8 October 2024

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

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 JULY 2024

S&U, the specialist motor and property financier, today announces its results for the six months ended 31 July 2024.

Financial Highlights

- Revenue: £60.4m (H1 2023: £55.3m)
- Profit before tax: £12.8m (H1 2023: £21.4m)
- Net group receivables: £475.4m (31 July 2023: £417.3m)
- £2.8m increase in finance costs driven by higher borrowings and base rate versus H1 last year
- Group equity: £233.4m (31 July 2023: £229.2m)
- First interim dividend announced of 30p per ordinary share (H1 2023: 35p)
- Group gearing at 103% (31 July 2023: 80%)

Advantage Finance Limited

- Revenue: £49.1m (H1 2023: £47.5m)
- Profit before tax: £9.4m (H1 2023: £19.1m)
- Impairment charge £18.1m (H1 2023: £6.8m)
- Net receivables: £326.2m (31 July 2023: £313.0m; 31 January 2024: £332.5m)
- Revenue: £49.1m (H1 2023: £47.5m)
- Collection rate: 87% of due (H1 2023: 94%)

Aspen Bridging Limited

- Revenue: £11.2m (H1 2023: £7.9m)
- Profit before tax: £3.4m (H1 2023: £2.4m)
- Net receivables: £149.3m (31 July 2023: £104.3m)
- Collection repayments and recoveries: £72.8m (H1 2023: £66.8m)

Anthony Coombs, Chairman of S&U commented:
"Half-year results for Advantage reflect a temporary adjustment to shifting market dynamics and evolving regulatory expectations. Nevertheless, the resulting internal reforms should provide greater certainty for renewed success. Meanwhile, in the more dynamic bridging sector, Aspen continues to perform strongly. We embrace the future with our usual cautious optimism."

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Chairman's Statement

S&U, the specialist motor and property lender, today announces its results for the six months ended 31 July 2024. Whilst Aspen, its property lender continues to produce record results, Advantage, its motor financier has faced regulatory challenges which have adversely affected its sales and collections performance. As negotiations with the Financial Conduct Authority conclude, this hiatus in performance is expected to prove temporary and a rebound anticipated for 2025. S&U's dividend policy and strategic plans reflect our determined optimism.

Financial Highlights

1. Profit before tax: £12.8m (H1 2023: £21.4m)
2. Net group receivables: a record £475.4m (H1 2023: £417.3m)
3. Group equity: £233.4m
4. At Advantage, an increase of the impairment charge by £11m and increased higher interest payments by £1.3m led to profit before tax falling to £9.4m (H1 2023: £19.1m)
5. At Aspen, PBT up 42% on record transactions, net receivables and repayments
6. Aspen's loan book up 43% to £149.3m

Difficult trading conditions and an uninspiring performance at Advantage did not affect S&U's strong financial position. Group facilities of £280m comfortably covered borrowings of £238.5m as Advantage remained cash neutral and £17m was invested in Aspen. Group gearing finished at 103% against 80% in H1 2023 and 95% at year end. During the 12 months to 31 July 2024, the trading environment for S&U and especially Advantage operating in the regulated sector was challenging. Increases in taxation, interest rates and the cost of living brought forth an increasingly interventionist stance from the Financial Conduct Authority. A year on, the election of a Labour government with a powerful mandate has led to greater political stability and a pro-growth and 'investability' agenda. This may lead to a greater emphasis on sensible access to credit for working people and their families who are currently underserved by financial institutions.

For S&U itself, this has resulted over the past year in the focus of the FCA's attention on Advantage Finance. On the initial basis of only 10 customer files, a s166 notice (swiftly followed by adoption of "voluntary" restrictions) has significantly constrained Advantage's ability to interact with and manage its traditional customers, with whom it has happily worked for the past 25 years. Strong Trustpilot ratings, an industry-leading uphold rate with the Financial Ombudsman Service and a long record of profitable trading with over a quarter of a million customers historically are evidence of this record. Successful repayment programmes, access to credit and improved credit ratings for these customers have always characterised Advantage Finance.

Happily, patient explanation, better documentation and retraining have now produced a more consistent and stable balance between the FCA's requirements for customer protection and the commercial risk and reward of supplying motor finance. Recent emphasis by the Chancellor on the importance of promoting a competitive financial services market and supporting financial inclusion, along with an upcoming House of Lords select committee inquiry on the topic, provide grounds for optimism. Although resulting in an uncomfortable year, this should provide a sustainable basis for Advantage's future growth.

Meanwhile, in the more dynamic and market-orientated residential sector served by Aspen, there continues a steady recovery. Average house prices are reported by Halifax to be 4.3% up on 2023 and the strongest monthly figures for 2 years. As relevant for Aspen is housing activity and therefore potential market transactions which rose 10% year-on-year in August. Indeed, the number of home sales was then reported at a 7-year high. This is accompanied by a burgeoning rental market into which many of Aspen's customers invest. The massive increase in affordable and rented housing proposed by the new Government will continue to drive significant demand in this sector.

Advantage Finance

Whilst the factors mentioned above have determined Advantage's disappointing half year performance, the s166 experience has and will have benefits. Although it is in Advantage's very DNA to nurture their valuable customers, the recent experience has led them to address the challenges posed by an evolving regulatory landscape. It is to be hoped that the recent wave of initiatives including the FCA's forbearance review, the bedding down of Consumer Duty, the borrowers in financial difficulty (BIFD) initiative, the interaction with CONC rules and the impending updating of the 50-year-old Consumer Credit Act will lead to a period of relative stability.

In the meantime, these challenges have significantly impacted short-term profitability. Transactions in H1 were 13% lower than in H1 2023 at 8,752. However, since loan applications were 22% higher, this points to a healthy market but an increasingly cautious underwriting appetite.

The result was an increase in revenue of 3% for the half year despite capital receivables at £446m, 9% higher than 2023. This resulted from a decline in collection rates caused in part by the restrictions on Advantage's ability to manage its customers. Thus, live repayments as a percentage of repayments due fell in the half year from 94% a year ago to an average of 87% for the first half this year. Advantage now has in place specific measurements for customer satisfaction avoidance of stress, and encouragingly adherence to repayment arrangements is on the rise. As ever, such sustainable repayments are the clearest evidence of a mutually satisfactory customer relationship.

Meanwhile, Advantage's risk appetite statement has been revised and new quarterly reports produced on productivity and customer contact. The former is leading to a movement towards lower risk customers with greater affordability where potential vulnerabilities are less.

Finally, our confidence in Advantage's future and potential for renewed sustainable growth was evidenced by the purchase of a fourth building at its Grimsby headquarters on its 25th anniversary. These facilities will provide a hub for our collection teams and a breakout space for the whole dedicated workforce.

In a difficult year, my admiration for them remains undimmed.

Aspen Bridging

For the reasons mentioned earlier, Aspen has produced a sparkling set of results in H1. Profit before tax has risen to a record £3.4m (H1 2023: £2.4m). Customer receivables have grown to £149.3m, a remarkable 43% rise on 31 July last year. As a result, ROCE has reached11.5% for the first time, the result of improved margins, good collections and cost control. The whole team ably led by Ed Ahrens and Jack Coombs are to be congratulated.

As mentioned earlier, the residential property market is improving both in value and activity. The Labour government's house building plans and reforms to the UK's dysfunctional planning system should benefit SME developers and investors who are increasingly Aspen's most active customers. Thus, transaction numbers at Aspen in H1 were 98, against 65 in H1 last year. Further, an average loan size now at nearly £1m and higher blended yields have seen total advances at a record £92.5m up no less than 62% on a year ago.

Book quality remains very good with a record 86 repayments in H1, 17% above budget. Total repayments were £72.8m, up 9%. At half year, nearly 93% of live facilities were within term (H1 2023: 90%) driving loan loss provisions on Aspen's balance sheet lower at £1.7m (31 July 2023: £1.9m).

Although proud of the success, Aspen recognises that history is an unforgiving predictor of the future. The risk and recoveries team has been expanded and its success recognised by the elevation of Wayne Hicklin, its head, to the Aspen board. Record numbers of Aspen's team are undertaking professional qualifications. Nearly 50% are currently taking RICS or level 3 professional qualifications in speciality property finance. The Aspen product range is continually refined and monitored. With its current drive and focus, Aspen can look forward to a record year.

Funding

S&U has long benefitted from its banking relationships stretching back over 80 years. It is therefore appropriate that £230m of its facilities are both sustainably linked and have a 3-year profile. A further £50m of facilities stretch to 2028/2029.

Borrowings in early October are just under £220m, which gives ample headroom, and are currently projected to continue to do so for the next 18 months. As usual, facilities will be supplemented if required.

Dividend

Given S&U's shareholding structure and its relatively limited free float, it has been our consistent aim to ensure shareholder returns through dividends, provided these are sustainable. Lower than normal projected group profits this year, though temporary, will not alter this aim. The board therefore conclude that the first of three dividend payments this year will be 30p per share (2023: 35p). The first dividend will be paid on 22 November 2024 to shareholders on the register on 1 November 2024.

Current Trading and Outlook

Half-year results for Advantage reflect a temporary adjustment to shifting market dynamics and evolving regulatory expectations. Nevertheless, the resulting internal reforms should provide greater certainty for renewed success. In the more dynamic bridging sector Aspen continues to perform strongly. Whether future policy developments by the government lead to a more growth-oriented approach will depend on ongoing dialogue with the industry.

Appropriately, the last word should therefore go to Harold Wilson, Labour PM in the sixties. "I'm an optimist" he said, "but I carry a raincoat". Accordingly, we embrace the future with our usual cautious optimism.

Anthony Coombs
Chairman
7 October 2024

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 S&U plc and its subsidiaries ("the Group") continues to be that of specialist finance and in particular secured hire purchase motor finance throughout England, Wales and Scotland and secured property bridging finance throughout England and Wales. The principal activity of S&U plc (the "Company") is as holding company of the Group.

BUSINESS REVIEW, RESULTS AND DIVIDENDS
A review of developments during the six months together with key performance indicators and future prospects is detailed in the Chairman's Statement.

There are no significant post balance sheet events to report.

The Group's profit on ordinary activities after taxation from continuing operations was £9,564,000 (H1 23: £16,186,000). Dividends of £10,334,000 (H1 23: £11,914,000) were paid during the period.

The Directors recommend a first interim dividend of 30.0p per share (2023: 35.0p). The dividend will be paid on 22 November 2024 to shareholders on the register on 1 November 2024.

PERFORMANCE MEASUREMENTS DEFINITIONS
Within our interim results we refer to the following performance measurements:

i) Risk adjusted yield as percentage of average monthly receivables is the gross yield for the period (revenue minus impairment) divided by the average monthly net receivables for the period.

ii) Return on average capital employed before cost of funds is calculated as the Operating Profit divided by the average capital employed (total equity plus Bank Overdrafts plus Borrowings less cash and cash equivalents).

iii) Dividend cover is the basic earnings per ordinary share declared for the financial year divided by the dividend per ordinary share declared for the same financial year.

iv) Group gearing is calculated as the sum of Bank Overdrafts plus Borrowings less cash and cash equivalents divided by total equity.

As at 31 July 2024 gearing is 103% calculated as (1047+238500-2)/233392

RELATED PARTY TRANSACTIONS
Related party transactions are disclosed in note 12 of these financial statements.

SHARE OPTION SCHEMES
The 2021 Long Term Incentive Plan ("LTIP 2021") shadow share option scheme allows for the granting of Shadow Share Options, which can only be cash settled and therefore do not dilute current shareholders.

During the six months, the Group recognised total share-based payments for LTIP 2021 of £131,066 (6 months to 31 July 2023 £537,354: year to 31 January 2024 £631,936).

CHANGES IN ACCOUNTING POLICIES
There have been no changes in accounting policies during the period.
At the date of authorisation of this interim report the directors anticipate that the adoption in future periods of any other accounting standards and interpretations which are in issue but not yet effective will have no material impact on the financial statements of the Group.

CHANGES IN CONTINGENCIES
There have been no significant changes in contingent assets or liabilities since 31 January 2024.

STATEMENT OF GOING CONCERN
The Directors have considered the principal risks and uncertainties set out below and have a reasonable expectation that the Group is well placed and has sufficient financial resources to manage its business risks

successfully despite the 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, including for at least the next 12 months. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors have reviewed the principal risks and uncertainties in particular focussing on the remainder of this financial year and the following are the key risks which apply:

Consumer and Economic risks

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 value of amounts receivable from customers may also be subject to the risk of a severe downturn in the UK economy which might affect the ability of customers to repay.

Although the UK labour market employment levels remain strong, pressure on incomes from utility and general price increases and higher interest rates are likely to have had an impact upon customers' repayment performance – particularly at Advantage Finance. Advantage historically has been resilient through adverse macro-economic conditions and future macroeconomic outlook assessments have improved recently.

The Group is particularly exposed to the non-prime motor finance sector and within that to the values of used vehicles which are used as security. These credit, economic and concentration risks are principally controlled through our credit control policies including loan-to-value limits for the security and through ongoing monitoring and evaluation. Used vehicle values have reduced during the last year but are likely to improve as demand for Internal Combustion Engine used vehicles remains strong and the manufacturing hiatus for new cars during the pandemic increasingly feeds through to our used vehicle market.

Our well tried and tested credit methods are equally important in limiting risk at Aspen Bridging. Historically impairment rates in the bridging market are extremely low, principally because loan-to-value calculations are conservative, interest is retained up front, and loan periods are approximately one year. The property market in which Aspen primarily operates in England saw an annual increase of 2.4% in house price values up to June 2024 according to the Government's House Price Index. Aspen keeps its lending criteria under constant review, to minimise risk and maintain its risk-adjusted yield.

Funding and Liquidity Risk

Funding and Liquidity risk relates to the availability of sufficient borrowing facilities for the Group to meet its liabilities as they fall due. This risk 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. Future potential funding availability is also helped by the Group's continued relatively low gearing. Compliance with current banking covenants is monitored closely. The Group's activities expose it to the financial risks of changes in interest rates and where appropriate the Group considers using interest rate derivative contracts to hedge these exposures in bank borrowings. The Group has no such interest rate derivative contracts currently and so recent actual and forecast potential reductions in base rates may help mitigate current higher borrowing costs.

Legal, Regulatory and Conduct Risk

The Group is subject to legislation including consumer credit legislation which contains very detailed and highly technical requirements. To fulfil its responsibilities in this area, the Group has procedures in place and employs dedicated compliance resource and specialist legal advisers to ensure compliance with this legislation. Advantage directors are prominent members of the Finance and Leasing Association's committees and, through them, regularly liaise with the FCA. Regulatory Risk at Advantage is addressed by a strong compliance function and by the constant review and monitoring of Advantage's internal controls and processes, overseen by RSM, S&U's internal auditors. This process is buttressed by specific advice from trade and other organisations, by RSM and by Shoosmiths, Advantage's specialist lawyers.

Aspen Bridging operates in the unregulated bridging sector aimed at professional borrowers. It nevertheless operates high lending and operational standards and procedures, which are also subject to review under our internal audit program. As required for companies in this sector, it has also registered with the FCA for Anti-Money Laundering purposes.

The Group is also exposed to conduct risk in that it could fail to deliver fair outcomes to its customers which in turn could impact the reputation and financial performance of the Group. The Group principally manages this risk through Group staff training and motivation (Advantage is an Investor in People) and through detailed monthly monitoring of customer outcomes for compliance and treating customers fairly.

Risk Management

Under Provision 28 of the 2018 UK Corporate Governance Code, the Board is expected to establish procedures to manage risk, identify the principal risks the Company takes in order to achieve its strategic objectives and to oversee an effective internal control framework. In addition, the FRC now expects Boards to assess emerging risks to the Company's strategy. The 2024 UK Corporate Governance Code will come into effect from 1 February 2025 for the Group which contains revisions which are important but which should not have a major impact on the Group.

Although compliance with the Code is the responsibility of the Board as a whole, risk in particular is independently assessed by members of the Audit Committee. They receive regular reports, both from the management of Advantage Finance and Aspen Bridging and from S&U's external and internal auditors. These concern the effectiveness of the risk management and internal control systems. Executive changes are regularly made to re-enforce these procedures. The Audit Committee oversees the work of RSM, S&U's Internal Auditors and the Committee meets regularly to receive specific reports on RSM's work.

Anthony Coombs, Chairman

RESPONSIBILITY STATEMENT
We confirm that to the best of our knowledge:

a) the condensed set of financial statements which has been prepared in accordance with IAS 34 as contained in UK-adopted IFRS, gives a true and fair view of the assets, liabilities, financial position and profit of S&U plc as required by DTR 4.2.4R;

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

Manjeet Bhogal, Company Secretary

INDEPENDENT REVIEW REPORT TO S&U PLC

Conclusion
We have been engaged by S&U plc (the 'parent company') and its subsidiaries (the 'group') to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 July 2024 which comprises the interim condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the interim condensed consolidated balance sheet, the interim condensed consolidated statement of changes in equity, the interim condensed consolidated cash flow statement, and related notes.

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 2024 is not prepared, in all material respects, in accordance with UK-adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion
We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 (Revised), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued for use in the United Kingdom. A review of interim financial information consists of making enquiries, 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 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.

As disclosed in note 1.2, the annual financial statements of the group are prepared in accordance with UK-adopted IFRSs. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK-adopted International Accounting Standard 34, "Interim Financial Reporting.

Conclusions Relating to Going Concern
Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410 (Revised), however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of directors
The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information
In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Forvis Mazars

Forvis Mazars LLP

Chartered Accountants
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7 October 2024

7 October 2024

S&U PLC GROUP
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
Six months ended 31 July 2024

	Note	Unaudited Six months ended 31.7.24 £'000	Unaudited Six months ended 31.7.23 £'000	Audited Financial year ended 31.1.24 £'000
Revenue	2	**60,360**	**55,343**	**115,437**
Cost of Sales	3	(9,968)	(10,570)	(22,821)
Impairment charge	4	(18,876)	(7,195)	(24,203)
Gross Profit		**31,516**	**37,578**	**68,413**
Administrative expenses		(9,078)	(9,419)	(19,767)
Operating profit		**22,438**	**28,159**	**48,646**
Finance costs (net)		(9,592)	(6,776)	(15,062)
Profit before taxation	2	**12,846**	**21,383**	**33,584**
Taxation	5	(3,282)	(5,197)	(8,147)
Profit for the period attributable to equity holders		**9,564**	**16,186**	**25,437**
Earnings per share				
Basic and Diluted	6	78.6p	133.2p	209.2p

All activities derive from continuing operations.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended 31.7.24 £'000	Unaudited Six months ended 31.7.23 £'000	Audited Financial year ended 31.1.24 £'000
Profit for the year	9,564	16,186	25,437
Other comprehensive income:			
Actuarial loss on defined benefit pension scheme	-	-	(6)
Total Comprehensive Income for the period	9,564	16,186	25,431

Items above will not be reclassified subsequently to the Income Statement

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 July 2024	Note	Unaudited 31.7.24 £'000	Unaudited 31.7.23 £'000	Audited 31.1.24 £'000
ASSETS				
Non-current assets				
Property, plant and equipment		2,157	2,525	2,310
Amounts receivable from customers	8	239,769	228,061	241,985
Deferred tax assets		45	130	155
		241,971	230,716	244,450
Current assets				
Amounts receivable from customers	8	235,652	189,287	220,953
Trade and other receivables		1,775	1,707	1,442
Cash and cash equivalents		2	1	1
		237,429	190,995	222,396
Total assets		479,400	421,711	466,846
LIABILITIES				
Current liabilities				
Bank overdrafts and loans		(1,047)	(1,210)	(881)
Trade and other payables		(3,588)	(4,896)	(4,897)
Tax liabilities		(740)	(1,330)	(564)
Lease liabilities		(80)	(179)	(170)
Accruals		(1,350)	(1,155)	(1,971)
		(6,805)	(8,770)	(8,483)
Non-current liabilities				
Borrowings	10	(238,500)	(183,000)	(223,500)
Lease liabilities		(253)	(334)	(251)
Other financial liabilities		(450)	(450)	(450)
		(239,203)	(183,784)	(224,201)
Total liabilities		(246,008)	(192,554)	(232,684)
NET ASSETS		233,392	229,157	234,162
Equity				
Called up share capital		1,719	1,719	1,719
Share premium account		2,301	2,301	2,301
Profit and loss account		229,372	225,137	230,142
TOTAL EQUITY		233,392	229,157	234,162

These interim condensed financial statements were approved on behalf of the Board of Directors.
Signed on behalf of the Board of Directors

Anthony Coombs　　　　Chris Redford　　　　Directors

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 31 July 2024

	Unaudited Called up share capital £'000	Unaudited Share premium account £'000	Unaudited Profit and loss account £'000	Unaudited Total equity £'000
At 1 February 2023	1,719	2,301	220,865	224,885
Profit for 6-month period	-	-	16,186	16,186
Other comprehensive income for 6-month period	-	-	-	-
Total comprehensive income for 6-month period	-	-	16,186	16,186
Dividends	-	-	(11,914)	(11,914)
At 31 July 2023	1,719	2,301	225,137	229,157
Profit for 6-month period	-	-	9,251	9,251
Other comprehensive income for 6-month period	-	-	(6)	(6)
Total comprehensive income for 6-month period	-	-	9,245	9,245
Dividends	-	-	(4,240)	(4,240)
At 31 January 2024	1,719	2,301	230,142	234,162
Profit for 6-month period	-	-	9,564	9,564
Other comprehensive income for 6-month period	-	-	-	-
Total comprehensive income for 6-month period	-	-	9,564	9,564
Dividends	-	-	(10,334)	(10,334)
At 31 July 2024	1,719	2,301	229,372	233,392

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT
Six months ended 31 July 2024

	Note	Unaudited Six months ended 31.7.24 £'000	Unaudited Six months ended 31.7.23 £'000	Audited Financial year ended 31.1.24 £'000
Net cash from/(used in) operating activities	9	4,932	27,066	(446)
Cash flows used in investing activities				
Proceeds on disposal of property, plant and equipment		15	54	76
Purchases of property, plant and equipment		(98)	(202)	(265)
Net cash used in investing activities		(83)	(148)	(189)
Cash flows used in financing activities				
Dividends paid		(10,334)	(11,914)	(16,154)
Finance cost paid		(9,592)	(6,776)	(15,062)
Receipt of new borrowings		15,000	135,000	173,500
Repayment of borrowings		-	(147,500)	(145,500)
Decrease in lease liabilities		(88)	(74)	(166)
Net increase in overdraft		166	1,210	881
Net cash from financing activities		(4,848)	(30,054)	(2,501)
Net increase/(decrease) in cash and cash equivalents		1	(3,136)	(3,136)
Cash and cash equivalents at the beginning of period		1	3,137	3,137
Cash and cash equivalents at the end of period		2	1	1
Cash and cash equivalents comprise				
Cash and cash in bank		2	1	1

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
Six months ended 31 July 2024

1. PREPARATION AND KEY ACCOUNTING POLICIES

1.1 General Information

S&U plc is a public limited company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given in note 13 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

The condensed set of interim financial statements has been prepared in accordance with UK-adopted IAS 34 interim financial reporting. The condensed set of interim financial statements should be read in conjunction with the Annual Report and Accounts for the year ended 31 January 2024 which have been prepared in accordance with UK-adopted international accounting standards.

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 2024.

There is no valuation of S&U's defined benefit pension scheme fund at half year and so no movements are reported in the statement of comprehensive income – such movements are not material due to the small size of the fund which was in surplus at the latest valuation date.

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. In arriving at this reasonable expectation, the directors have considered the current situation in respect of inflation and cost of living pressures and, in particular, the potential for increased customer repayment difficulties and temporary challenges with asset recovery and realisation at potentially lower residual values as well as operational challenges. Increased repayment difficulties relate to potentially worse customer employment and/or financial situations, potentially mitigated by government support which lowers customer outgoings, as well as being mitigated by the forbearance and experience of our skilled staff. The directors have concluded that the Group has reasonable resources to continue in operational existence for the foreseeable future including at least the next 12 months. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

There are no significant new and amended standards and interpretations which have been adopted in these financial statements.

There have been no changes in accounting policies during the period.

At the date of authorisation of this interim report the directors anticipate that the adoption in future periods of any other accounting standards and interpretations which are in issue but not yet effective will have no material impact on the financial statements of the Group, with the possible exception to this being the new presentation and disclosure accounting standard IFRS18. This standard was issued in April 2024 and will affect certain presentations and disclosures in the accounts with the likely introduction date applying first to our accounts for year ended 31 January 2028, and the impact is still being assessed ahead of the effective date.

1.3 Revenue Recognition

For motor finance, interest income is recognised in the income statement for all loans and receivables measured at amortised cost using the constant periodic rate of return on the net investment in the loans, which is akin to an effective interest rate (EIR) method. The EIR is the rate that exactly discounts estimated future cash flows of the loan back to the present value of the advance and hire purchase interest income is then recognised using the EIR. Acceptance fees charged to customers and any direct transaction cost are included in the calculation of the EIR. For hire purchase agreements in Advantage Finance which are classified as credit impaired (i.e. stage 3 assets under IFRS 9), the group recognises revenue 'net' of the impairment provision to align the accounting treatment under IFRS 16 with the requirements of IFRS 9 and also with the treatment for similar assets in Aspen. Revenue starts to be recognised from the date of completion of their loan – after completion hire purchase customers have a 14-day cooling off period during which they can cancel their loan.

For property bridging finance, interest income is recognised in the income statement for all loans and receivables measured at amortised cost using the effective interest rate method (EIR) as per the requirements in IFRS 9. 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 costs are included in the calculation of the EIR. Commission received from third party insurers for brokering the sale of title insurance products, for which the Company does not bear any underlying insurance risk, are recognised and credited to the income statement when the brokerage service has been provided. For loans which are classified as credit impaired (i.e. stage 3 assets under IFRS 9), Aspen recognises revenue 'net' of the impairment provision as required by IFRS 9.

1.4 Impairment and measurement of amounts receivable from customers

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

Amortised cost includes a deduction for loan loss impairment provisions for expected credit losses ("ECL") assessed by the directors in accordance with the requirements of IFRS 9.

There are 3 classification stages under IFRS 9 for the impairment of amounts receivable from customers:

Stage 1: Not credit impaired and no significant increase in credit risk since initial recognition

Stage 2: Not credit impaired and a significant increase in credit risk since initial recognition

Stage 3: Credit impaired

For all loans in stages 2 and 3 a provision equal to the lifetime expected credit loss is taken. In addition, in accordance with the provisions of IFRS 9 a collective provision for 12 months expected credit losses ("ECL") is recognised for the remainder of the loan book. In our Motor Finance business, all loans 1 month or more in arrears are deemed credit impaired and are therefore included in IFRS 9 stage 3. The expected credit loss ("ECL") is the probability weighted estimate of credit losses.

2. ANALYSIS OF REVENUE AND PROFIT BEFORE TAXATION

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

	Revenue		
Class of business	**Six months ended 31.7.24 £'000**	**Six months ended 31.7.23 £'000**	**Financial year ended 31.1.24 £'000**
Motor finance	49,118	47,480	98,177
Property Bridging finance	11,242	7,863	17,260
Revenue	60,360	55,343	115,437

	Profit before taxation		
Class of business	**Six months ended 31.7.24 £'000**	**Six months ended 31.7.23 £'000**	**Financial year ended 31.1.24 £'000**
Motor finance	9,365	19,052	28,810
Property Bridging finance	3,412	2,400	4,803
Central costs income	69	(69)	(29)
Profit before taxation	12,846	21,383	33,584

3. COST OF SALES

	Six months ended 31.7.24 £'000	**Six months ended 31.7.23 £'000**	**Financial year ended 31.1.24 £'000**
Cost of sales – motor finance	8,790	9,743	20,726
Cost of sales – property bridging finance	1,178	827	2,095
Total cost of sales	9,968	10,570	22,821

The cost of sales represents the cost of making new advances - the main component of this cost in both businesses is commission paid to brokers and other introducers.

4. IMPAIRMENT CHARGE

	Six months ended 31.7.24 £'000	Six months ended 31.7.23 £'000	Financial year ended 31.1.24 £'000
Loan loss provisioning charge – motor finance	18,093	6,819	23,280
Loan loss provisioning charge – property bridging finance	783	376	923
Total impairment charge	18,876	7,195	24,203

5. TAXATION

The tax charge for the period has been calculated by applying the estimated effective tax rate for the year of 25.5% (31 July 2023: 24.3% and 31 January 2024: 24.3%) to the profit before taxation for the six months.

6. EARNINGS PER ORDINARY SHARE

The calculation of earnings per ordinary share ('EPS') is based on profit for the period from continuing operations of £9,564,000 (period ended 31 July 2023: £16,186,000 and year ended 31 January 2024: £25,437,000).

The number of shares used in the basic calculation is the average number of ordinary shares in issue during the period of 12,150,760 (period ended 31 July 2023: 12,150,760 and year ended 31 January 2024: 12,150,760).

For diluted earnings per share the average number of ordinary shares in issue has historically been adjusted to assume conversion of all dilutive potential ordinary shares relating to our share option scheme awards. There are currently no such dilutive awards as all share option scheme awards are now cash settled and so the Diluted EPS is equal to the Basic EPS.

7. DIVIDENDS

A second interim dividend of 35.0p per ordinary share and a final dividend of 50.0p per ordinary share for the financial year ended 31 January 2024 were paid during the six-month period to 31 July 2024 (total of 85.0p per ordinary share). This compares to a second interim dividend of 38.0p per ordinary share and a final dividend of 60.0p per ordinary share for the financial year ended 31 January 2023 which were paid during the 6 months period to 31 July 2023 (total of 98.0p per ordinary share). During the twelve months to 31 January 2024 total dividends of 133.0p 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 a first interim dividend of 30.0p per share (2023: 35.0p per share). The first interim dividend, which amounts to approximately £3,645,000 (2023: £4,374,000), will be paid on 22 November 2024 to shareholders on the register at 1 November 2024. The shares will be quoted ex dividend on 31 October 2024. The interim financial information does not include this proposed dividend as it was declared after the balance sheet date and there was no legal liability to pay it at 31 July 2024.

8. ANALYSIS OF AMOUNTS RECEIVABLE FROM CUSTOMERS

All operations are situated in the United Kingdom.

	Six months ended 31.7.24 £'000	Six months ended 31.7.23 £'000	Financial year ended 31.1.24 £'000
Motor Finance			
Amounts receivable from customers (capital)	446,277	409,391	437,181
Less: Loan loss provision for motor finance	(120,115)	(96,346)	(104,685)
Motor Finance net amounts receivable from customers	326,162	313,045	332,496
Property Bridging Finance			
Amounts receivable from customers (capital)	150,976	106,242	132,746
Less: Loan loss provision for property bridging	(1,717)	(1,939)	(2,304)
Property bridging net amounts receivable from customers	149,259	104,303	130,442
Total net amounts receivable from customers	475,421	417,348	462,938
Analysed as - due within one year	235,652	189,287	220,953
- due in more than one year	239,769	228,061	241,985
Amounts receivable from customers (net)	475,421	417,348	462,938

8. **ANALYSIS OF AMOUNTS RECEIVABLE FROM CUSTOMERS (CONTINUED)**

As at 31 July 2024	Not credit Impaired Stage 1: Subject to 12 months ECL £'000	Not credit Impaired Stage 2: Subject to lifetime ECL £'000	Credit Impaired Stage 3: Subject to lifetime ECL £'000	Total £'000
Amounts receivable (capital)				
Motor finance	271,500	7,820	166,957	446,277
Property bridging finance	138,977	-	11,999	150,976
Total	410,477	7,820	178,956	597,253
Loan loss provisions				
Motor finance	(18,352)	(2,204)	(99,559)	(120,115)
Property bridging finance	(947)	-	(770)	(1,717)
Total	(19,299)	(2,204)	(100,329)	(121,832)
Amounts receivable (net)				
Motor finance	253,148	5,616	67,398	326,162
Property bridging finance	138,030	-	11,229	149,259
Total	391,178	5,616	78,627	475,421

As at 31 July 2023	Stage 1: Subject to 12 months ECL £'000	Stage 2: Subject to lifetime ECL £'000	Stage 3: Subject to lifetime ECL £'000	Total £'000
Amounts receivable (capital)				
Motor finance	291,425	3,838	114,128	409,391
Property bridging finance	89,680	-	16,562	106,242
Total	381,105	3,838	130,690	515,633
Loan loss provisions				
Motor finance	(28,302)	(1,004)	(67,040)	(96,346)
Property bridging finance	(1,033)	-	(906)	(1,939)
Total	(29,335)	(1,004)	(67,946)	(98,285)
Amounts receivable (net)				
Motor finance	263,123	2,834	47,088	313,045
Property bridging finance	88,647	-	15,656	104,303
Total	351,770	2,834	62,744	417,348

As at 31 January 2024	Stage 1: Subject to 12 months ECL £'000	Stage 2: Subject to lifetime ECL £'000	Stage 3: Subject to lifetime ECL £'000	Total £'000
Amounts receivable (capital)				
Motor finance	291,566	5,125	140,490	437,181
Property bridging finance	121,908	-	10,838	132,746
Total	413,474	5,125	151,328	569,927
Loan loss provisions				
Motor finance	(21,315)	(1,323)	(82,047)	(104,685)
Property bridging finance	(914)	-	(1,390)	(2,304)
Total	(22,229)	(1,323)	(83,437)	(106,989)
Amounts receivable (net)				
Motor finance	270,251	3,802	58,443	332,496
Property bridging finance	120,994	-	9,448	130,442
Total	391,245	3,802	67,891	462,938

9. RECONCILIATION OF OPERATING PROFIT TO NET CASH FROM OPERATING ACTIVITIES

	Six months ended 31.7.24 £'000	Six months ended 31.7.23 £'000	Financial year ended 31.1.24 £'000
Operating Profit	22,438	28,159	48,646
Tax paid	(2,996)	(4,775)	(8,515)
Depreciation on plant, property and equipment	241	255	510
Profit on disposal of plant, property and equipment	(5)	(16)	(16)
(Increase)/decrease in amounts receivable from customers	(12,483)	3,362	(42,228)
(Increase)/decrease in trade and other receivables	(333)	(106)	159
(Decrease)/increase in trade and other payables	(1,309)	294	295
(Decrease)/increase in accruals and deferred income	(621)	(107)	709
Movement in retirement benefit asset/obligations	-	-	(6)
Net cash from/(used in) operating activities	4,932	27,066	(446)

10. BORROWINGS

Movements in our loans and overdrafts for the respective periods are shown in the interim condensed consolidated cash flow statement. The period end borrowings have increased to £239.5m. Committed borrowing facilities were £280m at 31 July 2024 (31 July 2023: £280m and 31 January 2024: £280m) plus at 31 July 2024 we had £7m in overdraft facilities. Of the £280m committed facilities at 31 July 2024, £230m is scheduled to mature in May 2027, £25m in March 2028 and £25m in March 2029. Of the £280m committed facilities at 31 July 2023, £230m was scheduled to mature in May 2026, £25m in March 2028 and £25m in March 2029. Of the £280m committed facilities at 31 January 2024, £230m was scheduled to mature in May 2026, £25m in March 2028 and £25m in March 2029.

11. CONTINGENT LIABILITIES

Our motor finance subsidiary Advantage was included in the FCA’s multi-firm Cost of Living Forbearance Outcomes review in 2023 and as a result the FCA concluded that enhancements were required to Advantage’s approach to arrears management and the application of forbearance. Advantage and the FCA have been in correspondence throughout 2023/2024 to discuss and agree the necessary steps and Advantage will carry out an assessment of whether any customers were adversely affected by its practices. Where this is found to be the case Advantage will seek to redress any detriment.

The financial effect of any customer redress cannot be reliably assessed at this stage of the review. This ongoing assessment is now expected to be in advanced stages in Autumn 2024, with any redress being made after that.

12. 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 £30,000 (6 months to July 2023: £40,000; year to January 2024: £117,500) via the Keith Coombs Trust which is a related party because Messrs GDC Coombs, AMV Coombs and CH Redford are trustees. The amount owed to the Keith Coombs Trust at the half year end was £nil (July 2023: £nil; January 2024 £nil). During the six months the Group obtained supplies amounting to £4,544 (6 months to July 2023: £4,110; year to January 2024: £4,110) 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 £nil (July 2023: £nil; January 2024 £nil). All related party transactions were settled in full. There are no changes to the related party transactions described in our last annual report which could have a material impact on the financial position or performances of the enterprise in the first 6 months of this financial year.

13. INTERIM REPORT

The information for the year ended 31 January 2024 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 2 Stratford Court, Cranmore Boulevard, Solihull B90 4QT.