28 March 2017

S&U PLC

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

PRELIMINARY RESULTS FOR THE YEAR ENDED 31 JANUARY 2017

S&U, the motor finance and specialist lender, today announces its preliminary results for the year ended 31 January 2017:

17th successive year of record Advantage Motor Finance pre-tax profits

Key Financials:

- Profit before taxation from continuing operations up 29% at £25.2m (2016: £19.5m)
- Basic earnings per share from continuing operations up 28% at 170.7p (2016: 133.6p)
- Revenues up 34% at £60.5m (2016: £45.2m)
- Proposed final dividend up 6p to 39p (2016: 33p); total dividend in respect of the year increased to 91p (2016: 76p)
- Strong balance sheet:
  - Net receivables increased by 33% to £193.5m (2016: £145.1m)
  - Investment in motor finance increased yearend net borrowings to £49.2m (2016: £11.9m)
  - Committed funding facilities increased to £95m post yearend giving significant headroom

Advantage Motor Finance Operational Highlights:

- 17th successive year of record pre-tax profits which rose to £25.2m (2016: £20.4m)
- Annual collections up 33% this year with live customers up 32% on prior year
- Annual advances up 31% this year - buoyant but more competitive market
- 20,042 new agreements from over 750,000 motor finance applications.

Anthony Coombs, Chairman of S&U plc commented:

"S&U continues to go from strength to strength with our motor finance business delivering its 17th successive year of record pre-tax profits. This excellent track record is testimony to the dedication, expertise, drive and wisdom of our team at Advantage. The road to sustained success is not made up of a giant leap but of a thousand small steps, and this kind of approach will continue to sustain and dynamise our business over the next decade."

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A presentation for analysts will be held on 28th March 2017 at 9.15am for 9.30am at the offices of Smithfield, 10 Aldersgate Street, London EC1A 4HJ

CHAIRMAN'S REVIEW

Brexit, Trump and another record set of results from S&U, plus ca change... We live in interesting times, but for the eighth consecutive year, I am very pleased to announce record profits for S&U plc. Group profit before tax from continuing operations is £25.2m, a near 30% increase on last year (2016: £19.5m). In a buoyant, but more competitive market, revenue has increased by 34% to £60.5m (2016: £45.2m).

Advantage Finance, our motor finance business, achieved a record of over 20,000 new agreements, an increase of 32% on last year; net receivables are now £193.5m, up 33% from £145.1m last year. The car finance market remains robust with latest annual application numbers at Advantage, nearly 53% more than a year ago.

Whilst impairment has increased slightly as the business develops, it remains only slightly above the record quality range of the last three years, and is reflected in collections of £121.8m this year, a third higher than last.

Our new secured bridging finance operation, Aspen Bridging, is now being piloted; funding has been arranged for both this and for the continued growth of Advantage, into which we have invested an additional £33.2m this year. Nevertheless, Group gearing is just 35% (2016: 9%) on Group net assets which are at a record £139.5m (2016: £128.3m).

In sum, S&U has the ideal platform to continue its record growth and profitability focussing on its proven fields in specialist finance.

Financial Highlights from continuing operations

- P.B.T. at £25.2m (2016: £19.5m)
- E.P.S. = 170.7p (2016: 133.6p)
- Group net assets: £139.5m (2016: £128.3m)
- Group gearing at 35% (2016: 9%)
- Increase in funding facilities post yearend gives current committed headroom of £37m
- Pilot launch of Aspen Bridging
- Full FCA consumer credit permission for Advantage Finance
- Dividend of 91p per ordinary share (2016: 76p) (+20%)

Highlights

Advantage Finance, our motor finance business based in Grimsby, has produced a 17th successive year of record profits – an achievement I suspect is unparalleled anywhere in the UK Finance Industry. Profit before tax this year is £25.2m (2016: £20.4m) an increase of 23% and, remarkably, over four times what it was five years ago.

Notwithstanding best efforts of the nation's economic forecasters, the used car market in the UK, which Advantage services, remains strong. In the last year 750,000 applications were made to Advantage for finance – an increase of no less than 53% on the year before. This, in turn, reflects a British used car market up 7.3% to 8.2m vehicles in 2016. As a result, Advantage wrote a record 20,000 new agreeements, at improved rates and across a stable range of customers. Advantage's total book is now at £193.5m of net receivables, up from £145.1m last year. This represents a record 43,000 live customers (2016: 32,600) making monthly repayments which are now nearly £9m, an increase of a third on last year.

Advantage's mantra of "steady, sustainable growth" implies and depends upon robust debt quality and excellent customer relationships. Our customers require careful and consistent under-writing; hence the introduction of an updated, but still bespoke, credit scoring system this year. This continuous refinement has under-pinned the quality of Advantage's loan book throughout its history. The past three years have seen impairment as a proportion of revenue in a historically low range of 16% to 20% against 25% to 37% in the previous three years when Advantage still enjoyed very good profitability. Since 2015 the record growth and an inevitable increase in competition at the higher quality end of the Advantage product range has seen both a slight upturn in impairment to just over 20% this year and some increase in brokerage costs. These are mainly offset by improved interest rates and so margins continue to be very healthy.

Since the sale of our Home Credit business in 2015, S&U has prudently explored opportunities for diversifying its earnings. After exhaustive research, we are now piloting Aspen Bridging which will provide bridging finance for individuals and business owners, secured on residential and commercial property. Although this business is in its infancy, its infrastructure and service capabilities provide a good foundation; we are therefore exploring its ability to benefit from a bridging market where aggregated loan balances are estimated to reach £8.8bn a year in the UK by 2020.

DIVIDENDS
Both S&U's prospects and current trading performance justify the Board in recommending to shareholders a final dividend this year of 39p per ordinary share (2016: 33p). This will be paid on the 7th July 2017 to ordinary shareholders on the share register at the 16th June 2017. As always, this payment is subject to approval by shareholders at the AGM to be held on the 18th May 2017.

This final proposed dividend will mean that total dividends paid this year are 91p per ordinary share - a near 20% increase on the record 76p per share paid a year ago. Whilst rewarding shareholders for the Group's continued success it also secures a slight improvement in dividend cover, with the aim of achieving two times cover in the near future.

ADVANTAGE FINANCE
Highlights:

- 17th successive record pre-tax profit of £25.2m (2016: £20.4m) a 23% increase
- New loan transactions at a record 20,000 up 32%
- Net receivables at a record £193.5m (2016: £145.1m)
- Customer numbers reached a record 43,000 (2016: 32,600)
- Monthly collections stable and for year increased by 32% - monthly repayment cash collected now approaching £9m per month

Advantage Finance, our motor finance business, has produced its 17th record set of pre-tax profits at £25.2m (2016: £20.4m). Its first full decade saw profits rise to £4.2m in 2011. In the following six years its reputation amongst introducers and customers for efficient and fair service, its expertise and refinement in under-writing credit risk responsibly and consistently, and its ability to develop new products to match an evolving car finance market, have been the foundations of Advantages accelerated growth.

All have enabled Advantage to cement a leading position in a growing non prime motor finance market and to maintain healthy margins despite some increased competition over recent years. Crucially this has been reflected in a second successive 32% increase in customer numbers in 2016/17 (matched by a 33% increase in net receivables) over the year and in excellent collections, both in absolute terms and also as a percentage of monies due. A small additional provision has been made this year for claims resulting from the recent FCA announcement on Payment Protection Insurance, which Advantage ceased selling eight years ago.

Advantage continues to go from strength to strength. Its sustainable growth is based upon a relentless quest for improvement throughout the business and I again congratulate everybody working there on a fine performance.

FUNDING REVIEW
The continuing growth of Advantage Finance and the piloting of Aspen Bridging will require further investment by the Group this year. Both the Group's conservative gearing and a funding market with an appetite for our business at attractive rates, have allowed us to increase total committed facilities after the year end to £95m and further funds will be arranged should we require them.

Beyond that, our expecation of a benign and stable macro-economic future for the UK, a more certain bank lending environment and our increased ability to access a broader range of finance as the size of our loan books grow, all point to sensible headroom being available for S&U's future expansion.

REGULATION, RISK AND GOVERNANCE
Advantage's good and long-standing relationship with the Financial Conduct Authority, both directly and through the Finance and Leasing Association, was confirmed in December by the grant of full authorisation under the Regulator's new licencing regime. For both commercial and ethical reasons, S&U takes these responsibilities extremely seriously. In addition to scrutiny by Deloitte, our statutory Auditors, the Group continues to work ever more closely with RSM, our Internal Auditors, whose remit is to provide assurance on our operations including our systems, customer care, risk register and regulatory compliance. They, in turn, report to the Group's Audit Committee.

Although it will initially operate in the un-regulated lending field, the above arrangements have been replicated at Aspen Bridging, where Brightstone Law, Fieldfisher and RSM provide guidance and supervision.

Nevertheless, whatever our achievements and growth, the loadstone of S&U's success has always been its "family" ethos and the identity, and continuity, of interest its management has with its stakeholders, whether customers, employees or shareholders. This is not simply a matter of shareholding structure, but of corporate culture. It leads to a conservative approach to financing and a longer-term vision of the pace and sustainability of the Group's growth.

It also means valuing relationships over the long term, which is why I report with gratitude and some sadness, the retirement from the Board of Keith Smith, our Senior Non-Executive Director, at the forthcoming AGM in May. Keith has given us wise counsel and constructive criticism for over eighteen years and his contribution has been invaluable.

CURRENT TRADING AND OUTLOOK

Any markets exhibiting significant growth will inevitably attract competition, and those for used car finance and property bridging are no exception. The fact that Advantage has been able to both prosper and to increase its market share, is testimony to the dedication, expertise, drive and wisdom of our team there, and in particular of its visionary M.D., Guy Thompson. I pay tribute to them and indeed to all those who work for and with us.

The road to sustained success is not made up of a giant leap but of a thousand small steps, and this kind of approach will continue to sustain and dynamise our business over the next decade. Both Advantage and Aspen operate in growing markets. These in turn exist within a robust British economy, where the labour market is strong and where the current focus on increasing productivity and reducing regulation should underpin economic growth.

Our continued purpose is to take responsible and sustainable advantage of this; I am confident we will.

Anthony Coombs
Chairman
27 March 2017

CONSOLIDATED INCOME STATEMENT
Year ended 31 January 2017

	Note	2017 £000	2016 £000
Continuing Operations			
Revenue	3	60,521	45,182
Cost of sales	4	(25,065)	(16,591)
Gross profit		35,456	28,591
Administrative expenses		(8,585)	(7,340)
Operating profit		26,871	21,251
Finance costs (net)	5	(1,668)	(1,782)
Profit before taxation	3	25,203	19,469
Taxation		(4,861)	(3,583)
Profit for the year from continuing operations	3	20,342	15,886
Profit for the year from discontinued operations	6	-	53,299
Profit for the year attributable to equity holders		20,342	69,185
From continuing operations			
Earnings per share basic	7	170.7p	133.6p
Earnings per share diluted	7	169.1p	132.4p
From continuing and discontinued operations			
Earnings per share basic	7	170.7p	581.9p
Earnings per share diluted	7	169.1p	576.5p
Dividends per share			
- Proposed Final Dividend		39.0p	33.0p
- Interim dividends in respect of the year		52.0p	43.0p
- Total dividend in respect of the year		91.0p	76.0p
- Exceptional additional dividend		-	125.0p
- Paid in the year		80.0p	194.0p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2017 £000	2016 £000
Profit for the year attributable to equity holders	20,342	69,185
Actuarial loss on defined benefit pension scheme	(18)	(34)
Total Comprehensive Income for the year	20,324	69,151

Items above will not be reclassified subsequently to the Income Statement

CONSOLIDATED BALANCE SHEET
31 January 2017

	Note	2017 £000	2016 £000
ASSETS			
Non current assets			
Property, plant and equipment		1,190	1,149
Amounts receivable from customers	8	136,373	102,069
Deferred tax assets		441	435
		138,004	103,653
Current Assets			
Amounts receivable from customers	8	57,156	43,072
Trade and other receivables		603	580
Cash and cash equivalents		4	18,251
		57,763	61,903
Total Assets		195,767	165,556
LIABILITIES			
Current liabilities			
Bank overdrafts and loans		(11,171)	(152)
Trade and other payables		(2,009)	(1,632)
Tax Liabilities		(3,104)	(3,046)
Accruals and deferred income		(1,566)	(2,020)
		(17,850)	(6,850)
Non current liabilities			
Bank loans		(38,000)	(30,000)
Financial liabilities		(450)	(450)
		(38,450)	(30,450)
Total liabilities		(56,300)	(37,300)
NET ASSETS		139,467	128,256
Equity			
Called up share capital		1,695	1,691
Share premium account		2,281	2,264
Profit and loss account		135,491	124,301
Total equity		139,467	128,256

STATEMENT OF CHANGES IN EQUITY
Year ended 31 January 2017

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 February 2015	1,685	2,215	77,564	81,464
Profit for year	-	-	69,185	69,185
Other comprehensive income for year	-	-	(34)	(34)
Total comprehensive income for year	-	-	69,151	69,151
Issue of new shares in year	6	49	-	55
Cost of future share based payments	-	-	681	681
Tax credit on equity items	-	-	(5)	(5)
Dividends	-	-	(23,090)	(23,090)
At 31 January 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 charge on equity items	-	-	5	5
Dividends	-	-	(9,548)	(9,548)
At 31 January 2017	1,695	2,281	135,491	139,467

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 January 2017

	Note	2017 £000	2016 £000
Net cash used in operating activities	9	(27,431)	(16,017)
Cash flows (used in)/from investing activities			
Proceeds on disposal of property, plant and equipment		53	1,685
Purchases of property, plant and equipment		(361)	(869)
Net proceeds on sale of subsidiary		-	79,900
Net cash (used in)/from investing activities		(308)	80,716
Cash flows (used in)/from financing activities			
Dividends paid		(9,548)	(23,090)
Issue of new shares		21	55
Receipt of new borrowings		18,000	4,500
Repayment of borrowings		-	(29,000)
Net (decrease)/increase in overdraft		1,019	152
Net cash from/(used in) financing activities		9,492	(47,383)
Net (decrease)/increase in cash and cash equivalents		(18,247)	17,316
Cash and cash equivalents at the beginning of year		18,251	935
Cash and cash equivalents at the end of year		4	18,251
Cash and cash equivalents comprise			
Cash and cash in bank		4	18,251

There are no cash and cash equivalent balances which are not available for use by the Group (2016: £nil).

1. SHAREHOLDER INFORMATION

1.1 Preliminary Announcement

The figures shown for the year ended 31 January 2017 are not statutory accounts within the meaning of section 435 of the Companies Act 2006. The statutory accounts for the year ended 31 January 2017 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 2016 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 2017 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 39p per Ordinary Share is proposed, payable on 7 July 2017 with a record date of 16 June 2017.

1.4 Annual Report

The 2017 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 2017 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 as modified by the revaluation of derivative financial instruments to fair value.

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 along with the Group's objectives, policies and processes for managing its capital. The details of 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.

Commission received from third party insurers for brokering the sale of motor finance insurance products, for which the Group does not bear any underlying insurance risk was recognised and credited to the income statement when the brokerage service was provided, after taking into account expected refunds payable on customer early settlements and policy cancellations. The sale of all such insurance products was discontinued in 2015.

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.

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 31.1.17 £000**	**Year Ended 31.1.17 £000**	**Year ended 31.1.17 £000**	**Year ended 31.1.16 £000**
Motor finance	60,521	45,182	25,186	20,400
Central costs net of central finance income	-	-	17	(931)
	60,521	45,182	25,203	19,469

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

	← Assets →		← Liabilities →	
Class of business	**Year ended 31.1.17 £000**	**Year ended 31.1.16 £000**	**Year ended 31.1.17 £000**	**Year ended 31.1.16 £000**
Motor finance	195,330	146,930	(136,257)	(102,252)
Central	437	18,626	79,957	64,952
	195,767	165,556	(56,300)	(37,300)

Depreciation of assets for motor finance was £217,000 (2016: £179,000) and for central was £30,000 (2016: £30,000). Depreciation for discontinued home credit operations was £nil (2016: £225,000). Fixed asset additions for motor finance were £286,000 (2016: £422,000) and for central were £75,000 (2016: £55,000). Fixed asset additions for discontinued home credit operations were £nil (2016: £392,000).

The net finance credit for central costs was £2,662,000 (2016: £1,461,000) and for motor finance was a cost of £4,330,000 (2016: £3,243,000). The tax credit for central costs was £151,000 (2016: £497,000) and for motor finance was a tax charge of £5,012,000 (2016: £4,080,000). The tax charge for discontinued home credit operations was £nil (2016: £932,000).

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

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

Continuing Operations	**2017 £000**	**2016 £000**
Loan loss provisioning charge – motor finance	12,194	7,611
Other cost of sales – motor finance	12,871	8,980
Total cost of sales	25,065	16,591

5. FINANCE COSTS (NET)

	2017 £000	2016 £000
31.5% cumulative preference dividend	142	142
Bank loan and overdraft	1,561	1,770
Other interest payable	1	1
Interest payable and similar charges	1,703	1,913
Interest receivable	(35)	(131)
	1,668	1,782

6. PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS (LAST YEAR ONLY)

On 31 July 2015 all of the Loansathome4u home credit business was transferred to the subsidiary company SD Taylor Limited and that company was then sold. The disposal gives the Group an opportunity for further and faster expansion in Advantage motor finance business as well as an opportunity to explore other higher growth areas of specialist finance. The disposal was completed on 4 August 2015.

The results of the discontinued operations, which have been included in the consolidated income statement, were as follows;

	2016 £000	2016 £000
Revenue	-	17,191
Loan loss provision for consumer credit	-	(3,646)
Other cost of sales	-	(113)
Administrative Expenses	-	(9,340)
Finance costs (net)	-	-
Profit before taxation	-	4,092
Attributable taxation	-	(852)
Profit after taxation	-	3,240
Profit on disposal of discontinued operations	-	50,139
Attributable taxation	-	(80)
Profit for the period from discontinued operations	**-**	**53,299**

As shown above a profit of £50.1m arose on the disposal being the difference between the disposal proceeds of £82.4m and the carrying value of the disposed home credit assets less transaction costs.

The net assets at the date of disposal of Loansathome4u were as follows;	**£000**
Property plant and equipment	1,628
Amounts receivable from customers	29,854
Other assets	235
Creditors and accrued expenses	(1,531)
Corporation tax and deferred tax liabilities	(425)
Net assets at disposal	**29,761**
Transaction costs	2,507
Gain on disposal	50,139
Total consideration (satisfied in cash)	**82,407**

During the six months last year up to the date of disposal Loansathome4u contributed £7.8m to the group’s operating cash flows.

7. EARNINGS PER ORDINARY SHARE

The calculation of earnings per ordinary share from continuing operations is based on profit after tax of £20,342,000 (2016: £15,886,000). The calculation of earnings per ordinary share from continuing and discontinued operations is based on profit after tax of £20,342,000 (2015: £69,185,000).

The number of shares used in the basic eps calculation is the average number of shares in issue during the year of 11,918,610 (2016: 11,888,591). There are a total of 176,618 dilutive share options in issue (2016: 208,885). The number of shares used in the diluted eps calculation is 12,095,313 (2016: 12,000,152).

8. AMOUNTS RECEIVABLE FROM CUSTOMERS

	2017 £000	**2016 £000**
Motor Finance hire purchase	224,283	169,420
Less: Loan loss provision car finance	(30,754)	(24,279)
Amounts receivable from customers	193,529	145,141
Analysis of Security		
Loans secured on vehicles under hire purchase agreements	191,316	143,844
Other loans not secured	2,213	1,297
Amounts receivable from customers	193,529	145,141
Analysis of Overdue		
<u>Not impaired</u>		
Neither past due nor impaired	170,683	132,789
Past due up to 3 months but not impaired	-	-
Past due over 3 months but not impaired	-	-
<u>Impaired</u>		
Past due up to 3 months	17,254	9,176
Past due up to 6 months	2,182	1,244
Past due over 6 months or default	3,410	1,932
Amounts receivable from customers	193,529	145,141

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 (2016: £nil).

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

	2017 £000	2016 £000
Operating Profit (see footnote)	26,871	25,343
Finance costs paid	(1,703)	(1,913)
Finance income received	35	131
Tax paid	(4,804)	(4,927)
Depreciation on plant, property and equipment	253	426
Loss on disposal of plant, property and equipment	14	15
Increase in amounts receivable from customers	(48,388)	(4,132)
Decrease in inventories	-	59
(Increase)/decrease in trade and other receivables	(23)	65
Increase/(decrease) in trade and other payables	377	(1,052)
Decrease in accruals and deferred income	(454)	(938)
Increase in cost of future share based payments	409	681
Movement in retirement benefit asset/obligations	(18)	(14)
Disposal of subsidiary assets	-	(29,761)
Net cash used in operating activities	(27,431)	(16,017)

Operating profit includes profit before tax on discontinued operations – note 6