

IMMEDIATE RELEASE:

S&U PLC

Providers of Consumer Credit and Motor Finance

INTERIM RESULTS FOR THE HALF YEAR TO 31ST JULY 2005

- **HALF-YEAR PROFITS £5.3m *(£5.4m) ON REVENUE £26.1m* (£25.4m) A “COMMENDABLE ACHIEVEMENT” AGAINST FLAGGING CONSUMER DEMAND GENERALLY**
- **EARNINGS PER SHARE 31.5p (31.8p) – INTERIM DIVIDEND 9P (UNCHANGED)**
- **HOME COLLECTIONS – SLIGHT DECLINE IN PROFITS AFTER RECORD RESULTS LAST YEAR**
- **MOTOR CAR FINANCE – PROFITS £1.19m (£1.18m) FURTHER INCREASE FOR YEAR EXPECTED**
- **“STEADY PROGRESS IN PROFITABILITY AND RETURNS TO SHAREHOLDERS IN YEARS AHEAD”**

***NB. Figures are restated according to new International Financial Reporting Standards (IFRS)**

Issued on behalf of S&U Plc by Simon Preston 020 7655 0500

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CHAIRMAN'S STATEMENT

Whilst the results for the half year ended on the 31st July 2005 show that profits before tax are slightly down from £5.4 million last year to £5.3 million this year, this result has to be seen against the background of flagging consumer demand generally. So in many respects it is a commendable achievement.

Revenue totalled £26.1 million compared to £25.4 million for the comparable period last year.

The earnings per share was 31.5p compared to 31.8p.

The traditional home collection business is responsible for the slight decline in profits after a record result last year.

Advantage Finance, our motor car finance subsidiary, achieved profits of £1.19m against £1.18m last year and is expected to provide a more substantial increase for the year, which is encouraging for an operation which I launched some six years ago.

The interim dividend is unchanged at 9p per share. This will be paid on the 11th November 2005 to Ordinary Shareholders. The shares will go ex dividend on the 12th October 2005.

DM Coombs
Chairman

5 October 2005

MANAGING DIRECTOR'S STATEMENT

As I anticipated at our full year results, when I advised caution for this year, the current slow-down in consumer confidence and High Street spending has been reflected in S&U's half-year results. Profit before tax, adjusted for new International Financial Reporting Standards, is £5.3m against £5.4m a year ago. Whilst revenues across the Group are ahead of last year, the fall in profit primarily derives from slightly lower consumer demand and marginally higher levels of impairment and expenses – the latter due to investment in our motor finance sales operation and to costs associated with the current Competition Commission Inquiry into the home credit industry.

However, my confidence for the full year is buoyed by the trading trends underlying these figures. Whilst first quarter sales and impairment charges were significantly behind budget, results in the second quarter improved significantly as consumer confidence tentatively returned. Indeed results for the most recent period of trading confirm this, as trading particularly in our home credit business returns close to budget.

This is not, however, to deny other challenges we face within the mature, and even consolidating, home credit industry. These structural changes have been evidenced in the past six months by the merger of Morses and London & Scottish and by branch closures amongst S&U's home credit competitors. A tighter labour market for Representatives, competition from main stream lenders and the activities of commercial debt consolidators are constant challenges. Whilst we have now bedded in the additional (and in reality superfluous) home credit documentation demanded by new secondary legislation, the industry still faces within the next six months another Consumer Credit Bill and the (hopefully common-sense and benign) deliberations of the Competition Commission. Rarely has any industry, as demonstrably popular with its customers as home credit, been so unnecessarily investigated, scrutinised and generally fussed over by Government and its consumerist satraps.

Against this background home credit new loans fell in the half-year although recovering well over the past two months. Further, a slightly higher impairment charge, albeit offset by improved gross margins, led to divisional profits of £4.09m, against £4.18m last year. Improved trading performance is expected in the second half, although much will depend on the general economic and regulatory climate mentioned above.

Whilst also operating in a slowing market, Advantage Finance, our motor subsidiary, continues to make good progress, in stark contrast to the recent travails of its sub-prime competitors. Profits for the first half were £1.19m against £1.18m last year on revenues impressively ahead by 8%. Collections proved robust and almost on budget whilst the fact that applications volume is up by no less than 35% demonstrates the quality and rigour of Advantage's underwriting. Significant investment has been made in expanding and reorganising the sales operation and in Compliance and Audit – the latter reflecting both high quality future book debts and the new FSA compliance regime.

MANAGING DIRECTOR' STATEMENT

Further investment in IT has seen the much awaited completion of new systems for home credit and more timely and flexible management information throughout the Group. This will be invaluable in enabling us to better analyse and communicate with our customers and in managing and motivating the staff serving them.

Indeed, this investment in information technology is already bearing fruit by allowing us to refine our Group debt provisioning (or under IFRS) "impairment" policies. This not only enables us to meet IFRS standards for reporting revenue, but also to improve our recognition of impairment. This will more accurately reflect the risk profile of our home credit debt and improve our management of it, especially in maximising trading opportunities with every customer.

The net effect of the change to IFRS is reflected in a £6m reduction in stated net assets at 31st January 2005 from £41m to £35m, a change of around 15%. This is conservative compared to our competitors and has no impact on our base profitability, cash flows or bank financing arrangements.

The financial position of our Group will remain strong, with anticipated gearing on the new IFRS basis at 75%, a slight increase on restated figures for last year. This reflects further investment of £3m in our growing motor finance business. We have also secured funding for a pilot secured second mortgage business (Communitas) and subsequent to 31st July 2005 have put interest rate hedging in place to cover £20m of our existing borrowing over the next 5 years.

Thus, despite a slowing economy, these longer term improvements should lay the ground for steady progress in both profitability and returns to shareholders in the years ahead.

Anthony Coombs

5 October 2005

INDEPENDENT REVIEW REPORT TO S & U PLC

Introduction

We have been instructed by the company to review the financial information for the six months ended 31 July 2005, which comprises the consolidated interim income statement, consolidated interim balance sheet, consolidated cash flow statement and related notes 1 to 10. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with Bulletin 1999/4 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures are consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

International Financial Reporting Standards

As disclosed in note 1, the next annual financial statements of the group will be prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the EU. Accordingly, the interim report has been prepared in accordance with the recognition and measurement criteria of IFRS and the disclosure requirements of the Listing Rules.

Review work performed

We conducted our review in accordance with the guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 31 July 2005.

Deloitte & Touche LLP

Chartered Accountants

Birmingham

5 October 2005

Notes: A review does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the financial information since first published. These matters are the responsibility of the directors but no control procedures can provide absolute assurance in this area.

Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

S&U PLC

CONSOLIDATED INCOME STATEMENT Six months ended 31 July 2005

	Note	Unaudited Six months ended 31.7.05 £000	Unaudited Six months ended 31.7.04 £000	Unaudited Financial year ended 31.1.05 £000
Revenue	2	26,121	25,406	50,712
Cost of Sales		(11,577)	(11,162)	(22,965)
Gross Profit		14,544	14,244	27,747
Administrative expenses		(8,422)	(8,188)	(16,679)
Operating profit		6,122	6,056	11,068
Finance costs		(841)	(691)	(1,518)
Profit before taxation	2	5,281	5,365	9,550
Taxation	3	(1,586)	(1,632)	(2,919)
Profit for the period		3,695	3,733	6,631
Earnings per share Basic and Diluted	4	31.5p	31.8p	56.5p
Dividends per ordinary share				
Paid during the period	5	22.0p	21.0p	30.0p
Proposed	5	9.0p	9.0p	22.0p

All activities and earnings per share derive from continuing operations. There are no recognised gains and losses for the six months ended 31 July 2005 and comparative periods other than the profit for the period and the dividends shown above.

CONSOLIDATED BALANCE SHEET
Six months ended 31 July 2005

	Note	Unaudited 31.7.05 £000	Unaudited 31.7.04 £000	Unaudited 31.1.05 £000
ASSETS				
Non current assets				
Property, plant and equipment		2,364	2,432	2,357
Amounts receivable from customers	6	17,080	15,297	15,994
		<u>19,444</u>	<u>17,729</u>	<u>18,351</u>
Current assets				
Inventories		111	121	91
Amounts receivable from customers	6	43,871	40,431	42,456
Trade and other receivables		681	915	717
Current income tax assets		2,093	2,207	2,234
Cash and cash equivalents		24	91	14
		<u>46,780</u>	<u>43,765</u>	<u>45,512</u>
Total assets		<u>66,224</u>	<u>61,494</u>	<u>63,863</u>
LIABILITIES				
Current liabilities				
Bank overdrafts and loans		(6,950)	(5,389)	(5,791)
Trade and other payables		(1,284)	(1,238)	(1,294)
Tax liabilities		(199)	(190)	(210)
Accruals and deferred income		(1,341)	(1,180)	(1,233)
		<u>(9,774)</u>	<u>(7,997)</u>	<u>(8,528)</u>
Non current liabilities				
Bank loans		(20,000)	(20,000)	(20,000)
Retirement benefit obligation		(23)	(23)	(23)
Deferred tax liabilities		(83)	(85)	(81)
Financial liabilities		(650)	(650)	(650)
		<u>(20,756)</u>	<u>(20,758)</u>	<u>(20,754)</u>
Total liabilities		<u>(30,530)</u>	<u>(28,755)</u>	<u>(29,282)</u>
NET ASSETS		<u>35,694</u>	<u>32,739</u>	<u>34,581</u>
Equity				
Called up share capital		1,467	1,467	1,467
Share premium account		2,136	2,136	2,136
Profit and loss account		32,091	29,136	30,978
Total Equity	7	<u>35,694</u>	<u>32,739</u>	<u>34,581</u>

There interim statements were approved by the Board of Directors on 5 October 2005. Signed on behalf of the Board of Directors D M COOMBS AMV COOMBS
Directors

CONSOLIDATED CASH FLOW STATEMENT
Six months ended 31 July 2005

	Note	Unaudited Six months ended 31.7.05 £000	Unaudited Six months ended 31.7.04 £000	Unaudited Financial year ended 31.1.05 £000
Net cash from operating activities	8	1,726	1,000	1,779
Cash flows from investing activities				
Proceeds on disposal of property, plant and equipment		50	54	133
Purchases of property, plant and equipment		(343)	(286)	(567)
		<hr/>	<hr/>	<hr/>
Net cash used in investing activities		(293)	(232)	(434)
		<hr/>	<hr/>	<hr/>
Cash flows from financing activities				
Dividends paid		(2,582)	(2,465)	(3,521)
Repayment of borrowings		-	(15,000)	(15,000)
Issue of new borrowings		-	20,000	20,000
		<hr/>	<hr/>	<hr/>
Net cash used in financing activities		(2,582)	2,535	1,479
		<hr/>	<hr/>	<hr/>
Net (decrease)/increase in cash and bank overdrafts		(1,149)	3,303	2,824
Cash and bank overdrafts at the beginning of the period		(5,777)	(8,601)	(8,601)
		<hr/>	<hr/>	<hr/>
Cash and bank overdrafts at the end of the period		(6,926)	(5,298)	(5,777)
		<hr/>	<hr/>	<hr/>
Cash and bank overdrafts comprise				
Cash		24	91	14
Bank overdrafts		(6,950)	(5,389)	(5,791)
		<hr/>	<hr/>	<hr/>
		(6,926)	(5,298)	(5,777)
		<hr/>	<hr/>	<hr/>

NOTES TO THE INTERIM STATEMENTS
Six months ended 31 July 2005

1. ACCOUNTING POLICIES

1.1 Basis of preparation

Prior to 2005 S&U plc has prepared its financial statements under UK generally accepted accounting principles ("UK GAAP") but as a listed company we are now required to prepare our consolidated financial statements in accordance with international financial reporting standards (IFRS) as endorsed by the European Union. The date of transition to IFRS for S&U plc was 1st February 2004 and the group has prepared its opening balance sheet at that date. Reconciliations between previously reported UK GAAP results and IFRS as adopted are presented in note 9.

This interim financial report has been prepared under the historical cost convention. The group has elected to retain the UK GAAP carrying values of certain freehold properties (including any historic revaluations) as deemed cost on the date of transition to IFRS. The consolidated financial statements incorporate the financial statements of the company and all its subsidiaries for the six months ended 31st July 2005. The financial information contained in this interim financial report does not constitute a set of statutory accounts and is unaudited, but subject to a review opinion.

1.2 Revenue recognition

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

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

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

1.3 Amounts receivable from customers

All customer receivables are initially recognised at the amount loaned to the customer plus direct transaction costs. After initial recognition the amounts receivable from customers are subsequently measured at amortised cost. Amortised cost is the amount of the customer receivable at initial recognition less customer repayments, plus revenue earned less any deduction for impairment.

The directors assess on an ongoing basis whether there is objective evidence that a loan asset or group of loan assets is impaired and requires a deduction for impairment. A loan asset or a group of loan assets is impaired only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the loan. 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.

NOTES TO THE INTERIM STATEMENTS

Six months ended 31 July 2005

1.4 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 IFRS1.

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

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

1.5 Inventories

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

1.6 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 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.

1.7 Goodwill

Any goodwill which arises on future acquisitions will be capitalised. Such goodwill will not be amortised but will be subject to annual review for impairment and the carrying value of goodwill will be cost less accumulated impairment losses.

1.8 Pensions

The group contributes to a defined benefit pension scheme and the defined benefit pension liability at the balance sheet date is calculated as the present value of the defined benefit obligation less the fair value of the plan assets.

The group also operates several defined contribution pension schemes and the pension charge represents the amount payable by the company for the financial year.

1.9 Leases

Rental costs under operating leases are charged to the profit and loss account when incurred.

NOTES TO THE INTERIM STATEMENTS

Six months ended 31 July 2005

2. ANALYSES OF REVENUE AND PROFIT BEFORE TAXATION

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

Class of business	← Revenue →		
	Six months ended 31.7.05 £000	Six months ended 31.7.04 £000	Financial year ended 31.1.05 £000
Consumer credit, rentals and other retail trading	21,068	20,732	41,746
Car finance	5,053	4,674	8,966
	26,121	25,406	50,712

Class of business	← Profit before taxation →		
	Six months ended 31.7.05 £000	Six months ended 31.7.04 £000	Financial year ended 31.1.05 £000
Consumer credit, rentals and other retail trading	4,092	4,180	7,485
Car finance	1,189	1,185	2,065
	5,281	5,365	9,550

3. TAXATION

The actual tax charge for the period has been calculated by applying the estimated effective tax rate for the year of 30.0% (31st July 2004 30.4%) to the profit before taxation for the six months.

4. EARNINGS PER ORDINARY SHARE

The calculation of earnings per Ordinary share is based on profit for the period of £3,695,000 (for the period ended 31 July 2004 - £3,733,000 and the year ended 31 January 2005 - £6,631,000).

The number of shares used in the calculation is the average number of shares in issue during the period of 11,737,228 (for the period ended 31 July 2004 and the year ended 31 January 2005 – 11,737,228).

Diluted earnings per share is the same as basic earnings per share as there are no dilutive shares.

5. DIVIDENDS

The directors have declared an interim dividend of 9p per share (2004: 9p per share). The dividend, which amounts to approximately £1,056,000 (July 2004: £1,056,000), will be paid on 11 November 2005 to shareholders on the register at 14 October 2005. The shares will be quoted ex dividend on 12 October 2005. The interim financial information does not include this proposed dividend as it was declared after the balance sheet date.

NOTES TO THE INTERIM STATEMENTS

Six months ended 31 July 2005

6. ANALYSIS OF AMOUNTS RECEIVABLE FROM CUSTOMERS

All operations are situated in the United Kingdom.

Class of business	← Amounts Receivable →		
	Six months ended 31.7.05 £000	Six months ended 31.7.04 £000	Financial year ended 31.1.05 £000
Consumer credit, rentals and other retail trading	32,512	31,363	33,076
Car finance	28,439	24,365	25,374
	<u>60,951</u>	<u>55,728</u>	<u>58,450</u>
Analysed as:- due within one year	43,871	40,431	42,456
- due in more than one year	17,080	15,297	15,994
	<u>60,951</u>	<u>55,728</u>	<u>58,450</u>

7. ANALYSIS OF CHANGES IN SHAREHOLDERS' EQUITY

	Six months ended 31.7.05 £000	Six months ended 31.7.04 £000	Financial year ended 31.1.05 £000
Profit for the period	3,695	3,733	6,631
Dividends paid	(2,582)	(2,465)	(3,521)
Net addition to shareholders' equity	<u>1,113</u>	<u>1,268</u>	<u>3,110</u>
Opening shareholders' equity	34,581	31,471	31,471
Closing shareholders' equity	<u>35,694</u>	<u>32,739</u>	<u>34,581</u>

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

	Six months ended 31.7.05 £000	Six months ended 31.7.04 £000	Financial year ended 31.1.05 £000
Profit before taxation	5,281	5,365	9,550
Tax paid	(1,454)	(1,556)	(2,854)
Depreciation on plant, property and equipment	260	242	493
Loss on disposal on plant, property and eqpmt	26	32	58
Increase in amounts receivable from customers	(2,501)	(3,253)	(5,975)
Increase in inventories	(20)	(16)	14
Decrease in trade and other receivables	36	(111)	87
Decrease in trade and other payables	(10)	(24)	32
Increase in accruals and deferred income	108	386	439
Decrease in retirement benefit obligations	-	(65)	(65)
Cash flow from operating activities	<u>1,726</u>	<u>1,000</u>	<u>1,779</u>

NOTES TO THE INTERIM STATEMENTS
Six months ended 31 July 2005

9. RECONCILIATIONS BETWEEN IFRS AND UK GAAP

Income Statement 31st July 2004 £'000	Unaudited UKGaap	Reclassifications Note 9a	Revenue & Impairment Note 9b	Dividends Note 9c	Unaudited IFRS
Revenue	17,738		7,668		25,406
Cost of sales	(1,505)		(9,657)		(11,162)
Gross Profit	16,233		(1,989)		14,244
Administrative expenses	(10,705)		2,517		(8,188)
Operating profit	5,528		528		6,056
Finance costs	(614)	(77)			(691)
Profit before taxation	4,914	(77)	528		5,365
Taxation	(1,474)		(158)		(1,632)
Profit for the period	3,440	(77)	370		3,733

Income Statement 31st January 2005 £'000	Audited UK Gaap	Reclassifications Note 9a	Revenue & Impairment Note 9b	Dividends Note 9c	Unaudited IFRS
Revenue	36,363		14,349		50,712
Cost of sales	(3,067)		(19,898)		(22,965)
Gross Profit	33,296		(5,549)		27,747
Administrative expenses	(22,174)		5,495		(16,679)
Operating profit	11,122		(54)		11,068
Finance costs	(1,364)	(154)			(1,518)
Profit before taxation	9,758	(154)	(54)		9,550
Taxation	(2,936)		17		(2,919)
Profit for the period	6,822	(154)	(37)		6,631

NOTES TO THE INTERIM STATEMENTS
Six months ended 31 July 2005

9. RECONCILIATIONS BETWEEN IFRS AND UK GAAP (CONTINUED)

1st February 2004 £'000	Audited UK Gaap	Reclassifications Note 9a	Revenue & Impairment Note 9b	Dividends Note 9c	Unaudited IFRS
NET ASSETS					
Property plant and equipment	2,474				2,474
Amounts receivable from customers	14,520		(704)		13,816
Non current assets	16,994		(704)		16,290
Inventories	105				105
Amounts receivable from customers	50,006		(11,347)		38,659
Trade and Other Receivables	804				804
Current Income tax assets	144	(53)	2,252		2,343
Cash at bank and in hand	10				10
Current assets	51,069	(53)	(9,095)		41,921
Total assets	68,063	(53)	(9,799)		58,211
Bank overdrafts and loans	(23,611)				(23,611)
Trade and other payables	(3,815)	88		2,465	(1,262)
Tax liabilities	(1,612)		1,363		(249)
Accruals and Deferred Income	(794)				(794)
Current liabilities	(29,832)	88	1,363	2,465	(25,916)
Bank loans					
Retirement benefit obligation		(88)			(88)
Deferred tax liability		(86)			(86)
Financial liabilities		(650)			(650)
Non current liabilities		(824)			(824)
Total liabilities	(29,832)	(736)	1,363	2,465	(26,740)
NET ASSETS	38,231	(789)	(8,436)	2,465	31,471
Called up share capital	2,117	(650)			1,467
Share premium account	2,136				2,136
Revaluation Reserve	501	(501)			-
Profit and loss account	33,477	362	(8,436)	2,465	27,868
SHAREHOLDERS' EQUITY	38,231	(789)	(8,436)	2,465	31,471

NOTES TO THE INTERIM STATEMENTS
Six months ended 31 July 2005

9. RECONCILIATIONS BETWEEN IFRS AND UK GAAP (CONTINUED)

31st July 2004 £'000	Unaudited UK Gaap	Reclassifications Note 9a	Revenue & Impairment Note 9b	Dividends Note 9c	Unaudited IFRS
NET ASSETS					
Property plant and equipment	2,432				2,432
Amounts receivable from customers	15,981		(684)		15,297
Non current assets	18,413		(684)		17,729
Inventories	121				121
Amounts receivable from customers	51,270		(10,839)		40,431
Trade and Other Receivables	915				915
Current Income tax assets	54	(54)	2,207		2,207
Cash at bank and in hand	91				91
Current assets	52,451	(54)	(8,632)		43,765
Total assets	70,864	(54)	(9,316)		61,494
Bank overdrafts and loans	(5,389)				(5,389)
Trade and other payables	(2,317)	23		1,056	(1,238)
Tax liabilities	(1,440)		1,250		(190)
Accruals and Deferred Income	(1,180)				(1,180)
Current liabilities	(10,326)	23	1,250	1,056	(7,997)
Bank loans	(20,000)				(20,000)
Retirement benefit obligation		(23)			(23)
Deferred tax liabilities		(85)			(85)
Financial liability		(650)			(650)
Non current liabilities	(20,000)	(758)			(20,758)
Total liabilities	(30,326)	(735)	1,250	1,056	(28,755)
NET ASSETS	40,538	(789)	(8,066)	1,056	32,739
Called up share capital	2,117	(650)			1,467
Share premium account	2,136				2,136
Revaluation Reserve	501	(501)			-
Profit and loss account	35,784	362	(8,066)	1,056	29,136
SHAREHOLDERS' EQUITY	40,538	(789)	(8,066)	1,056	32,739

NOTES TO THE INTERIM STATEMENTS
Six months ended 31 July 2005

9. RECONCILIATIONS BETWEEN IFRS AND UK GAAP (CONTINUED)

31st January 2005 £'000	Audited UKGaap	Reclassify Note 9a	Revenue& Impairment Note 9b	Dividends Note 9c	Unaudited IFRS
NET ASSETS					
Property plant and equipment	2,357				2,357
Amounts receivable from customers	16,758		(764)		15,994
Non current assets	19,115		(764)		18,351
Inventories	91				91
Amounts receivable from customers	53,799		(11,343)		42,456
Trade and Other Receivables	717				717
Current Income tax assets	123	(58)	2,169		2,234
Cash at bank and in hand	14				14
Current assets	54,744	(58)	(9,174)		45,512
Total assets	73,859	(58)	(9,938)		63,863
Bank overdrafts and loans	(5,791)				(5,791)
Trade and other payables	(3,900)	23		2,583	(1,294)
Tax liabilities	(1,674)		1,464		(210)
Accruals and Deferred Income	(1,233)				(1,233)
Current liabilities	(12,598)	23	1,464	2,583	(8,528)
Bank loans	(20,000)				(20,000)
Retirement benefit obligation		(23)			(23)
Deferred tax liabilities		(81)			(81)
Financial liabilities		(650)			(650)
Non current liabilities	(20,000)	(754)			(20,754)
Total liabilities	(32,598)	(731)	1,464	2,583	(29,282)
NET ASSETS	41,261	(789)	(8,474)	2,583	34,581
Called up share capital	2,117	(650)			1,467
Share premium account	2,136				2,136
Revaluation Reserve	496	(496)			-
Profit and loss account	36,512	357	(8,474)	2,583	30,978
SHAREHOLDERS' EQUITY	41,261	(789)	(8,474)	2,583	34,581

NOTES TO THE INTERIM STATEMENTS

Six months ended 31 July 2005

9. RECONCILIATIONS BETWEEN IFRS AND UK GAAP (CONTINUED)

a) Reclassifications

The following reclassifications have been made within the income statement and the balance sheet on transition from UK GAAP to IFRS;

- Under UK GAAP preference share capital was shown as part of the issued share capital but under IFRS is now shown as a non current liability.
- Under UK GAAP, excess depreciation on certain revalued properties was set off against a revaluation reserve. Under IFRS1 the group has elected to use the revalued amounts as the deemed cost of these properties and the balance on the revaluation reserve is transferred to accumulated profit and loss.
- Under IFRS we have reanalysed deferred tax as a non current liability. Deferred tax at 30% has been provided on the net book value of those properties acquired as part of a business acquisition.

b) Revenue and Impairment

Under UK GAAP credit charges were recognised on a received or receivable basis using the sum of the digits method and acceptance fees in our car finance business were recognised upfront. Under IFRS, credit charges and acceptance fees are recognised in the income statement for all loans and receivables measured at amortised cost using the effective interest rate method (EIR). The EIR is the rate that exactly discounts estimated future cash flows of the loan back to the present value (the advance). Under IAS 39 credit charges on loan products continue to accrue at the EIR on all outstanding capital balances including arrears throughout the life of the agreement irrespective of the terms of the loan and whether the customer is actually being charged arrears interest. This is referred to as the gross up adjustment to revenue and is offset by a corresponding gross up adjustment to the impairment charge to reflect the fact that this additional revenue is not collectable.

Under UK GAAP, a specific reserve being the difference between the carrying value of the debt and the expected actual cash flows was made on all debts which are considered doubtful. Under IFRS, debts are assessed for impairment and the impairment charge to the income statement 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.

c) Dividends

Under UK GAAP dividends declared after the date of the balance sheet were recorded in the balance sheet as at the balance sheet date. Under IFRS, dividends declared after the date of the balance sheet cannot be included as a liability at the balance sheet date.

10. INTERIM REPORT

The figures for the year ended 31 January 2005 are not the group's statutory accounts for that financial year. Those accounts which were prepared in accordance with UK GAAP and for which the auditors to the Group have issued an unqualified audit report which did not contain a statement under section 237(2) or (3) of Companies Act 1985, have now been delivered to the Registrar of Companies.

A copy of this Interim Report will be posted to all shareholders and will be made available to the public on our website at www.suplc.co.uk and at the Company's registered office at Royal House, Prince's Gate, Solihull, B91 3QQ.