27 March 2018

S&U plc

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

PRELIMINARY RESULTS FOR THE YEAR ENDED 31 JANUARY 2018

S&U plc (LSE: SUS), the motor finance and specialist lender, today announces its preliminary results for the year ended 31 January 2018:

Key Financials:

- Revenues up 32% at £79.8m (2017: £60.5m)
- Profit before taxation up 20% at £30.2m (2017: £25.2m)
- Basic earnings per share up 19% at 203.8p (2017: 170.7p)
- Proposed final dividend up 6p to 45p (2017: 39p); total dividend in respect of the year increased by 15% to 105p (2017: 91p)
- Strong balance sheet:
  - Net receivables increased by 35% to £262.1m (2017: £193.5m)
  - Investment in motor finance and in the launch of Aspen Bridging increased yearend net borrowings to £105.0m (2017: £49.2m)
  - Committed funding facilities increased to £135m post yearend giving good headroom

Advantage Motor Finance Operational Highlights:

- 18th successive year of record pre-tax profits which rose to £30.2m (2017: £25.2m)
- Annual collections up 26% this year with live customers also up 26% on prior year
- Annual advances up 25% this year - buoyant but competitive used car finance market
- A record 860,000 applications were received by Advantage during the year, of which under 3% were written.

Anthony Coombs, Chairman of S&U plc commented:

"As our founder, Clifford Coombs, used to say "success breeds success" and I am delighted to report on another year of strong profit growth for S&U. Whatever the wider political or economic headwinds, the markets in which we operate remain strong. Recent data from the Finance and Leasing Association showed used car sales increased by 6% in number and 12% in value in 2017 whilst the UK property market remains robust. This combination of healthy market conditions, a strong demand for our products and our focus on quality, lead us to look ahead with quiet but real confidence."

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A presentation for analysts will be held on 27th March 2018 at 9.15am for 9.30am at the offices of Newgate Communications, Skylight City Tower, 50 Basinghall Street, London EC2V 5DE

CHAIRMAN'S REVIEW

For the ninth consecutive year I am proud to announce record profits for S&U. Group profit before tax is £30.2m, an increase of 20% on last year (2017: £25.2m). Group revenues are now at £79.8m (2017: £60.5m) reflecting both a 26% increase in customer numbers at Advantage, our motor finance business, and a small but growing contribution from Aspen Bridging, our new property bridging finance operation.

Group loan advances are £165.4m this year (2017: £121.6m) representing an increase of 36%, whilst collections are up by 28.5% at £156.5m. The continued growth in our loan book receivables to £262m has been made possible by a further investment of £56m in our business. Despite this, gearing remains at a sensible 69%; with borrowing of £105m at year end. Our recently increased Group total facilities of £135m give good headroom.

Hence, whatever the current political back-drop and Brexit uncertainty, and irrespective of a slightly slowing economy and the inevitable pressures on real incomes this has brought, S&U views the coming year with quiet determination and real confidence.

Financial Highlights

- Profit before tax (PBT) at £30.2m (2017: £25.2m)
- Earnings per Share (EPS) of 203.8p (2017: 170.7p)
- Group net assets at £152.8m (2017: £139.5m)
- Group gearing at 69% (2017: 35%)
- Record loan applications and new agreements at Advantage
- New funding gives £30m of treasury headroom
- Dividend of 105p per ordinary share up 15% (2017: 91p)

Advantage Finance ("Advantage")

Despite a recent reported slow-down in the new car market, demand for Advantage's products and for its excellent customer service remain strong. New agreements at Advantage reached a record 24,500, up over 22% on 2017.

This excellent performance is rooted in the fundamentally large and stable used car market which we finance. The facts speak for themselves. In 2003 7.2m used vehicles were sold in the UK. With a short lived dip to 6.3m in the recession of 2009, the figures have remained broadly constant at 7.3m ever since. Thus in 2003 the value of used car sales was £32bn; in 2014 it was £45bn. Most telling of all was the Finance and Leasing Association's recent report showing that the number of used cars bought on finance in the UK grew by six per cent in 2017 and by 12% in value.

This contrasted with a 7% decline in the number of new cars sold on finance in 2017. Indeed, the used car vehicle finance market can be expected to benefit from the cooling new vehicle market, both in terms of volume and residual values. I quote Professor David Bailey, a car industry expert at Aston University, in the Guardian last year – "in a cooling new car market the second-hand market will probably do better, and in sense that might support residual values of the cars coming onto the second-hand market."

Such prescience has been reflected in Advantage's experience this year, during which we received a record 860,000 applications for finance (2017: 750,000) mainly through its loyal broker network. This enabled us to write a record 24,500 new agreements, an increase of 22% on last year, albeit this reflects under 3% of applications received. Advantage's customers now number over 54,000 a rise of 26% against 43,000 last year. This has resulted in net receivables increasing above the milestone £250m mark at £251.2m (2017: £193.5m). Meanwhile collections increased this year by 26% in line with customer numbers to a record £153.3m (2017: £121.8m).

The size, quality and profitability of Advantage is reward for the hard work and stewardship of the 140 people who work there. No less than 18 years of consistently increasing profit is, I suspect, an almost unparalleled achievement in the often choppy waters of British consumer finance, particularly in the non-prime field. Here, accurate customer selection, appropriate products and the ability to "steer" for changing economic circumstances are paramount. Naturally our customers are not immune to the economic cycle; although the labour market has been strong in recent years, it has been characterised by slightly falling real incomes, as wage growth has failed to keep pace with albeit historically low levels of inflation.

For some customers who have sought to maintain living standards by taking new lines of credit, this has reduced capacity and been reflected in a rise in impairment to £19.4m this year. At 24.6% of revenue this is still relatively low versus the average for the previous 10 years of 27.2%. Further, 18 successive years of profit growth and operational refinement have given Advantage the experience and wisdom to make timely and targeted adjustments to its already sophisticated and sensitive under-writing model. In motoring terms, the shape of the road and the nature of the terrain has made for sensible gear changes, steering tweaks and an easing of the accelerator. The result is proving to be a slightly lower risk adjusted yield of 27% this year (2017: 28%). Early signs of the under-writing changes already made are having a beneficial effect upon both new customer quality and early repayment performance, which we anticipate will lead to a reduction in impairment to revenue in due course.

Speed and consistency of service for our customers and introducer brokers has always been the bedrock of our long-standing relationships, and the quality customers they bring with them. This year has seen the introduction of Dealflo, our paperless and transparent customer management system. In making their finance journey easier and more comprehensible, we are seeing a significant uplift in successful customer transactions. This will sharpen even further Advantage's competitive edge and hence its future growth.

Aspen Bridging ("Aspen")
Aspen, our pilot venture into property based bridging finance, enjoyed a promising first year as it began to establish a name amongst the property broking community for reliable, consistent and, where appropriate, speedy service. Although this process initially proved to be slightly slower than anticipated, Aspen's runrate has increased so that it now has nearly £11m of amounts receivable from customers and a niche place in the buoyant small ticket refurbishment market. Given the fundamental mismatch between the demand and supply of housing in the UK at present, this is the sector of the property market in the most robust health, particularly in the provinces.

Aspen has a small dedicated team of five who provide a uniquely bespoke approach to every deal, visit every property and have already been nominated for industry wide under-writing and customer service awards. Their enthusiasm, an interesting market and a creditable first year result, make this new venture a very promising one.

Dividends
The long term and consistent success of S&U has been rightly reflected in increasing rewards for shareholders, both in share value and dividend. This year our trading performance and prospects determine your Board to recommend a final dividend of 45p per ordinary share (2017: 39p). This will be paid on 6 July 2018 to ordinary shareholders on the share register at 15 June 2018. This payment will be made subject to the approval of shareholders at the AGM to be held on 18 May 2018.

The proposed final dividend will mean that total dividends paid this year will be 105p per ordinary share, a 15% increase on 2017, and well over double that paid five years ago. This increase represents not only further reward for our loyal shareholders, but a further step towards our aim of covering declared dividends twice from earnings.

Funding Review
As predicted, the continuing success and growth of Advantage and the launch of Aspen have required further investment by S&U. This year we invested a record £56m leading to year end borrowings of £105m. Although a maturing book and lower rates of growth will reduce funding demands in the coming year, we have nevertheless deemed it prudent to put in place further committed facilities which now total £135m with earliest maturity in 2021.

The excellent support we enjoy from our small panel of funders thus facilitates the "steady sustainable growth" which has long been S&U's mantra.

IFRS9 new accounting standard

From 1 February 2018 and for our accounts for the forthcoming year ending 31 January 2019, IFRS9 "Financial Instruments" replaces IAS 39 for the way we value and measure our financial assets. In particular, IFRS9 requires the impairment of our customer receivables to be recognised through an expected loss model rather than IAS 39's emphasis on historical impairment triggers. As S&U customer receivables have been growing, the earlier expected loss provisioning under IFRS9 increases overall provisions at 1 February 2018. Therefore, the overall impact of the new standard will be a small reduction in the carrying value of receivables on the balance sheet and our preliminary assessment is that it will have an impact of between 1% and 2% of net receivables. This day one impact will be charged to equity after adjusting related deferred tax balances.

As this is an accounting adjustment, there is no impact on either the Group's cash flows or on the underlying profitability of its loans.

Regulation, Governance and Investors
We have seen new regulation including MiFIDII, the new General Data Protection Regulations which govern contacts we can make with customers, particularly former ones; and the review of the motor finance industry by the FCA.

The latter we view with equanimity, primarily because of the very high standards of service we offer our customers and the skill and forbearance we exercise throughout the customer journey and in particular when any get into genuine difficulty. Our collections, legal and under-writing departments at Advantage have all been strengthened this year, and our processes and documentation are reviewed by RSM, our internal auditors, and by Shoosmiths, our consumer finance legal advisors. The results are regularly reported to the Audit Committee.

At Advantage, either directly or through our excellent trade body the Finance and Leasing Association, we have a good and longstanding relationship with the FCA; indeed our Director of Credit Risk, Alan Tuplin, serves as chairman of the Credit and Risk Committee within the FLA.

Aspen operates in the secured bridging property finance space, which is non-regulated due to the nature of its products and clients. However, we have insisted for both commercial and prudential reasons that during our pilot stage, that we adopt standards more in line with regulated mortgages. Together with strong partnerships with Brightstone, our specialist legal advisors, and VAS, our property valuation advisors, this reinforces high levels of service, and will bring its rewards as the business develops.

The past year has seen us welcome both new brokers in Peel Hunt, and new financial PR and Investor Relations Advisers in CAG/Newgate. Both impressed following an extensive trawl of the market and will strengthens S&U's market profile, investors' understanding of our business, and our ability to reach out to new shareholders both here and abroad.

Finally, good governance depends not only upon the regulatory framework but on the ethics and standards of those who work and invest in the business. S&U has always prided itself on its "family" ethos and upon the identity of interest between shareholders and management that this brings. In turn, this encourages sustainable growth and responsible husbandry, and will continue to do so.

Current Trading and Outlook

As our founder, Clifford Coombs, used to say "success breeds success"and I am delighted to report on another year of strong profit growth for S&U. However, it also brings competition and, in the finance business, a need to evaluate and constantly recalibrate a growing book of customers, according to our collections experience and the economic environment in which we operate.

Our long-serving and experienced teams at Advantage, and increasingly at Aspen, are able to do this and thus ensure that the growth we achieve is both sustainable and consistently profitable. All we do depends on the loyalty and hard work of our people for which I am profoundly grateful.

Whatever the wider political or economic headwinds, the markets in which we operate remain strong. Recent data from the Finance and Leasing Association showed used car sales increased by 6% in number and 12% in value in 2017 whilst the UK property market remains robust. This combination of healthy market conditions, a strong demand for our products and our focus on quality, lead us to look ahead with real confidence. I commend these results to our shareholders.

Anthony Coombs
Chairman
26 March 2018

CONSOLIDATED INCOME STATEMENT
Year ended 31 January 2018

	Note	2018 £000	2017 £000
Revenue	3	79,781	60,521
Cost of sales	4	(36,880)	(25,065)
Gross profit		42,901	35,456
Administrative expenses		(9,923)	(8,585)
Operating profit		32,978	26,871
Finance costs (net)	5	(2,818)	(1,668)
Profit before taxation	3	30,160	25,203
Taxation		(5,746)	(4,861)
Profit for the year attributable to equity holders		24,414	20,342
Earnings per share basic	7	203.8p	170.7p
Earnings per share diluted	7	202.4p	169.1p
Dividends per share			
- Proposed Final Dividend		45.0p	39.0p
- Interim dividends in respect of the year		60.0p	52.0p
- Total dividend in respect of the year		105.0p	91.0p
- Paid in the year		95.0p	80.0p

All activities derive from continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2018 £000	2017 £000
Profit for the year attributable to equity holders	24,414	20,342
Actuarial loss on defined benefit pension scheme	(14)	(18)
Total Comprehensive Income for the year	24,400	20,324

Items above will not be reclassified subsequently to the Income Statement

CONSOLIDATED BALANCE SHEET
31 January 2018

	Note	2018 £000	2017 £000
ASSETS			
Non current assets			
Property, plant and equipment		1,931	1,190
Amounts receivable from customers	6	178,597	136,373
Deferred tax assets		487	441
		181,015	138,004
Current Assets			
Amounts receivable from customers	6	83,459	57,156
Trade and other receivables		718	603
Cash and cash equivalents		1	4
		84,178	57,763
Total Assets		265,193	195,767
LIABILITIES			
Current liabilities			
Bank overdrafts and loans		(991)	(11,171)
Trade and other payables		(2,549)	(2,009)
Tax Liabilities		(3,600)	(3,104)
Accruals and deferred income		(787)	(1,566)
		(7,927)	(17,850)
Non current liabilities			
Bank loans		(104,000)	(38,000)
Financial liabilities		(450)	(450)
		(104,450)	(38,450)
Total liabilities		(112,377)	(56,300)
NET ASSETS		152,816	139,467
Equity			
Called up share capital		1,699	1,695
Share premium account		2,289	2,281
Profit and loss account		148,828	135,491
Total equity		152,816	139,467

STATEMENT OF CHANGES IN EQUITY
Year ended 31 January 2018

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 February 2016	1,691	2,264	124,301	128,256
Profit for year	-	-	20,342	20,342
Other comprehensive income for year	-	-	(18)	(18)
Total comprehensive income for year	-	-	20,324	20,324
Issue of new shares in year	4	17	-	21
Cost of future share based payments	-	-	409	409
Tax credit on equity items	-	-	5	5
Dividends	-	-	(9,548)	(9,548)
At 31 January 2017	1,695	2,281	135,491	139,467
Profit for year	-	-	24,414	24,414
Other comprehensive income for year	-	-	(14)	(14)
Total comprehensive income for year	-	-	24,400	24,400
Issue of new shares in year	4	8	-	12
Cost of future share based payments	-	-	317	317
Tax charge on equity items	-	-	(3)	(3)
Dividends	-	-	(11,377)	(11,377)
At 31 January 2018	1,699	2,289	148,828	152,816

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 January 2018

	Note	2018 £000	2017 £000
Net cash used in operating activities	8	(43,418)	(27,431)
Cash flows (used in)/from investing activities			
Proceeds on disposal of property, plant and equipment		37	53
Purchases of property, plant and equipment		(1,077)	(361)
Net cash used in investing activities		(1,040)	(308)
Cash flows (used in)/from financing activities			
Dividends paid		(11,377)	(9,548)
Issue of new shares		12	21
Receipt of new borrowings		56,000	18,000
Repayment of borrowings		-	-
Net (decrease)/increase in overdraft		(180)	1,019
Net cash from financing activities		44,455	9,492
Net decrease in cash and cash equivalents		(3)	(18,247)
Cash and cash equivalents at the beginning of year		4	18,251
Cash and cash equivalents at the end of year		1	4
Cash and cash equivalents comprise			
Cash and cash in bank		1	4

There are no cash and cash equivalent balances which are not available for use by the Group (2017: £nil).

1. SHAREHOLDER INFORMATION

1.1 Preliminary Announcement

The figures shown for the year ended 31 January 2018 are not statutory accounts within the meaning of section 435 of the Companies Act 2006. The statutory accounts for the year ended 31 January 2018 on which the auditors have given an unqualified audit report and did not contain an adverse statement under section 498(2) or 498(3) of the Companies Act 2006 will be delivered to the Registrar of Companies after the Annual General Meeting. The figures shown for the year ended 31 January 2017 are not statutory accounts. A copy of the statutory accounts has been delivered to the Registrar of Companies, contained an unqualified audit report and did not contain an adverse statement under section 498(2) or 498(3) of the Companies Act 2006. This announcement has been agreed with the Company's auditors for release. A copy of this preliminary announcement will be published on the website www.suplc.co.uk. The Directors are responsible for the maintenance and integrity of the Company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements differ from legislation in other jurisdictions.

1.2 Annual General Meeting

The Annual General Meeting will be held at 12 noon on 18 May 2018 at the Nuthurst Grange Country House Hotel, Hockley Heath, Warwickshire B94 5NL.

1.3 Dividend

If approved at the Annual General Meeting a final dividend of 45p per Ordinary Share is proposed, payable on 6 July 2018 with a record date of 15 June 2018.

1.4 Annual Report

The 2018 Annual Report and Financial Statements and AGM notice will be displayed in full on our website www.suplc.co.uk in due course and also posted to those Shareholders who have still opted to receive a hardcopy. Copies of this announcement are available from the Company Secretary, S & U plc, 6 The Quadrangle, Cranmore Avenue, Solihull B90 4LE.

2. KEY ACCOUNTING POLICIES

The 2018 financial statements have been prepared in accordance with applicable accounting standards and accounting policies – these key accounting policies are a subset of the full accounting policies.

2.1 Basis of preparation

As a listed Company we are required to prepare our consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation. The financial information included in this preliminary announcement does not include all the disclosures required for IFRS or the Companies Act 2006.

Both the consolidated financial statements and the financial information included in this preliminary announcement have been prepared under the historical cost convention.

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 and borrowing facilities are set out in the preliminary announcement. The details of the Group's objectives, policies and processes for managing its capital along with the Group's financial risk management objectives and its exposures to credit risk, market risk and liquidity risk are set out in detail within the audited financial statements. 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 preliminary announcement.

2.2 Revenue recognition

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

IFRS16 Leases

From 1 February 2018 and for our accounts for the forthcoming year ending 31 January 2019, the Group will be early adopting IFRS16 for revenue recognition purposes as part of the Group's required transition to IFRS9. This early adoption of IFRS16 is not expected to make any significant difference to the Group or subsidiary accounts.

2.3 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.

The directors assess on an ongoing basis whether there is objective evidence that a loan asset or group of loan assets is impaired and requires a deduction for impairment. A loan asset or a group of loan assets is impaired only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the loan. Objective evidence may include evidence that a borrower or group of borrowers is experiencing financial difficulty, default or delinquency in repayments. Impairment is then calculated by estimating the future cash flows for such impaired loans, discounting the flows to a present value using the original EIR and comparing this figure with the balance sheet carrying value. All such impairments are charged to the income statement. For all accounts which are not impaired, a further incurred but not reported provision (IBNR) is calculated and charged to the income statement based on management's estimates of the propensity of these accounts to default from conditions which existed at the balance sheet date.

Key assumptions in ascertaining whether a loan asset or group of loan assets is impaired include information regarding the probability of any account going into default and information regarding the likely eventual loss including recoveries. These assumptions and assumptions for estimating future cash flows are based upon observed historical data and updated as management considers appropriate to reflect current and future conditions. All assumptions are reviewed regularly to take account of differences between previously estimated cash flows on impaired debt and the eventual losses.

IFRS9 new accounting standard

From 1 February 2018 and for our accounts for the forthcoming year ending 31 January 2019, IFRS9 "Financial Instruments" replaces IAS 39 for the way we value and measure our financial assets. In particular, IFRS9 requires the impairment of our customer receivables to be recognised through an expected loss model rather than IAS 39's emphasis on historical impairment triggers. As S&U plc customer receivables have been growing, the earlier expected loss provisioning under IFRS9 increases overall provisions at 1 February 2018. Therefore the overall impact of the new standard will be a small reduction in the carrying value of receivables on the balance sheet and our preliminary assessment is that it will have an impact of between 1% and 2% of net receivables. This day one impact will be charged to equity after adjusting related deferred tax balances. As this is an accounting adjustment, there is no impact on either the Group's cash flows or on the underlying profitability of its loans.

3. 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 31.1.18 £000**	**Year Ended 31.1.17 £000**	**Year ended 31.1.18 £000**	**Year ended 31.1.17 £000**
Motor finance	78,882	60,521	30,211	25,186
Property Bridging finance	899		(298)	-
Central costs net of central finance income	-	-	247	17
	79,781	60,521	30,160	25,203

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

	← Assets →		← Liabilities →	
Class of business	**Year ended 31.1.18 £000**	**Year ended 31.1.17 £000**	**Year ended 31.1.18 £000**	**Year ended 31.1.17 £000**
Motor finance	253,971	195,330	(178,402)	(136,257)
Property Bridging finance	10,975	-	(11,217)	-
Central	247	437	77,242	79,957
	265,193	195,767	(112,377)	(56,300)

Depreciation of assets for motor finance was £251,000 (2017: £217,000), for property bridging finance was £9,000 (2017: £nil) and for central was £34,000 (2017: £30,000). Fixed asset additions for motor finance were £999,000 (2017: £286,000), for property bridging finance were £44,000 (2017: £nil) and for central were £35,000 (2017: £75,000).

The net finance credit for central costs was £2,626,000 (2017: £2,662,000), for motor finance was a cost of £5,307,000 (2017: £4,330,000) and for property bridging finance was a cost of £137,000 (2017: £nil). The tax charge for central costs was £49,000 (2017: tax credit £151,000), for motor finance was a tax charge of £5,753,000 (2017: £5,012,000) and for property bridging finance was a tax credit of £56,000 (2017: £nil).

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 poperty.

The assets and liabilities of the Parent Company are classified as central costs net of central finance income.

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

4. COST OF SALES

	2018 £000	**2017 £000**
Loan loss provisioning charge – motor finance	19,434	12,194
Loan loss provisioning charge – property bridging finance	162	-
Total loan loss provisioning charge	19,596	12,194
Other cost of sales – motor finance	16,977	12,871
Other cost of sales – property bridging finance	307	-
Total cost of sales	36,880	25,065

5. FINANCE COSTS (NET)

	2018 £000	2017 £000
31.5% cumulative preference dividend	142	142
Bank loan and overdraft	2,676	1,561
Other interest payable	-	-
Interest payable and similar charges	2,818	1,703
Interest receivable	-	(35)
Total finance costs (net)	2,818	1,668

6. AMOUNTS RECEIVABLE FROM CUSTOMERS

	2018 £000	2017 £000
Motor finance hire purchase	295,677	224,283
Less: Loan loss provision motor finance	(44,462)	(30,754)
Amounts receivable from customers motor finance	251,215	193,529
Property bridging finance loans	11,003	-
Less: Loan loss provision property bridging finance	(162)	-
Amounts receivable from customers property bridging finance	10,841	-
Amounts receivable from customers	262,056	193,529
Analysis of Security		
Loans secured on vehicles under hire purchase agreements	247,994	191,316
Loans secured on property	10,841	-
Other loans not secured	3,221	2,213
Amounts receivable from customers	262,056	193,529
Analysis of Overdue		
Not impaired		
Neither past due nor impaired	229,994	170,683
Past due up to 3 months but not impaired	-	-
Past due over 3 months but not impaired	-	-
Impaired		
Past due up to 3 months	24,192	17,254
Past due up to 6 months	2,894	2,182
Past due over 6 months or default	4,976	3,410
Amounts receivable from customers	262,056	193,529

The credit risk inherent in amounts receivable from customers is reviewed as per note 2.3 and under this review the credit quality of assets which are neither past due nor impaired was considered to be good. The above analysis of when loans are due is based upon original contract terms which are not rescheduled – the carrying amount of amounts receivable from customers whose terms have been renegotiated that would otherwise be past due or impaired is therefore £nil (2017: £nil).

7. EARNINGS PER ORDINARY SHARE

The calculation of earnings per ordinary share from continuing operations is based on profit after tax of £24,414,000 (2017: £20,342,000).

The number of shares used in the basic eps calculation is the average number of shares in issue during the year of 11,978,685 (2017: 11,918,610). There are a total of 148,601 dilutive share options in issue (2017: 176,618). The number of shares used in the diluted eps calculation is 12,061,348 (2016: 12,095,313).

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

	2018 £000	2017 £000
Operating Profit	32,978	26,871
Finance costs paid	(2,818)	(1,703)
Finance income received	-	35
Tax paid	(5,299)	(4,804)
Depreciation on plant, property and equipment	294	253
Loss on disposal of plant, property and equipment	5	14
Increase in amounts receivable from customers	(68,527)	(48,388)
Increase in trade and other receivables	(115)	(23)
Increase in trade and other payables	540	377
Decrease in accruals and deferred income	(779)	(454)
Increase in cost of future share based payments	317	409
Movement in retirement benefit asset/obligations	(14)	(18)
Net cash used in operating activities	(43,418)	(27,431)