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S & U PLC
24 September 2014

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S&U PLC

("S&U" or the "Group")

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 JULY 2014

S&U, Britain's foremost niche home credit and motor finance provider, today announces its interim results for the six months ended 31 July 2014.

Financial Highlights

- Profit before taxation up 28% to £11.3m (H113: £8.8m)
- Basic earnings per share up 33% to 75.0p (H113: 56.6p)
- Revenue up 21% to £34.7m (H113: £28.6m)
- First interim dividend increased by 21% to 17.0p (2013: 14.0p)

Operational Highlights

- 73% increase in number of motor finance new loan transactions
- 12% increase in home credit sales and 10% increase in customer numbers.
- Record collections performance in Advantage motor finance division.
- 10% increase in home credit collections.
- Recent FCA regulatory regime providing an opportunity further to refine our much valued customer relations
- Deposit Taking Licence application in progress.

Anthony Coombs, Chairman of S&U, commented:

"The gradual recovery in the economy has seen a distinct improvement in consumer confidence which has justified the significant investment we have made in both our motor finance and home credit divisions. By continuing to keep our customers at the centre of everything that we do, we are seeing that investment bears fruit. With hard work and attention to detail we are confident that it will continue to do so."

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A presentation for analysts will be held on 24th September 2014 at 9.15am for 9.30am at the offices of Smithfield, 10 Aldersgate Street, London EC1A 4HJ

Chairman's Statement

In reporting the results for S&U plc for the first half of 2014/15 I am yet again pleased to announce an increase in pre-tax profit of 28% to £11.3m. This year, I am not only able to report, for the fifteenth consecutive year, a record performance from Advantage Finance, our motor division, but I am also happy to report significant progress in our traditional home credit division.

Although the current economic recovery is at present centred upon an improving labour market, whilst increases in real incomes are yet to be widely felt, the past six months has seen a significant recovery in consumer confidence. This has been reflected in substantial increase in demand for finance in both our motor and home credit divisions. We have responded to this by responsibly and sustainably increasing our lending and have invested a net of £19m into the Group in the half year in doing so. Whilst this has seen gearing rise to 70% (2013:39%) new medium term loan facilities have been put in place and new funding partners welcomed to the Group. In anticipation of further expansion, we are well advanced in preparations for an application for a Deposit Taking Licence which, if granted, should strengthen the Group's financing for the years to come.

From April 1st the Financial Conduct Authority (FCA) took over responsibility from the Office of Fair Trading for the regulation of the UK Finance Industry. Visits have been made and discussions held with FCA officials at Advantage Finance and with our home credit division. These have been extremely positive and whilst subject to continuous refinement throughout our business, the new compliance requirements are enabling us to re-emphasise the qualities of close customer relationships, convenience of service and transparency of products which have served the Group so well over the past 76 years. We see the new regulatory regime as both a spur and an opportunity for improving still further the service to our valued customers and for the commercial benefits that we derive from it.

Earnings per share are 75.0p against 56.6p for the same period last year. Revenues have increased by 21% to £34.7m (2013:£28.6m). Net assets are up by 15% on last year at £73.8m. Total group net receivables are now £130.7m (2013:£94.2m).

Dividend

In line with our stated policy of sharing the rewards of our success with shareholders, we propose a first interim dividend for 2014/5 of 17.0p per ordinary share (2013:14.0p). As usual, we plan to augment this with our usual two further dividends in April and July next year.

This dividend will be paid on the 14th November 2014 to shareholders on the register on 17th October 2014.

Operational Review

Motor Finance

Advantage Finance (Advantage) is a market leader in its field of specialist car finance and has again demonstrated this by producing its best ever performance. Profit before tax is £7.7m (2013: £5.6m). Revenue is 38% above last year whilst live customer numbers have reached a record of 22,500. Average monthly new loan transaction numbers have increased by over 73% on last year.

Record demand for its existing and new products, has allowed Advantage to further develop its excellent under-writing expertise and the collections performance that results from it. Whilst debt quality has improved even from last year's record level, margins have been maintained and customer satisfaction with our service has never been better.

In financial terms this is reflected in an increase in our monthly collections of 36% on last year.

A record business performance demanded record investment. This half year we have made over £21m (2013: £7.2m) available to Advantage in additional funding. Provided that consumer demand and sustained debt quality continue to justify this, with the support of our funding partners, further finance for Advantage's growth will be made available.

Home Credit Consumer Finance

This half year has seen Loansathome4U, our home credit division, produce improved and encouraging results. Profit before tax is £3.6m (2013: £3.1m). Home credit sales are up by 12% on last year and receivables up by 4%. This reflects the increasing preference of our customers for our shorter term products which ensures that their repayments are manageable whilst giving them flexibility for future borrowing should the need arise. The encouraging result has been an increase in our customer collections of 12% on last year reflecting a further improvement in debt quality.

Customer numbers are also up by about 10% on a year ago. This is partly organic growth augmented by an increase in market share as representatives and managers are recruited from competitors who are either downsizing or in the process of merging. In order to manage this closely and responsibly, we have increased the number of Loansathome4U branches by a further three at Greenock, Bridgend and Liverpool and continue to pursue quality acquisitions.

Funding

Investing in our growing business has meant borrowing has risen during the half year from £32.4m to £51.5m (2013: £24.7m). It has meant that gearing has risen to 70% against 39% a year ago. A further £30m of medium term facilities has been negotiated during this period and, subject to our own pre-determined gearing limits, further funding will be negotiated as required.

For the longer term, we feel it in the interests of the Group to investigate obtaining a Deposit Taking Licence. Currently active discussions are in progress with the relevant authorities and progress will be reported as it occurs.

Current Trading and Outlook

Improving economic conditions has given us the opportunity to build our business both responsibly and sustainably. However, opportunities are nothing if not grasped, and I am confident that with the kind of attention to detail, dedication and sheer hard work consistently shown by all who work with us, we shall reap the rewards in the future.

Anthony Coombs
Chairman
23 September 2014

INTERIM MANAGEMENT REPORT

This interim management report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to S&U plc and its subsidiaries when viewed as a whole.

ACTIVITIES

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

BUSINESS REVIEW, RESULTS AND DIVIDENDS

A review of developments during the six months together with key performance indicators and future prospects is given in the Chairman's Statement. Our strategy continues to be to develop and increase mutually beneficial customer relationships in the niche consumer and motor finance markets. At the end of July, our net receivables have increased by 22% since January driven by a 73% increase in the number of motor finance loan advances versus the same six months last year.

There are no significant post balance sheet events to report. The second half of our financial year typically sees an increase in home credit loan advances and a reduction in motor finance loan advances reflecting seasonal customer spending and borrowing preferences in the pre-Christmas period.

The Group's profit on ordinary activities after taxation was £8,861,000 (2013: £6,656,000). Dividends of £4,736,000 (2013: £4,004,000) were paid during the period.

The Directors recommend an interim dividend of 17.0p per share (2013: 14.0p).

RELATED PARTY TRANSACTIONS

Related party transactions are disclosed in note 10 of these financial statements.

SHARE OPTION SCHEMES

During the six months, under the S&U Plc 2010 Long-Term Incentive Plan ("LTIP"), options for 10,500 shares were awarded to certain key executives in 3 tranches of 8,500, 1,000 and 1,000 options. These tranches will first be capable of exercise in 2017, 2019 and 2020 respectively provided the executives meet performance targets and remain with the Group. During the six months a total of 20,000 LTIP options from earlier grants were exercised resulting in 269,835 share options still held under this plan as at 31 July 2014 (31 July 2013: 329,335 options and 31 January 2014: 279,335 options).

In May 2014, under the S&U Plc 2008 Discretionary Share Option Plan ("DSOP"), options for 3,950 shares were awarded to certain key executives and will first be capable of vesting in May 2017 provided they meet performance targets and remain with the Group. During the six months no DSOP options were exercised resulting in 8,450 share options still held under this plan as at 31 July 2014 (31 July 2013: 6,900 options and 31 January 2014: 4,500 options).

In the six months to 31 July 2014 the charge for these future share-based payments was £228,000 (2013: £239,000).

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies in either the current or previous financial periods shown.

STATEMENT OF GOING CONCERN

After making enquiries and considering the principal risks and uncertainties set out below, 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 these financial statements.

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. The Group is also subject to legislative and regulatory change within the consumer credit sector including the transfer of regulatory oversight to the FCA on 1 April 2014 and this operational risk is managed through internal compliance procedures and close involvement with trade organisations such as the Consumer Credit Association and the Finance and Leasing Association. The regulator has notified us of our three month application window during which we must submit our authorisation application. Home Credit's window for application will be between 1 April 2014 and 30 June 2015 and Advantage has been notified that it will be required to submit its application between 1 December 2015 and 29 February 2016. A detailed internal timetable is in place to ensure we are successfully progressing towards these applications for full authorisation.

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 of the annual report.

Anthony Coombs

Chairman

23 September 2014

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

a) the set of financial statements has been prepared in accordance with IAS 34;

b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board

Manjeet Bhogal

Company Secretary

23 September 2014

INDEPENDENT REVIEW REPORT TO S & U PLC

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 July 2014 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and related notes 1 to 11. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review 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, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 July 2014 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP

Chartered Accountants and Statutory Auditor

Birmingham, UK

23 September 2014

S&U PLC GROUP
CONSOLIDATED INCOME STATEMENT
Six months ended 31 July 2014

	Note	UnauditedSix months ended 31.7.14 £'000	UnauditedSix months ended 31.7.13 £'000	Audited Financial year ended 31.1.14 £'000
Revenue	2	**34,700**	**28,601**	**60,823**
Cost of sales	3	(10,194)	(8,509)	(19,713)
Gross profit		**24,506**	**20,092**	**41,110**
Administrative expenses		(12,534)	(10,998)	(23,096)
Operating profit		**11,972**	**9,094**	**18,014**
Finance costs (net)		(705)	(319)	(727)

Profit before taxation	2	**11,267**	**8,775**	**17,287**
Taxation	4	(2,406)	(2,119)	(3,955)
Profit for the period		**8,861**	**6,656**	**13,332**
Earnings per share basic	5	75.0p	56.6p	113.2p
Earnings per share diluted	5	73.9p	56.0p	112.0p

All activities and earnings per share derive from continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended 31.7.14 £000	**Unaudited Six months ended 31.7.13 £000**	**Audited Financial year ended 31.1.14 £000**
Profit for the period	8,861	6,656	13,332
Other comprehensive income:			
Actuarial loss on defined benefit pension scheme	-	-	(11)
Total Comprehensive Income for the period	8,861	6,656	13,321

Items above will not be reclassified subsequently to the Income Statement.

	Note	**Unaudited31.7.14 £'000**	**Unaudited31.7.13 £'000**	**Audited 31.1.14 £'000**
ASSETS				
Non current assets				
Property, plant and equipment		2,449	1,883	1,932
Amounts receivable from customers	7	69,252	41,884	49,917
Retirement benefit asset		20	20	20
Deferred Tax		376	197	343
		72,097	43,984	52,212
Current assets				
Inventories		108	135	136
Amounts receivable from customers	7	61,505	52,354	57,094
Trade and other receivables		757	413	497
Cash and cash equivalents		15	7	12
		62,385	52,909	57,739
Total assets		134,482	96,893	109,951
LIABILITIES				
Current liabilities				
Borrowings		(968)	(1,729)	(2,351)
Trade and other payables		(3,141)	(2,765)	(2,553)
Tax liabilities		(3,139)	(2,109)	(2,681)
Accruals and deferred income		(2,523)	(2,776)	(2,506)

	(9,771)	(9,379)	(10,091)
Non current liabilities			
Borrowings	(50,500)	(23,000)	(30,000)
Financial liabilities	(450)	(450)	(450)
	(50,950)	(23,450)	(30,450)
Total liabilities	(60,721)	(32,829)	(40,541)
NET ASSETS	73,761	64,064	69,410
Equity			
Called up share capital	1,679	1,671	1,677
Share premium account	2,215	2,215	2,215
Profit and loss account	69,867	60,178	65,518
TOTAL EQUITY	73,761	64,064	69,410

CONSOLIDATED BALANCE SHEET
As at 31 July 2014

These interim condensed financial statements were approved on behalf of the Board of Directors on 23 September 2014.

Signed on behalf of the Board of Directors

Anthony Coombs Chris Redford Directors

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Six months ended 31 July 2014

	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 six month period	-	-	6,656	6,656
Other comprehensive income for period	-	-	-	-
Total comprehensive income for period	-	-	6,656	6,656
Issue of new shares	2	25	-	27
Cost of future share based payments	-	-	239	239
Tax credit on equity items	-	-	80	80
Dividends	-	-	(4,004)	(4,004)

At 31 July 2013	1,671	2,215	60,178	64,064
Profit for six month period	-	-	6,676	6,676
Other comprehensive income for period	-	-	(11)	(11)
Total comprehensive income for period	-	-	6,665	6,665
Issue of new shares	6	-	-	6
Cost of future share based payments	-	-	207	207
Tax credit on equity items	-	-	128	128
Dividends	-	-	(1,660)	(1,660)
At 31 January 2014	1,677	2,215	65,518	69,410
Profit for six month period	-	-	8,861	8,861
Other comprehensive income for period	-	-	-	-
Total comprehensive income for period	-	-	8,861	8,861
Issue of new shares	2	-	-	2
Cost of future share based payments	-	-	228	228
Tax charge on equity items	-	-	(4)	(4)
Dividends	-	-	(4,736)	(4,736)
At 31 July 2014	1,679	2,215	69,867	73,761

CONSOLIDATED CASH FLOW STATEMENT

Six months ended 31 July 2014

	Note	UnauditedSix months ended 31.7.14 £'000	UnauditedSix months ended 31.7.13 £'000	Audited Financial Year ended 31.1.14 £'000
Net cash from operating activities	8	(13,569)	194	(5,407)
Cash flows from investing activities				
Proceeds on disposal of property, plant and equipment		6	28	85
Purchases of property, plant and equipment		(817)	(402)	(821)
Net cash used in investing activities		(811)	(374)	(736)
Cash flows from financing activities				
Dividends paid		(4,736)	(4,004)	(5,664)
Issue of new shares		2	27	33
Issue of new borrowings		20,500	5,000	12,000
(Decrease) in overdraft		(1,383)	(845)	(223)
Net cash used in financing activities		14,383	178	6,146
Net increase/(decrease) in cash and cash equivalents		3	(2)	3
Cash and cash equivalents at the beginning of the		12	9	9

period			
Cash and cash equivalents at the end of the period	15	7	12
Cash and cash equivalents comprise			
Cash and cash in bank	15	7	12

NOTES TO THE INTERIM STATEMENTS
Six months ended 31 July 2014

1. **ACCOUNTING POLICIES**

1.1 General Information

S&U plc is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given in note 11 which is also the Group's principal business address. All operations are situated in the United Kingdom.

1.2 Basis of preparation and accounting policies

These financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) and in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

The same accounting policies, presentation and methods of computation are followed in the financial statements as applied in the Group's latest annual audited financial statements. The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries for the six months ended 31 July 2014.

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 these financial statements.

New and amended standards and interpretations need to be adopted in the first interim financial statements issued after their effective date (or date of early adoption). There were no standards and interpretations which were effective for the first time during the six months ended 31 July 2014 and which would materially affect these interim financial statements.

NOTES TO THE INTERIM STATEMENTS
Six months ended 31 July 2014

2. ANALYSES OF REVENUE AND PROFIT BEFORE TAXATION

All revenue is generated in the United Kingdom. Analyses by class of business of revenue and profit before taxation are stated below:

	Revenue		
Class of business	**Six months ended 31.7.14 £'000**	**Six months ended 31.7.13 £'000**	**Financial year ended 31.1.14 £'000**
Consumer credit, rentals and other retail trading	17,675	16,285	34,676
Motor finance	17,025	12,316	26,147
Revenue total	34,700	28,601	60,823

	Profit before taxation		
Class of business	**Six months ended 31.7.14 £'000**	**Six months ended 31.7.13 £'000**	**Financial year ended 31.1.14 £'000**
Consumer credit, rentals and other retail trading	3,602	3,171	5,818
Motor finance	7,665	5,604	11,469
Profit before taxation total	11,267	8,775	17,287

3. COST OF SALES

	Six months ended 31.7.14 £'000	**Six months ended 31.7.13 £'000**	**Financial year ended 31.1.14 £'000**
Loan loss provisioning charge - consumer credit	3,649	3,376	7,760
Loan loss provisioning charge - motor finance	2,414	2,299	5,087
Loan loss provisioning charge	6,063	5,675	12,847
Other cost of sales	4,131	2,834	6,866
Cost of sales total	10,194	8,509	19,713

4. TAXATION

The tax charge for the period has been calculated by applying the estimated effective tax rate for the year of 21.4% (31 July 2013: 24.1% and 31 January 2014: 23.2%) to the profit before taxation for the six months.

NOTES TO THE INTERIM STATEMENTS
Six months ended 31 July 2014

5. EARNINGS PER ORDINARY SHARE

The calculation of earnings per ordinary share is based on profit for the period of £8,861,000 (period ended 31 July 2013: £6,656,000 and year ended 31 January 2014: £13,332,000).

The number of shares used in the basic calculation is the average number of ordinary shares in issue during the period of 11,819,723 (period ended 31 July 2013: 11,755,220 and year ended 31 January 2014: 11,777,093).

For diluted earnings per share the average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares relating to our share option scheme awards.

6. DIVIDENDS

A second interim dividend of 16.0p per ordinary share and a final dividend of 24.0p per ordinary share for the financial year ended 31 January 2014 were paid during the six month period to 31 July 2014 (total of 40.0p per ordinary share). This compares to a second interim dividend of 14p per ordinary share and a final dividend of 20.0p per ordinary share for the financial year ended 31 January 2013 which was paid during the 6 months period to 31 July 2013 (total of 34.0p per ordinary share). During the twelve months to 31 January 2014 total dividends of 48.0p per ordinary share were paid. These distributions are shown in the consolidated statement of changes in equity in this interim financial information.

The directors have also declared an interim dividend of 17.0p per share (2013: 14.0p per share). The dividend, which amounts to approximately £2,012,000 (July 2013: £1,647,000), will be paid on 14 November 2014 to shareholders on the register at 17 October 2014. The shares will be quoted ex dividend on 15 October 2014. The interim financial information does not include this proposed dividend as it was declared after the balance sheet date.

7. ANALYSIS OF AMOUNTS RECEIVABLE FROM CUSTOMERS

All operations are situated in the United Kingdom.

	Amounts Receivable		
	Six months ended 31.7.14	**Six months ended 31.7.13**	**Financial year ended 31.1.14**
Class of business	**£'000**	**£'000**	**£'000**
Consumer credit, rentals and other retail trading	50,550	49,312	51,963
Motor finance	118,630	82,770	93,217
	169,180	132,082	145,180
Less: Loan loss provision for consumer credit	(17,913)	(17,958)	(17,921)
Less: Loan loss provision for motor finance	(20,510)	(19,886)	(20,248)
Amounts receivable from customers total (net)	130,757	94,238	107,011
Analysed as:- due within one year	61,505	52,354	57,094
- due in more than one year	69,252	41,884	49,917
Amounts receivable from customers total (net)	130,757	94,238	107,011

NOTES TO THE INTERIM STATEMENTS

Six months ended 31 July 2014

8. RECONCILIATION OF PROFIT BEFORE TAX TO CASH FLOW FROM OPERATING

ACTIVITIES

	Six months ended 31.7.14 £'000	Six months ended 31.7.13 £'000	Financial year ended 31.1.14 £'000
Operating Profit	11,972	9,094	18,014
Finance costs paid	(705)	(319)	(728)
Finance income received	-	-	1
Tax paid	(1,985)	(2,186)	(3,468)
Depreciation on plant, property and equipment	291	276	577
Loss on disposal on plant, property and equipment	3	5	17
Increase in amounts receivable from customers	(23,746)	(7,918)	(20,691)
Decrease/(increase) in inventories	28	(20)	(21)
(Increase)/decrease in trade and other receivables	(260)	(80)	(164)
Increase in trade and other payables	588	736	524
Increase in accruals and deferred income	17	367	97
Increase in cost of future share based payments	228	239	446
Decrease in retirement benefit obligations	-	-	(11)
Cash flow from operating activities	(13,569)	194	(5,407)

9. BORROWINGS

Movements in our loans and overdrafts for the respective periods are shown in the consolidated cash flow statement. As expected cash generated was lower in the six months to July 2014 than in the same period last year reflecting an acceleration of the planned extra investment in the receivables of the growing motor finance business. S&U plc has £18m revolving credit facilities due to mature in 2016 and £22m revolving credit facilities due to mature in 2018. The group also utilised £15m of a new £30m term loan facility from M&G during the 6 month period and this £15m is due to mature in 2021.

10. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties have been eliminated on consolidation and are not disclosed in this report. During the six months the Group made charitable donations amounting to £16,300 (6 months to July 2013: £35,500; year to January 2014: £35,500) via the Keith Coombs Trust which is a related party because Messrs GDC Coombs, AMV Coombs, D Markou and CH Redford are trustees. The amount owed to the Keith Coombs Trust at the half year end was £nil (July 2013: £nil; January 2014 £nil). During the six months the Group obtained supplies amounting to £4,870 (6 months to July 2013: £4,702; year to January 2014: £4,702) from Grevayne Properties Limited, a company which is a related party because Messrs GDC and AMV Coombs are directors and shareholders. The amount owed to Grevayne Properties Limited at the half year end was £4,870 (July 2013: £4,702; January 2014 £nil). All related party transactions were settled in full.

11. INTERIM REPORT

The information for the year ended 31 January 2014 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report and did not contain statements under section 498(2) or (3) of the Companies Act 2006. A copy of this Interim Report will be made available to all our shareholders and to the public on our website at www.suplc.co.uk and at the Company's registered office at Royal House, Prince's Gate, Solihull, B91 3QQ.

END

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