S&U EST.1938
THE CREDIT YOU DESERVE

Ready for the Rebound

Annual Report and Accounts for the Year ended 31 January 2025

S&U Annual Report 2025

Founded in 1938, S&U's mission is to provide Britain's foremost motor, property bridging and specialist finance service.

Since 1999 our Advantage motor subsidiary has provided finance for over 275,000 customers. In just eight years, Aspen our new property bridging business has transacted over £500m in secured loans.

S&U Mission Statement

In the complex, and ever changing, world of financial services, over the past eighty years S&U's customers have relied on the company for one quality above all – TRUST. Trust is the golden seam which runs through everything we do.

In practice it means:

T EAMWORK

In any business the guardians of integrity are its people, and their common pursuit of the highest standards.

R ESPECT

Loving your neighbour is not simply at the core of Christian values, but transcends our behaviour towards everyone whatever their race, gender, religion or personality.

U NDERSTANDING

Valuing every customer must be grounded in a clear understanding of their needs, wishes and circumstances; this guides the service we offer them.

S ERVICE

This is both the product and the proof of our understanding and respect for our customers, each other and our neighbours.

T RUTH

Honesty, integrity and transparency are the best guarantees of the way we treat all with whom we do business. If people trust S&U they will have confidence in the services we provide. The good business which results is our justified reward.

Our Values

Making the customer the heart of our business.

Respect for every customer and always treating customers fairly.

Conservative approach to underwriting and collections to enable sustainable growth.

Our Businesses

Advantage Finance

Motor Finance

Hire purchase motor finance for over 275,000 customers since 1999.

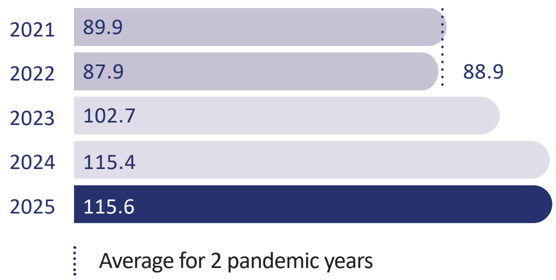
ASPEN BRIDGING

Property Bridging Finance

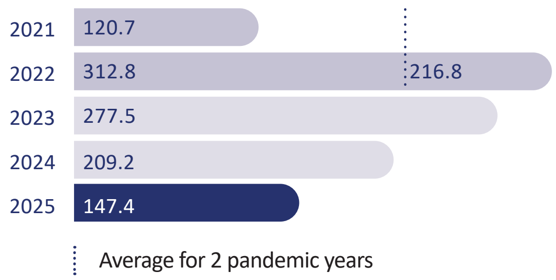
Launched in early 2017 and growing steadily to build on their significant success.

VIEW ONLINE

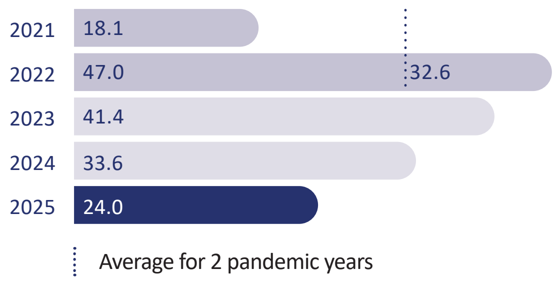
Revenue (£m)



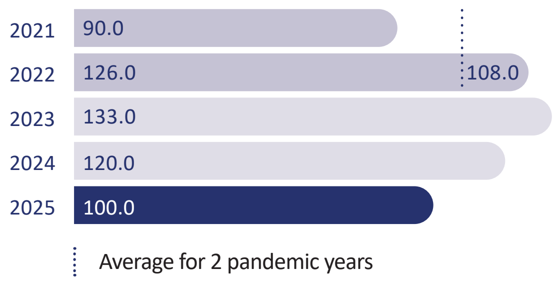
Basic EPS (p)



Profit before tax (£m)



Dividend Declared (p)



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Strategic Report

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Group at a glance

Founded in 1938, S&U's mission is to provide Britain's foremost motor, property bridging and specialist finance service. We now have over 55,000 customers and over 200 loyal and valued staff and plans for continued sustainable growth.

Motor Finance

Advantage Finance continues to grow its position as an innovative, progressive and leading provider of motor finance to the specialised and underserved market. Advantage has taken a leading role in advocating for positive change for customers through its engagement with regulators and market advocates such as the FLA and has made significant progress in its strategic investment plan to upgrade systems, processes and platforms to enable future growth.

Based in Grimsby with an operating footprint across the UK, Advantages team of over 200 colleagues works closely with leading brokers and motor dealers to provide tailored motor finance solutions to customers buying cars, Vans, Motorcycles and Caravans. A non-prime specialist that recently celebrated 25 years of service to over 275,000 customers since its founding in 1999.

Advantage Finance continues to build upon its exceptional reputation which is recognised in its market leading customer satisfaction, outcome and complaint resolution results. Funding is invested wisely through a hugely experienced and skilled management team who have supported the business throughout its history. Advantage Finance continues to leverage its unique strengths which include its dedication to customer service and support, innovative in-house technology and clear growth strategy to be well placed to not only survive the current regulatory and market uncertainty but to thrive and grow.

Advantage has invested wisely and extensively during the last 12 months, much of it focused on a regulatory engagement which has concluded successfully, to grow a platform for future growth and continuing service to customers and shareholders. As the regulatory and political landscape becomes increasingly clear, we are well placed to bring our usual brand of expertise, customer dedication, innovation and positive disruption to a significant and crucially important non-prime market.''

Karl Werner
Chief Executive

Property Bridging Finance

Aspen Bridging is now entering its 9th year in the property bridging finance market having successfully established a strong reputation for service excellence in the delivery of quality lending products. Aspen has continued to develop an appealing range of award-winning bridging loan products with a good reach across the market for residential and commercial property as well as sectors such as refinancing, capital raising and refurbishment loans. Aspen now lend up to £15m per deal with an average loan size of circa £1m.

Aspen has continued to strengthen broker relationships, appealing to them as a one-stop shop for their customer bridging loan needs and positioning ourselves as a respected lender in the property bridging market. As members of the BDLA and FIBA along with promoting our lending propositions at key industry events, Aspen has won three industry awards at the Bridging and Commercial awards and has now been nominated in four categories for the 2025 event.

Aspen, based in Solihull, has continued to grow and develop the team of 30 with highly skilled and experienced staff, investing in professional training and expanding the customer acquisition channels via additional broker networks, added a further member of the dedicated broker development team presenting its product offering at all key industry forums and financial showcasing events. Aspen continues its journey towards being a significant contributor to the future of the Group.

2024 has seen Aspen achieve new records and continued growth in our customer and broker relationships that we have nurtured since our launch in 2017. Having seen positive movement in the property market after the uncertainties of 2023 Aspen has performed consistently throughout the year with record lending and record levels of repayments both supporting a positive view of the Bridging market. Having expanded our product offering and launching into new broker networks in 2024 Aspen has managed to increase its reach to wide borrower and broker sectors of the bridging market. Our focus on delivering a fast, consistent and a reliable service for both new and returning customers coupled with our own on-site visits and risk data management USP's has enabled Aspen to successfully operate in this speciality lending market. With further investment in staff and professional training undertaken, the Aspen team are ready to build on the success of this bridging lending business.''

Ed Ahrens
Chief Executive

A1 Chairman's Statement

"We are confident that the experience, skill and determination of our people, together with a more supportive government, a more pragmatic regulator and a common-sensical Supreme Court, will lead to a rebound in Advantage's results. Meanwhile our property lender, Aspen, has produced record profit and performance and beckons a very bright future. We therefore anticipate that S&U will be restored to its habitual path of steady and sustainable growth."

Anthony Coombs MA (OXON)
Chairman

For S&U as a Group, the financial year 2024/25 was hardly a vintage year. Fortunately, 2025/26 trading promises to be better. Group profit before tax for the year to 31 January 2025 was £24.0m (2024: £33.6m), as S&U's motor finance subsidiary, Advantage, faced the challenge of a regulatory engagement, which adversely affected its lending and collections performance but which is now concluded. Advantage profit before tax as a result, was £16.5m against £28.8m last year. These results contrasted with a superb performance from Aspen, our property lender, which produced record profit before tax of £7.2m (2024: £4.8m). EPS for the Group were 147.4p against 2024: 209.2p.

Overall therefore, 2024 was a year of consolidation and preparation for the rebound in performance anticipated at Advantage this year. Whilst Group net assets were marginally higher at £238.1m (2024: £234.2m), receivables were lower at £445m (2024: £466m). With net borrowings at just £198.1m against £224.2m last year. Group gearing fell from 95.8% to 80.8%.

Consolidation at Advantage was necessary due to what appeared to be a regulatory, legal and fiscal onslaught. This damaged consumer confidence in the motor finance industry, and at Advantage, constrained the way in which it historically dealt with its customers, as well as eroding the certainty required to invest in new transactions. However, our confidence in a rebound is based upon Advantage's significant work on customer relations, early results on debt quality and revived lending following the successful conclusion of the FCA's s166 engagement launched in 2023. In addition, there are encouraging signs that the FCA is adopting a more pragmatic and business-aligned regulatory approach, which will hopefully be mirrored in the impending Supreme Court decision on commission disclosure.

Above all, we retain great confidence in the markets we serve and our expertise in doing so over the past 25 years. Finance is required for between 80% and 90% of the 2.3million used car purchases made every year. After a hiatus in growth which saw volumes lower last year, recent trends in the last quarter of 2024 and first quarter of 2025 show modest growth as consumer confidence gradually returns and interest rates, albeit slowly, abate.

We serve these markets well. Over 25 years' experience has seen Advantage's FEEFO customer service reviews currently at 4.9 out of 5 and Trustpilot reviews at 4.8 out of 5, and an uphold rate for disputed FOS cases still amongst the best in the industry at 85%. This year alone, Advantage has revised its scorecard, it's affordability calculations and introduced new telephony for more efficient and consistent customer relations. It has also overhauled training for customer agents and boosted their headcount.

In property finance, Aspen has seen buoyant demand from small and medium sized firms addressing the UK's large under supply of housing, particularly in the rental sector.

New longer-term products have been introduced, the scope of the loan portfolio widened to allow development loans of up to £10m, and the year has seen a significant investment in our recovery team. Overall, the number of employees at Aspen studying for professional RICS and CFSP qualifications has risen by 50% in the year, and a new 2025 training program has just begun.

S&U therefore views the future with confidence. Our treasury position is historically strong, business methods are well tested and our people are loyal and motivated. What remains to be seen for the whole of the motor finance industry is the direction of travel of our regulators and of the legal framework they and we inhabit. That demands a separate section.

Regulation and its consequences

At least before the recent American elections and a new more growth orientated Labour government, the zeitgeist for regulation was interventionist, consumerist and risk averse. A tsunami of often inconsistent directives, CEO advice, thematic reviews, and a new Consumer Duty set against a geriatric Consumer Credit Act has threatened to undermine the UK specialist lending industry. Evidence of regulators' all-pervasive interference in previously vibrant markets is revealed in a recent paper by Centaurus, the respected political commentators. They reveal that the ratio of regulators' staff to workers in the city has risen four times since 2011, having previously multiplied by 40 times since 1980.

As a result, over the past 10 years market valuations for specialist lenders in the sector have fallen by an estimated two-thirds since 2016. Valuations have not shown any increase in the UK, compared to rises of 329% in North America and 323% in Europe. UK Valuations based on price earnings or price to book value have plummeted. The average P/E for the sector in the USA is 9.2.

In the UK it is 6.2. Against book value the figures are an even more startling - 2.4 times against 0.66 times.

The result has been a withdrawal of capital from the market (Clearscore reckons about £2 billion or 30% since 2019) as funders increasingly fret over the turbulence caused by interventions from regulators and judges. The Court of Appeal decision currently being reviewed by the Supreme Court is a clear example, going over and above regulatory guidance from the Financial Conduct Authority on the way in which commissions paid to intermediaries did not have to be specifically disclosed. Whilst I believe that common sense and a lack of any consumer harm will prevail upon the Supreme Court's decision, the Court of Appeal decision caps a litany of recent retrospective, subjective and often inconsistent legal and regulatory guidance.

In an attempt to stem this outflow of capital from the sector, and as a sign of change in the zeitgeist more generally, the Chancellor recently announced, "a new approach to ensure regulators support growth." Under pain of legislation to ensure compliance, the Government has recently invited suggestions for regulatory reform. Both the Finance and Leasing Association and, through them, Advantage, have responded. Much greater clarity and practical guidance is required on exactly how good customer outcomes should be determined.

Regulation should also cover a faith in the free-market system and overcome what Lord Jonathan Sumption, himself a former Supreme Court judge, calls the "growing aversion of western society to risk" and a presumption that "for all perils, there must be a governmental solution". In his latest and best-selling book, "The challenge of democracy and the rule of law", Lord Sumption quotes the great political scientist, Alexis de Toqueville writing with remarkable prescience in the 19th century. I unashamedly do likewise, since this message should be nailed to the desk of every regulator, politician and judge in the country. De Tocqueville wrote that by covering "the surface of society with complicated rules minute and uniform, the state ensures that the will of man is not shattered, but it is softened, bent and guided". As a result, by constantly restraining people from acting, the state "does not destroy, but it prevents existence; it does not seize, but it compresses, enervates and extinguishes". Ultimately, it enervates people thus reducing them to a "flock of timid and industrious animals of which the government is the shepherd". Anyone seeking an explanation for living standards in the UK which have stagnated for nearly 20 years, need look no further.

Financial Highlights*

	2025	2024
Revenue:	**£115.6m**	£115.4m
Profit before tax ("PBT"):	**£24.0m**	£33.6m
Earnings per share ("EPS"):	**147.4p**	209.2p
Group net assets:	**£238.1m**	£234.2m
Group gearing*:	**80.8%**	95.8%
Group total repayments*:	**£395.8m**	£369.8m
Dividend proposed:	**100p per ordinary share**	120p per ordinary share

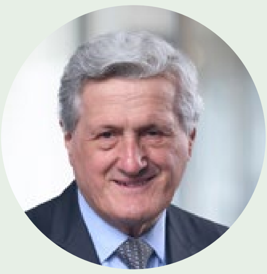
* Key alternative performance measurement definitions are given in note 1.14 below.

Advantage Finance

As predicted in the February Trading Statement, such regulatory headwinds and associated increases in non-payers and vehicle recoveries have led to impairment increasing to £33m (2024: £23m) which has impacted Advantage's profit this year. Profit before tax was £16.5m (2024: £28.8m). Net receivables fell to £284m (2024: £332m) leading to lower total repayments of £215m (2024: £234m). These resulted from lower levels of advances and transactions, particularly since May last year. Transaction volumes ended at 12,703 this year against 21,565 in 2024.

There were two main reasons for this. First, a cost-of-living forbearance review by the FCA in late 2023 placed new restrictions on affordability and led to a significant fall in loan approvals and then transactions. Thus, the beginning of 2024 saw 5,153 new deal transactions in the first quarter, whilst new deal transactions were only 1992 in the fourth quarter, despite some improvement in January. The fall was concentrated on the lowest tier customers, whose imperfect credit records Advantage previously have been proud to accommodate and manage, with the consequence that these credit records in many cases improve.

In addition, new regulatory interpretations led Advantage to an understandably but perhaps overly cautious approach to underwriting. In the apparent absence of a uniform approach to this throughout the industry, this led to some loss of credibility for



"A superb performance from Aspen, our property lender, which produced record profit before tax of £7.2m (2024:£4.8m)."

Anthony Coombs MA (OXON)
Chairman

£24.0m	£115.6m	80.8%	£238.1m
Profit before tax ("PBT")	**Revenue**	**Gearing**	**Net Assets**
(2024: £33.6m)	(2024: £115.4m)	(2024: 95.8%)	(2024: £234.2m)

Advantage with introducers. This credibility is now being restored and has prompted a shift to lower risk, higher tier customers who now comprise 70% of new deals compared to 48% a year ago. Currently, customer transactions have rebounded to above budget levels and continue to improve. Nevertheless, a partial readjustment toward Advantage's higher margin, more traditional customer base is anticipated throughout this year.

The second contributor to Advantage's performance last year lay in the field of collections. A good customer outcome for non-prime borrowers has always required an understanding but focused management of their repayments, using forbearance where necessary. Unfortunately, evolving regulatory interpretations at times gave precedence to often subjective feelings of customer well-being over their contractual obligations and ability to continue to access credit. This led to an understandable loss of focus in Advantage's collections department, which was exacerbated by the imposition in 2023 of voluntary regulatory restrictions by the FCA which curtailed any repossession activity, and even the mention of it to customers in arrears. As a result, up to date gross receivables fell from 74% to 65% of the book last year and adherence to contracted repayments fell to 84% in the normally seasonally challenging final quarter, from an historic 92%. Fortunately, such oversteer is now being corrected as collection teams combine a refined approach to customer forbearance with more habitual forms of responsible collecting. Repayment adherence in February was back up to 88% and in March to 91% and average payment arrangements for customers in arrears have also now improved.

The voluntary regulatory restrictions have now been lifted and a significant retraining programme is already boosting performance.

Obviously, given the challenges of the last year, much remains to be done at Advantage to restore normal levels of profitability. The operational and financial demands imposed by the recently concluded FCA s166 engagement will be lifted and our funding costs will reduce as interest rates are lowered, albeit more slowly than anticipated. Most of all transaction and collection trends should turn more positive. Whilst uncertainty regarding the Supreme Court decisions on commission disclosure overshadow the industry, I repeat my view that the judges will decide that equity, lack of customer harm and the public interest in a functioning consumer credit system will lead to a common sensical solution.

Aspen Bridging

Aspen, our bridging lender founded in 2017, has had an impressive year and continues to maintain its excellent progress. Profit before tax in 2025 was a record £7.2m, a full 50% up on 2024, whilst net assets rose by over 37% to £12.9m. Revenue was a record £23.8m as new loan transactions rose to 191 on record blended margins.

In total, a record £179m (2024: £144m) was lent, whilst collections were also at a record £179m (2024: £144m) demonstrating the quality of Aspen's book and its close relations with customers. The latter is ever more important since an increasing proportion of Aspen borrowers are experienced small developers undertaking

A1 Chairman's Statement CONTINUED

refurbishment and new build projects to satisfy the undersupplied residential rental market. This has led to sustained rental increases and unsurprisingly, given ONS predictions that UK population will grow by 10 million to 72 million by 2032, house prices are predicted to increase by over 21% in the next five years.

All this is very good news for the bridging market and for Aspen. Whilst High Street bank lenders, burdened by risk weighting and minimum loan sizes beyond the range of SME builders, play a diminishing role, Aspen can benefit from a market expected to grow to 1.2m transactions in 2025/26. In contrast to the heavily regulated motor finance market, this is already attracting significant investment from institutions both in the UK and abroad. This will drive Aspen's growth next year.

However, prediction is not the same as achievement. Successful growth is earned by incessant attention to detail, flexible and imaginative product development, careful underwriting (Aspen gross loan to values have consistently been around 70% for several years) and, above all, investment in people.

Thus, during the last year new products have been introduced to allow longer and more flexible repayment options, larger development loans and also recently the introduction of Heter Iska products for the Orthodox Jewish market. Aspen's expanded business development division is expected to help drive over £50m of additional gross lending next year. Its recovery department has been augmented to maintain good debt quality and for the monitoring of a growing number of development and refurbishment loans.

Finally, all processes depend upon the people operating them. New training programmes and the qualifications they bring were mentioned earlier. As a result, staff turnover is now at a record low. It is on the enthusiasm and motivation of our people as much as the excellence of the current trading and the long-term prospects for Aspen's market, that our confidence in its future rests.

Dividends

Successful businesses primarily benefit shareholders, customers and staff. Whatever the recent enthusiasm for ESG, benefits for the wider community ultimately depend upon the profitability of businesses within it. This year we have, with the exception of senior directors, been able to insulate our staff from increases in the cost-of-living. Under the circumstances, and confident in a sustainable return to profit growth, the board proposes a final dividend of 40p per ordinary Share (2024: 50p). Subject to the approval of shareholders at our AGM on 18 June, this will be paid on 25 July to shareholders on the register on 4 July. Total dividends for the year will then be £1.00 per share (2024: £1.20).

Funding and treasury

A year of consolidation at Advantage and excellent repayments at Aspen have seen net Group borrowings fall to £192.3m, £32m less than last year. These compare with Group funding facilities increased in 2023 to £280m with maturities stretching from May 27 to May 29. This gives good headroom albeit with uncertain potential liabilities resulting from the impending Supreme Court decision on commission disclosure.

The facts surrounding the three cases recently considered by the Supreme Court, and Advantage Finance's established commissions process, differ significantly. It is generally accepted that the fixed fee commission model operated by Advantage avoids consumer harm. My own common-sensical view therefore predicts that any customer redress exposure following the Supreme Court judgement will be minimal. It is already evident that the chronic instability caused by recent legal interventions has had deleterious consequences for the whole UK consumer credit and banking sector, as well as for Advantage. Nevertheless, whatever the impending judicial decision we will deal with any outcome in our usual pragmatic, robust and experienced way.

Governance

Faced with the above challenges at both industry and national level, there has been a natural shift in focus away from some of the more conceptual aspects of ESG programmes, both here and in the United States with a growing preference for practical, business-relevant initiatives.

At S&U, we have has always set high standards of behaviour. These are summarised in our mission statement and in "our values" which for decades have driven our customer and community relationships. Based upon a Christian ethos, they see sustained commercial success as absolutely dependent upon excellent customer service, well before Consumer Duty emerged from the regulator.

These values are crucially important in dealing with the estimated 17m to 18m people in Britain who may not have good enough credit histories to match those of middle- class consumers, but who without Advantage's discretion, would be denied the access to responsible finance they need. Rigid interpretations of affordability do not make these customers disappear. As has been seen since the demise of the home credit market, they merely resort to unlicensed lenders of an unscrupulous character.

Of course, S&U does engage in a number of charitable and community activities. This is not to satisfy an ESG agenda, but because it is the right thing to do. The Keith Coombs Trust which distributes at least £100k per year generally to charities for children and young people with physical and mental disabilities, is the fulcrum of S&U's charitable activity. Individual staff initiatives over the past year having included road trips to Africa, golf days in Birmingham and tree planting in Lincolnshire.

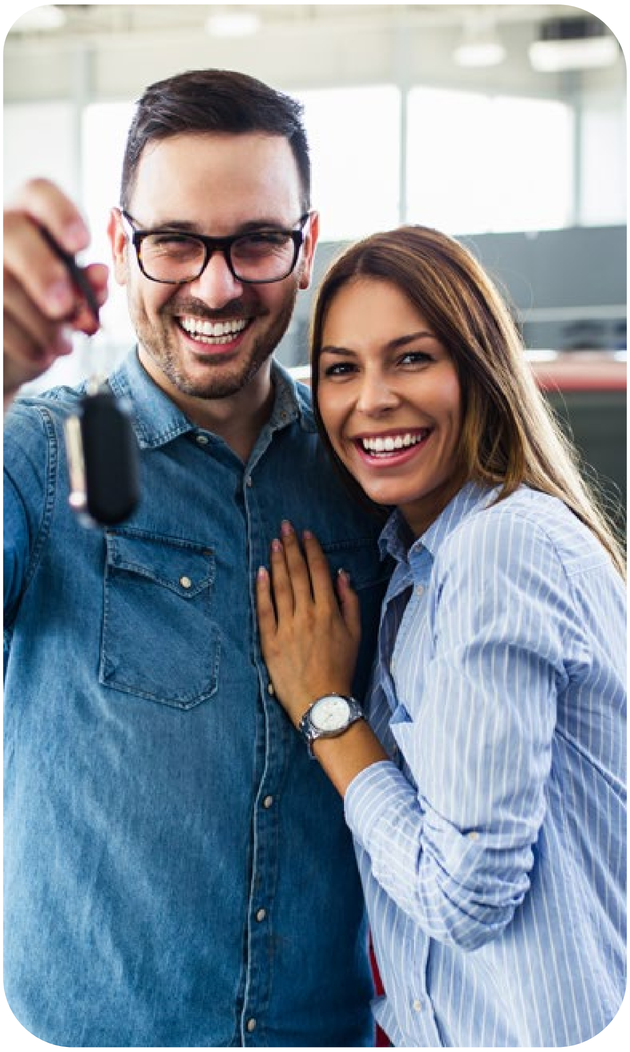
Finally, as outlined in our last trading statement we record the impending retirement of our Group Finance Director, Chris Redford and his replacement, initially as CFO, by Chris Freckelton. Our warm welcome to Chris Freckelton is only exceeded by our profound thanks and admiration for the role Chris Redford has played in the development of the Group over the past 25 years. Whatever the state of the waters through which S&U has sailed, Chris has provided the essential ballast and sense of direction so vital for a successful voyage. Personally, I have found his advice wise, grounded and well-intentioned. He will be missed, and we wish him a happy and contented retirement.

Current trading and Outlook

Advantage, our resilient and established motor financier has undoubtedly had a difficult year owing to legal and regulatory challenges. However, these are now almost all resolved; hence, we view the future with optimism and recall an old American business adage: "If you want the rainbow, you gotta put up with the rain." As trading recovers with the formal conclusion of the FCA S166 process, we are confident that the experience, skill and determination of our people, together with a more supportive government, a more pragmatic regulator and a common-sensical Supreme Court, will lead to a rebound in Advantage's results. Meanwhile our property lender, Aspen, has produced record profit and performance and beckons a very bright future. We therefore anticipate that S&U will be restored to its habitual path of steady and sustainable growth.

Anthony Coombs
Chairman

14 April 2025



A2 Strategic Report

Overview

The directors are required to publish a Section 172(i) statement showing how they have fulfilled their duties under the Companies Act 2006.

How S&U's directors do this is set out below in our Strategic and Business Review (A2), our Corporate Social Responsibility Review (A4), our Chairman's Statement (A1) and our Governance Section (B3). The Board has reviewed these documents, how they describe the company's decision-making processes and the issues which most inform S&U's business strategy. Specific examples of how the process works have been provided. As a result, the Directors are confident firstly, that the report fully covers areas of relevant disclosure such as on Strategy, Employees, Stakeholders, Suppliers, Customers, Community and Ethics and secondly, that the extent of these disclosures is consistent with the size and complexity of the business.

A2.1 Strategic Review

S&U's purpose and vision is to maximise profit and returns to its shareholders in a sustainable and responsible way. This provides security for our employees, fairness for our customers, credibility for our financial and other partners and, ultimately, the ability to enhance the communities and environment in which we live, thus meeting our ESG responsibilities. S&U have set up an ESG committee under my chairmanship to progress these important matters.

S&U operates in two areas of specialist finance. The first and most established is Advantage Finance, based in Grimsby and engaged for the past two decades in the non-prime sector of the motor finance business. During those 25 years the remarkable success of Advantage in producing competitive finance products, lent responsibly and with excellent customer service has been reflected in an excellent profit record. This long experience has enabled Advantage to gain a significant understanding of the kind of simple hire purchase motor finance suitable for customers in lower and middle-income groups. Although decent, hardworking and well intentioned, some of these customers may have impaired credit records, which have seen them in the past unable to access rigid and inflexible "mainstream" finance products. Advantage provides transparency, simplicity, clarity and suitability to both service and product, which these customers require.

As a result, Advantage currently now receives over 2m unique applications a year and has written over 275,000 customer loans since starting trading in 1999. The loans have an average original term of 4.5 years.

Advantage responsibly embraced the new consumer duty last year and this year have done further work with the regulator to clarify it and to make it effective in practice. As part of a s166 process, Advantage have also done significant work on customer relations and debt quality as part of a review with a regulatory skilled person focussed on forbearance and affordability. This review ran alongside similar reviews for many other lenders in our sector and the conclusion of this review should bring renewed certainty and focus to our motor finance business.

The success of Advantage, our motor financier, depends as ever upon three fundamental strengths. First is the enduring reliability of the UK motor market. Enduring does not mean unchanging, since finance and leasing association figures show that the used car consumer finance market fell by 2% in the year to November 2024 but the value of the market for each of the last 5 years has been over £38 billion. 40% of FLA members expect improved turnover in 2025. Within this market the market for Electric Vehicles continues to grow more slowly than many commentators predicted which is likely to mean more gradual growth in the tiny existing proportion of Advantage customers who can access and afford an electric vehicle – for these reasons the vast majority of Advantage customers still elect to purchase on credit a good quality used petrol, diesel or hybrid vehicle.

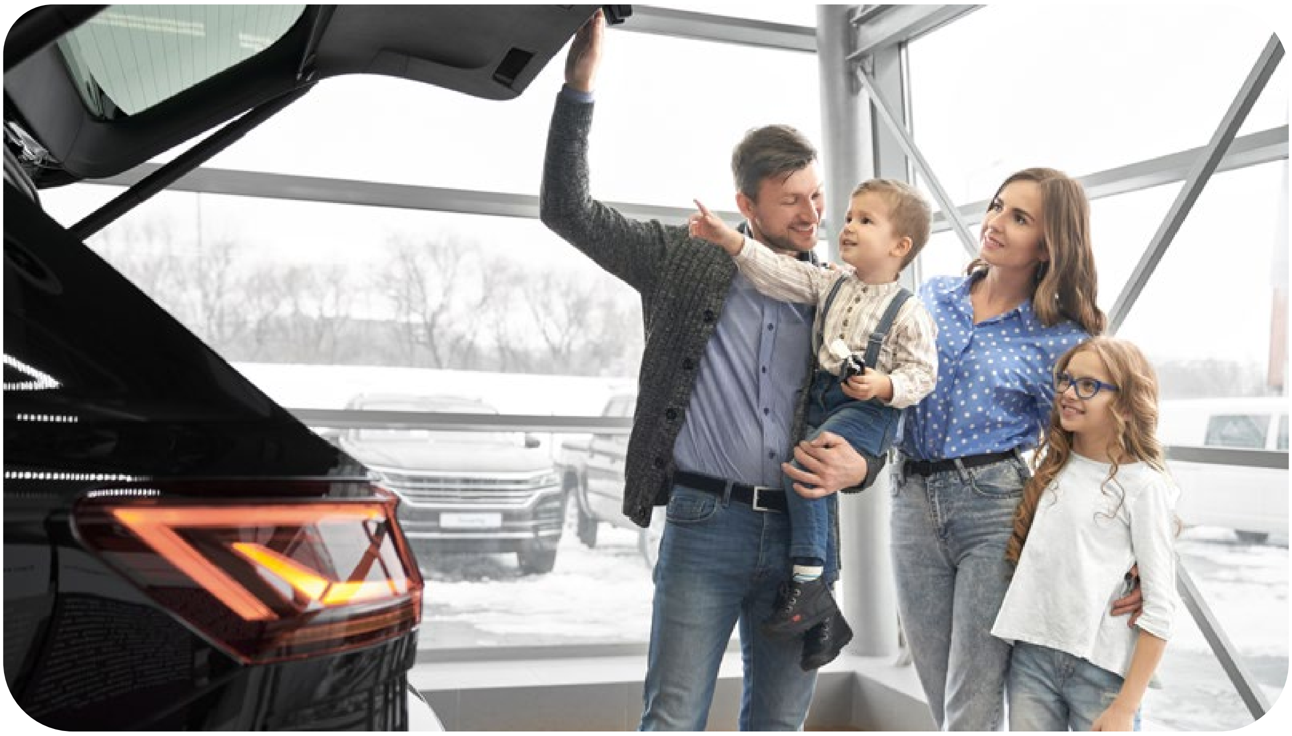
Advantage's second strength is its experienced, sensitive and sophisticated under-writing. Backed by ever more historical information; Advantage uses this forensically to analyse the likely circumstances of actual and potential customers. As part of the s166 process, this year has seen Advantage engage with the FCA and its skilled adviser to clarify issues round affordability, including definitions of essential expenditure and debt priority. This has involved greater use of open banking and of income and expenditure surveys although such surveys can on occasions be difficult due to understandable customer reluctance to reveal every nook and cranny of their budgets.

Advantage's third great strength is to recognise that supplying the right product to reach the customer at the right time is just part of its service. It also collects its payments responsibly. Advantage has always regarded its relationship with its customers as a partnership. This involves understanding the more sensitive and frequently changing circumstances of those in the non-prime sector. During 2024, it has been required to demonstrate this to the FCA, as part of the latter's work on forbearance and that regulatory process has now successfully concluded. Although the UK labour market remains strong, cost of living pressures mean that well intentioned customers occasionally require knowledgeable assistance, and forbearance, although, in the customer's interest that should be tempered by realism and clear guidance. Our team at Advantage are well trained and empathetic to the needs of their customers and whilst 2024 was a more challenging year, the team are now aiming for renewed greater success in affordable forbearance arrangements which restore and improve customers' repayments and credit scores. They underpin our responsibility under Consumer Duty and are integral to Advantage's commercial success.

Whilst lending is on a fully secured basis, debt quality at Aspen, our property bridging lender also relies on the experience and reliability of the borrower as much as on the value of the property being financed. Given the current housing shortage and the probable inability of the Government's new build targets to alleviate it, opportunities in refurbishment and new build for the SME builders whom Aspen serves, are enormous.

Aspen values its security properties conservatively and keeps gross Loan to Values to an average 70% and the business now only considers experienced borrowers from the top three quality bands. Such caution is justified. However, demand from good borrowers remains high and hence after very good growth in 2024, Aspen plans an accelerated rate of growth this year.

"Mainstream" banks, including the newer "challengers", continue to lack the speed, flexibility and appetite to furnish the smaller, short-term loans in which Aspen specialises. Recent consolidation



and instability in the challenger banking sector are evidence of this and again shows that, technology, speed and a quality bespoke service – as well as price – are what give smaller entrants like Aspen their competitive edge.

An over-arching factor in the success of our business over 86 years and through three family generations of management is our business philosophy. The identity of interest between management and shareholders, and consequent family ethos, has fused our ambition for growth with a conservative approach to both credit quality and funding.

A2.2 Business Review

Operating Results

	Year ended 31 January 2025 £m	Year ended 31 January 2024 £m
Revenue	**115.6**	115.4
Cost of Sales – Impairment	**(35.6)**	(24.2)
Cost of Sales – Other	**(16.4)**	(22.8)
Gross Profit	**63.6**	68.4
Administrative Expenses	**(18.8)**	(19.8)
Operating Profit	**44.8**	48.6
Finance Costs	**(18.1)**	(15.0)
Profit before Taxation before exceptional item	**26.7**	33.6
Exceptional item	**(2.7)**	–
Profit before Taxation	**24.0**	33.6
Taxation (note 12 in the accounts)	**(6.1)**	(8.2)
Profit after Taxation	**17.9**	25.4

Please note the businesses use financial and other key performance indicators such as new deal volumes and other alternative performance measures set out in A2.1 and A2.2 within this Strategic Report – definitions for the alternative performance measures are given in note 1.14 to the financial statements.

Please also note that government increased the headline rate of corporation tax from 19% to 25% in April 2023.

Advantage Motor Finance

- PBT £16.5m (2024: £28.8m)
- New transactions 12,703 (2024: 21,565) at £8,609 average advance (2024: £8,158)
- Revenue decreased by 7% to £91.8m (2024: £98.2m)
- Impairment at £33.2m (2024: £23.3m) reflecting an increase in customer arrears this year
- Administrative expenses decreased by 7% reflecting continued staff cost-of-living wage increases more than offset by lower variable remuneration rewards
- Net receivables at yearend decreased by 15% to £283.6m (2024: £332.6m) mainly reflecting lower advances this year
- ROCE at 9.0% (2024: 12.7%) (note 1.14)

Advantage had a year of consolidation in the year ending 31 January 2025 with a voluntary regulatory restriction and a cautious approach to new regulatory interpretations leading to lower levels of customer repayment and lower lending volumes, which in turn led to higher impairment provisions and lower net receivables and revenue. Within the lower volumes written in H2 there has been a slightly higher proportion of higher quality lower margin new loan transactions. Higher funding costs and less overhead and cost of sales efficiency also affected profitability this year although interest rates on our variable rate funding agreements are now starting to fall and overhead and cost of sales efficiency should also improve as volumes start to increase. During the year and after discussions with the regulator and skilled person, Advantage identified some customers who were adversely affected by its historic forbearance practices and have provided for total remediation and support costs of £2.7m as an exceptional item in this year's accounts. The voluntary regulatory restriction was lifted in October 2024 and the regulatory S166 engagement completed in April 2025. We therefore anticipate that the understandable loss of some business focus during a challenging year will gradually be regained, of which there are early signs of such gradual improvement at the start of the new financial year. I pay tribute to the directors and staff at Advantage who have risen to the various significant challenges during 2024 and who have helped position the business for an improved performance in the new financial year.

Aspen Property Bridging Finance

- Record PBT at £7.2m (2024: £4.8m) at highest ever ROCE of 11.5% (2025: 10.5%)
- 191 new transactions (2024: 164) at £940k average gross advance (2024: £881k) and stable LTVs
- Record revenue up 38% to £23.8m (2024: £17.3m)
- Net receivables at yearend up to £152.2m (2024: £130.4m).
- Book quality good with a record 178 loans repaid or recovered this year (2024: 142)

Aspen achieved an excellent financial performance in a subdued housing market during the year ended 31 January 2025, driven by improved volumes, slightly improved interest margins and good repayment quality. The values of cost of sales and overheads also grew but were sensibly controlled relative to advances and to revenue, thus producing a gain in operational efficiency.

The business enters the new financial year with 17% higher net receivables than a year ago and Aspen continue to successfully develop their introducer network, products and staff qualifications and experience. Therefore, prospects for further Aspen growth in the growing property bridging market are very good.

A2.3 Funding and Balance Sheet Review

S&U has a strong balance sheet and despite a year of consolidation for the Advantage motor finance receivables book this year, S&U net assets grew to £238.1m at 31 January 2025 (2024: £234.2m). Gearing decreased from 95.8% to 80.8% which is low for a financial services group. S&U net group borrowings are £192m within S&U's £280m facilities which gives good headroom currently albeit with uncertain potential liabilities resulting from the impending Supreme Court decision on commission disclosure.

A2.4 Principal Risks and Uncertainties

There have been no material changes in the principal risks and uncertainties in the last year, with the exception of the impending UK supreme court case hearing on motor finance commission disclosure referred to in A2 4.3 below and in note 28.

A2.4.1 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.

The economy is currently more stable as previous volatility in interest rates and inflation including vehicle and house prices and wage inflation has significantly calmed in the last 12 months. Less pressure on customers' cost of living should help improve our motor finance delinquency and stable house prices are conducive to good repayment quality in our property bridging business. However, wars in Ukraine and the middle east and prospects for a USA initiated tariff and trade war still leave some uncertainty around economic prospects globally and in the UK and may lead to more motor finance repayment and property bridging finance delinquency. However, both of our businesses operate solely in the UK and Advantage and Aspen have historically been resilient through adverse macro-economic conditions. We therefore currently believe these risks are limited.

The Group is particularly exposed to the non-prime motor sector and within that to the market risk of the values of used vehicles which are used as security. This risk is controlled through our credit control policies including loan to value limits for the security and through ongoing monitoring and evaluation. Loan to values are also controlled within our property bridging business although historically impairment rates in that market are low, mainly because loan to value calculations are conservative, interest is mainly retained upfront and loan periods average around one year.

A2.4.2 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. Compliance with banking covenants is monitored closely so that facilities remain available at all times. The Group is aware that the ongoing UK Supreme Court case for commission disclosure may affect motor finance appetite of some funders and the potential for new or extended facilities. The current relatively low level of group gearing at 80.8% and the shorter-term nature of our property bridging business mean maturities of trading assets and liabilities can still be appropriately managed going forward in particular once the UK Supreme Court decision is known. 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. The Group has no such interest rate derivative contracts currently.

A2.4.3 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. Advantage also engages in regular "face to face" liaisons with the FCA and the relationship is excellent.

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.

Keith Charlton is Chief Risk Officer of Advantage and plays a key role in managing and mitigating legal, regulatory and conduct risk within Advantage. Keith has over 30 years of motor finance experience and his colleague Alan Tuplin who is the Chief Credit Risk Officer has over 20 years of experience in non-prime motor finance. Both have had significant involvement with the work of our trade body the finance and leasing association.

This year has seen a further upsurge in regulatory activity by the FCA with continuing inquiries into Advantage as well as, we understand, into the majority of firms in the specialist motor lending industry. One inquiry is into the linking of interest rates charged to customers to the level of commission paid by lender to broker introducers. However, Advantage has never engaged in this practice which would cut across its long-standing model of matching rate to risk. Another FCA inquiry focusing on affordability, forbearance and vulnerable customers and borrowers in financial difficulty has been initiated by the FCA across the industry to ease the perceived burden of a prolonged period of cost-of-living increases. This FCA engagement has increased Advantage's costs this year including remediation provided for customers who Advantage identified as having been adversely affected by historic forbearance practices. The engagement which has concluded in April 2025 and voluntary regulatory restrictions which are now lifted inhibited both the range of products we offer our customers, and our ability to sensibly help them maintain their loan repayments - thus bolstering their future credit rating. This year has also seen an increase in the number of complaints to Advantage reaching the Financial Ombudsman Service at 1,144 versus 732 last year, with most of the increase relating to the activities of claims firms and claims lawyers targeting Advantage with meritless commission and affordability themed complaints. These have caused both a strain on the business as well as an unnecessary additional cost for each case. The proportion of these complaints which are upheld continues to be very low and one of the best in the industry at a rate of only 15%. However, they still take valuable resources to deal with and we welcome the now confirmed moves to bring in a fee for claims firms in April 2025. These should make Claims Management Companies at least think about the merits of the claims they are making.

Given Advantage's compliance record and the detailed operations above it is to be hoped that, in turn, the FCA will ensure an absolute clarity and identity of interpretation between itself and other regulators, particularly the Financial Ombudsman Service. Fair and effective regulation does require co-ordination and consistency.

Advantage and the wider motor finance and consumer finance sector are also potentially impacted by the impending UK supreme court ruling on commission disclosure which we refer to in more detail in note 28. Advantage's commission disclosures have historically complied with regulation and were adjusted in October to meet the expanded requirements following the Court of Appeal ruling currently being appealed to the Uk Supreme Court. The UK Supreme Court ruling arising from the appeal hearing in April is unknown and uncertain. If there was an adverse ruling it is also not practicable to reliably estimate for Advantage and the Group the financial effect of any redress payout given the uncertainties over the amount, timing and success of any claims.

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 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.

The Group is very proud of its excellent underwriting and fraud deterrence processes which it continues to develop. Advantage's underwriting capability, already state of the art in the motor finance industry, has been further refined during the year to give an even more comprehensive overview of customer circumstances, affordability and their income and expenditure.

A2.4.4 Operational Risk

The Group is also exposed to operational risk including the risk of not maintaining effective internal systems, organisation and staffing. Increased use of technology and excellent application by our staff has helped the management of this systems risk and the Company has Cybersecurity measures in place which are regularly tested. As part of Advantage's IT governance framework, a real time monitoring suite for quality assurance is being evolved. This will both provide absolute assurance in line with IT's second line risk enterprise and offer still greater regulatory transparency.

A2.4.5 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.

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, which during the year were determined by the Audit Committee to be operating effectively.

As outlined above, the Audit Committee oversees the work of RSM, S&U's Internal Auditors. The Committee meets regularly to receive specific reports on RSM's work. All Senior Management Regime designations include those S&U Board executive directors who also serve on the Advantage board. Expert challenge and oversight is also provided by our independent non -executive director Graham Pedersen who is a former regulator himself and by Advantage's former Chief Executive and main Board member, Graham Wheeler, who is often sought for advice on regulatory matters by legislators and by the trade body the Finance and Leasing Association.

A3 Statement of Viability and 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.

Statement of Viability

In assessing the viability of the Group as required by the UK Corporate Governance Code, the directors considered funding, business planning, financial forecasting and risk evaluation cycles and concluded that a three-year period was appropriate for viability assessment. The three-year period is consistent with the Group planning horizons.

The directors therefore considered the three-year period commencing 1 February 2025 and assessed the prospects of the company considering:

- the Group's current position as set out in these financial statements;
- the principal risks facing the Group as set out in A2.4;
- information regarding the current prospects of the Group; and
- current information regarding the economy and the markets the Group is involved in.

The directors then considered the same three-year period commencing 1 February 2025 to consider as required if they had a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period taking into account:

- the impacts of different macroeconomic scenarios and whether any severe shock could threaten the Group's future performance, solvency or liquidity;
- funding and financial forecasts for this period and the underlying assumptions by considering the potential impact of the principal risks facing the Group, as set out in A2.4 including potential impact arising from the UK Supreme Court hearing on vehicle finance commission disclosure;
- analysis of key sensitivities which could affect profitability during the viability period; Assumptions made are clearly stated and additional scenarios are modelled to demonstrate the potential impact of risks and uncertainties on profitability and funding; and
- information regarding mitigating actions which can be taken.

Having considered all relevant information, the directors confirm that they have robustly assessed the principal risks facing S&U plc. From this assessment, the directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period commencing 1 February 2025.

Statement of Going Concern

In assessing the appropriateness of the going concern assumption, the directors are mindful of the need to effectively manage the Group's risks and internal controls. Details of the Group's financial risk management objectives, its financial instruments, and its exposures to credit risk, market risk, liquidity risk and economic 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 of at least 12 months from the date of approval of the financial statements.

Our Customers

Case Study

Mr H is a homeowner currently living in Cumbria. He has been employed at the same company for 22 years, where he works as a Nuclear Surveyor. He currently takes home £3,913 per month.

Mr H, an existing "A" paid customer of Advantage, had made his application for finance direct to Advantage. We carried out creditworthiness and affordability assessments and were able to grant Mr H an approval for a maximum lend of £20,000.

During the course of the application, Mr H considered several vehicles from different suppliers and settled on a 7-year-old Land Rover Evoque with a purchase price of £13,750.08 with zero deposit, under the condition that he settle off his existing Advantage agreement, which was included in the advance.

The monthly instalments of £366.36 were payable over 60 months. Once the terms had been agreed, Advantage were able to progress the transaction very quickly using the electronic signature system which meant that Mr H could complete all the relevant documentation and purchase the vehicle without any delay. Mr H expressed his satisfaction with our service by leaving the following comments on an online review platform. He awarded us 5 stars:

"Refinance. Easy process having an existing agreement I was able to get a new car and also able to carry over my existing agreement. Bang on. Thanks."

Mr H

Our Customers

Case Study

Mr F is currently living in Wiltshire. He is employed as an HGV Driver and takes £2,650.75 each month.

Mr F was an existing customer for Advantage, with three previous agreements, when he made the application to purchase a Nissan Navarra. Mr F wanted to part exchange his previous vehicle which he had financed with Advantage in November 2023. As an existing "A" paid customer we were able to quickly establish his creditworthiness and affordability which resulted in a same-day approval for the finance to be provided. The customer part exchanged his existing vehicle and settled the finance, allowing him to purchase the replacement vehicle. As usual, the assessment included a full appraisal of the customer's existing credit and a separate affordability assessment which confirmed the new loan was affordable.

Mr F was happy with the help we provided allowing him to upgrade his vehicle and took the time to review his purchasing experience providing a 5-star review on Trust Pilot, leaving the following comment:

"Refinancing. This is my fourth vehicle through Advantage. I've always had excellent customer service though the last vehicle was a bit problematic getting through procedures, but we eventually got there thanks to the staff going above and beyond their job to get me through but otherwise always excellent service."

Mr F

Our Customers

Case Study

Miss K is a homeowner currently living in Stoke-On-Trent, where she is working as a Nurse Manager, with a confirmed income of £3,308.91 per month.

Miss K had an existing well paid Hire Purchase Agreement with us when the vehicle was involved in a collision and written off. Miss K made an internet application to us directly to purchase her replacement vehicle. The application was passed to our internal sales department to be processed through our systems and a credit limit agreed. We carried out a creditworthiness assessment and an affordability check, considering Miss K's verified income, profiling credit and outgoings along with ONS data to confirm the affordability.

Miss K chose a 5-year-old Peugeot 2008 Allure at a purchase price of £11,203.93, with zero deposit, leaving the full sum to be financed by the agreement.

Miss K was already an "A" paid customer of Advantage, however a full check of her credit file and an affordability assessment was carried out to ensure this agreement was affordable for her. Her utilities and insurance were all paid up to date and her mortgage was showing as running 2 months in arrears, following an arrangement since December 2023. No CCJ's or defaults were evident. Miss K was on the Voters roll since 2006 to current.

The instalments of £278.52 are payable over 60 months. Once the terms had been agreed, Advantage were able to progress the transaction using the electronic signature system. Additional evidence was required to go ahead with the loan, and we confirmed her salary through a recent payslip.

Miss K was very grateful that we were able to arrange the finance so quickly following her insurance claim, she took the time to express her satisfaction with our service by leaving comments on an online review platform. She awarded us the full 5 stars and thanked the salesperson who helped her through the process:

> Thank you to Jemma for all her help following my accident and organising my refinance so quickly and smoothly. Really appreciated. Responded quickly on email and dealt with my case professionally."

Miss K

Our Customers

Case Study

£1.15m gross loan at 70% LTV - 10 months stepped rate – 17 days completion

Aspen stepped in to refinance 35 units within a 41-unit block in Manchester, allowing the borrower to refinance and reduce the charges from their previous lender and provide some valuable additional time to sell some units. The borrower, originally from Hong Kong and now a UK-based property investor with a growing North West portfolio, had carried out extensive internal refurbishments across all units during the term of the previous facility. Our funding provided the breathing space needed to refinance onto a long-term BTL mortgage while selectively selling some units to reduce the loan leverage. Confident in the property's strong double-digit yield and refinance potential, Aspen utilised our Desk-top Valuation product to provide a £1.15m gross loan at 70% LTV. The deal, structured over 10 months on a Stepped Rate, was completed in just 17 days.

"This process was quick and efficient, and we dealt with Aspen Bridging directly. My interactions with Wasif and Amir made for such a positive process as they were so helpful with getting everything completed by the deadline so that no additional fees were incurred. Would definitely work with Aspen Bridging again and recommend to others who are looking for a bridge loan or other short-term finance."

Mr. Q – Borrower

Our Customers

Case Study

£240,000 gross loan at 75% LTV – 10 months stepped rate

A first-time bridging borrower, although with plenty of property renovation experience, turned to Aspen having heard of our seamless process through an industry publication. An electrician by trade, he runs a team of six tradespeople and personally oversees all projects. His latest venture with Aspen's support – a three-bed house in Streatham – whilst habitable, was in need of cosmetic upgrades to maximise the value of the property. Aspen provided a £240,000 gross loan at 75% LTV, structured over 10 months on our Stepped Rate product at an initial 0.55% followed by the secondary rate of 1.29%, with the exit of the loan via a BTL mortgage.

"Aspen Bridging is a great company to work with. The underwriters are very knowledgeable on lending criteria and help guide me to achieve the required results for complex cases. Great team who provided great support and regular updates which helped to manage the borrower's expectations. I would definitely submit more cases there."

Mr. R – Broker

Our Customers

Case Study

ASPEN BRIDGING

£350,000 gross loan at 70% LTV – 10 months – 0.94% pcm

Aspen provided a bridging loan to support a borrower who had initially acquired a tired bungalow using other forms of finance. With planning permission now secured, the borrower was ready to proceed with a refurbishment, intending to retain the property as a BTL investment. Aspen's solution allowed them to exit their existing finance and progress with the property works. Aspen provided a £350,000 gross loan at 70% LTV over a 10-month term at 0.94% pcm

"Nice company to deal with and very helpful in getting things over the line when going between solicitors."

Mr. B – Borrower

Our Customers

ONLINE TESTIMONIALS

I have been with this company for…

I have been with this company for almost 6 years and have never been disappointed. They have put their trust in me over 2 car finances and have always had great service. The advisor today, Jenny, was very helpful and understanding. Advantage will always be my first choice for car finance. Thank you for everything.

Date of experience:
December 2024

Fair and helpful

Maria from Advantage Finance went above and beyond to assist me. From the moment I reached out, she was professional, empathetic, and highly proactive in resolving my concerns. Her level of support exceeded all my expectations. She took the time to thoroughly understand the situation, kept me informed every step of the way, and ensured that the matter was handled swiftly and efficiently. Maria's dedication and commitment to excellent customer service truly stood out, and I cannot thank her enough for making a stressful situation so much easier to manage. She is a credit to the Advantage Finance team, and I highly recommend her to anyone in need of assistance. Thank you, Maria, for your outstanding help!

Date of experience:
December 2024

My agent was awesome

My agent was awesome, she was friendly assuring and what has been a very stress full time, it was great to speak to someone who had empathy and listened not judged. She made helpful recommendations, and all the time put my needs first. She alone would be a reason for me to use Advantage Finance, however all the staff seem to be the same - empathetic, helpful, knowledgeable and informative excellent in a summary.

Date of experience:
August 2024

A4 Corporate Social Responsibility

A4.1 Employees

Time of change and contrasting fortune often bring out the best in people and the magnificent way our staff throughout the Group have adapted to the challenges of the past year, reflect the loyalty and “family ethos” at S&U of which we have always been proud. Those colleagues who feel in need of further support and counselling are able to access mental health services.

We ensure that all staff receive appropriate initial training and regular re-training in the field and in areas of specialism. We encourage employees to gain professional qualifications where appropriate. Aspen continues to support all of their staff with significant training and investment for all employees and also with external qualifications at all levels. For instance, at Aspen this year we are supporting a number of members of staff to complete professional qualifications including a Masters in Real Estate, Level 3 Certified Practitioner in Specialist Property Finance (CPSP), RICS Commercial Valuation Methodology, RICS Residential Valuation Methodology, RICS Development, MRICS Property Valuation and Pluralsite.

As part of employee engagement, Aspen staff created a football team in 2024 called ‘Aspen Villa’ supporting a local Solihull based league. It is fair to say that their first season perhaps did not see them end at the right end of the table but morale is high coming into 2025 with new staff joining the team and we will continue to promote our professionalism and team spirit within the local community!

At Advantage in addition to regular external management and specialist training, significant use is made of the Government’s apprenticeship schemes. During the last business year, 5 employees completed a formal Apprenticeship, they range from a level 2 Apprenticeship in Customer Service to a level 5 qualification in Operations Management. We currently have one level 3 apprenticeship which is ongoing, with plans to add to this throughout the year for our existing employees and new recruitment.

We also supported staff to complete a number of professional qualifications during the year including AAT Level 3, APM Project Management, CiLex Legal Executive Foundation. Ongoing professional qualifications include CIPD in HR Practice Level 3 & 5, AAT Level 4 and CiLex Legal Executive Advanced.

During the last year the business also supported a Senior Management Development Programme for eight of our key managers in order to upskill and develop their management skills for the future of the business.

Our average length of service at Advantage is 8 years, with 25% of staff having over 10 years’ service.

In order to better support our staff’s work life balance, over 30 requests for flexible working were submitted by staff and the vast majority of these were approved as requested. These include changes to working location, such as hybrid working, or a change to the number of hours worked, or their working pattern.

The FCA Regulatory regime is now centred on our duty to the Customer. All employees within the Group are required to demonstrate appropriate knowledge, skills and competence particularly in customer facing roles. During the year Advantage implemented a Training & Competence Framework, which sets out how employees are trained and measured within their roles, and monthly reviews take place to assess competency for all staff within these departments. Over 1400 individual training courses were completed by staff over the year, these include internally developed training and a wide range of externally provided through FLA, FCA, MBL Seminars, ACAS, .Net and SAF for example. Many more hours of Continued Professional Development were recorded by our employees which demonstrates their commitment to keeping their skills and knowledge up to date and relevant.

Monthly competence reviews highlight areas of training needs and development for all employees. Advantage Finance is also an accredited Silver Investor in People, and in 2024 was also awarded with a Standard accreditation for Investors in Wellbeing.

A4 Corporate Social Responsibility CONTINUED

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 on the basis of performance. Further equality and diversity information is contained in the corporate governance report on page 48. People prosper and are promoted within S&U purely on merit. As required by legislation, we confirm that as an organisation, we respect and recognise human rights in all aspects of our business.

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.

A4.2 Community

Our success at S&U depends upon our understanding the customers we serve. Where this may not be the case, we have well established policies for any who may wish to complain, routed to our Dispute Resolution Department in Grimsby or to our head office in Solihull. We are proud to enjoy high levels of customer satisfaction. Currently our FEEFO ratings were 4.9 out of 5 and Trustpilot ratings were 4.8 out of 5. In year to 31 January 2025, 391 out of 464 (84%) complaints were decided by the Financial Ombudsman Service in Advantage's favour (year to 31 January 2024: 357 out of 424 or 83%) and these levels of favourable complaint adjudications for Advantage represent the highest level versus peers in the non-prime motor finance sector. S&U supports its wider community through charitable giving and activities relating to fundraising. Whilst staff are regularly involved in their own charitable activities, S&U plc channels its philanthropic activities through The Keith Coombs Trust which this year celebrates its 13th anniversary. The Trust which Anthony Coombs chairs, but which has a Board of independent trustees, mainly gives to charities helping children with disabilities. Amongst other causes, last year the Company supported The National Institute for Conductive Education, which deals with adults and children with cerebral palsy, strokes and head injuries. It is also working with Handicapped Children's Action Group to provide equipment for disabled children as well as Glass door, the homelessness charity. The Trust also supports the Marie Curie Hospice, which is close to its Solihull HQ, by sponsoring the Hospice's costs for the 10th January every year – Keith Coombs birthday. During the past year the KC Trust donated £60,000 to these charities. In total, the past 13 years will have seen donations of over £1m to charity.

As an independent charity, The Keith Coombs Trust also makes financial contributions to the arts and in supporting the Christian faith, including initiatives such as Dancetrack at the Birmingham Royal Ballet that encourages young children with disabilities. The trust also continues to support the Emily Jordan Foundation in its work with people with learning disabilities, giving them a chance of rewarding work. It also supports charities abroad for Albino people being prosecuted in Malawi and a volunteer from Aspen travelled to Gambia with an Emergency Services Aid Charity to deliver emergency services vehicles, equipment and training. The Aspen team pulled together a team of 8 to partake in a 'Wolf run' endurance obstacle race and raised significant funds for the National Institute for Conductive Education, a charity locally based in Birmingham.

The trust also supports the Premier Christian organisation.

Advantage continued supporting their local charities by continuing to be a Corporate Partner of Women's Aid. Many items were donated to their Christmas Collection drive and Advantage staff also attended a fund-raising quiz night hosted by them. During the year, the staff and the business also supported Macmillan, Save The Children, Humberston Hydrotherapy Pool and St Andrews Hospice.

A4.3 Health and Safety and Diversity Policy

Although we recognise that diversity reporting is often based around a statistical analysis of our staff's racial origin, given our above long-standing policies, we consider that this can too often itself be divisive and potentially discriminatory. By recruiting the best people for the job, both enhance their self-esteem, irrespective of their background, racial or socio economic, and at the same time create an esprit de corps.

S&U takes its responsibilities towards the health, safety and good working environment of its employees very seriously. However, in the finance field it is not engaged in the kind of processes which compromise health and safety for either our staff or our visitors. Policy and processes are in place which uphold the highest standards of providing a healthy and safe workplace. It seeks to provide a congenial and productive working environment and in recent years we have expanded our facilities for Advantage and Aspen. Facilities will continue to be reviewed to improve and maximise space, ensure safety and provide better break out areas.

It therefore goes without saying that in a Company where family values are so prized, and where staff turnover is so low, that workers are always treated fairly without any form of discrimination. Recruitment and promotion decisions, whilst reflecting the social and racial makeup of the areas in which we operate, are always based on ability and aptitude, not according to any racial or gender stereotypes.

A4.4 Climate Change

Like any group of people who cherish our environment both for our own sakes and for those of succeeding generations, S&U supports the Government's Green Finance Strategy and is taking measures to reduce our carbon footprint and minimise and then eliminate carbon emissions so far as we are able directly to control them.

This means that, particularly so far as Advantage Finance, our motor business and Head Office in Solihull are concerned, we need to monitor and reduce those areas of emissions which we can most directly control in order to achieve net zero status by 2030.

Both for commercial and climate change reasons, the Board monitors the type, age and stated emissions of the vehicles Advantage finances. Currently just under half of customers opt for diesel vehicles, whilst the proportion of fully electric vehicles, principally on the grounds of their significant cost, is at present very small. These proportions will change over the next twenty years as the market changes.

Our ability to influence our customers environmental decisions at Aspen Bridging is equally constrained. Nevertheless, statutory requirements to publish Energy Performance Certificates for residential properties to let, as well as building regulation requirements for substantial refurbishments, will increasingly reflect our customers environmental responsibilities.

The Board also monitor the energy usage in our office buildings and have taken action to reduce this via the installation of solar panels in our Grimsby office.

The Company is pleased to present its third climate change report under the framework provided by the Task Force on Climate Related Financial disclosures ('TCFD'). In late 2023 this task force was disbanded and their work has been incorporated into the new standards IFRS S1 and IFRS S2 issued by the International Sustainability Standards Board, standards which we understand are planned to first become mandatorily effective for UK companies for accounting periods starting after 1 January 2026.

A4.4a Governance

An ESG and climate change committee chaired by the Chairman Anthony Coombs and consisting of senior executives and the senior non-executive director meets on a regular basis to review the identification, assessment and management of climate change risks within the Group. The Committee reports to the Board of directors of S&U plc which has overall oversight of the Group's work on climate change and this is now a regular Board agenda item and the Board consider climate when setting budgets, forming capex plans and setting strategy.

A4.4b Strategy

The Group will continue to identify opportunities to manage its scope 1, scope 2 and scope 3 business travel emissions and will continue to seek to directly reduce its contribution in these areas to climate change.

In addition, in order to off-set those scope 1, scope 2 and scope 3 (business travel emissions and emissions sources), which we are not at present able to reduce to zero, S&U plc group have for the years 1.2.22 to 31.1.23, 1.2.23 to 31.1.24 and 1.2.24 to 31.1.25 engaged Carbon Neutral Britain to measure, calculate and offset the organisation's carbon footprint. Our group emissions for the year ended 31.1.25 in scope, 1, scope 2 and scope 3 (business travel emissions and emissions sources) are 130t CO_2e as shown in the table in A4.4d below. These emissions have been offset with Carbon Neutral Britain via their Woodland fund which supports Climate Fund, Reforestation, Deforestation Prevention and Woodland Management Projects, with a strong focus on having a positive impact on the local wildlife, ecology and biodiversity.

The Group has also made progress in identifying opportunities to manage other indirect scope 3 emissions associated with the loan assets we finance for our customers. In our motor finance business, the average CO_2 emissions of the cars and vans we financed reduced from 126.3 CO_2 g/km last year to 126.1 CO_2 g/km this year and by working with customers and other companies in our supply chain we are looking to accelerate this reduction. We are also evaluating the likely future year reporting requirements of IFRS S1 and S2 and the challenges involved for companies trying to sensibly measure, monitor and manage indirect scope 3 requirements within the value chain. The ISSB has sensibly allowed some scope 3 reporting transition relief in this respect.

In order to assess the resilience of the Group's strategy, we have identified 2 climate scenarios being:

1. the global temperature increase is kept to below 2 degrees, or
2. climate change mitigation is slower and the global temperature increases by 2 to 4 degrees.

The Group has considered the risks relevant to each of these climate scenarios over the short, medium and long term, being the next year, the next 3 years and the next 5 years and beyond respectively.

Scenario 1

The risks the Group has identified under this climate scenario are mainly indirect over the long term, where stricter regulations and taxes to help keep global temperatures lower are applied in the UK and affect the used vehicle and property finance products which can be supplied to our customers and/or our customers' affordable use and enjoyment of those products. The UK Government is committed to banning the sale of new diesel and petrol cars from 2030 with an opt out for some plug-in hybrids and we will continue to monitor this commitment and associated developments ahead of this date alongside the availability and affordability of used electric vehicles, in order to refine our strategy in a sustainable way for our customers.

Scenario 2

The risks the Group has identified under this climate scenario include the indirect risks over the long term mentioned for Scenario 1 as the UK makes change but global temperatures still rise further. Scenario 2 also includes more medium- and long-term direct risks too such as the increased flood and weather risk to our office buildings and to properties financed – these risks are mitigated by insurance and wider operational risk is mitigated by the business continuity plans we have in place.

The Group has assessed its strategy as resilient for the likely risk events arising under these two scenarios, with a minimal expected impact on the business.

A4.4c Risk Management

The Group identifies climate change risks through the ESG committee and the wider executive teams including the risk management teams of both our operating businesses, Advantage Finance Limited and Aspen Bridging Limited. Our biggest business Advantage Finance reports to the ESG committee through its experienced Chief Sustainability Officer, John Downing. Underwriting policies and procedures consider climate risk factors particularly in our property bridging business where consideration is taken of the potential for flood and subsidence with a requirement for appropriate insurance. Climate risk is an emerging risk but it is not currently considered a significant risk for the Group.

All our underlying global energy use is UK based and during the year we have and will continue to take action in order to reduce these emissions and where that is not fully possible offset them. Solar panels on our office buildings in Grimsby and electric company vehicles are examples of where we have managed to reduce energy usage this year.

The Group is keen to progress further opportunities to manage and reduce its impact on climate change over shorter term, medium term and longer-term planning horizons being the next year, the next 3 years and the next 5 years and beyond respectively. The climate related risks and opportunities we have identified as potentially having a material financial impact on the Group are as follows:

Risks with potential material financial impact	Related Opportunity	Planning Horizon
1. Potential for increased UK regulation and taxes affecting motor vehicles and their affordability for our loan customers	Continue to align our products in advance to meet evolving customer preferences and affordability in the light of planned regulatory and tax changes	Medium and Long Term
2. Potential for increased UK adverse weather events or natural disasters affecting operations and properties	Continue to maintain and improve appropriate insurance and business continuity procedures	Short, Medium and Long term

The potential financial impact of these risks and opportunities on the group would be reflected in the potential for reduced revenue or increased expenditure.

A4.4d Metrics and Targets

S&U's own direct environmental footprint is reported in the following table:

Greenhouse gas emissions data

For period 1 February 2024 to 31 January 2025

	Tonnes CO_2e	
	Year ended 31 Jan 2025	Year ended 31 Jan 2024
Scope 1 (Direct emissions)		
Combustion of fuel – Petrol & diesel used by company cars	**15**	34
Gas consumption	**13**	11
Scope 2 (Energy indirect emissions)		
Purchased electricity (location based)	**47**	44
Electric vehicle energy usage	**10**	9
Total Scope 1 and 2	**85**	98
Scope 3 (Other indirect emissions)		
Business travel not using owned/leased vehicles	**19**	30
Total Scope 1,2 and 3 (business travel)	**104**	128
Transmission and Distribution Losses	**5**	4
Well to Tank	**21**	28
Total Scope 1,2 and 3 (business travel emissions and emissions sources)	**130**	160
Company's chosen intensity measurement:		
Total normalised tonnes scope 1, 2 and 3 (business travel and emissions sources)		
CO_2e per £m turnover	**1.1**	1.4

For the year ending 31 January 2025 we achieved the target of below 1.4 total tonnes per £m turnover.

For the year ending 31 January 2025 the annual quantity of energy consumed by the group under scopes 1 and 2 was 235,891 kwh (31.1.24: 273,814 kwh).

For the year ending 31 January 2026 we are targeting below 1.3 normalised tonnes per £m turnover.

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") and updated HM Government SECR guidance dated March 2019. We have also utilised DEFRA'S 2023 conversion factors within our reporting methodology. The emissions for year ended 31.1.25 were verified by Carbon Neutral Britain.

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.

All emissions are UK only and there are no offshore emissions.

The Directors confirm that under listing rule UKLR 6.6.6R(8) we have included in the above report disclosures consistent with the 2017 Final TCFD Recommendations and Recommended Disclosures Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (version October 2021).

A5 Section 172 Statement

The Directors confirm they have considered their obligations under S172 of the Companies Act 2006 including their duty to promote the success of the company and how they have engaged with the following key stakeholders in the business:

1. Our Customers

S&U focuses on;

i) making the customer the heart of our business; and

ii) having respect for every customer and always treating customers fairly.

Key actions taken demonstrating how we do this are set out in section A2.1 above. The outcomes of this customer engagement are reflected in high customer satisfaction ratings (Trustpilot), low levels of complaints and above all the Group's success over the last two decades.

2. Our Employees

S&U maintains a family ethos for all those who work within it.

Key actions taken demonstrating how we do this are set out in section A4.1 above. The outcomes of this employee engagement are reflected in a streamlined management structure, high staff retention rates, high skill levels, positive reward and recognition and a strong culture of continuous improvement.

3. Our Business Partners

S&U continuously seeks to nurture and improve key business relationships with our key introducing brokers, dealers and key suppliers.

Key actions taken demonstrating how we do this are set out in our strategic report above. The outcomes of these key actions are reflected in the positive feedback and high retention rates for our partners and in the steady, sustainable and successful growth of the Group in the past two decades.

4. Our Investors and Funding Partners

S&U's significant family management shareholdings means an identity of interest between shareholders and the management of the company and together with help from trusted advisers maintains close relationships with investors, analysts and also with long term funding partners.

Key actions taken demonstrating how we do this are set out in section B3.2 of our corporate governance report and in section A2.3 of our strategic report. The outcomes of this investor engagement help underpin the total shareholder return graph on page 40. The outcomes of this funder engagement help the strong balance sheet and treasury position outlined in this annual report and accounts.

5. Our regulators and other statutory bodies

S&U has a strong compliance culture which is overseen by management and the audit committee with help from our internal auditors RSM.

Key actions demonstrating how we do this are set out in section B3.1 of our audit committee report. The outcomes of these actions have led to positive feedback from regulatory and other statutory bodies of which the Group is proud.

6. Our Community and Our Environment

S&U does not exist in a vacuum and prides itself on supporting the wider community and looking after its environment.

Key actions demonstrating how we do this are set out in section A4 of the strategic report. The outcomes of these key actions have led to a low environmental footprint and the community and charity support set out in section A4.2 above.

In assessing the Group's engagements within our 6 stakeholder areas above, the directors have also ensured such engagements reflect the Group's values, business model, key performance indicators and principal risks as set out in the strategic report above.

A6. APPROVAL OF STRATEGIC REPORT

Section A of this Annual Report comprises a Strategic Report prepared for the Group as a whole in accordance with the 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

14 April 2025

Corporate Governance

In this section

B1 Board of Directors

Anthony Coombs MA (OXON)
Chairman

Joined S&U in 1975 and was appointed Managing Director in 1999 and then Chairman in 2008. He served as a Member of Parliament from 1987 – 1997 and was a member of the Government. He is a director and trustee of a number of companies and charities.

N

Graham Coombs MA (OXON) MSC (LON)
Deputy Chairman

Joined S&U after graduating from London Business School in 1976.

Jack Coombs MA (OXON) ACA
Executive

Co-founder of Aspen Bridging. Joined S&U in 2016 having previously qualified at PWC as a Chartered Accountant. Jack is an avid supporter of a number of charities and swam the Channel from England to France in 2011 in 13 hrs and 46 mins to raise funds for Alzheimer's Research & Mondo Challenge.

Chris Redford ACA
Group Finance Director

A Chartered Accountant with over 10 years business experience prior to joining Advantage, Chris was Finance Director of Advantage Finance from its founding in 1999. He was then appointed as Group Finance Director in March 2004. After over 25 years of service to the Group, Chris has confirmed his longstanding intention to retire in June 2025 and is not seeking re-election at the upcoming AGM therefore.

Ed Ahrens
CEO Aspen Bridging

Ed has been in banking and speciality finance for over 30 years, including senior roles at Barclays, AIB and as a founding director of Vanquis Bank. Ed joined the S&U Group in 2014 as Group Strategic Development Director (GSDD) and then launched Aspen Bridging as CEO in 2017.

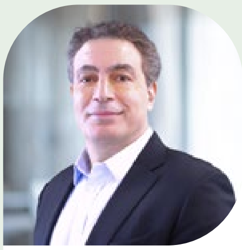
Graham Wheeler
Non-Executive

Graham brings over 40 years' experience in motor finance, consumer and business lending, much of it in a senior leadership role. His career included senior roles at GM, Barclays, GE Capital, and Volkswagen FS, where he was UK CEO for 11 years. Graham led S&U's motor finance subsidiary, Advantage finance for 4 ½ years from 2020 and then continued as a non-executive director on his retirement in 2024.

N A

KEY

N Nominations Committee   A Audit Committee   R Remuneration Committee



Tarek Khlat MBE
Non-Executive

Tarek has over 25 years of experience in financial services including the co-founding of Crossbridge Capital, where he is Group CEO. Prior to this, he held leading roles at Credit Suisse and JP Morgan, and in journalism with CNN and Fox News. Tarek holds a BA in Economics from Georgetown University and an MBA from Harvard Business School. He is currently Chair of the Board of Trustees of Centrepoint, the national homelessness charity and was awarded an MBE by her late Majesty Queen Elizabeth II in 2021, for services to children.

N A R

Graham Pedersen
Non-Executive

Graham joined the Board of S&U in early 2015 and brings enormous experience as a regulator at the Bank of England, Financial Services Authority and Prudential Regulation Authority and as a banker with detailed knowledge of the speciality finance sector.

N A R

Jeremy Maxwell
Non-Executive

Jeremy brings expertise in digital innovation, marketing and customer experience from over 25 years in the retail and B2B distribution industries. In addition to other NED and advisory roles, he has held senior executive positions at Carpetright, Wolseley UK, Mothercare, Screwfix and B&Q as well as non-executive and advisory roles.

N A R

Manjeet Bhogal ACMA CGMA
Company Secretary

Manjeet joined S&U in February 2019 and was appointed Company Secretary on 1st January 2024.

B2 Directors' Remuneration Report

This report has been prepared to comply with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2008, the Companies (Miscellaneous Reporting) Regulations 2018, as well as the Companies Act 2006 and other related regulations.

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 2025.

Given the evolving economic landscape and the contrasting financial performances of Aspen and Advantage, our remuneration approach this year requires careful consideration.

Aspen has exceeded expectations, delivering strong growth and surpassing its PBT and ROCE targets. Its advances have increased significantly year-on-year, net receivables are at record levels, and collections and revenue have reached their highest ever levels. This reflects both the strength of the property bridging market and Aspen's ability to capitalise on opportunities despite broader economic challenges.

In contrast, Advantage has faced a more difficult year, impacted by regulatory uncertainty and the effects of the recent Court of Appeal ruling. While discussions with the FCA near completion, the market adjustments have led to a large decline in advances, and PBT for the year significantly below last year's levels. However, there are signs of stabilisation, and ongoing regulatory clarity may support a more positive trajectory in the year ahead.

With this in mind, REMCO will maintain a disciplined approach to remuneration, ensuring salary increases remain measured in line with financial performance. Bonuses will continue to be linked to both financial results and the non-financial KPIs introduced last year, (up to 25% of bonus performance assessment), reinforcing the company's long-term commitment to sustainability, governance, and customer service. Non-financial performance criteria were integrated within the structured framework approved by the ESG Committee, ensuring a clear and objective assessment of sustainability, governance and ethical business practices.

For 2024/25, non-financial targets have been applied to Aspen and are part of its strong performance. For Advantage, there will be no bonuses based on non-financial targets based on the above, but with a positive view for the future. This balanced approach reflects both financial prudence and the need to maintain strong executive incentives.

This year's annual Directors' Remuneration Report sets out how the Remuneration Policy was applied during the year ended 31 January 2025 and provides details of amounts earned in respect of the year ended 31 January 2025. It also sets out how the Remuneration Committee has decided the Remuneration Policy will be operated for the year commencing 1 February 2025.

We intend for the Company's Remuneration Policy to be updated at least every 3 years. The Remuneration Policy was last updated in 2024 and a copy of this was published in full in the 2024 Annual Report and can also be found in the About us Governance section on our website at www.suplc.co.uk.

2024/25 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 Group and personal performance, retention focussed and appropriate for the Company, its Shareholders and the directors.

Group profit before tax reduced from £33.6m in 2023/24 to £24.0m in 2024/25. This result derives mainly from reduced repayments and increased impairment at Advantage together with increased regulatory and funding costs. The Committee noted that this result was well below expectations albeit in a challenging environment for the executive team at S&U as well as the overall resilience of the Company. We have taken this into account in the difficult decisions taken regarding salaries for 3 of the 5 S&U executives which have not been increased for 2025/26 and regarding their bonuses where no bonus is being paid. This maintains good discipline in our policies on remuneration.

Against a backdrop of a constructive regulatory engagement, the need for a cautious approach has led to market adjustments in a difficult macro economy, Advantage advanced 12,703 new motor finance agreements during the year ending 31 January 2025 (2024: 21,565). As last year, our Advantage team has continued to work diligently to support customers in the more difficult circumstances they have faced. Looking forward, due to potential continued impacts from reduced inflation and used car price correction, we remain optimistic but cautious in our outlook and adopt our normal conservative approach to impairment provisions.

In its eighth year of operation, Aspen Bridging made 191 new loan facilities lending over £180m (2024: 164 new loan facilities lending £144m). At the end of the year Aspen had 176 live loans amounting to net receivables of £152m (2024: 163 live loans amounting to £130m) which reflects an almost annual turnover in the Aspen bridging book. Whilst political and economic uncertainties have and will continue to affect S&U, the Company has continued to demonstrate its historic ability to produce robust and resilient results.

Anthony Coombs, Graham Coombs and Chris Redford

Based on the underlying profit performance of the Group, the Remuneration Committee judged the level at which the annual bonus payments should be made. In a challenging environment, Group Profit Before Tax ("PBT") for the year of £24.0m was significantly below budget and decreased by 29% on the 2024 result. Therefore, the Remuneration Committee determined that for the financial year 2024/25 no bonuses would be awarded to Anthony Coombs, Graham Coombs and Chris Redford versus their normal target bonuses of £50,000, £50,000 and £40,000 respectively due to the actual group PBT of £24.0m being below their on-target performance level of £37.36m group PBT. The stretch target bonus of £50,000 for Chris Redford was also not achieved as the actual PBT was also below his stretch target performance level of £39.44m.

The Remuneration Committee therefore considers these nil annual bonus awards to be fair and reasonable and reflective of each director's achievement against performance targets set during the year.

In May 2024 Chris Redford was granted 5,000 shadow share options under the 2021 LTIP, as disclosed in last year's Directors' Remuneration Report. The Remuneration Committee determined that none of these shadow share options vested with reference to performance during the year ended 31 January 2025, based on group PBT being below the group PBT normal and stretch target levels for shadow share options of £37.36m and £39.44m respectively. As the shadow share options granted in 2024 did not vest, these options have now lapsed.

Ed Ahrens

The Committee have considered Ed's management of the Aspen Bridging Finance team in light of the excellent Aspen PBT result of £7.2m for the year ended 31 January 2025. During the year Aspen has also made good strides in improving their environmental impact, their community engagement and their governance and leadership. The Committee judged the level at which the annual bonus payment should be made. For the financial year 2024/25 a bonus of £40,000 was awarded to Ed Ahrens which was above his normal target bonus of £30,000 and in line with his maximum annual bonus of £40,000.

In May 2024 Ed Ahrens was granted 3,000 shadow share options under the new LTIP, as disclosed in last year's Directors Remuneration Report. The Remuneration Committee determined that all these 3,000 shadow share options vested with reference to performance during the year ended 31 January 2025 with reference to the underlying profit performance of Aspen and achievement against the PBT and ROCE based targets set for that year.

Jack Coombs

The Committee have considered Jack's significant and excellent contribution to the continued growth of Aspen Bridging, including growth during the year ended 31 January 2025, helping Aspen Bridging achieve a profit before tax of £7.2m. The Committee judged the level at which the annual bonus payment should be made. For the financial year 2024/25 a bonus of £40,000 was awarded to Jack Coombs which was above his normal target bonus of £30,000 and in line with his maximum annual bonus of £40,000.

Key remuneration decisions and related matters for the year ending 31 January 2026

Salary increases, annual bonus and LTIP

For the year ended 31 January 2025 salary increases were in the range 1.7% to 3.6% except where exceptional circumstances merited a higher increase. This was below the average increases given to the wider workforce which averaged 10.0% in a difficult inflationary cost of living environment for our employees. The Remuneration Committee has now agreed salary increases for the year ended 31 January 2026 with 3 executive directors receiving no increase and the 2 key executives driving Aspen's excellent performance receiving exceptional higher increases, as noted below. This is below the average increases given to the wider workforce which averaged 10.0% in light of the continued difficult albeit easing inflationary cost of living environment for our employees. After a review of market comparables, and after their excellent performances as executive directors of our growing Aspen Bridging subsidiary, it was decided to award Ed Ahrens a salary increase of 9.3% for the year ended 31 January 2026 and Jack Coombs a salary increase of 23% for the year ended 31 January 2026.

For the year ending 31 January 2026, where the targets levels of performance set are achieved, the annual bonus has been set at £50,000 for Anthony Coombs, Graham Coombs and Jack Coombs and £40,000 for Ed Ahrens. Where the performance targets set are exceeded, the Remuneration Committee has the discretion to pay an increased annual bonus based on stretch performance targets to Ed Ahrens and the maximum amount payable will not exceed the maximum limits stated in the Remuneration Policy. The annual bonuses will continue to be mainly assessed against stretching divisional and group Profit Before Tax (PBT) targets and Return on Capital Employed (ROCE), although for the second year up to 25% of the annual bonus will now be assessed based on the achievement of specific non-financial targets. The Remuneration Committee aims to align these specific non-financial targets to the Company's KPI's in the areas of governance structures and environmental impact. The Committee believes Environmental, Social and Governance factors have become critical to good business practice and are tied to the success and long-term sustainability of organisations across all sectors, and these will therefore be carefully considered when setting the non-financial targets for the annual bonus. In order for the bonuses to be paid in full, these stretching performance targets must be achieved and, if not fully met, the Remuneration Committee will determine the level of any reduced annual bonus payment.

B2 Directors’ Remuneration Report CONTINUED

The Committee intends to grant 4,000 shadow share options under the 2021 LTIP to Ed Ahrens, subject to achieving certain threshold Aspen PBT and ROCE targets for the year ending 31 January 2026 and 5,000 shadow share options under the 2021 LTIP to Ed Ahrens, subject to achieving certain stretch Aspen PBT and ROCE targets for the year ending 31 January 2026.

After over 25 years of service to the Group including the founding of Advantage Finance, we announced in February that Chris Redford our Group Finance Director had confirmed his longstanding intention to retire in June. Chris has made an enormously valuable contribution to S&U and in line with his decision to retire in June no bonus or shadow share options targets have been set for him.

For the year ending 31 January 2026, the Remuneration Committee considers that the significant shareholding held by Anthony Coombs, Graham Coombs and Jack Coombs similarly provides adequate alignment to shareholders and therefore no shadow share option awards are made to these directors.

Fees for the non-executive directors have now been increased by 2.5% to £40,250 and for the senior non-executive director increased by 3.4% to £42,400 for the year ending 31 January 2026. For the year ended 31 January 2025 fees had been increased by 3.3% for the non-executive directors and 3.4% for the senior non-executive director.

The Remuneration Committee continues to welcome Shareholder feedback on remuneration decisions or on any issue related to executive remuneration. I commend this report to Shareholders and ask that you support the resolution to approve the Company’s Annual Remuneration Report at the Company’s AGM on 18 June 2025.

Tarek Khlat
Chairman of the Remuneration Committee

14 April 2025

B2.2 **Annual Remuneration Report**

This section covers how the remuneration policy was implemented in the year ending 31 January 2025. 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 current members of the Remuneration Committee are Mr Graham Pedersen, Mr Jeremy Maxwell and Mr Tarek Khlat, who are all independent non-executive directors. Biographical details of these directors are set out on pages 30 and 31. The Remuneration Committee is chaired by Mr Tarek Khlat.

None of the Remuneration Committee has any personal financial interest, 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, implementing and operating the Remuneration Policy and for determining the specific remuneration packages for each of the executive directors. In particular, the Remuneration Committee has the following key responsibilities:

- determining and setting variable and performance-related pay, and the assessment of performance targets for executive directors;
- reviewing and approving the remuneration arrangements and fees for each individual director;
- reviewing and approving the remuneration arrangements and any payments for loss of office or severance packages for new directors and those stepping down as a director or ceasing to be a member of the senior management team; and
- reviewing and having regard to the general remuneration pay practices and polices across the wider workforce when setting executive pay.

In its role to implement and operate the Remuneration Policy for directors the Remuneration Committee considers;

- the need to attract, retain and motivate high quality individuals to optimise Group performance;
- the need for an uncomplicated link and clear line of sight between performance and rewards;
- the need for an appropriate balance between fixed and variable remuneration and short term and long-term rewards and alignment with shareholder interests;
- best practice and remuneration trends within the Company and the financial services industry;
- the requirements of the UK Corporate Governance Code and existing director contracts; and
- previous shareholder feedback and the interests of other relevant stakeholders and employees.

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

Advisors 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 KPMG LLP who provide advice and guidance on remuneration matters. The Remuneration Committee is comfortable that the KPMG team which provided advice to the Remuneration Committee was and is independent and that they did not have any connections with S&U plc that may have impaired their objectivity. The total fees paid to KPMG for the provision of independent advice during the year ended 31 January 2025 was £18,810. KPMG also provide taxation compliance and advisory services to the Group.

Attendance at meetings

Details of the number of Remuneration Committee meetings held during the year and attendance at those meetings is set out in the Governance section on page 48 of this Annual Report.

B2.2 Annual Remuneration Report CONTINUED

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 2025, together with comparative figures for the year ended 31 January 2024:

Executive Directors	Anthony Coombs £000		Graham Coombs £000		Chris Redford £000		Graham Wheeler £000		Jack Coombs £000		Ed Ahrens £000	
	2024/25	2023/24	**2024/25**	2023/24	**2024/25**	2023/24	**2024/25**	2023/24	**2024/25**	2023/24	**2024/25**	2023/24
Salaries and fees	**385**	379	**370**	363	**260**	253	**0**	310	**150**	120	**215**	208
Allowances and benefits	**114**	88	**35**	35	**22**	22	**0**	13	**21**	23	**10**	9
Pension Contribution	**0**	0	**0**	0	**38**	37	**0**	31	**22**	18	**32**	31
Total Fixed	**499**	467	**405**	398	**320**	312	**0**	354	**193**	161	**257**	248
Bonus	**0**	0	**0**	0	**0**	10	**0**	20	**40**	10	**40**	10
Shadow Share Incentive	**0**	0	**0**	0	**0**	0	**0**	0	**0**	0	**44**	0
Total Variable	**0**	0	**0**	0	**0**	10	**0**	20	**40**	10	**84**	10
Total	**499**	467	**405**	398	**320**	322	**0**	374	**233**	171	**341**	258

Non-executive Directors	Tarek Khlat £000		Graham Pedersen £000		Graham Wheeler £000		Jeremy Maxwell £000		Demetrios Markou £000	
	2024/25	2023/24	**2024/25**	2023/24	**2024/25**	2023/24	**2024/25**	2023/24	**2024/25**	2023/24
Salaries and fees	**41**	38	**39**	38	**39**	0	**39**	38	**0**	40
Total	**41**	38	**39**	38	**39**	0	**39**	38	**0**	40

*Demetrios Markou retired on 2nd October 2023 and Tarek Khlat was appointed the senior non-executive director of S&U Plc with effect from 1 February 2024.

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 cash 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 38. The Remuneration Committee determined that no part of any bonus paid for the year ended 31 January 2025 would be deferred.

Share incentive plans (LTIP)	
	For the year ended 31 January 2025 figures for the value of nil cost options vesting in respect of performance under the shadow share incentive plan have been calculated as follows: PBT and ROCE based performance targets for the year to 31 January 2025 were not met for the group; accordingly, the Remuneration Committee determined that 0% of the 5,000 shadow share options granted to Chris Redford vested in respect of achieving performance targets in the year to 31 January 2025. PBT and ROCE based performance targets for the year to 31 January 2025 were met for Aspen; accordingly, the Remuneration Committee determined that 100% of the 3,000 shadow share options granted to Ed Ahrens vested in respect of achieving performance targets in the year to 31 January 2025. Although the above LTIP options would also have been subject to continued employment, we disclose the value of the shares vesting by reference to performance to 31 January 2025 which is £nil for Chris Redford (i.e. no shares vested by reference to performance) and £43,645 for Ed Ahrens (i.e. 3,000 shares vested by reference to performance). We intend to grant further shadow share options in May 2025 based on the value of a total of 5,000 shares in S&U. These awards will be subject to a performance period which will commence on 1 February 2025 and will end on 31 January 2026. The share price at the start of the performance period was £16.60; if the share price were to increase by a further 50% between May 2025 and May 2028, then the share price of the awards would have increased to £24.90, representing an increase in the face value of Ed Ahrens' award of £24,900. For the year ending 31 January 2024 comparative figures: 5,000 shadow share options were granted to Graham Wheeler, 5,000 shadow share options were granted to Chris Redford, and 3,000 shadow share options were granted to Ed Ahrens in that year of which 0% vested in respect as their performance targets in that year were not achieved.

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 2025).

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. Non-executive directors will continue to receive directors' fees in line with market practice. As disclosed in the Annual Report on Remuneration last year, for the year ending 31 January 2025, the base salaries of the executive directors were increased in the range 1.7% to 3.6%, except where exceptional circumstances merited a higher increase.

For the year ending 31 January 2026, the Remuneration Committee has now agreed there are no salary increases for executive directors except where exceptional circumstances merited a high increase, as follows: After a review of market comparables, and after their excellent performances as executive directors of our growing Aspen Bridging subsidiary, it was decided to award Jack Coombs and Ed Ahrens salary increases of 23.3% and 9.3% respectively, for year ending 31 January 2026. The average increase for executives was below the increases given to the wider workforce.

The table below shows the base salary increases awarded for next year:

Executive director	**Base salary as at 31 January 2025 £000**	Base salary for year to 31 January 2026 £000	Increase %
Anthony Coombs	**385**	385	0.0
Graham Coombs	**370**	370	0.0
Chris Redford	**260**	260	0.0
Jack Coombs	**150**	185	23.3
Ed Ahrens	**215**	235	9.3

Non-Executive Directors

The remuneration policy for non-executive directors is determined by the Board. Fees reflect the responsibilities and duties placed upon non-executive directors whilst also having regard to market practice. The basic non-executive director fee was increased by 2.5% to £40,250 with effect from 1 February 2025. The basic senior non-executive fee was increased by 2.5% to £42,400 with effect from 1 February 2025. The non-executive directors do not participate in any of the Company's share incentive plans, nor do they receive any benefits, bonus or pension contributions.

Non-executive director fees	**2023/24 £000**	2024/25 £000	2025/26 £000
Basic fee	**38.0**	39.3	40.3
Additional fee for Senior Independent Non-executive director	**2.0**	2.0	2.1

Annual bonus

For the year ended 31 January 2025, 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 ended 31 January 2025 together with the Group PBT targets and details of the actual bonus earned.

	Performance targets	Maximum annual bonus opportunity year ending 31 January 2025 £000	Bonus pay-out % of maximum %	Actual bonus earned for the year ending 31 January 2025 £000
Anthony Coombs	Group PBT target (£37.36m to £39.44m)	50	0	0
Graham Coombs		50	0	0
Chris Redford		50	0	0
Ed Ahrens	Aspen Bridging PBT and ROCE target*	40	100	40
Jack Coombs	Aspen Bridging PBT and ROCE target*	40	100	40

*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 and Group and Divisional targets given that such targets are based on commercially sensitive information that the Board believes could negatively impact the Group'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 and Group and Divisional ROCE targets. However, we are committed to providing as much information as we are able to, in order to assist our investors in understanding how our incentive pay-outs relate to performance delivered. Details of the Group PBT targets are disclosed above.

Based on the achievement of above target performance levels for Aspen Bridging in the year ended 31 January 2025 the Remuneration Committee determined bonuses of £40,000 each were deemed payable to Ed Ahrens and Jack Coombs. Based on below target performance levels for S&U group in the year ended 31 January 2025 the Remuneration Committee determined no bonuses were deemed payable to each of Anthony Coombs, Graham Coombs and Chris Redford. The Committee considered the extent to which both financial and individual performance targets had been met in determining these bonuses.

Annual bonus in 2025/26

For the year ending 31 January 2026, where the threshold performance targets set are achieved, the annual bonus has been set at £50,000 for Anthony Coombs, Graham Coombs and Jack Coombs and £40,000 for Ed Ahrens. Where the target levels of performance set are exceeded, then based on stretch performance targets the Remuneration Committee has the discretion to pay an increased annual bonus to Ed Ahrens and the maximum amount payable will not exceed the maximum limits stated in the Remuneration Policy. The annual bonus will continue to be assessed predominantly against stretching Group and divisional PBT and ROCE targets, but for the year ended 31 January 2026 up to 25% of the annual bonus will also be assessed against specific non-financial targets.

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) 2021

Awards granted during the period

Chris Redford was awarded 5,000 nil cost shadow share options under the 2021 LTIP in May 2024 at a notional nil exercise price, subject to achieving specified stretch Group PBT targets for the year ended 31 January 2025.

Ed Ahrens was awarded 3,000 nil cost shadow share options under the 2021 LTIP in May 2024 at a notional nil exercise price, subject to achieving specified stretch Aspen PBT and ROCE targets for the year ended 31 January 2025.

No other shadow share options were envisaged to be granted to S&U directors, and none were granted during the year ended 31 January 2025.

Awards vesting based on performance in respect the year ended 31 January 2025

No awards vested based on performance for Chris Redford in respect of the year ended 31 January 2025 and therefore none has been included in the notes to the single figure tables on page 36.

An award of 3,000 shares vested based on performance for Ed Ahrens in respect of the year ended 31 January 2025 and has been included in the notes to the single figure tables on page 37 – the value of this award in the single figure tables is based on the previous 3 months' average share price as at 31 January 2025.

Awards for 2025/26

The Committee intends to grant 4,000 nil cost shadow share options under the 2021 LTIP to Ed Ahrens, subject to achieving certain threshold Aspen PBT and ROCE targets for the year ending 31 January 2026 and 5,000 nil cost shadow share options under the 2021 LTIP to Ed Ahrens, subject to achieving certain threshold Aspen PBT and ROCE targets for the year ending 31 January 2026.

The LTIPs will normally become exercisable three years from grant, subject to the satisfaction of the performance conditions and the director remaining in employment. The Remuneration Committee considers that the 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 Aspen and Group PBT and ROCE targets on a retrospective basis.

The table below shows a comparison between the actual amounts paid or vested in the year ending 31 January 2025 and the amounts granted for the year ending 31 January 2026.

		Amounts actually paid or vested in the year 2025	Amounts granted in the year (subject to the achievement of performance conditions) 2026
Anthony Coombs	Bonus	£0	£50,000
	Shadow share options	–	–
Graham Coombs	Bonus	£0	£50,000
	Shadow share options	–	–
Chris Redford*	Bonus	£0	n/a
	Shadow share options	0	n/a
Jack Coombs	Bonus	£40,000	£50,000
	Shadow share options	–	–
Ed Ahrens	Bonus	£40,000	£50,000
	Shadow share options	3,000	5,000

*Chris Redford will be retiring before the AGM in June 2025. Therefore, no variable remuneration is shown in the table for 2026 for Chris.

For the year ending 31 January 2025, the Remuneration Committee considers that the significant shareholding held by Anthony Coombs, Graham Coombs and Jack Coombs provides adequate alignment to shareholders. No shareholding guideline applies to any of the other directors of the Company.

Total pension entitlements in 2024/25 (this section is subject to audit)

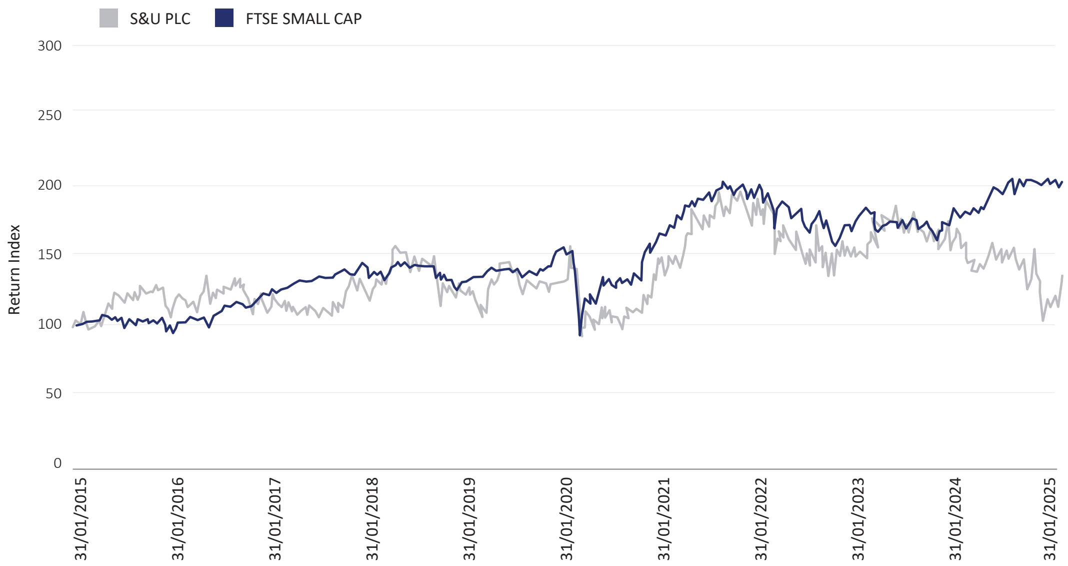
During the year the Group made contributions into a defined contribution scheme on behalf of Graham Wheeler, Jack Coombs and Chris Redford (or pays a salary supplement in lieu). None of the directors have accrued benefits under the defined benefit scheme.

Director	Defined contribution or salary supplement in lieu £000	Percentage of Salary %
Chris Redford	38	14.5
Ed Ahrens	32	15.0
Jack Coombs	22	15.0

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 Small Cap, over the past ten years. This comparator has been selected since it illustrates S&U's relative performance within their sector.

10-year Total Shareholder Return Index at 31 January 2025



Executive Chairman Remuneration for the previous ten 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) %
2025	499	0	n/a
2024	467	0	n/a
2023	506	100	n/a
2022	469	100	n/a
2021	450	20	n/a
2020	427	33	n/a
2019	412	40	n/a
2018	387	0	n/a
2017	402	50	n/a
2016	394	100	n/a

Percentage change in Executive Directors' 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 remuneration for executive directors and the wider workforce for the years ended 31 January 2025, 31 January 2024, 31 January 2023, 31 January 2022 and 31 January 2021.

Element	Anthony Coombs	Graham Coombs	Chris Redford	Jack Coombs*	Ed Ahrens **	Wider Workforce
Year to 31.1.25	%	%	%	%	%	%
Base salary	1.7	1.7	3.0	25.0	3.6	10.0
Allowances and benefits	29.5	0.0	0.0	(8.7)	11.1	n/a
Bonus	0.0	0.0	(100.0)	300.0	300.0	(39.9)
Year to 31.1.24	%	%	%	%	%	%
Base salary	1.3	1.4	3.1	9.1	n/a	5.5
Allowances and benefits	7.3	2.9	0.0	2,300.0	n/a	n/a
Bonus	(100.0)	(100.0)	(80.0)	(60.0)	n/a	(20.6)
Year to 31.1.23	%	%	%	%	%	%
Base salary	3.8	3.8	5.4	10.0	n/a	9.0
Allowances and benefits	3.8	(2.9)	0.0	0.0	n/a	n/a
Bonus	66.7	66.7	0.0	150.0	n/a	6.6
Year to 31.1.22	%	%	%	%	%	%
Base salary	0.0	0.0	0.0	n/a	n/a	3.0
Allowances and benefits	5.3	0.0	(15.4)	n/a	n/a	n/a
Bonus	100.0	100.0	100.0	n/a	n/a	186.9
Year to 31.1.21	%	%	%	%	%	%
Base salary	1.4	1.5	3.1	n/a	n/a	6.1
Allowances and benefits	60.0	0.0	(10.3)	n/a	n/a	n/a
Bonus	(40.0)	(40.0)	(19.4)	n/a	n/a	(42.0)

* Jack Coombs was appointed a director of S&U plc on 14 April 2021, so no comparative data is available for the year to 31.1.21 or the year to 31.1.22.

** Ed Ahrens was appointed a director of S&U plc on 14 February 2023 (after the 31 January 2023 year end) and so no comparative data is available for the years to 31.1.24, 31.1.23, 31.1.22 or 31.1.21.

Anthony Coombs received benefits and allowances of £114,000 in the year ending 31 January 2025 and £88,000 in the year ending 31 January 2024. Anthony Coombs earned a bonus of £nil for the year ending 31 January 2025 and received a bonus of £nil for the year ending 31 January 2024.

Graham Coombs received benefits and allowances of £35,000 in the year ending 31 January 2025 and £35,000 in the year ending 31 January 2024. Graham Coombs earned a bonus of £nil for the year ending 31 January 2025 and received a bonus of £nil for the year ending 31 January 2024.

Chris Redford received benefits and allowances of £22,000 in the year ending 31 January 2025 and £22,000 in the year ending 31 January 2024. Chris Redford earned a bonus of £nil for the year ending 31 January 2025 and earned a bonus of £10,000 for the year ending 31 January 2024.

Jack Coombs received benefits and allowances of £21,000 in the year ending 31 January 2025 and £23,000 in the year ending 31 January 2024. Jack Coombs earned a bonus of £40,000 for the year ending 31 January 2025 and earned a bonus of £10,000 for the year ending 31 January 2024.

Ed Ahrens received benefits and allowances of £10,000 in the year ending 31 January 2025 and £9,000 in the year ending 31 January 2024. Ed Ahrens earned a bonus of £40,000 for the year ending 31 January 2025 and earned a bonus of £10,000 for the year ending 31 January 2024.

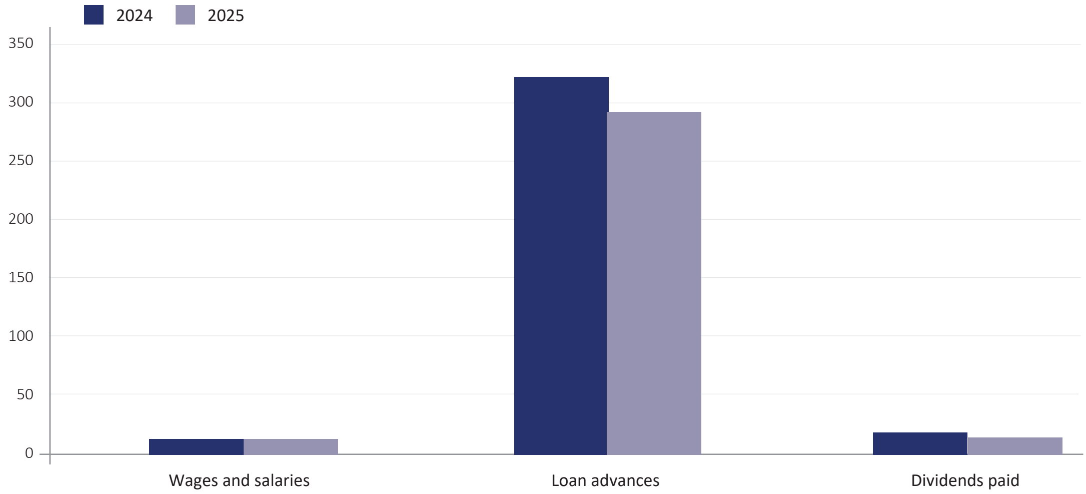
In accordance with the Companies (Miscellaneous Reporting) Regulations 2018, the average total number of UK employees within the S&U plc group for the relevant year was less than 250; accordingly, the Company is not currently required to report on the ratio of the Chairman's single total figure of remuneration relative to the Company's UK employees across the group. The Remuneration Committee shall continue to review and monitor its disclosure obligations under the Companies (Miscellaneous Reporting) Regulations 2018.

B2 Directors’ Remuneration Report CONTINUED

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 2024 and 31 January 2025. Given the nature of the Group’s business, the other significant outflows for the Group are loan advances and dividends payable.

Annual Expenditure January 2024 v January 2025 £m



Payments for loss of office (this section is not subject to audit) and to past directors

There were no loss of office payments made during the year ended 31 January 2025.

Statement of directors’ shareholding and share interests

The table below details the beneficial shareholdings and share interests of the directors as at 31 January 2025.

	Type	Total at 31 January 2025
Anthony Coombs	Shares	1,224,009
Graham Coombs	Shares	1,650,819
Chris Redford	Shares	11,000
Ed Ahrens	Shares	3,000
Jack Coombs	Shares	1,677,147
Non-executive directors		
Tarek Khlat	Shares	–
Graham Pedersen	Shares	–
Jeremy Maxwell	Shares	–
Graham Wheeler	Shares	–

In addition to the above holdings, Grevayne Properties Limited, a Company beneficially controlled by Anthony Coombs and Graham Coombs, holds 379,123 Ordinary Shares.

There are no share options held under the old LTIP 2010 scheme – there are no direct share interests arising under the new LTIP 2021 scheme agreed by shareholders at the AGM in 2021 as options which are granted under this new scheme are shadow share options only.

There are no specific shareholding requirements for directors and there have been no changes to the above shareholdings and share interests between 31 January 2025 and the date of this report.

Shareholder vote on the 2024 Remuneration Report and 2024 Remuneration Policy (this section is not subject to audit)

The table below shows the voting outcome at the 6 June 2024 AGM for the 2024 Directors Remuneration Report (advisory) and the voting outcome at the 6 June 2024 AGM for the 2024 Remuneration Policy:

	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"
Annual Report on Remuneration 2024	6,401,414	96.83	209,880	3.17	6,611,294	327
Remuneration Policy 2024	6,401,507	96.83	209,787	3.17	6,611,294	327

The Remuneration Committee welcomed the passing of the resolutions 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.

Approval

This report section B2 of the Annual Report and Accounts including The Annual Remuneration Report was approved by the Board of Directors on 14 April 2025 and signed on its behalf by:

Tarek Khlat
Chairman of the Remuneration Committee

14 April 2025

B3 Governance

B3.1 AUDIT COMMITTEE REPORT

Role and Responsibilities

The Audit Committee is a committee of the Board of Directors, made up of the 3 independent non-executive directors and Graham Wheeler, former CEO of Advantage whose expertise on motor finance issues is invaluable to the committee. 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, both internal and external. The Committee continues to monitor developments in other areas in this regard, to ensure that its role is properly and appropriately applied and performed. The Committee is cognisant of the evolving audit landscape for listed companies and is helping the company develop and embed its evolving response to climate change including the work for the task force on climate related disclosures (TCFD). Tarek Khlat, a member of the audit committee also serves on the Group's ESG and climate change committee.

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 J Maxwell, Mr T Khlat and Mr G Wheeler, who are all non-executive directors. Biographical details of these directors are set out on pages 30 and 31. The Committee is chaired by Mr G Pedersen. Meetings are held not less than twice a year and generally three times a year in conjunction with the interim and full year financial reports issued in October and April and an external and internal audit planning meeting in January. The external or internal 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 2025 three meetings were held including Audit planning meetings.

Significant Matters related to the financial statements

The significant matters and areas of judgement considered by the Audit Committee in relation to the January 2025 Financial Statements were as follows:

Impairment of receivables – Motor Finance – see also accounting policy 1.5 on page 66

Receivables are impaired in Motor Finance based on the overall contractual arrears status and also the number of cumulative contractual monthly payments that have been missed in the last six 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, and in accordance with the provisions of IFRS9 a collective provision is made for expected credit losses in the next 12 months in the remainder of the loan book which again references historical payment performance and amounts recovered.

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, reviews and challenges;

a) The work performed by management and by Forvis Mazars in auditing 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 – Motor Finance – see also accounting policy 1.4 on page 67

Interest income is recognised in the income statement for all loans and receivables measured at amortised cost using the constant period rate of return on the net investment in the loan which is akin to an 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 and hire purchase interest income is then recognised using the EIR. Acceptance fees and any direct transaction cost are included in the calculation of EIR.

In assessing the appropriateness of revenue recognition, the Audit Committee considers;

a) The work performed by management and by Forvis Mazars 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.

The Committee also reviewed the impairment, revenue recognition and strong receivables growth of our Property Bridging Finance business which is currently less material than motor finance. There were no issues and areas of judgement considered significant by the Committee in relation to Aspen Bridging.

Contingent Liability – Motor Finance – see also note 28

On 25 October 2024 the Court of Appeal passed a ruling in the cases of Hopcraft, Wrench and Johnson which affected the payment of motor finance commissions by two motor finance lenders in circumstances where informed and explicit consent had not been obtained. The Court of Appeal ruled in favour of the claimants although the two lenders have appealed this ruling to the UK Supreme Court, who plan to hear their appeal in April 2025. In assessing the disclosure of a contingent liability in this respect, the Committee reviewed and considered the uncertain ruling outcomes and for an adverse outcome the uncertain financial range of potential redress and cost outcomes which could arise from the UK Supreme Court appeal hearing.

External Audit

The Committee formally reviews the effectiveness of the external auditors, Forvis Mazars LLP, and the Group's relationship with them. The review consists of a list of relevant questions, which it discusses with the Group Finance Director, before discussing them with external auditors.

As a result, the Committee concluded that the external audit process during Forvis Mazars LLP's second year as our auditors was effective this year. After a rigorous tender process Forvis Mazars LLP were formally appointed as group auditors at the AGM in May 2021, taking over from Deloitte LLP who had been Group Auditors since 2000.

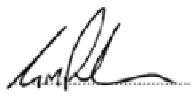
The Audit Committee and Forvis Mazars have put in place safeguards to ensure that the independence and objectivity of the external auditor is maintained including governing the external auditor's engagement for non-audit services. In line with rules for public interest entities the provision of tax compliance services was placed with KPMG with effect from 1 February 2017 and we also now use KPMG for guidance on directors' remuneration and reporting matters. Fees paid to the external auditor are shown in note 7 to the accounts. Overall the fees paid to the external auditor for non-audit services were £30,000 (2024: £30,000) and this was for the half year review of interim results. The audit committee have continued to monitor the quality of service they provided and their continuing independence. They examined Forvis Mazars transparency report which demonstrates how audit quality is maintained in line with the "Audit Quality Framework" issued by the professional oversight board of the Financial Reporting Council. They also considered Forvis Mazars' understanding of S&U plc's business, their access to appropriate specialists, and their understanding of the financial sector in which the Group operates.

In accordance with this policy the Audit Committee ensured no external service provided by the auditors involved it in management of functions or decision making or in influencing Management's view on the adequacy of internal controls or financial reporting. If it were to be material to the Group, any Corporate Finance or other advice that Forvis Mazars provided during the year would be reviewed by the Audit Committee to ensure that they did not compromise the auditing function of Forvis Mazars in any way.

Internal Audit

During the year, RSM have continued to provide internal audit services for the Group. An agreement, overseen by the Audit Committee, has been entered into with RSM who will be responsible for regular internal audits of the Group's Regulatory Controls, Customer Compliance, Risk Management and Governance Policy and Procedures.

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.



Graham Pedersen
Chairman of the Audit Committee

14 April 2025

B3.2 CORPORATE GOVERNANCE

The 2018 UK Corporate Governance Code issued by the FRC was applicable for the whole of the financial year ended 31 January 2025. The FRC have reviewed the code and issued a new UK Corporate Governance Code 2024 (effective 2025) containing a small number of changes. The 2024 code will first apply to S&U plc for its financial year ended 31 January 2026 and we report below on our adherence to the current 2018 UK Corporate Governance Code.

Narrative Statement

The way in which we comply with the Code's Provisions, or explain where we do not is described below in the five areas of "Board Leadership and Company Purpose, Divisions of Responsibilities, Composition, succession and evaluation, Audit risk and internal control and Remuneration." In addition, our Chairman's Statement provides guidance as to how we interpret the revised codes more flexible approach in giving clear reasons for any non-compliance within the provisions. The rationale for this includes a "Company's particular circumstances based on a range of factors, including the size, complexity, history and ownership structure."

In S&U's case this has always meant an identity of interest between major shareholders and the executive management of the Company. The requirement of the Code of Principles for Board's to "promote the long-term sustainability or success of the Company, generating value for shareholders and contributing to wider society" is sustained by this and by our consistent mantra of "steady, sustainable growth." Our mission statement is published on the inside front cover. Family investment and management has over the past 86 years been reflected in ambition for growth and for new markets buttressed by a conservative approach to risk, to treasury activities and to return on capital employed. The same culture is seen in "work force engagements" through employment stability, good communications and a streamlined, non-bureaucratic, management structure, as a staple of S&U well before the Governance Code even existed.

This has inevitably meant some departure from the detailed Provisions of the Code which primarily focusses on larger companies, a more formal approach to employee relations, a shorter history to establish a proven responsible culture, and a divorce between equity and management. We have carefully explained the reasons for any departures and will hopefully, as the revised code requires, now see these considered by investors and their representatives "thoughtfully" and not evaluated in "a mechanistic way".

Leadership

During the year the Company was controlled through the Board of Directors which at 1 February 2025 comprised five executive and four non-executive directors. The Chairman is 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.

B3 Governance CONTINUED

Under Provision 9 of the Code it is recommended that the Chairman should be independent on appointment and should not have previously served as Chief Executive of the Company and under Provision 19 of the Code it is recommended that the Chairman should not remain in post beyond nine years from the date of their first appointment to the Board. Mr. Anthony Coombs was appointed Chairman in 2008 as part of an established succession plan reflecting the Coombs family's significant holding in S&U, the identity of interest between management and shareholders and the consequent success of the Company. As explained above this has been (and is perceived by the investing community) as a significant strength in the responsible, long-term strategic approach to S&U's development.

Mr. Coombs now serves as Executive Chairman and his responsibilities as Managing Director have been transferred to the Chief Executive of Advantage Finance and the Chief Executive of Aspen Bridging.

Under Provision 11 of the Code it is recommended that at least half the board excluding the chair should be non-executive directors whom the Board considers to be independent. The Board considers there are currently 3 independent non-executive directors (Tarek Khlat, Graham Pedersen and Jeremy Maxwell) of the 8 directors excluding the chair so this is a departure from the Code and that composition of the Board is kept under review. Under Provision 24 of the code the audit committee should consist of independent non-executive directors and the S&U audit committee currently consists of 3 independent non-executive directors plus another non-independent non -executive director so this is a departure from the Code. Under Provision 21 of the Code there should be a formal evaluation of the performance of the Board, its committees, the chair and individual directors – this performance evaluation is currently informal which the Board considers to be appropriate and more cost effective. Under Provision 38 of the code, the pension contribution rates for executive directors, or payments in lieu, should be aligned with those available to the workforce. As listed in the directors' remuneration report there are a range of pension contribution rates for executive directors some of which are above those available to the workforce but these rates reflect benchmarked market norms for those executive directors.

The Board has a formal schedule of matters reserved to it and meets at least four 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 the business. This includes its code of conduct, its annual budgets, its progress towards achievement of those budgets and its 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 has established a Nomination Committee, an Audit Committee and a Remuneration Committee. Each Committee operates within defined terms of reference. Advantage Finance and Aspen Bridging are each managed by a separate board of directors. The minutes 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.

Graham Pedersen was appointed to the Board in February 2015 and brings a wealth of experience to the S&U Board both as a regulator and a banker. He has therefore served as a non-executive director on the Board for over nine years. Notwithstanding this length of service, the Board considers him to be independent due to his robust judgement and character and the invaluable balance and experience he has brought to the Board's deliberations. Tarek Khlat, a Banker, FCA Approved Person and Wealth Manager of great experience was appointed to the Board in March 2016. He has also therefore served as a non-executive director on the Board for over nine years. Notwithstanding this length of service, the Board considers him to be independent due to his robust judgement and character and the invaluable balance and experience he has brought to the Board's deliberations. In January 2022, Jeremy Maxwell was appointed to the Board and brings broad expertise in digital innovation, marketing, commercial development and customer experience from over 25 years in the retail and B2B distribution industries. In February 2024, Graham Wheeler was appointed as a non-executive of the Board following his retirement as CEO of Advantage Finance. In his non-executive capacity Graham continues to bring the benefit of over 40 years of experience in the motor and finance sectors to the S&U Board.

The Nomination Committee, chaired by Jeremy Maxwell, comprises the four non-executive directors and Anthony Coombs, Group Chairman. The Audit Committee is made up of the four non-executive directors and is chaired by Graham Pedersen. The Remuneration Committee comprises Tarek Khlat, Graham Pedersen and Jeremy Maxwell and is chaired by Tarek Khlat.

Board Effectiveness and the work of the Nomination Committee

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. During the year there was no external evaluation of the Board but the performance of the Board and each of the Board Committees was reviewed by the Board with regard to the performance and achievements during the year. The performance of the Board and all three committees was self-assessed by the Board to be effective.

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.

Directors have both the time and experience to fulfil their responsibilities and none sit on other PLC boards. The Nomination Committee advises the Board on refreshment and succession planning, whilst independent recruitment consultants are used for important executive roles. During the current year the Nomination Committee together with appropriate outside advisers played a key role in the succession planning and the successor recruitment process ahead of the planned retirement of Chris Redford as S&U plc Group Finance Director in June 2025. Within this process the Nomination Committee also considered the potential suitability of Group CFO candidates to join the S&U Board after a suitable assessment period. The recruitment process led to the successful appointment of Chris Freckelton to succeed Chris Redford in

June 2025 after a planned 3-month handover period. Previously a senior auditor at Deloitte, Chris Freckelton has great experience of the motor and specialist finance industries and has already started to bring his considerable financial skills to the S&U Group. The Nomination Committee will continue to monitor the availability of relevant skills and experience alongside its corporate governance responsibilities, in its further succession planning and when considering any future appointments to the Board. Whilst the Board notes the Code's focus on diversity, both Board and executive appointments are made purely on the basis of ability and temperament, irrespective of race, gender or sexual orientation.

After over 25 years of service to the Group, Chris Redford has confirmed his longstanding intention to retire in June 2025 and is not seeking re-election at the upcoming AGM therefore. Messrs Anthony Coombs, Graham Coombs, Ed Ahrens, Jack Coombs, Graham Pedersen, Tarek Khlat, Jeremy Maxwell and Graham Wheeler being eligible offer themselves for re-election at the next Annual General Meeting. Tarek Khlat, Graham Pedersen, Graham Wheeler and Jeremy Maxwell are non-executive directors and the Chairman has determined their performance to be both effective and committed.

The Senior Independent Director Tarek Khlat provides a sounding Board and objective support for the Chairman and serves as an intermediary for the other directors when necessary.

The Company Secretary Manjeet Bhogal 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 if necessary.

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 10 to 27, 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 52 and those of the auditor on page 58.

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 by management and by our independent internal auditors RSM with the aim of continuous improvement. Whilst the Board acknowledges its overall responsibility for internal control, it believes strongly that senior management within the Group's operating businesses should also contribute in a substantial way and this has been built into the process. The Audit Committee overviews the monitoring of the adequacy of the Group's internal controls and whistleblowing procedures.

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 including a review during the reporting period and accords with the 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 and RSM as a regular attendee in order that the Committee can review the external and internal 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. This is 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 45 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.

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 free from any form of discrimination. The Group will always wish to ensure appointments reflect the best skills available for the role. Currently 15 women hold 38% of senior management positions and women hold 58% of other employee positions and during the year no female directors served on the Board. Currently 24 men hold 62% of senior management positions and men hold 42% of other employee positions and during the year nine male directors served on the Board. The Company had 11 employees of which two are women and nine are men including seven S&U plc Directors. In total all nine of the current S&U plc board of directors are men of which one is from a minority ethnic background. Data for these metrics has been collected from information provided by employees or held as part of company records. The Board therefore confirms in accordance with UK listing rule 6.6.6R (9) that as at 31 January 2025 it had not met the targets for listed companies of at least 40% of the individuals on the board of directors being women and at least one of the senior board positions being a woman, due principally to other candidates having more particular skills and experience for the handful of recent appointments made. Whilst we believe appointments will continue to be made on relevant ability and experience, we would like to make better progress towards these targets and welcome more women to the Board. The Board confirms that it has met the target that at least one individual on its board of directors is from a minority ethnic background. The tables required under Listing Rule 6.6.6R (10) are set out below:

Table for reporting on gender identity or sex	Number of board members	% of board	Number of senior positions on board	Number in executive management	% of executive management
Men	9	100%	3	15	50%
Women	0	0%	0	15	50%
Not specified or prefer not to say	0	0%	0	0	0%
Table for reporting on ethnic background					
White British or other white	8	89%	2	29	97%
Mixed/Multiple ethnic groups	0	0%	0	0	0%
Asian/Asian British	0	0%	0	1	3%
Black/African/Caribbean/Black British	0	0%	0	0	0%
Other ethnic group including Arab	1	11%	1	0	0%
Not specified or prefer not to say	0	0%	0	0	0%

Board and Committee attendance

The attendance of individual directors at the regular meetings of the Board and its Committees during the year ended 31 January 2025 is shown in the table below:

Meeting Attendance	Board	Nomination	Remuneration	Audit
Number of meetings	**5**	**1**	**1**	**3**
AMV Coombs	5	0	n/a	n/a
GDC Coombs	5	n/a	n/a	n/a
G Pedersen	5	1	1	3
T Khlat	5	1	1	3
JP Maxwell	5	1	1	3
J EC Coombs	5	n/a	n/a	n/a
EH Ahrens	5	n/a	n/a	n/a
TG Wheeler	4	1	n/a	3
CH Redford	5	n/a	n/a	n/a

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 32.

Relations with Stakeholders

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.

Members of the Board including the Chairman meet frequently with shareholders and conduct regular roadshows throughout the UK to present to current and future investors. Shareholder and Investor relations are managed in tandem with our Stockbroker Peel Hunt who issue regular reports on these activities.

Mutual commitment and loyalty between the Company and its employees has under-pinned S&U's 86-year history. Both its size, with currently over 200 employees in Grimsby and over 30 in Solihull and its family ethos ensure that the "employee voice" is heard and heeded. Regular appraisals and feedback meetings are held and internal promotion is encouraged. As a result, staff retention rates are very high. Whistle-blower Policies are in place at Advantage.

The size, history and culture of the company encourage participation of all directors and senior management and employee relations and make designated board members or workforce committees unnecessary.

Although, the S&U Group does not have a formal mechanism of staff engagement with the Board, staff in the major operating subsidiary, Advantage Finance, do actively participate in regular "cascade" meetings where business developments and resourcing are discussed. It is felt that such practices do allow proper workforce engagement to take place without the specific need to create a formal "Staff Consultative" committee structure.

B3.3 COMPLIANCE STATEMENT

Throughout the year ended 31 January 2025 the company has discharged and met its responsibilities under the Principles and Provisions of the 2018 UK Corporate Governance Code and under the guidance attached to it. Where it has not followed provisions 9,11,19,21,24 and 38 of the code, "a clear rationale for the action" is also set out above.

Jeremy Maxwell
Chairman of the Nomination Committee

14 April 2025

B4 Directors' Report

The directors present their Annual Report and the audited financial statements for the year ended 31 January 2025 and for the period up to the date of signing these accounts on 14 April 2025.

The names of all of the directors who served during the year and up to the date of signing the accounts are shown in the directors' biographies on pages 30 and 31. All the current directors served for the full year to 31 January 2025. After over 25 years of service to the Group, Chris Redford has confirmed his longstanding intention to retire in June 2025 and is not seeking re-election at the upcoming AGM therefore.

No political donations were made during the year (2024: £nil).

Dividends

Dividends of £13,963,000 (2024: £16,154,000) were paid during the year.

After the year end a second interim dividend for the financial year of £3,645,000 being 30.0p per ordinary share (2024: 35.0p) was paid to shareholders on 7 March 2025.

The directors now recommend a final dividend, subject to shareholders approval of 40.0p per share (2024: 50.0p). This, together with the interim dividends totalling 60.0p per share (2024: 70.0p) already paid, makes a total dividend for the year of 100.0p per share (2024: 120.0p).

Substantial shareholdings

At 10 April 2025, 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 on page 42 of the Directors' Remuneration Report above):

Shareholder	No of ordinary shares	% of Ordinary share capital
Jennifer Coombs	461,885	3.8%
Wiseheights Limited	2,420,000	19.9%

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 23. The Company has one class of ordinary shares which carry no right to fixed income. Each ordinary 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.

Changes in accounting policies

There were no significant changes in accounting policies this year.

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.

Forvis Mazars 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 are no significant post balance sheet events to report.

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 and those of subsidiary company directors which remain in force at the date of this report. The two matters to report under the disclosure requirements of the Large and Medium-sized Companies and Groups (Report and Accounts) Regulations 2008, are that;

1. The Board may appoint a director during the year and until the dissolution of the next AGM as long as the maximum number of 15 directors is not exceeded.
2. The Board have the power to issue and allot up to 10% of the ordinary share capital of the company and to buy back up to 3,598,506 31.5% preference shares and up to 200,000 6% preference shares of the company.

The matter required to report under listing rule 9.8.4R is as follows:

1. The Company has a long-term incentive scheme (LTIP 2021) with awards of shadow share options which can only be cash settled. Details of awards under this scheme to directors are shown in section B2.2.

B4 Directors' Report CONTINUED

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 and is deemed to form part of this report.

- Information surrounding future developments is given in the Strategic Report and Chairman's Statement.
- Information surrounding engagement with customers, business partners and others is given in the Strategic Report and S172 Statement.
- Disclosures concerning greenhouse gas emissions are given in Section A4.4 in the Strategic Report.
- Information about the Group's use of financial instruments is given in the note to the accounts 25.

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

Manjeet Bhogal
Company Secretary

14 April 2025

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 parent company (the "company") and Group financial statements in accordance with UK-adopted international accounting standards. 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 and the Group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and group'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 group 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 UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit 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

14 April 2025

Chris Redford
Group Finance Director

14 April 2025

C1 Independent Auditor's Report to the Members of S&U Plc

Opinion

We have audited the financial statements of S&U plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2025 which comprise the group income statement and statement of comprehensive income, the balance sheet, the statement of changes in equity, cash flow statement and notes to the accounts, including material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 2025 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities and public interest entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our audit procedures to evaluate the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern;
- Obtaining an understanding of the relevant controls relating to the directors' going concern assessment;
- Making enquiries of the directors to understand the period of assessment considered by them, the assumptions they considered and the implication of those when assessing the group's and the parent company's future financial performance;
- Challenging the appropriateness of the directors' key assumptions in their cash flow forecasts including specific consideration to the Court of Appeal hearing regarding motor finance commission. This involved reviewing supporting and contradictory evidence in relation to these key assumptions and assessing the viability of mitigating actions within the directors' control;
- Assessing directors analysis of the potential impact of the Supreme Court ruling on the Group's going concern assessment. With the assistance of our in-house conduct experts, we developed independent stress test scenarios to evaluate the sensitivity of the Group's going concern conclusion to various potential ruling outcomes;
- Assessing the historical accuracy of forecasts prepared by the directors;
- Reviewing regulatory correspondence, minutes of meetings of the Audit Committee and the Board of Directors, and post balance sheet events to identify events of conditions that may impact the group's and the parent company's ability to continue as a going concern;
- Considering the consistency of the directors' forecasts with other areas of the financial statements and our audit; and
- Evaluating the appropriateness of the directors' disclosures in the financial statements on going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

In relation to S&U plc's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the director's considered it appropriate to adopt the going concern basis of accounting.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We summarise below the key audit matters in forming our opinion above, together with an overview of the principal audit procedures performed to address that matter and our key observations arising from those procedures.

These matters, together with our findings, were communicated to those charged with governance through our Audit Completion Report.

C1 Independent Auditor's Report to the Members of S&U Plc CONTINUED

Key Audit Matter

Measurement of loan impairments on loans and advances to customers - 2025: £118.2m (2024: £104.7m).

Refer to note 1.5 for the accounting policy, note 1.13 for details of the key sources of estimation uncertainty and note 17 for relevant disclosures.

The estimation of expected credit losses (ECL) on loans and advances to customers is complex and inherently judgemental. The risk is concentrated on the following areas:

- **Complexity of model estimations and subjectivity of assumptions used in determining the probabilities of default (PD) and the loss given default (LGD)**
- **Significant increase in credit risk (SICR) – the qualitative and quantitative criteria are a key area of judgement within the ECL calculation since these criteria determine whether a 12 month or a lifetime provision is recognised**
- **The economic scenarios used to measure the ECL. The current economic environment characterised by high interest rate and greater volatility in used vehicle prices results in significant management judgement applied to determine the forward- looking variables used and their associated probability weighting.**

The risks and balances mentioned above relate to Advantage Finance Limited, a group subsidiary involved in vehicle financing.

Overall, the range of reasonable outcome could be material to the financial statements as a whole.

How our scope addressed this matter

Our audit procedures included, but were not limited to the following:

We performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes and assessed the design and implementation of the key controls related to this process.

Key aspects of our substantive testing procedures include:

- Performing testing over a sample of key inputs to the ECL calculations;
- Assessing the integrity of data used in the calibration of the PD and LGD;
- Challenging the key assumptions of the PD, LGD and SICR and the staging applied;
- Re-computing the provision for credit losses to ensure mathematical accuracy;
- Performing a stand back assessment of the resulting ECL estimates to assess its reasonableness;
- Involving our in-house economist expert to review the forward looking macro-economic variables, probability weightings and scenarios used in the model;
- Independently recalculating the ECL for all stage 3 loans including taking into consideration the completeness and accuracy of the key inputs, assumptions and the incorporation of forward-looking information; and
- Evaluating whether the disclosures appropriately reflect and address the uncertainty which exists when determining the expected credit losses.

With the support of our in-house credit modelling specialists, we:

- assessed the compliance of the company impairment methodologies with IFRS 9 requirements by reviewing the models and SICR criteria and challenging key assumptions;
- assessed the methodology for determining the SICR criteria and independently test a sample of loans for appropriateness of staging; and
- independently calibrated the ECL model to challenge management assumptions and estimates used in the ECL model in line with the requirements of IFRS 9.

Our observations

Based on the audit procedures performed, we found the resulting estimate of the loan impairment provision as of 31 January 2025 and the approach taken in respect of ECL are consistent with the requirements of IFRS 9 and that the judgements made were reasonable.

Key Audit Matter

Consideration of the contingent liability for vehicle dealer commissions (Group)

Disclosures of critical judgments and estimates can be found in note 28

Advantage Finance Limited (AFL), a subsidiary of the Group, provides vehicle finance predominantly through intermediaries, the majority of whom are independent credit brokers. AFL has not entered in any discretionary commission arrangements on motor finance products (note 28) with its intermediaries.

In October 2024, the Court of Appeal ruled against two other lenders in three cases involving commission disclosure payments to vehicle finance dealers. The judgment added to the legal duties of dealers acting as credit brokers compared to the regulatory requirements, requiring clear disclosure of, and consent to, the existence, nature and amount of any commission paid. The lenders successfully applied for permission to appeal to the Supreme Court, which was heard in early April 2025. The Supreme Court judges noted that, based on their deliberations, a reasonable expectation for delivering their ruling is July 2025.

Following the above Court of Appeal ruling, management performed a review of AFL's historical lending practices for which they sought an external legal advice.

This assessment identified potential conditions distinguishing AFL's practice from those considered in the Court of Appeal judgment, in particular the nature of the commission considered, and the associated disclosures provided to its customers.

Additionally, Management noted significant uncertainties impacting their ability to reliably measure any potential obligation under IAS 37 Provisions, Contingent Liabilities and Contingent Assets. These uncertainties include the potential outcome of the Supreme Court hearing and the possibility of further judicial or regulatory developments, alongside other mitigating factors.

Based on this assessment, Management determined that no provision for liabilities was required in this respect as at 31 January 2025.

Considering the uncertainty surrounding the outcome of the Supreme Court's hearing and the extent of management judgement required regarding the accounting treatment, measurement and disclosures relating to the motor finance commission matter, we considered this area to be a significant area for our audit.

How our scope addressed this matter

We evaluated and challenged management's assessment in the context of the requirements of IAS 37 Provisions, Contingent liabilities and Contingent Assets.

With assistance of our in-house conduct risk experts, we:

- Assessed management's assumptions and rationale applied in determining a possible exposure to the court of appeal judgement;
- Assessed the nature of the commission arrangements based on a sample of contracts to confirm whether the Group entered into discretionary commission arrangements;
- Reviewed the regulatory correspondence with the Financial Conduct Authority on this matter;
- Assessed AFL's previous court cases related to vehicle finance commission; and
- Made inquiries of management's Compliance and Legal functions

We engaged our technical accounting experts to assess the completeness and appropriateness of the disclosures made in the financial statements.

Our observations

Based on the procedures performed and evidence obtained, we did not identify any instances of discretionary commission arrangements and found the recognition of a contingent liability in relation to the motor finance commission matter to be appropriate. We concluded that management's measurement of this contingent liability is reasonable and that the appropriate disclosures have been made.

C1 Independent Auditor's Report to the Members of S&U Plc CONTINUED

Our application of materiality and an overview of the scope of our audit

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Group materiality

Overall materiality	£1.2m (2024: £1.7m)
How we determined it	5% of profit before tax (PBT) (2024: 5% of PBT)
Rationale for benchmark applied	We determined PBT to be the most appropriate benchmark to assess the performance of this profit-focused group.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. We set performance materiality at £0.78m (2024: £1.1m), which represents 65% (2024: 65%) of overall materiality. In determining the performance materiality, we considered a number of factors, including the effectiveness of internal controls and the history of misstatement, and concluded that an amount toward the upper end of our normal range was appropriate.
Reporting threshold	We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £40,000 (2024: £50,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Parent company materiality

Overall materiality	£0.7m (2024: £0.7m)
How we determined it	1% net assets (2024: 1% net assets)
Rationale for benchmark applied	Net assets are used as the basis for materiality because the parent company is primarily a holding company for the trading components of the Group, as such we consider net assets to reflect its holding activities.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. We set performance materiality at £0.5m (2024: £0.5m), which represents 65% (2024: 65%) of overall materiality. In determining the performance materiality, we considered a number of factors, including the effectiveness of internal controls and the history of misstatement, and concluded that an amount toward the upper end of our normal range was appropriate.
Reporting threshold	We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £21,000 (2024: £21,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements, such as assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of our risk assessment, our understanding of the group and the parent company, their environment, controls, and critical business processes, to consider qualitative factors to ensure that we obtained sufficient coverage across all financial statement line items.

Our group audit scope included an audit of the group and the parent company financial statements. Based on our risk assessment, all components of the group, including the parent company, were subject to full scope audit. This provided 100% coverage of group revenue, PBT, total assets and net assets.

All audit procedures across all entities were performed by the group engagement team. At the parent company level, the group audit team also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

Other information

The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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

In our opinion, based on the work undertaken in the course of the audit:

- 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 and those reports have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the parent company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the:

- strategic report or the directors' report; or
- information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a corporate governance statement has not been prepared by the parent company.

C1 Independent Auditor's Report to the Members of S&U Plc CONTINUED

Corporate governance statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to S&U plc's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified, set out on page 15;
- Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why they period is appropriate, set out on page 15;
- Director's statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities, set out on page 15;
- Directors' statement on fair, balanced and understandable, set out on page 52;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks, set out on page 14;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems, set out on page 14; and;
- The section describing the work of the audit committee, set out on page 44.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 52, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the group and the parent company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: breaches of the regulatory requirements of the Financial Conduct Authority ('FCA') and the Listing Rules.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Gaining an understanding of the legal and regulatory framework applicable to the group and the parent company, the industry in which they operate, and the structure of the group, and considering the risk of acts by the group and the parent company which were contrary to the applicable laws and regulations, including fraud;
- Inquiring of the directors, management and, where appropriate, those charged with governance, as to whether the group and the parent company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence with relevant licensing or regulatory authorities including the FCA;
- Reviewing minutes of directors' meetings in the year; and
- Discussing amongst the engagement team the laws and regulations listed above, and remaining alert to any indications of non-compliance.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to those areas as described in our key audit matter, calculating income associated with leases, and significant one-off or unusual transactions.

Our procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing;

The primary responsibility for the prevention and detection of irregularities, including fraud, rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

The risks of material misstatement that had the greatest effect on our audit are discussed in the "Key audit matters" section of this report.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

Following the recommendation of the audit committee, we were appointed by the Audit Committee on 4 August 2021 to audit the financial statements for the year ending 31 January 2022 and subsequent financial periods. The period of total uninterrupted engagement is four years, covering the years ended 31 January 2022 to 31 January 2025.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with our additional report to the audit committee.

Use of the audit report

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.

Pauline Pélissier
(Senior Statutory Auditor)

for and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey, London, EC4M 7AU

14 April 2025

The Accounts

IN THIS SECTION

D1 The Accounts
D1.1 Group income Statement
YEAR ENDED 31 JANUARY 2025

From continuing operations	Notes	2025 £000	2024 £000
Revenue	3	**115,611**	115,437
Cost of sales	4	**(16,384)**	(22,821)
Impairment charge	5	**(35,571)**	(24,203)
Gross profit		**63,656**	68,413
Administrative expenses	6	**(18,826)**	(19,767)
Operating profit	8	**44,830**	48,646
Finance costs	9	**(18,118)**	(15,062)
Profit before taxation before exceptional items		**26,712**	33,584
Exceptional item	11	**(2,736)**	–
Profit before taxation	2	**23,976**	33,584
Taxation	12	**(6,063)**	(8,147)
Profit for the year attributable to equity holders		**17,913**	25,437
Earnings per share			
Basic	14	**147.4p**	209.2p
Diluted	14	**147.4p**	209.2p

Statement of Comprehensive Income

From continuing operations	Notes	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Profit for the year attributable to equity holders		**17,913**	25,437	**17,028**	16,445
Actuarial loss on defined benefit pension scheme	30	**(33)**	(6)	**(33)**	(6)
Total Comprehensive Income for the year		**17,880**	25,431	**16,995**	16,439

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

D1.2 Balance Sheet

YEAR ENDED 31 JANUARY 2025

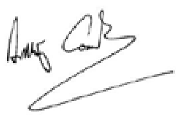
COMPANY REGISTRATION NO: 0342025

	Note	**Group 2025 £000**	Group 2024 £000	**Company 2025 £000**	Company 2024 £000
ASSETS					
Non-current assets					
Property, plant and equipment	15	**2,527**	2,310	**287**	376
Investments	16	**–**	–	**1**	1
Amounts receivable from customers	17	**203,516**	241,985	**–**	–
Other receivables and prepayments	18	**–**	–	**197,500**	223,500
Deferred tax assets	22	**40**	155	**15**	30
		206,083	244,450	**197,803**	223,907
Current assets					
Amounts receivable from customers	17	**232,330**	220,953	**–**	–
Other receivables and prepayments	18	**1,427**	1,442	**72,870**	72,318
Cash and cash equivalents		**5,216**	1	**2,691**	85
		238,973	222,396	**75,561**	72,403
Total assets		**445,056**	466,846	**273,364**	296,310
LIABILITIES					
Current liabilities					
Bank overdrafts and loans	19	**–**	(881)	**–**	–
Trade and other payables	20	**(3,295)**	(4,897)	**(674)**	(670)
Current tax liabilities		**(1,695)**	(564)	**(127)**	(100)
Lease liabilities		**(109)**	(170)	**(76)**	(72)
Provisions for liabilities and charges		**(2,272)**	–	**–**	–
Accruals		**(1,473)**	(1,971)	**(352)**	(289)
		(8,844)	(8,483)	**(1,229)**	(1,131)
Non-current liabilities					
Borrowings	19	**(197,500)**	(223,500)	**(197,500)**	(223,500)
Lease liabilities		**(183)**	(251)	**(144)**	(220)
Financial liabilities	24	**(450)**	(450)	**(450)**	(450)
		(198,133)	(224,201)	**(198,094)**	(224,170)
Total liabilities		**(206,977)**	(232,684)	**(199,323)**	(225,301)
NET ASSETS		**238,079**	234,162	**74,041**	71,009
Equity					
Called up share capital	23	**1,719**	1,719	**1,719**	1,719
Share premium account		**2,301**	2,301	**2,301**	2,301
Profit and loss account		**234,059**	230,142	**70,021**	66,989
Total equity		**238,079**	234,162	**74,041**	71,009

The parent company's profit for the financial year after taxation amounted to £17,028,000 (2024: £16,445,000)

These financial statements were approved by the Board of Directors on 14 April 2025.

Signed on behalf of the Board of Directors



AMV Coombs
Chairman

CH Redford
Group Finance Director

D1.3 Statement of Changes In Equity

FOR THE YEAR ENDED 31 JANUARY 2025

Group	Notes	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 February 2023		1,719	2,301	220,865	224,885
Profit for year		–	–	25,437	25,437
Other comprehensive income for year		–	–	(6)	(6)
Total comprehensive income for year		–	–	25,431	25,431
Dividends	13	–	–	(16,154)	(16,154)
At 31 January 2024		1,719	2,301	230,142	234,162
Profit for year		–	–	17,913	17,913
Other comprehensive income for year		–	–	(33)	(33)
Total comprehensive income for year		–	–	17,880	17,880
Dividends	13	–	–	(13,963)	(13,963)
At 31 January 2025		1,719	2,301	234,059	238,079

Company	Notes	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 February 2023		1,719	2,301	66,704	70,724
Profit for year	10	–	–	16,445	16,445
Other comprehensive income for year		–	–	(6)	(6)
Total comprehensive income for year		–	–	16,439	16,439
Dividends	13	–	–	(16,154)	(16,154)
At 31 January 2024		1,719	2,301	66,989	71,009
Profit for year	10	–	–	17,028	17,028
Other comprehensive income for year		–	–	(33)	(33)
Total comprehensive income for year		–	–	16,995	16,995
Dividends	13	–	–	(13,963)	(13,963)
At 31 January 2025		1,719	2,301	70,021	74,041

D1.4 Cash Flow Statement

FOR THE YEAR ENDED 31 JANUARY 2025

		Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Net cash generated by/(used in) operating activities	26	**64,991**	(446)	**39,651**	(14,314)
Cash flows used in investing activities					
Proceeds on disposal of property, plant and equipment		**41**	76	**–**	–
Purchases of property, plant and equipment	15	**(726)**	(265)	**(2)**	(27)
Net cash used in investing activities		**(685)**	(189)	**(2)**	(27)
Cash flows (used in)/generated by financing activities					
Dividends paid	13	**(13,963)**	(16,154)	**(13,963)**	(16,154)
Finance cost paid		**(18,118)**	(15,062)	**(141)**	(141)
Finance income received		**–**	–	**3,133**	3,045
Receipt of new borrowings		**–**	173,500	**–**	173,500
Repayment of borrowings		**(26,000)**	(145,500)	**(26,000)**	(145,500)
Decease in lease liabilities		**(129)**	(166)	**(72)**	(51)
Net (repayment)/increase in overdraft		**(881)**	881	**–**	(273)
Net cash (used in)/generated by financing activities		**(59,091)**	(2,501)	**(37,043)**	14,426
Net increase/(decrease) in cash and cash equivalents		**5,215**	(3,136)	**2,606**	85
Cash and cash equivalents at the beginning of year		**1**	3,137	**85**	–
Cash and cash equivalents at the end of year		**5,216**	1	**2,691**	85
Cash and cash equivalents comprise					
Cash and cash in bank		**5,216**	1	**2,691**	85

There are no cash and cash equivalent balances which are not available for use by either the Group or the Company (2024: £nil).

D2 Notes to the Accounts

YEAR ENDED 31 JANUARY 2025

1. Accounting Policies

1.1 General Information

S&U plc is a Company incorporated in England and Wales under the Companies Act and is a public company limited by shares. The address of the registered office is given on page 92 which is also the Group's principal business address. All operations are situated in the United Kingdom. S&U plc is the parent and the ultimate parent company of the group. S&U plc is a listed holding company and within the group the main operations are motor finance and property bridging finance.

1.2 Basis of preparation and consolidation

As a listed Group we are required to prepare our consolidated financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and UK-adopted international accounting standards. We have also prepared our S&U plc Company financial statements in in conformity with the requirements of the Companies Act 2006 and UK-adopted international accounting standards. Under S404 of the Companies Act 2006, the parent company S&U plc has taken exemption from reporting its own profit and loss. 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 2025.

As discussed in sections A3 and A2.4 of the strategic report and having considered the Group's forecasts, capital and liquidity and the motor finance regulatory outlook including any potential impact arising from the UK Supreme Court hearing on vehicle finance commission disclosure, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. In respect of the UK Supreme Court hearing potential impact, the most stressed adverse scenario considered, which is unlikely but not implausible, could require the Group to take funding, litigation and other mitigating actions. However, management is confident that future cash flows of the Group and mitigating actions would be sufficient to settle liabilities should such an unlikely scenario occur. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts of at least 12 months from the date of the approval of the financial statements.

There are no new standards which have been adopted by the group this year which have a material impact on the financial statements of the Group.

All companies within the Group are 100% owned and consolidated and the assets, liabilities, costs and revenues are fully consolidated. All intercompany balances and transactions are eliminated on consolidation.

At the date of authorisation of these financial statements the directors anticipate that the adoption in future periods of any other Standards and interpretations which are in issue but not yet effective, will have no material impact on the financial statements of the Group.

IFRS18 Presentation and Disclosure in Financial Statements will first mandatorily apply to S&U for the year ended 31 January 2027 – at point of implementation there should be no material impact on S&U as the changed reporting requirements under IFRS18 are presentational, although the full impact of this upcoming standard is yet to be determined.

1.3 Financial assets and financial liabilities accounting policy

When initially recognising a financial asset, it is classified into one of the following three categories based on the group's business model for managing that asset and the asset's contractual cash flow characteristics:

i) Amortised cost – a financial asset is measured at amortised cost if both of the following conditions are met:
   a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
   b) The contractual terms of the financial asset give rise on specified dates to cash flows that are payments of principal and interest on the principal amount outstanding.

ii) Fair value through other comprehensive income – financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

iii) Fair value through profit or loss – any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

The group has classified its financial assets and its financial liabilities as measured at amortised cost.

1.4 Revenue recognition

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 costs 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 adopted for similar assets in Aspen. Revenue starts to be recognised from the date of completion of the loan – after completion hire purchase customers have a 14-day cooling off period during which they can cancel their loan.

1. Accounting Policies CONTINUED

1.5 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 IFRS9.

There are 3 classification stages under IFRS9 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

The directors assess whether there is objective evidence that a loan asset or group of loan assets is credit impaired and should be classified as stage 3. A loan asset or a group of loan assets is credit impaired only if there is objective evidence of credit 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 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. Under IFRS 9 for all stage 1 accounts which are not credit impaired, a further collective provision for expected credit losses in the next 12 months is calculated and charged to the income statement.

Key assumptions in ascertaining whether a loan asset or group of loan assets is credit impaired include information regarding the probability of any account going into default (PD) and information regarding the likely eventual loss including recoveries (LGD). These assumptions and assumptions for estimating future cash flows are based upon observed historical data and updated to reflect current and future conditions. As required under IFRS9, all assumptions are reviewed regularly to take account of differences between previously estimated cash flows on impaired debt and the eventual losses.

For all loans in stages 2 and 3 a provision equal to the lifetime expected credit loss is taken. In addition and in accordance with the provisions of IFRS9 a collective provision for 12 months expected credit losses ("ECL") is recognised for the remainder of the loan book which is Stage 1. 12-month ECL is the portion of lifetime ECL that results from default events on a financial asset that are possible within 12 months after the reporting date.

In our Motor Finance business, all loans 1 month or more in contractual arrears are deemed credit impaired and are therefore included in IFRS9 stage 3. This results in more of our net receivables being in stage 3 and the associated stage 3 loan loss provisions being higher than if we adopted a more prime customer receivables approach of 3 months or more in arrears. Our approach of 1 month or more in contractual arrears is based on our historical observation of subsequent loan performance after our customers fall 1 month or more in contractual arrears within our non-prime motor finance customer receivables book. The expected credit loss ("ECL") is the probability weighted estimate of credit losses.

A PD/LGD model was developed by our Motor Finance business, Advantage Finance, to calculate the expected loss impairment provisions in accordance with IFRS9. Stage 1 expected losses are recognised on inception/initial recognition of a loan based on the probability of a customer defaulting in the next 12 months. This is determined with reference to historical data updated for current and future conditions. If a motor finance loan falls one month or more in contractual arrears, then this is deemed credit impaired and included in IFRS9 Stage 3. There are some motor finance loans which are up to date with payments but the customer is in some form of forbearance and we deem this to be a significant increase in credit risk and so these loans are included in Stage 2.

As required under IFRS9 the expected impact of movements in the macroeconomy is also reflected in the expected loss model calculations. For motor finance, assessments are made to identify the correlation of the level of impairment provision with forward looking external data regarding forecast future levels of employment, inflation, interest rates and used car values which may affect the customers' future propensity to repay their loan. The macroeconomic overlay assessments for 31 January 2025 reflect that further to considering such external macroeconomic forecast data, management have judged that, whilst less than at 31 January 2024, there is currently still a heightened risk of an adverse economic environment for our customers. To factor in such uncertainties, management has included an overlay for certain groups of assets to reflect this macroeconomic outlook, based on estimated unemployment and inflation levels in future periods. As at 31 January 2025, we have not included an overlay for used vehicle prices as we assume that used vehicle prices will now remain stable – this is the same assumption as at 31 January 2024. Further sensitivity over this estimation uncertainty is provided in note 1.13.

Other than the changes to the approach mentioned above, there were no significant changes to estimation techniques applied to the calculations used at 31 January 2024.

1. Accounting Policies CONTINUED

PD/LGD calculations for expected loss impairment provisions were also developed for our Property Bridging business Aspen Bridging in accordance with IFRS9. Stage 1 expected losses are recognised on inception/initial recognition of a loan based on the probability of a customer becoming impaired in the next 12 months. The Bridging product has a single repayment scheduled for the end of the loan term and if a bridging loan is not granted an extension and is still outstanding beyond the end of the loan term then this is deemed credit impaired and included in IFRS9 Stage 3. Due mainly to the high values of property security attached to bridging loans, the bridging sector typically has lower credit risk and lower impairment than other credit sectors.

Assets in both our secured loan businesses are written off once the asset has been repossessed and sold and there is no prospect of further legal or other debt recovery action. Where enforcement action is still taking place, loans are not written off. In motor finance where the asset is no longer present then another indicator used to determine whether the loan should be written off is the lack of any receipt for 12 months from that customer.

1.6 Impairment of amounts owed by subsidiary companies to the parent company

These are initially recognised as the amount loaned to the subsidiary company. After initial recognition amounts owed by subsidiary companies to the parent company are subsequently measured at amortised cost. Amortised costs include any deduction for loan loss impairment provisions for expected credit losses in accordance with the requirements of IFRS9. Management consider that there is a low probability of default on these loans and there has been no significant increase in credit risk or credit impairment since these loans were first recognised. Therefore, the loans continued to be held at the amount loaned.

1.7 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
Fixtures and Fittings -Computers	20% per annum straight line
Fixtures and Fittings - Other	10% per annum straight line or 20% per annum reducing balance
Motor Vehicles	25% per annum reducing balance
Right to Use Assets	Straight line over the normal term of the lease

Freehold Land is not depreciated.

1.8 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.

1.9 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.

1.10 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. The scheme is currently in surplus but as the group has no ability to access this asset the surplus is capped at £nil. 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. Accounting Policies CONTINUED

1.11 Investments

Investments in subsidiaries held as non-current assets are stated at cost less provision for any impairment.

1.12 Exceptional Items

Exceptional items are items unrelated to the core activities of the Group that are material to the Group's performance and are presented separately in the financial statements to enhance user understanding of these items and the underlying performance of the Group.

1.13 Critical accounting judgements and key sources of estimation uncertainty

In preparing these financial statements, the Company has made judgements, estimates and assumptions which affect the reported amounts within the current and next financial year. Actual results may differ from these estimates.

Estimates and judgements are regularly reviewed based on past experience, expectations of future events and other factors.

Critical accounting judgements

The following are the critical accounting judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Significant increase in credit risk for classification in Stage 2

The Company's transfer criteria determine what constitutes a significant increase in credit risk, which results in a customer being moved from Stage 1 to Stage 2. Stage 2 currently includes customers who have a good payment record but have been identified as vulnerable by trained staff. Vulnerability can be driven by factors including health, life events, resilience or capability. All customer facing staff are trained to help recognise characteristics of vulnerability.

Key sources of estimation uncertainty

The directors consider that the sources of estimation uncertainty which have the most significant effect on the amounts recognised in the financial statements are those inherent in the consumer credit markets in which we operate relating to impairment as outlined in 1.5 above. In particular, the Group's impairment provision is dependent on estimation uncertainty in forward-looking on areas such as employment rates, inflation rates and used car and property prices.

The Group implemented IFRS 9 from 1 February 2018 by developing models to calculate expected credit losses in a range of economic scenarios. These models involve setting modelling assumptions, weighting of economic scenarios, the criteria of determining significant deterioration in credit quality and the application of adjustments to model outputs. We have outlined assumptions in our expected credit loss model in the current year. Reasonable movement in these assumptions might have a material impact on the impairment provision value.

Macroeconomic overlay for our motor finance business

For this overlay, the Group considers four probability-weighted scenarios in relation to unemployment rate: base, upside, downside and severe scenarios as follows:

	Base	Upside (30% decrease)	Downside (30 % increase)	Severe (50% increase)	Weighted
Weighting	50%	20%	25%	5%	
Q1 2025	4.50%	3.15%	5.85%	6.75%	4.68%
Q1 2026	4.70%	3.15%	5.85%	6.75%	4.68%
Q1 2027	4.80%	3.36%	6.24%	7.20%	4.89%
Q1 2028	4.80%	3.36%	6.24%	7.20%	4.89%

1. Accounting Policies CONTINUED

Inflation rates were not previously been factored into the macroeconomic overlay prior to 31 January 2022 when we included them due to the extraordinary increases forecast for the following 12 months period and the potential impact on our customers and their repayments – high inflation and forecast inflation were still present at 31 January 2023 and to a lesser extent at 31 January 2024 but inflation and forecast inflation are more normalised at 31 January 2025. The Group considers four probability-weighted scenarios in relation to inflation rate: base, upside, downside and severe scenarios as follows:

	Base	Upside (30% decrease)	Downside (30 % increase)	Severe (50% increase)	Weighted
Weighting	50%	20%	25%	5%	
Q1 2025	2.80%	1.96%	3.64%	4.20%	2.91%
Q1 2026	3.00%	2.10%	3.90%	4.50%	3.12%
Q1 2027	2.30%	1.61%	2.99%	3.45%	2.39%
Q1 2028	1.90%	1.37%	2.47%	2.85%	1.98%

An increase by 0.5% in the weighted average unemployment rate would result in an increase in loan loss provisions by £902,739. A decrease by 0.5% would result in a decrease in loan loss provisions by £902,739. Due to the lower more normalised inflation rates now forecast, an increase or decrease of 0.5% in the weighted average inflation rate would have no material effect.

Used vehicle price sensitivity for our motor finance business

At the year ended 31 January 2025 and at the year ended 31 January 2024, we have assumed that used vehicle prices will remain stable after a period when used vehicle prices increased during years ended 31 January 2022 and 31 January 2023 and then decreased during year ended 31 January 2024. This assumption as at 31 January 2025 has been made after considering market trends and expectations but is uncertain. If used car prices were assumed to fall by 5% instead, then this would result in an increase in loan loss provisions of £2,767,863. If used vehicle prices were assumed to increase by 5% instead, then this would result in a decrease in loan loss provisions of £2,767,863.

Expected loss sensitivity for our property bridging business

The PD/LGD expected loss impairment provision model calculations developed for our Aspen bridging business have been based on extrapolating an inherently low volume sample of historic defaults and losses to reflect the current receivables and current market conditions. If the probability of default were assessed to be 10% higher than these calculations, then this would result in an increase in loan loss provisions of £341,574. If the probability of default were assessed to be 10% lower than these calculations, then this would result in a decrease in loan loss provisions of £341,574.

1.14 Alternative Performance Measurements

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

ii) iGroup gearing is calculated as the sum of Bank Loans and Overdrafts less cash and cash equivalents divided by total equity. At 31 January 2025 group gearing is therefore calculated as £197,500-£5,216= £192,284/£238,079 = 80.8%. At 31 January 2024 group gearing is calculated as £223,500+£881= £224381/£234,162 = 95.8%.

iii) Group total repayments are the total live monthly repayments, settlement proceeds and recovery collections in motor finance added to the total amount retained from advances, customer redemptions and recovery collections in property bridging.

2. Segmental Analysis

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

	Revenue		Profit before taxation	
Class of business	**Year ended 31.1.25 £000**	Year ended 31.1.24 £000	**Year ended 31.1.25 £000**	Year ended 31.1.24 £000
Motor finance	**91,823**	98,177	**16,542**	28,810
Property bridging finance	**23,788**	17,260	**7,207**	4,803
Central costs net of central finance income	**–**	–	**227**	(29)
Total per Group Income Statement	**115,611**	115,437	**23,976**	33,584

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

	Assets		Liabilities	
Class of business	**Year ended 31.1.25 £000**	Year ended 31.1.24 £000	**Year ended 31.1.25 £000**	Year ended 31.1.24 £000
Motor finance	**286,813**	335,502	**(135,862)**	(181,944)
Property bridging finance	**155,085**	130,808	**(142,215)**	(121,431)
Central	**3,158**	536	**71,100**	70,691
Total per Group Balance Sheet	**445,056**	466,846	**(206,977)**	(232,684)

Depreciation of assets for motor finance was £375,000 (2024: £399,000), for property bridging finance was £16,000 (2024: £14,000) and for central was £91,000 (2023: £97,000). Fixed asset additions for motor finance were £705,000 (2024: £218,000), for property bridging finance were £19,000 (2024: £13,000) and for central were £2,000 (2024: £27,000).

The net finance credit for central costs was £2,992,000 (2024: £2,904,000), for motor finance was a cost of £11,901,000 (2024: £11,018,000) and for property bridging finance was a cost of £9,209,000 (2024: £6,948,000). The tax charge for central costs was £99,000 (2024: £25,000 charge), for motor finance was a tax charge of £4,150,000 (2024: £6,967,000) and for property bridging finance was a tax charge of £1,814,000 (2024: £1,155,000).

The significant products in motor finance are car and other vehicle loans secured under hire purchase agreements.

The significant products in property bridging finance are bridging loans secured on property.

The assets and liabilities of the Parent Company are classified as Central.

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

3. Revenue

	2025 £000	2024 £000
Interest revenue and other income calculated using the effective interest method	**112,673**	111,378
Other fee income	**2,938**	4,059
Total revenue	**115,611**	115,437

4. Cost of Sales

	2025 £000	2024 £000
Cost of sales – motor finance	**14,063**	20,726
Cost of sales – property bridging finance	**2,321**	2,095
Total Cost of sales	**16,384**	22,821

5. Impairment Charge

	2025 £000	2024 £000
Loan loss provisioning charge		
Loan loss provisioning charge – motor finance	**33,191**	23,280
Loan loss provisioning charge – property bridging finance	**2,380**	923
Total impairment charge	**35,571**	24,203

6. Administrative Expenses

	2025 £000	2024 £000
Administrative expenses – motor finance	**13,391**	14,343
Administrative expenses – property bridging	**2,670**	2,491
Administrative expenses – central	**2,765**	2,933
Total Administrative Expenses	**18,826**	19,767

7. Information Regarding Employees

	Group 2025 No.	Group 2024 No.	Company 2025 No.	Company 2024 No.
The monthly average number of persons employed by the Group in the year was:				
Motor finance	**212**	205	**–**	–
Property bridging finance	**25**	23	**–**	–
Central	**11**	11	**11**	11
Total Group average number of employees	**248**	239	**11**	11

The monthly average employed by the company was 11 (2024: 11).

Staff costs during the year (including directors):	2025 £000	2024 £000	2025 £000	2024 £000
Wages and salaries	**11,348**	11,184	**1,377**	1,407
Social security costs	**1,254**	1,285	**238**	234
Pension costs for defined contribution scheme	**614**	521	**42**	40
Total Staff Costs	**13,216**	12,990	**1,657**	1,681

Directors' remuneration and details of the highest paid director are disclosed in the audited section of the Directors' Remuneration Report. No director or current employee is a member of the small historical defined benefit pension plan the details of which are contained in note 30 of these notes to the accounts.

8. Operating Profit

	2025 £000	2024 £000
Operating profit from continuing operations is after charging/(crediting):		
Depreciation and amortisation:		
Owned and Right to Use assets	**482**	510
Profit on sale of fixed assets	**(14)**	(16)
Staff costs	**13,216**	12,990

The analysis of auditor's remuneration is as follows:

	2025 £000	2024 £000
Fees payable to the Group's auditor for the audit of the Company's annual accounts	**50**	45
Fees payable to the Group's auditor for other services to the Group		
The audit of the Company's subsidiaries	**170**	155
Total audit fees	**220**	200
Audit related assurance services	**30**	30
Other services	**–**	–
Total non-audit fees	**30**	30
Total	**250**	230

9. Finance Costs

	2025 £000	2024 £000
31.5% cumulative preference dividend	**141**	141
Lease Liabilities	**20**	16
Bank loan and overdraft interest payable	**17,957**	14,905
Total Finance Costs	**18,118**	15,062

10. 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 £17,028,000 (2024: £16,445,000).

11. Exceptional Item

Motor Finance Forbearance Outcomes Review

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. We have engaged external support and Advantage and the FCA have discussed and agreed the necessary steps and Advantage have assessed whether any customers were adversely affected by its practices. We have recently completed this work and have provided for anticipated total associated exceptional potential customer remediation costs and external support costs totalling £2.736m as an exceptional item during the year ended 31 January 2025.

12. Tax on Profit Before Taxation

	2025 £000	2024 £000
Continuing Operations		
Corporation tax at 25.0% (2024: 24.0%) based on profit for the year	5,968	8,176
Adjustment in respect of prior years	(20)	16
	5,948	8,192
Deferred tax (temporary differences – origination and (reversal))	115	(45)
	6,063	8,147

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

	2025 £000	2024 £000
Profit on ordinary activities before tax from continuing operations	23,976	33,584
Tax on profit on ordinary activities at standard rate of 25.0% (2024: 24.0%)	5,994	8,060
Factors affecting charge for the period:		
Expenses not deductible for tax purposes	54	48
Effects of other tax rates and permanent differences	35	23
Prior period adjustments	(20)	16
Total actual amount of tax	6,063	8,147

The Finance Act 2021 confirms an increase of UK corporation tax rate from 19% to 25% with effect from 1 April 2023 and this was substantively enacted by the statement of financial position date and therefore included in these financial statements.

13. Dividends

	2025 £000	2024 £000
2nd Interim dividend paid for the year ended 31/1/2024 – 35.0p per Ordinary share (38.0p)	4,253	4,617
Final dividend paid for the year ended 31/1/2024 – 50.0p per Ordinary share (60.0p)	6,075	7,290
1st Interim dividend paid for the year ended 31/1/2025 – 30.0p per Ordinary share (35.0p)	3,645	4,253
Total ordinary dividends paid	13,973	16,160
6% cumulative preference dividend paid March and September	12	12
Credit for unpresented dividend payments over 12 years old	(22)	(18)
Total dividends paid	13,963	16,154

A second interim dividend of 30.0p per ordinary share for the year ended 31 January 2025 was paid on 7 March 2025 totalling £3.6m and the directors are proposing a final dividend for the year ended 31 January 2025 of 40p per ordinary share totalling £4.9m. The final dividend will be paid on 25 July 2025 to shareholders on the register at close of business on 4 July 2025 subject to approval by shareholders at the Annual General Meeting on Wednesday 18 June 2025.

14. Earnings Per Ordinary Share

The calculation of earnings per ordinary share ("EPS") from continuing operations is based on profit after tax of £17,913,000 (2024: £25,437,000).

The number of shares used in the Basic EPS calculation is the weighted average number of shares in issue during the year of 12,150,760 (2024: 12,150,760). There are a total of nil dilutive share options in issue (2024: nil) and taking into account the appropriate proportion of these dilutive options the number of shares used in the Diluted EPS calculation is 12,150,760 (2024: 12,150,760).

15. Property, Plant and Equipment

Group	Land and buildings £000	Motor vehicles £000	Fixtures and Fittings £000	Right to Use £000	Total £000
Cost					
At 1 February 2023	1,886	381	1,796	885	4,948
Additions	15	63	187	–	265
Disposals	(4)	(122)	(110)	(56)	(292)
At 31 January 2024	1,897	322	1,873	829	4,921
Additions	547	35	101	43	726
Disposals	–	(63)	(90)	–	(153)
At 31 January 2025	**2,444**	**294**	**1,884**	**872**	**5,494**
Accumulated depreciation					
At 1 February 2023	505	177	1,323	327	2,332
Charge for the year	108	53	173	176	510
Eliminated on disposals	(3)	(68)	(104)	(56)	(231)
At 31 January 2024	610	162	1,392	447	2,611
Charge for the year	109	43	167	163	482
Eliminated on disposals	–	(39)	(87)	–	(126)
At 31 January 2025	**719**	**166**	**1,472**	**610**	**2,967**
Net book value					
At 31 January 2025	**1,725**	**128**	**412**	**262**	**2,527**
At 31 January 2024	1,287	160	481	382	2,310

Included in the above is land at a cost of £22,000 (2024: £22,000) which is not depreciated.

Included in Right to Use assets above, are leases now capitalised under IFRS16 which are depreciated over the normal term of the lease. The total cash outflow for these leases during the year to 31.1.25 was £192,000 (2024: £178,000).

Company	Land and Buildings £000	Motor vehicles £000	Fixtures and Fittings £000	Right to Use £000	Total £000
Cost					
At 1 February 2023	42	53	269	343	707
Additions	–	–	27	–	27
Disposals	–	–	–	–	–
At 31 January 2024	42	53	296	343	734
Additions	–	–	2	–	2
Disposals	–	–	–	–	–
At 31 January 2025	**42**	**53**	**298**	**343**	**736**
Accumulated depreciation					
At 1 February 2023	12	33	204	12	261
Charge for the year	1	5	23	68	97
Eliminated on disposals	–	–	–	–	–
At 31 January 2024	13	38	227	80	358
Charge for the year	–	4	18	69	91
Eliminated on disposals	–	–	–	–	–
At 31 January 2025	**13**	**42**	**245**	**149**	**449**
Net book value					
At 31 January 2025	**29**	**11**	**53**	**194**	**287**
At 31 January 2024	29	15	69	263	376

Included in the above is land at cost of £22,000 (2024: £22,000) which is not depreciated.

The only asset included in Right to Use assets above is a lease of S&U and Aspen Solihull office premises which is now capitalised under IFRS16 which is depreciated over the normal term of the lease. The total cash outflow for this lease during the year to 31.1.25 was £88,000 (2024: £66,000).

16. Investments and Related Party Transactions

Company	2025 £000	2024 £000
Shares in subsidiary companies		
At historical cost less impairment	**1**	1

Interests in subsidiaries

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

Subsidiary and Registered Number	Principal activity
Advantage Finance Limited (03773673)	Motor finance
Aspen Bridging Limited (10270026)	Property bridging finance

The following are wholly owned dormant subsidiaries of the group which take advantage of exemptions provided under s394a and s448a and do not prepare, file or have audited individual company accounts;

Advantage Motor Finance Limited (03773678), Advantage4u Limited (06691669), Advantage Direct Finance Limited (07037684), Advantage Partner Finance Limited (07036720), Advantage Asset Finance Limited (06691598), S&U Stores Limited (00448884) and Cash Kangaroo Limited (08435795).

All dormant subsidiaries are directly owned by S&U plc with the exception of Advantage Motor Finance Limited which is indirectly wholly owned via Advantage Finance Limited.

All companies in the Group have their registered office at 2 Stratford Court, Cranmore Boulevard, Solihull B90 4QT.

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 28. During the year the Group made charitable donations amounting to £60,000 (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 year-end was £nil (2024: £20,000). During the year the Group obtained supplies at market rates amounting to £4,544 (2024: £4,110) 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. All related party transactions were settled in full when due.

Company

The Company received dividends from other Group undertakings totalling £16,900,000 (2024: £16,500,000). 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 2025 the Company was owed £270,408,115 (2024: £295,926,496) by other Group undertakings as part of an intercompany loan facility and owed £217,119 to S&U Stores Limited, a dormant group company (2024: £217,119). All related party transactions were settled in full when due. Key management personnel compensation is disclosed on page 36 in the Directors Remuneration Report.

17. Amounts Receivable from Customers

	Group	
	2025 **£000**	2024 £000
Motor finance hire purchase	**401,792**	437,181
Less: Loan loss provision motor finance	**(118,166)**	(104,685)
Amounts receivable from customers motor finance	**283,626**	332,496
Property bridging finance loans	**155,083**	132,746
Less: Loan loss provision property bridging finance	**(2,863)**	(2,304)
Amounts receivable from customers property bridging finance	**152,220**	130,442
Amounts receivable from customers total	**435,846**	462,938
Analysis by future date due		
– Due within one year	**232,330**	220,953
– Due in more than one year	**203,516**	241,985
Amounts receivable from customers	**435,846**	462,938
Analysis of security		
Loans secured on vehicles under hire purchase agreements	**277,831**	327,485
Loans secured on property	**152,220**	130,442
Other loans not secured (motor finance where security no longer present)	**5,795**	5,011
Amounts receivable from customers	**435,846**	462,938
Analysis of not impaired and impaired		
Not impaired		
Neither past due nor impaired	**355,566**	395,047
Past due up to 3 months but not impaired	**–**	–
Past due over 3 months but not impaired	**–**	–
Impaired		
Past due up to 3 months	**46,865**	48,986
Past due over 3 months and up to 6 months	**13,412**	9,070
Past due over 6 months or default	**20,003**	9,835
Amounts receivable from customers	**435,846**	462,938

The credit risk inherent in amounts receivable from customers is reviewed as per note 1.5 and under this review the credit quality of assets which are neither past due nor impaired was considered to be good with the exception of 1,727 vulnerable customers who although not in arrears at 31.1.25 were assessed from a review of internal data to have a significant increase in credit risk (2024: 881). Under IFRS9 therefore these customers although not in arrears are included in stage 2 at 31.1.25 with an increased impairment provision.

17. Amounts Receivable from Customers CONTINUED

Analysis of loan loss provision and amounts receivable from customers (capital)

As at 31 January 2025	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	221,442	9,811	170,539	401,792
Property bridging finance	141,476	–	13,607	155,083
Total	362,918	9,811	184,146	556,875
Loan loss provisions				
Motor finance	(13,258)	(2,904)	(102,004)	(118,166)
Property bridging finance	(1,001)	–	(1,862)	(2,863)
Total	(14,259)	(2,904)	(103,866)	(121,029)
Amounts receivable (net)				
Motor finance	208,184	6,907	68,535	283,626
Property bridging finance	140,475	–	11,745	152,220
Total	348,659	6,907	80,280	435,846

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

Collateral held

Motor finance – except for loans valued at £5.795m (2024: £5.011m), where we are aware the security is no longer present, security is held on a used vehicle for each hire purchase motor finance agreement. As stated in note 1.13 above, valuing these used vehicles secured under our hire purchase agreements is uncertain as the condition and mileage of the used vehicle are unknown. We estimate the trade value of collateral held at 31.1.25 for motor finance loans currently in stage 3 was £82.4m (2024: £68.8m) – these estimated values are stated before taking into account recovery and disposal costs.

Property bridging finance – the estimated value of first charge secured properties held under our bridging loan facility agreements at 31.1.25 is £246.3m (2024: £199.6m). This includes £16.7m estimated value of properties secured which is held for loan agreements currently in Stage 3 (2024: £15.3m).

Advances in both our motor finance business and our property bridging business are only made with collateral security and this is important in both these markets for the collectability of these loans – there have been no significant changes in the quality of collateral held during the year.

17. Amounts Receivable from Customers CONTINUED

Loan loss provisions	Stage 1: Subject to 12 months ECL £'000	Stage 2: Subject to lifetime ECL £'000	Stage 3: Subject to lifetime ECL £'000	Total Provision £'000
At 1 February 2023	27,756	662	69,605	98,023
Net transfers and changes in credit risk	(14,755)	565	12,331	(1,859)
New loans originated	11,863	354	13,845	26,062
Total impairment charge to income statement	(2,892)	919	26,176	24,203
Amounts netted off revenue for stage 3 assets	–	–	9,162	9,162
Utilised provision on write-offs	(2,635)	(258)	(21,506)	(24,399)
At 31 January 2024	22,229	1,323	83,437	106,989
Net transfers and changes in credit risk	(11,286)	1,434	26,699	16,847
New loans originated	5,204	642	12,878	18,724
Total impairment charge to income statement	(6,082)	2,076	39,577	35,571
Amounts netted off revenue for stage 3 assets	–	–	15,614	15,614
Utilised provision on write-offs	(1,888)	(495)	(34,762)	(37,145)
At 31 January 2025	**14,259**	**2,904**	**103,866**	**121,029**

There were no significant changes in the capital carrying value of amounts receivable from customers this year which contributed to changes in the loan loss provisions other than growth in new loans originated.

18. Other Receivables and Prepayments

	Group		Company	
	2025 £000	2024 £000	**2025 £000**	2024 £000
Amounts owed by subsidiary undertakings	**–**	–	**270,191**	295,709
Other debtors	**22**	52	**–**	10
Prepayments and accrued income	**1,405**	1,390	**179**	99
	1,427	1,442	**270,370**	295,818

The amounts owed by subsidiary undertakings in the Company's balance sheet are stated net of nil impairment and, other than £90.5m of intercompany receivables from Advantage Finance Limited (2024: £125.0m) and £107.0m of intercompany receivables from Aspen Bridging Limited (2024: £98.5m), which are due after more than one year, the amounts owed by subsidiary undertakings have no fixed maturity date. Under IFRS7, there are no amounts included in other receivables and prepayments which are past due but not impaired and no amounts which are impaired or have a significant increase in credit risk. The carrying value of trade and other receivables is not materially different to their fair value.

19. Borrowings Including Bank Overdrafts and Loans

	Group		Company	
	2025 £000	2024 £000	**2025 £000**	2024 £000
Bank overdrafts and loans – due within one year	**–**	881	**–**	–
Bank and other loans – due in more than one year	**197,500**	223,500	**197,500**	223,500
	197,500	224,381	**197,500**	223,500

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 2025:

– a facility for £5 million (2024: £5m) which is subject to annual review in June 2025.
– a facility for £2 million (2024: £2m) which has no annual review date.

Total drawdowns of these overdraft facilities at 31 January 2025 were £nil (2024: £880,564).

S&U plc had the following revolving credit facilities available at 31 January 2025:

– a facility for £230 million (2024: £230m) which is due for repayment in May 2027.

At 31 January 2024 S&U plc had revolving credit facilities of £230m which was due for repayment in May 2026.

S&U plc had the following term loan facilities available at 31 January 2024 and 31 January 2025:

– a facility for £50 million (2024: £50m) - £25m of which is due for repayment in March 2028 and £25m is due for repayment in March 2024. All the bank overdrafts facilities, revolving credit facilities and term loan facilities mentioned above incur interest at a variable rate.

The bank overdraft and loans are secured under a multilateral guarantee provided by S&U plc and its operating subsidiaries Advantage Finance Ltd and Aspen Bridging Ltd.

The Company is part of the Group overdraft facility and at 31 January 2025 was £nil overdrawn (2024: £nil overdrawn). A maturity analysis of the above borrowings is given in note 25.

20. Trade and Other Payables

	Group		Company	
	2025 £000	2024 £000	**2025 £000**	2024 £000
Trade creditors	**1,139**	920	**136**	63
Other creditors including commissions and remuneration payable	**2,156**	3,977	**538**	607
	3,295	4,897	**674**	670

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

21. Provisions For Liabilities and Charges

	Group		Company	
	2025 £000	2024 £000	**2025 £000**	2024 £000
At 1 February 2024	**–**	–	**–**	–
Charge to income statement	**2,736**	–	**–**	–
Utilised	**(464)**	–	**–**	–
At 31 January 2025	**2,272**	–	**–**	–

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. We have engaged external support and Advantage and the FCA have discussed and agreed the necessary steps and Advantage have assessed whether any customers were adversely affected by its practices. We have recently completed this work and have provided for anticipated associated exceptional potential customer remediation costs and external support costs totalling £2.736m (see also note 11) of which £0.464m has so far been incurred leaving a provision of £2.272m carried forward at 31 January 2025.

22. Deferred Tax

Group	Accelerated tax depreciation £000	Shadow Share Options £000	Total £000
At 1 February 2023	(109)	219	110
Credit/(debit) to income	(4)	49	45
At 31 January 2024	(113)	268	155
Debit to income	–	(115)	(115)
At 31 January 2025	**(113)**	**153**	**40**
Company			
At 1 February 2023	(7)	22	15
Credit to income	4	11	15
At 31 January 2024	(3)	33	30
Credit/(debit) to income	1	(16)	(15)
At 31 January 2025	**(2)**	**17**	**15**

Shadow share options are long term share based incentive instruments which will be settled in cash when exercised based on future share price and require achieving certain performance targets and are subject to continued employment conditions.

The Finance Act 2021 confirms an increase of UK corporation tax rate from 19% to 25% with effect from 1 April 2023 and this was substantively enacted by the statement of financial position date and therefore included in these financial statements.

23. Called Up Share Capital and Preference Shares

	2025 £000	2024 £000
Called up, allotted and fully paid		
12,150,760 Ordinary shares of 12.5p each (2024: 12,150,760)	**1,519**	1,519
200,000 6.0% Cumulative preference shares of £1 each	**200**	200
Called up share capital	**1,719**	1,719

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.

24. Financial Liabilities

Preference Share Capital	**2025 £000**	2024 £000
Called up, allotted and fully paid		
3,598,506 31.5% Cumulative preference shares of 12.5p each (2024: 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 twice the capital (2 lots of 12.5p) 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.

25. 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 motor finance hire purchase debts are secured by the financed vehicle. All financial assets are held at amortised cost.

As at 31 January 2025 the Group's indebtedness amounted to £197,500,000 (2024: £224,381,000) and the Company's indebtedness amounted to £197,500,000 (2024: £223,415,000). The Group gearing was 80.8% (2024: 98.5%), being calculated as borrowings net of cash as a percentage of total equity. The Board is of the view that the gearing level remains conservative, especially for a lending organisation. The tables below on pages 83 and 84 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 committed borrowing facilities at 31 January 2025 of £82.5m (2024: £56.5m). 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 2025 was estimated to be 23% (2024: 26%). The average effective interest rate of financial liabilities of the Group at 31 January 2025 was estimated to be 8% (2024: 8%). The average effective interest rate on financial liabilities of the Company at 31 January 2025 was estimated to be 8% (2024: 8%).

Currency and credit risk

The Group has no material exposure to foreign currency risk. The credit risk inherent in amounts receivable from customers is reviewed under impairment as per note 1.4. It should be noted that the credit risk at the individual customer level is limited by strict adherence to credit control rules which are regularly reviewed. The credit risk is also mitigated in the motor finance segment of our business by ensuring that the valuation of the security at origination of the loan is within glasses guide and cap limits. The credit risk is also mitigated in the bridging property finance segment of our business by ensuring that the valuation of the security at origination of the loan is rigorously assessed and is within loan to value 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.

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. There are no interest rate derivative contracts held at 31 January 2025 (2024: none held). 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. The Group has low gearing for its sector and the directors consider a 1% and a 2% movement in interest rates to reflect the UK interest rate environment and to be appropriate for sensitivity analyses. 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 1% higher/lower and all other variables were held constant, the Group's;

- profit for the year ended 31 January 2025 would decrease/increase by £1.5 million (2024: decrease/increase by £1.6million). This is mainly attributable to the Group's exposure on its variable rate borrowings.
- total equity would decrease/increase by £1.5million (2024: decrease/increase by £1.6million). This is mainly attributable to the Group's exposure on its variable rate borrowings.

If interest rates had been 2% higher/lower and all other variables were held constant, the Group's;

- profit for the year ended 31 January 2025 would decrease/increase by £3.0million (2024: decrease/increase by £3.2million). This is mainly attributable to the Group's exposure on its variable rate borrowings.
- total equity would decrease/increase by £3.0million (2024: decrease/increase by £3.2million). This is mainly attributable to the Group's exposure on its variable rate borrowings.

25. Financial Instruments CONTINUED

Capital risk management

The Board of Directors assess the capital needs of the Group on an ongoing basis and approve all material 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 2025 the Group gearing level was 80.8% (2024: 98.5%) which the directors consider to have met their objective.

Although Advantage have not sold insurance products in recent years, they are required to hold a regulatory minimum capital figure of £5000 in this regard. 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 (2024: £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 IFRS13.

Liquidity risk

The Group's liquidity risk is shown in the following tables which measure the cumulative liquidity gap. Management review and manage the maturity of borrowing facilities appropriately. Most of the Group's financial assets are repayable anyway within two years which together with net gearing of around 80.8% results in a positive liquidity position.

Group At 31 January 2025	**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	232,330	64,673	138,843	–	–	435,846
Other assets	–	–	–	–	3,994	3,994
Cash at bank and in hand	5,216	–	–	–	–	5,216
Total assets	237,546	64,673	138,843	–	3,994	445,056
Shareholders' funds	–	–	–	–	(238,079)	(238,079)
Bank overdrafts and loans	–	–	(197,500)	–	–	(197,500)
Lease liabilities	(109)	(92)	(91)	–	–	(292)
Financial liabilities	–	–	–	(450)	–	(450)
Other liabilities	–	–	–	–	(8,735)	(8,735)
Total liabilities and shareholders' funds	(109)	(92)	(197,591)	(450)	(246,814)	(445,056)
Cumulative gap	237,437	302,018	243,270	242,820	–	–

25. Financial Instruments CONTINUED

Group At 31 January 2024	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	220,953	71,353	170,632	–	–	462,938
Other assets	–	–	–	–	3,907	3,907
Cash at bank and in hand	1	–	–	–	–	1
Total assets	220,954	71,353	170,632	–	3,907	466,846
Shareholders' funds	–	–	–	–	(234,162)	(234,162)
Bank overdrafts and loans	(881)	–	(198,500)	(25,000)	–	(224,381)
Lease liabilities	(170)	(102)	(149)	–	–	(421)
Financial liabilities	–	–	–	(450)	–	(450)
Other liabilities	–	–	–	–	(7,432)	(7,432)
Total liabilities and shareholders' funds	(1,051)	(102)	(198,649)	(25,450)	(241,594)	(466,846)
Cumulative gap	**219,903**	**291,154**	**263,137**	**237,687**	**–**	**–**

Company At 31 January 2025	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
Other assets	**–**	**–**	**197,500**	**–**	**73,173**	**270,673**
Cash at bank and in hand	**2,691**	**–**	**–**	**–**	**–**	**2,691**
Total assets	**2,691**	**–**	**197,500**	**–**	**73,173**	**273,364**
Shareholders' funds	**–**	**–**	**–**	**–**	**(74,041)**	**(74,041)**
Bank overdrafts and loans	**–**	**–**	**(197,500)**	**–**	**–**	**(197,500)**
Financial liabilities	**–**	**–**	**–**	**(450)**	**–**	**(450)**
Lease liabilities	**(76)**	**(81)**	**(63)**	**–**	**–**	**(220)**
Other liabilities	**–**	**–**	**–**	**–**	**(1,153)**	**(1,153)**
Total liabilities and shareholders' funds	**(76)**	**(81)**	**(197,563)**	**(450)**	**(75,194)**	**(273,364)**
Cumulative gap	**2,615**	**2,534**	**2,471**	**2,021**	**–**	**–**

Company At 31 January 2024	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
Other assets	–	–	198,500	25,000	72,725	296,225
Cash at bank and in hand	85	–	–	–	–	85
Total assets	85	–	198,500	25,000	72,725	296,310
Shareholders' funds	–	–	–	–	(71,009)	(71,009)
Bank overdrafts and loans	–	–	(198,500)	(25,000)	–	(223,500)
Financial liabilities	–	–	–	(450)	–	(450)
Lease liabilities	(72)	(76)	(144)	–	–	(292)
Other liabilities	–	–	–	–	(1,059)	(1,059)
Total liabilities and shareholders' funds	(72)	(76)	(198,644)	(25,450)	(72,068)	(296,310)
Cumulative gap	**13**	**(63)**	**(207)**	**(657)**	**–**	**–**

25. Financial Instruments CONTINUED

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

Group At 31 January 2025	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	–	3,295	–	–	–	3,295
Tax liabilities	–	1,695	–	–	–	1,695
Provisions for liabilities and charges	–	2,272	,	,	,	2,272
Accruals and deferred income	–	1,473	–	–	–	1,473
Borrowings	–	–	–	197,500	–	197,500
Lease liabilities	–	109	92	91	–	292
Financial liabilities	–	–	–	–	450	450
At 31 January 2025	–	8,844	92	197,591	450	206,977

Group At 31 January 2024	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	881	–	–	–	–	881
Trade and other payables	–	4,897	–	–	–	4,897
Tax liabilities	–	564	–	–	–	564
Accruals and deferred income	–	1,971	–	–	–	1,971
Borrowings	–	–	–	198,500	25,000	223,500
Lease liabilities	–	170	102	149	–	421
Financial liabilities	–	–	–	–	450	450
At 31 January 2024	881	7,602	102	198,649	25,450	232,684

Company At 31 January 2025	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	–	674	–	–	–	674
Tax liabilities	–	127	–	–	–	127
Accruals and deferred income	–	352	–	–	–	352
Borrowings	–	–	–	197,500	–	197,500
Lease liabilities	–	76	81	63	–	220
Financial liabilities	–	–	–	–	450	450
At 31 January 2025	–	1,229	81	197,563	450	199,323

25. Financial Instruments CONTINUED

Company At 31 January 2024	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	–	670	–	–	–	670
Tax liabilities	–	100	–	–	–	100
Accruals and deferred income	–	289	–	–	–	289
Borrowings	–	–	–	198,500	25,000	223,500
Lease liabilities	–	72	76	144	–	292
Financial liabilities	–	–	–	–	450	450
At 31 January 2024	–	1,131	76	198,644	25,450	225,301

26. Reconciliation of Operating Profit to Net Cash from Operating Activities

	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Operating Profit	**44,830**	48,646	**14,135**	13,566
Tax paid	**(4,817)**	(8,515)	**(57)**	(9)
Exceptional item	**(2,736)**	–	**–**	–
Depreciation on plant, property and equipment	**482**	510	**91**	97
Profit on disposal of plant, property and equipment	**(14)**	(16)	**–**	–
Decrease/(increase) in amounts receivable from customers	**27,092**	(42,228)	**–**	–
Decrease/(increase) in other receivables and prepayments	**15**	159	**25,448**	(27,985)
(Decrease)/increase in trade and other payables	**(1,602)**	295	**4**	(51)
(Decrease)/increase in accruals	**(498)**	709	**63**	74
Increase in provisions for other liabilities and charges	**2,272**	–	**–**	–
Movement in retirement benefit asset/obligations	**(33)**	(6)	**(33)**	(6)
Net cash generated by/(used in) operating activities	**64,991**	(446)	**39,651**	(14,314)

27. Financial Commitments

Capital commitments

At 31 January 2025 the Group had £nil capital commitments contracted but not provided for (2024: £nil). At 31 January 2025, the Company had no capital commitments contracted but not provided for (2024: £nil).

28. Contingent Liabilities

On 25 October 2024 the Court of Appeal passed a ruling in the cases of Hopcraft, Wrench and Johnson which affected the payment of motor finance commissions by two motor finance lenders in circumstances where informed and explicit consent had not been obtained. The Court of Appeal ruled in favour of the claimants although the two lenders have appealed this ruling to the UK Supreme Court, who heard their appeal in April 2025 and plan to announce their own ruling by July 2025.

Our own subsidiary company Advantage Finance offers motor finance mainly through independent credit broker intermediaries rather than more directly with dealers. From the period January 2013 to October 2024 only about 10% of transactions were written via dealers acting as credit brokers, upon which £6m of commission was paid.

Due to different fact patterns between Advantage's process and the 3 cases which were considered by the Court of Appeal and which are now being considered by the UK Supreme Court and also due to the acknowledged inherent lack of consumer harm in fixed fee commission models of the sort operated by Advantage, management consider that a liability arising is possible but this is not probable. The Group has assessed the requirement for a provision and as at 31 January 2025 no amounts have been recognised. At this point it is also not practicable to reliably estimate the financial effect of any redress payout given the uncertainties over the amount, timing and success of any claims.

28. Contingent Liabilities CONTINUED

In summary, this UK Supreme Court ruling arising from the appeal hearing in April 2025 is unknown and uncertain.

Please note that Advantage Finance have never used discretionary commission arrangements and so there is no contingent liability or provision recorded for the FCA review into historic discretionary commissions as paid by some lenders in the motor finance sector.

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 2025 was £13,721 (2024: £2,253,817).

29. Share Based Payments

The Company operates a Long-Term Incentive Plan (LTIP 2021), which was approved by the AGM in May 2021. LTIP 2021 allows shadow share options which can only be cash settled and therefore do not dilute current shareholders. Vesting of these shadow share option awards is subject to performance conditions over a performance period of at least a year and the awards can normally be exercised for the period between 3 years and 6 years from the date of grant of the award subject also to standard leaver and malus and clawback provisions contained in the rules of the LTIP 2021 plan.

The Group recognised total share-based payment expenses for LTIP 2021 of £145,154 in the year to 31 January 2025 (2024: £631,936). At 31 January 2025 the creditor for LTIP 2021 shadow share options amounted to £750,566 (31.1.24: £1,368,768).

30. 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 2022. At that valuation it was assumed that the appropriate post retirement discount rate was 1.95% and pension increases would be 3.6% per annum. The valuation results have been updated on the advice of a qualified actuary to take account of the requirements of IAS19 in order to assess the liabilities of the scheme as at 31 January 2025. 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 2026 is £nil.

The scheme is run by Trustees who are responsible for the affairs of the scheme. Trustees during the year were Mr GDC Coombs and Mr CH Redford who were also directors of S&U plc during the year. The scheme is closed to new members. The Trustees discuss the affairs of the scheme and deal with discretionary matters regarding benefits. The trustees have employed Barclays Wealth as investment managers. S&U plc has power, under the Trust Deed and Rules which govern the operation of the Fund, to remove Trustees from office, to accept their resignations, and to appoint new or additional Trustees. The directors of S&U plc consider all these arrangements to be appropriate, having noted that the scheme has been closed to new members for over 40 years, the scheme continues to have a significant surplus and the scheme's defined benefit obligations are not material in the context of the group.

Disclosures made in accordance with IAS 19

A full actuarial valuation was carried out at 31 March 2022 and updated to 31 January 2025 by a qualified independent actuary.
The valuation method used was the projected unit method. The major assumptions used by the actuary were (in nominal terms):

	At year end 31 January 2025	At year end 31 January 2024
Rate of increase in salaries		
Pension increases:	**Na**	Na
Pre-97 Pension	**0.0%**	0.0%
Post 97 Pension	**3.5%**	3.3%
Discount rate	**5.2%**	4.7%

Mortality assumption for 31 January 2025 comes from the S3PA tables with CMI-2023 1.25% long term trend and for 31 January 2024 mortality assumption was from the S3PA tables with CMI-2022 1.25% long term trend.

30. Retirement Benefit Obligations CONTINUED

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

	Proportion held at 31 January 2025 £000	Proportion held at 31 January 2024 £000
Equities	**57%**	51%
Bonds	**28%**	33%
Cash/Other	**15%**	16%
Total market value of assets	**100%**	100%

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

	Jan 25 £000	Jan 24 £000
Fair value of plan assets	**1,125**	1,070
Present value of defined benefit obligations	**(333)**	(348)
Surplus before restriction	**792**	722
Restriction on Surplus	**(792)**	(722)
Pension asset	**0**	0

The pension asset has a large surplus before restriction and so is unlikely to be affected by normal variances in actuarial assumptions and so no actuarial assumption sensitivity analysis is provided.

The amount recognised in the income statements during the year

	Jan 25 £000	Jan 24 £000
Current service cost	**–**	–
Past service cost	**2**	26
Interest on obligation	**15**	14
Expected return on plan assets	**(50)**	(46)
Expense recognised in the income statement	**(33)**	(6)
Opening net (asset)	**–**	–
Expense	**(33)**	(6)
Contributions paid	**–**	–
Actuarial loss	**33**	6
Closing net (asset)	**0**	0

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

30. Retirement Benefit Obligations CONTINUED

Movement in present value of obligation	Jan 25 £000	Jan 24 £000
Present value of obligation at 1 February	**348**	342
Interest cost	**15**	14
Current service cost	**–**	–
Past service cost	**2**	26
Benefits paid	**(40)**	(39)
Actuarial (gain)/loss on obligation – assumptions	**(9)**	(11)
Actuarial (gain)/loss on obligation – experience	**17**	16
Present value of obligation at 31 January	**333**	348
Experience adjustment on scheme liabilities		
Actuarial (gain)/loss as percentage of scheme liabilities	**2%**	1%
Movement in fair value of plan assets		
Fair value of plan assets at 1 February	**1,070**	1,092
Expected return on plan assets	**50**	46
Contributions	**–**	–
Benefits paid	**(40)**	(39)
Actuarial gain/(loss) on plan assets	**45**	(29)
Fair value of plan assets at 31 January	**1,125**	1,070

The fair value of plan assets other than cash is based on quoted market prices.

Experience adjustment on assets	Jan 25 £000	Jan 24 £000
Actuarial gain/(loss) as percentage of scheme assets	**4%**	(3%)

Five Year Record (Unaudited)

	2021 £000	2022 £000	2023 £000	2024 £000	**2025** **£000**
Continuing Operations Only					
Revenue	83,761	87,889	102,714	115,437	**115,611**
Cost of Sales	(14,264)	18,771)	(23,676)	(22,821)	**(16,384)**
Impairment	(36,705)	(4,120)	(13,877)	(24,203)	**(35,571)**
Administrative Expenses	(11,096)	(14,208)	(16,256)	(19,767)	**(18,826)**
Operating profit	21,696	50,790	48,905	48,646	**44,830**
Finance Costs (net)	(3,568)	(3,772)	(7,495)	(15,062)	**(18,118)**
Profit before taxation before exceptional item	18,128	47,018	41,410	33,584	**26,712**
Exceptional Item	–	–	–	–	**(2,736)**
Profit before taxation	18,128	47,018	41,410	33,584	**23,976**
Taxation	(3,482)	(9,036)	(7,692)	(8,147)	**(6,063)**
Profit for the year	14,646	37,982	33,718	25,437	**17,913**
Assets employed in all operations					
Fixed assets	2,713	2,455	2,616	2,310	**2,527**
Amounts receivable and other assets	282,126	324,774	425,558	464,536	**442,529**
	284,839	327,229	428,174	466,846	**445,056**
Liabilities	(103,810)	(120,482)	(203,289)	(232,684)	**(206,977)**
Total equity	181,029	206,747	224,885	234,162	**238,079**
Earnings per Ordinary share	120.7p	312.8p	277.5p	209.2p	**147.4p**
Dividends declared per Ordinary share	90.0p	126.0p	133.0p	120.0p	**100.0p**
Group gearing	54.6%	54.9%	85.5%	95.8%	**80.8%**

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

Financial Calendar

Annual General Meeting			18 June 2025
Announcement of Results	Half year ending 31 July 2025 Year ending 31 January 2026		9 October 2025 April 2026
Payment of Dividends	6% Cumulative Preference Shares		30 September 2025 & 31 March 2026
	31.5% Cumulative Preference Shares		31 July 2025 & 31 January 2026
	Ordinary Shares	– 2024/25 final	25 July 2025
		– Ex dividend date	3 July 2025
		– Record date	4 July 2025
		– 2025/26 first interim	November 2025
		– 2025/26 second interim	March 2026

Annual General Meeting Arrangements

The Annual General Meeting will take place on 18 June 2025 – further details of arrangements are contained in the Notice of Annual General Meeting sent to shareholders and on the company website at www.suplc.co.uk

Officers and Professional Advisers

Directors

A M V Coombs MA (Oxon)	(Chairman)
G D C Coombs MA (Oxon) MSc (Lon)	(Deputy Chairman)
J E C Coombs MA (Oxon) ACA	(Director)
C H Redford ACA	(Group Finance Director)
E H Ahrens	(CEO Aspen Bridging)
T G Wheeler	(Non-executive)
G Pedersen	(Non-executive)
T Khlat MBE	(Non-executive)
J P Maxwell	(Non-executive)

Secretary

MK Bhogal ACMA CGMA

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