
	243	247	98	112

13 Investments and related party transactions

Company	2015 £000	2014 £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 Transactions with the Company's pension scheme are disclosed in note 27 During the year the Group obtained supplies at market rates amounting to £4,870 (2014 £4,702) 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 (2014 £nil) 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 D M Coombs received a discretionary payment for the year of £110,000 (2014 £120,000) Due to the sad passing of Mr D M Coombs in December 2014, this discretionary pension will not be paid in future years All related party transactions were settled in full

Company

The Company received dividends from other Group undertakings totalling £6,100,000 (2014 £5,200,000) 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 2015 the Company was owed £69,503,782 (2014 £44,687,823) by other Group undertakings and owed £nil (2014 £nil) All related party transactions were settled in full when due

14 Amounts receivable from customers

	Group		Company	
	2015 £000	2014 £000	2015 £000	2014 £000
Consumer credit, rentals and other retail trading	52,979	51,963	24,809	26,077
Motor finance hire purchase	127,740	93,217	–	–
	180,719	145,180	24,809	26,077
Less Loan loss provision consumer credit, rentals and other retail trading	(18,357)	(17,921)	(8,748)	(8,996)
Less Loan loss provision motor finance	(21,353)	(20,248)	–	–
Amounts receivable from customers	141,009	107,011	16,061	17,081
Analysis by future date due				
– due within one year	66,939	57,094	15,960	16,961
– due in more than one year	74,070	49,917	101	120
Amounts receivable from customers	141,009	107,011	16,061	17,081

	Group		Company	
	2015 £000	**2014 £000**	**2015 £000**	**2014 £000**
Analysis of security				
Loans secured on vehicles under hire purchase agreements	105,514	72,126	–	–
Loans secured on residential property under 2nd mortgage agreements	105	212	–	–
Other Loans not secured	35,390	34,673	16,061	17,081
Amounts receivable from customers	141,009	107,011	16,061	17,081
Analysis of overdue				
Not impaired				
Neither past due nor impaired	117,487	85,921	9,086	9,171
Past due up to 3 months but not impaired	7,077	7,497	3,283	3,762
Past due over 3 months but not impaired	6,312	6,872	2,928	3,448
Impaired				
Past due up to 3 months	7,318	4,195	508	528
Past due over 3 months and up to 6 months	1,182	974	193	120
Past due over 6 months or default	1,633	1,552	63	52
Amounts receivable from customers	141,009	107,011	16,061	17,081

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 contractual terms which are not rescheduled rather than payment performance over the previous 10 weeks The carrying amount of amounts receivable from customers whose terms have been renegotiated that would otherwise be past due or impaired is therefore £nil (2014 £nil)

Analysis of movements on loan loss provisions

Group	**Consumer credit, rentals and other trading £000**	**Motor finance £000**	**Total £000**
At 1 February 2013	18,023	19,279	37,302
Charge for year	7,760	5,087	12,847
Amounts written off during year	(4,984)	(2,092)	(7,076)
Unwind of discount	(2,878)	(2,026)	(4,904)
At 31 January 2014	17,921	20,248	38,169
Charge for year	8,418	5,863	14,281
Amounts written off during year	(5,418)	(1,915)	(7,333)
Unwind of discount	(2,564)	(2,843)	(5,407)
At 31 January 2015	18,357	21,353	39,710

Company	**£000**	**£000**	**£000**
At 1 February 2013	9,153	–	9,153
Charge for year	3,952	–	3,952
Amounts written off during year	(2,654)	–	(2,654)
Unwind of discount	(1,455)	–	(1,455)
At 31 January 2014	8,996	–	8,996
Charge for year	3,673	–	3,673
Amounts written off during year	(2,655)	–	(2,655)
Unwind of discount	(1,266)	–	(1,266)
At 31 January 2015	8,748	–	8,748

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 2014 and 31 January 2015

D2 Notes to the Accounts continued

Year ended 31 January 2015

15 Inventories

	Group		Company	
	2015 £000	2014 £000	2015 £000	2014 £000
Goods for resale	59	136	59	136

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

16. Trade and other receivables

	Group		Company	
	2015 £000	2014 £000	2015 £000	2014 £000
Amounts owed by subsidiary undertakings	–	–	69,504	44,688
Other debtors	65	97	55	76
Prepayments and accrued income	580	400	205	213
	645	497	69,764	44,977

The amounts owed by subsidiary undertakings in the Company's balance sheet are stated net of impairment and, other than £54 5m of intercompany receivables from Advantage Finance Limited which are due after more than one year, the amounts owed by subsidiary undertakings have no fixed maturity date Under IFRS 7 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 Borrowings including bank overdrafts and loans

	Group		Company	
	2015 £000	2014 £000	2015 £000	2014 £000
Bank overdrafts and loans – due within one year	–	2,351	–	1,701
Bank and other loans – due in more than one year	54,500	30,000	54,500	30,000
	54,500	32,351	54,500	31,701

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 2015

› a facility for £3 million (2014 £6m) which is subject to annual review in April 2015

› a facility for £2 million (2014 £2m)

› a facility for £0 1 million (2014 £0 1m)

Total drawdowns of these overdraft facilities at 31 January 2015 were £nil (2014 £2,351,000)

S&U plc had the following revolving credit facilities available at 31 January 2015

› a facility for £18 million (2014 £18m) which is due for repayment in March 2018

› a facility for £7 million (2014 £7m) which is due for repayment in March 2018

› a facility for £15 million (2014 £15m) which is due for repayment in March 2018

S&U plc had the following term loan facilities available at 31 January 2015

› a facility for £15 million (2014 £nil) which is due for repayment in April 2021

› a facility for £15 million (2014 £nil) which is due for repayment in April 2022

The bank overdraft and loans are secured under a multilateral guarantee provided by S&Uplc and its principal subsidiaries Advantage Finance Ltd and SD Taylor Ltd

The Company is part of the Group overdraft facility and at 31 January 2015 was £nil overdrawn (2014 £1,700,797)

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

18. Trade and other payables

	Group		Company	
	2015 £000	2014 £000	2015 £000	2014 £000
Trade creditors	685	829	348	488
Other creditors	1,999	1,724	1,195	934
	2,684	2,553	1,543	1,422

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	Retirement benefit obligations £000	Total £000
At 1 February 2013	(74)	(27)	232	(4)	127
(Debit)/credit to income	(24)	2	30	–	8
Credit to equity	–	–	208	–	208
At 31 January 2014	(98)	(25)	470	(4)	343
(Debit)/credit to income	(32)	2	95	–	65
Charge to equity	–	–	(123)	–	(123)
At 31 January 2015	**(130)**	**(23)**	**442**	**(4)**	**285**

Company	£000	£000	£000	£000	£000
At 1 February 2013	(76)	–	100	(4)	20
(Debit)/credit to income	(15)	–	24	–	9
Credit to equity	–	–	99	–	99
At 31 January 2014	(91)	–	223	(4)	128
(Debit)/credit to income	(12)	–	22	–	10
Charge to equity	–	–	(70)	–	(70)
At 31 January 2015	**(103)**	**–**	**175**	**(4)**	**68**

Finance Act 2013 enacted a reduced tax rate of 21% with effect from 1 April 2014 and 20% with effect from 1 April 2015 The prevailing rate of corporation tax at the balance sheet date at which the deferred tax balance is expected to reverse is therefore 20% and this has been applied to calculate the deferred tax position at 31 January 2015

20 Called up share capital and preference shares

	2015 £000	2014 £000
Called up, allotted and fully paid		
11,877,425 Ordinary shares of 12 5p each (2014 11,813,425)	1,485	1,477
200,000 6 0% Cumulative preference shares of £1 each	200	200
Called up share capital	1,685	1,677

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	2015 £000	2014 £000
Called up, allotted and fully paid		
3,598,506 31 5% Cumulative preference shares of 12 5p each (2014 3,598,506)	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 2015 the Group's indebtedness amounted to £54,500,000 (2014 £32,351,000) and the Company's indebtedness amounted to £54,500,000 (2014 £31,701,000) The Group gearing was 65 8% (2014 46 6%), 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 2015 of £20 6million (2014 £15 7m) The preference share capital financial liability of £450,000 has no maturity date and is classified as more than five years

The average effective interest rate on financial assets of the Group at 31 January 2015 was estimated to be 39% (2014 40%) The average effective interest rate on financial assets of the Company was estimated to be 72% (2014 67%) The average effective interest rate of financial liabilities of the Group at 31 January 2015 was estimated to be 4% (2014 4%) The average effective interest rate on financial liabilities of the Company at 31 January 2015 was estimated to be 4% (2014 4%)

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 Glass's guide and cap limits As confirmation required under IFRS 8, no individual customer contributes more than 10% of the revenue for the Group 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

22 Financial instruments continued

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 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 2015 would decrease/increase by £0 2million (2014 decrease/increase by £0 1million) This is mainly attributable to the Group's exposure on its variable rate borrowings

› total equity would decrease/increase by £0 2million (2014 decrease/increase by £0 1million) 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 2015 would decrease/increase by £0 3million (2014 decrease/increase by £0 2million) This is mainly attributable to the Group's exposure on its variable rate borrowings

› total equity would decrease/increase by £0 3million (2014 decrease/increase by £0 2million) This is mainly attributable to the Group's exposure on its variable rate borrowings

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 2015 the Group gearing level was 65 8% (2014 46 6%) which the directors consider to have met their objective

External capital requirements are imposed by the FCA 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 (2014 £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 The fair value hierarchy is derived from Level 2 inputs in accordance with IFRS 13

22 Financial instruments continued

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 70% results in a positive liquidity position

Group At 31 January 2015	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	No fixed maturity date £'000	Total £'000
Financial assets	66,939	24,001	50,069	–	–	141,009
Other assets	–	–	–	–	3,415	3,415
Cash at bank and in hand	935	–	–	–	–	935
Total assets	67,874	24,001	50,069	–	3,415	145,359
Shareholders' funds	–	–	–	–	(81,464)	(81,464)
Bank overdrafts and loans	–	–	(24,500)	(30,000)	–	(54,500)
Financial liabilities	–	–	–	(450)	–	(450)
Other liabilities	–	–	–	–	(8,945)	(8,945)
Total liabilities and shareholders' funds	–		(24,500)	(30,450)	(90,409)	(145,359)
Cumulative gap	**67,874**	**91,875**	**117,444**	**86,994**	–	–

Group At 31 January 2014	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	No fixed maturity date £'000	Total £'000
Financial assets	57,094	17,390	32,499	28	–	107,011
Other assets	–	–	–	–	2,928	2,928
Cash at bank and in hand	12	–	–	–	–	12
Total assets	57,106	17,390	32,499	28	2,928	109,951
Shareholders' funds	–	–	–	–	(69,410)	(69,410)
Bank overdrafts and loans	(2,351)	–	(30,000)	–	–	(32,351)
Financial liabilities	–	–	–	(450)	–	(450)
Other liabilities	–	–	–	–	(7,740)	(7,740)
Total liabilities and shareholders' funds	(2,351)	–	(30,000)	(450)	(77,150)	(109,951)
Cumulative gap	**54,755**	**72,145**	**74,644**	**74,222**	–	–

Company At 31 January 2015	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	No fixed maturity date £'000	Total £'000
Financial assets	15,960	101	–	–	–	16,061
Other assets	–	–	24,500	30,000	19,193	73,693
Cash at bank and in hand	284	–	–	–	–	284
Total assets	16,244	101	24,500	30,000	19,193	90,038
Shareholders' funds	–	–	–	–	(31,862)	(31,862)
Bank overdrafts and loans	–	–	(24,500)	(30,000)	–	(54,500)
Financial liabilities	–	–	–	(450)	–	(450)
Other liabilities	–	–	–	–	(3,226)	(3,226)
Contingent liabilities	–	–	–	–	–	–
Total liabilities and shareholders' funds		–	(24,500)	(30,450)	(35,088)	(90,038)
Cumulative gap	**16,244**	**16,345**	**16,345**	**15,895**	–	–

Company At 31 January 2014	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	No fixed maturity date £'000	Total £'000
Financial assets	16,961	120	–	–	–	17,081
Other assets	–	–	–	–	48,994	48,994
Cash at bank and in hand	10	–	–	–	–	10
Total assets	16,971	120	–	–	48,994	66,085
Shareholders' funds	–	–	–	–	(31,181)	(31,181)
Bank overdrafts and loans	(1,701)	–	(30,000)	–	–	(31,701)
Financial liabilities	–	–	–	(450)	–	(450)
Other liabilities	–	–	–	–	(2,753)	(2,753)
Contingent liabilities	(651)	–	–	–	–	(651)
Total liabilities and shareholders' funds	(2,352)	–	(30,000)	(450)	(33,934)	(53,523)
Cumulative gap	**14,619**	**14,739**	**(15,261)**	**(15,711)**	**(651)**	**(651)**

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

Group At 31 January 2015	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	–	2,684	–	–	–	2,684
Tax liabilities	–	3,303	–	–	–	3,303
Accruals and deferred income	–	2,958	–	–	–	2,958
Bank loans	–	–	–	24,500	30,000	54,500
Financial liabilities	–	–	–	–	450	450
At 31 January 2015	–	8,945	–	24,500	30,450	63,895

D2 Notes to the Accounts continued

Year ended 31 January 2015

22 Financial instruments continued

Group **At 31 January 2014**	**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	2,351	–	–	–	–	2,351
Trade and other payables	–	2,553	–	–	–	2,553
Tax liabilities	–	2,681	–	–	–	2,681
Accruals and deferred income	–	2,506	–	–	–	2,506
Bank loans	–	–	–	30,000	–	30,000
Financial liabilities	–	–	–	–	450	450
At 31 January 2014	2,351	7,740	–	30,000	450	40,541

Company **At 31 January 2015**	**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	–	1,543	–	–	–	1,543
Tax liabilities	–	815	–	–	–	815
Accruals and deferred income	–	868	–	–	–	868
Bank loans	–	–	–	24,500	30,000	54,500
Financial liabilities	–	–	–	–	450	450
At 31 January 2015	–	3,226	–	24,500	30,450	58,176

Company **At 31 January 2014**	**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	1,701	–	–	–	–	1,701
Trade and other payables	–	1,422	–	–	–	1,422
Tax liabilities	–	587	–	–	–	587
Accruals and deferred income	–	744	–	–	–	744
Bank loans	–	–	–	30,000	–	30,000
Financial liabilities	–	–	–	–	450	450
At 31 January 2014	1,701	2,753		30,000	450	34,904

23 Reconciliation of operating profit to net cash from operating activities

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Operating Profit	24,854	18,014	7,004	5,869
Finance costs paid	(1,681)	(728)	(183)	(204)
Finance income received	1	1	775	740
Tax paid	(4,157)	(3,468)	(25)	(180)
Depreciation on plant, property and equipment	603	577	446	429
Loss on disposal of plant, property and equipment	19	17	10	9
(Increase)/decrease in amounts receivable from customers	(33,998)	(20,691)	1,020	(116)
Decrease/(increase) in inventories	77	(21)	77	(21)
Increase in trade and other receivables	(148)	(164)	(24,787)	(13,183)
Increase in trade and other payables	131	524	121	243
Increase in accruals and deferred income	452	97	124	367
Increase in cost of future share based payments	456	446	137	134
Movement in retirement benefit asset/obligations	(13)	(11)	(13)	(11)
Net cash from operating activities	(13,404)	(5,407)	(15,294)	(5,924)

24. Financial commitments

Capital commitments

At 31 January 2015 and 31 January 2014, the Group and Company had no capital commitments contracted but not provided for

Operating lease commitments

At 31 January 2015 and 31 January 2014, the Group and Company had outstanding commitments under non-cancellable operating leases which fall due as follows

	Group		Company	
	2015 £000	2014 £000	2015 £000	2014 £000
Within one year	253	200	143	91
In the second to fifth years inclusive	431	278	260	100
After five years	–	–	–	–
	684	478	403	191

Operating lease payments represent rentals payable by the Group and the Company for certain of its office properties

25 Contingent liabilities

Part of the Group's business is regulated by consumer credit legislation, which contains very detailed and highly technical requirements In 2014, the Group commissioned an external review of its compliance with this legislation The Group has identified some areas of potential non-compliance, although these are not considered to be material While there is a risk that an eventual outcome may differ, the Group considers that no material present obligation in relation to non-compliance with consumer credit legislation is likely

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 2015 was £nil (2014 £651,000)

26. Share based payments

The Company operates a Discretionary Share Option Plan (DSOP 2008) and full details of the share options outstanding under that plan are contained within the Report of the Board to the Shareholders on Remuneration Policy The Company also operates a Long Term Incentive Plan (LTIP 2010) and full details of the share options outstanding during the year are shown below

LTIP 2010	Number of Share Options 2015	Number of Share Options 2014
Outstanding at beginning of year	279,335	225,001
Granted during the year	21,000	122,334
Lapsed during the year	(3,000)	(11,000)
Exercised during the year	(64,000)	(57,000)
Expired during the year	–	–
Outstanding at end of year	233,335	279,335
Exercisable at end of year	22,500	20,000

All share options issued under the LTIP are exercisable at the ordinary share nominal value 12 5p

The Group recognised total share based payment expenses for the DSOP and the LTIP of £456,000 in the year to 31 January 2015 (2014 £446,000)

27 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 2013 At that valuation it was assumed that the appropriate post retirement discount rate was 2 24%, salary increase for the active member would be 3 27% per annum and pension increases would be 3 05% 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 2015 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 2016 is £nil

Disclosures made in accordance with IAS 19

A full actuarial valuation was carried out at 31 March 2013 and updated to 31 January 2015 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 2015	At year end 31 January 2014
Rate of increase in salaries	4 0%	4 0%
Rate of increase in pensions in payment	1 8%	2 5%
Discount rate	2 8%	4 2%
Revaluation in deferment	1 8%	2 5%
Mortality assumption	130%	130%

Mortality assumption for both years is stated as % of PCA00 Long cohort with 1% underpin

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 2015	Fair value at 31 January 2015 £000	Expected rate of return at 31 January 2014	Fair value at 31 January 2014 £000
Equities	2 8%	993	7 2%	867
Bonds	2 8%	167	4 2%	216
Cash/Other	2 8%	82	0 5%	155
Total market value of assets		1,242		1,238

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

	Jan 15 £000	Jan 14 £000
Fair value of plan assets	1,242	1,238
Present value of defined benefit obligations	(750)	(789)
Surplus before restriction	492	449
Restriction on Surplus	(472)	(429)
Pension asset	20	20

The amount recognised in the income statements during the year

	Jan 15 £000	Jan 14 £000
Current service cost	5	5
Interest on obligation	33	33
Expected return on plan assets	(51)	(49)
Expense recognised in the income statement	(13)	(11)
Opening net (asset)	(20)	(20)
Expense	(13)	(11)
Contributions paid	–	–
Actuarial loss	13	11
Closing net (asset)	(20)	(20)

27 Retirement benefit obligations continued

The expense credit in both years is shown within administrative expenses

Reconciliation of assets and obligation	2015 £000	2014 £000
Expected return on plan assets	51	49
Actuarial gain/(loss) on plan assets	(20)	66
Actual return on plan assets	31	115
Movement in present value of obligation		
Present value of obligation at 1 February	789	776
Interest cost	33	33
Current service cost	5	5
Benefits paid	(27)	(34)
Actuarial loss/(gain) on obligation – assumptions	89	9
Actuarial loss/(gain) on obligation – experience	(139)	–
Present value of obligation at 31 January	750	789
Experience adjustment on scheme liabilities		
Actuarial (gain)/loss as percentage of scheme liabilities	(7%)	1%
Movement in fair value of plan assets		
Fair value of plan assets at 1 February	1,238	1,157
Expected return on plan assets	51	49
Contributions	–	–
Benefits paid	(27)	(34)
Actuarial gain/(loss) on plan assets	(20)	66
Fair value of plan assets at 31 January	1,242	1,238
Experience adjustment on assets		
Actuarial gain/(loss) as percentage of scheme assets	(2%)	5%

Five Year Financial Record

	2011 £000	2012 £000	2013 £000	2014 £000	2015 £000
Revenue	48,016	51,919	54,990	60,823	**74,400**
Operating profit	10,933	12,812	14,811	18,014	**24,854**
Profit before taxation	9,859	12,216	14,230	17,287	**23,174**
Taxation	(2,816)	(3,281)	(3,350)	(3,995)	**(4,714)**
Profit for the year	7,043	8,935	10,880	13,332	**18,460**
Assets employed					
Fixed assets	1,446	1,625	1,790	1,932	**2,406**
Amounts receivable and other assets	75,554	78,124	86,924	108,019	**142,953**
	77,000	79,749	88,714	109,951	**145,359**
Liabilities	(26,933)	(24,887)	(27,648)	(40,541)	**(63,895)**
Total equity	50,067	54,862	61,066	69,410	**81,464**
Earnings per Ordinary share	60 0p	76 1p	92 6p	113 2p	**156 0p**
Dividends declared per Ordinary share	36 0p	41 0p	46 0p	54 0p	**66 0p**
Key ratios					
Return on year end capital employed	15 1%	17 3%	18 1%	17 6%	**18 3%**
Group gearing	43 4%	34 3%	33 7%	46 6%	**65 8%**

Key ratios have been calculated as follows

"Return on year end 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 Meetıng		21 May 2015
Announcement of results	Half year endıng 31 July 2015	September 2015
	Year endıng 31 January 2016	March 2016
Payment of dıvıdends	6% Cumulatıve preference shares	30 September 2015 & 31 March 2016
	31 5% Cumulatıve preference shares	31 July 2015 & 31 January 2016
	Ordınary shares — 2014/2015 Fınal	10 July 2015
	Ex dıvıdend Date	18 June 2015
	Record Date	19 June 2015
	— 2014/2015 Fırst ınterım	November 2015
	— 2015/2016 Second ınterım	Aprıl 2016

Directions to our AGM

Annual General Meetıng, Nuthurst Grange Country House Hotel, 21 May 2015 at 12 noon

From M42

Leave the M42 at junctıon 4 (sıgned Henley-ın-Arden and A3400)

Joın the A3400 (Stratford Road), followıng sıgns from Hockley Heath and Henley-ın-Arden

Contınue on the A3400 for 2 5 mıles untıl the junctıon wıth Nuthurst Grange Road

Turn rıght onto Nuthurst Grange Road
The entrance to the hotel ıs on the left-hand sıde (see map)

From M40 Southbound

Leave the M40 at junctıon 16 (sıgned Henley-ın-Arden and A3400)

Joın the A3400 (Stratford Road), followıng sıgns to Hockley Heath

Turn left onto Nuthurst Grange Road

The entrance to the hotel ıs on the left-hand sıde (see map)

From M40 Northbound

Follow M40 to ıts conclusıon then joın the M42 towards Bırmıngham Internatıonal Aırport

Leave the M42 at junctıon 4 (sıgned Henley-ın-Arden and A3400)

Follow dırectıons above "From M42"

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

Locations

01 Aldershot
02 Bacup
03 Barton
04 Birmingham
05 Bridgend
06 Bristol
07 Carlisle
08 Coatbridge
09 Deeside
10 Derby
11 Diss
12 Edinburgh
13 Exeter
14 Falkirk
15 Glasgow
16 Greenock
17 Grimsby (Advantage Finance Ltd)
18 Hereford
19 Kilmarnock
20 Lanark
21 Leeds
22 Liverpool
23 Milton Keynes
24 Neath
25 Newcastle-Upon-Tyne
26 Nottingham
27 Penmaenmawr
28 Peterborough
29 Plymouth
30 Rotherham
31 Sevenoaks
32 Sheffield
33 Southampton
34 Stockton
35 Stoke-On-Trent
36 Sunderland
37 Swindon
38 Ulverston
39 Warrington
40 West Bromwich

S&U IN THE COMMUNITY

Throughout our business, the secret of S&U's success lies in the close ties it has with its home credit and motor finance customers It's therefore natural for this to translate into links with the local communities we serve

Below are some of the Charities we support, see our website for more information

www suplc co uk

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Prince's Gate
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