Company Registration No: 3773673

Advantage Finance Limited

Report and Financial Statements

31 January 2009

CONTENTS

Advantage Finance Limited

DIRECTORS

B A Burton
K Charlton
A M V Coombs
G D C Coombs
J Murdoch
C H Redford
J G Thompson
A Tuplin
H A Wilkinson
D M Coombs (resigned 16 May 2008)
M G Sizer (resigned 1 March 2008)

SECRETARY

C H Redford

REGISTERED OFFICE

Royal House, Princes Gate
Homer Road
Solihull
B91 3QQ

BANKERS

HSBC Bank plc
130 New Street
Birmingham
B2 4JU

SOLICITORS

DLA
Victoria Square House,
Victoria Square,
Birmingham
B2 4DC

AUDITORS

Deloitte LLP
Chartered Accountants
Birmingham

Advantage Finance Limited

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31st January 2009.

ACTIVITIES

The company's principal activity during the year continued to be the provision of hire purchase car finance.

BUSINESS REVIEW

In the competitive used car finance market, Advantage Finance is increasingly successful and 2008/2009 was a year in which profits and cash receipts continued to grow steadily in line with our strategy for this business. Pre tax profit benefited from a reduction in finance costs but still grew by 15% on revenue up 10% and number of live agreements up 10%. The directors see these results as providing a firm platform for the future development and growth of the company.

FINANCIAL POSITION AND PERFORMANCE

The company's profit on ordinary activities after tax was £2.165m (2008 - £1.821m). Interim ordinary dividends of £1.050m (2008 - £0.950m) were paid during the year and the directors do not propose paying a final dividend, leaving retained profits of £1.115m (2008 - £0.871m) to be transferred to reserves. The company's principal balance sheet asset remains its book debt and the directors consider the year-end balance sheet position to be satisfactory.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were:

DM Coombs, AMV Coombs, GDC Coombs, K Charlton, J Murdoch, CH Redford, JG Thompson, MG Sizer, HA Wilkinson, BA Burton and A Tuplin.

Mr DM Coombs retired on 16 May 2008 and resigned as a director. Mr MG Sizer also resigned as a director on 1 March 2008 having left the S&U Group of companies. The directors retiring by rotation are H Wilkinson, BA Burton and A Tuplin, who, being eligible, offer themselves for re-election.

REVIEW OF PRINCIPAL RISKS AND UNCERTAINTIES

The company is involved in the provision of consumer credit and a key risk for the company is the credit risk inherent in amounts receivable from customers which is principally controlled through our credit control policies supported by ongoing reviews for impairment. The company is also subject to legislative and regulatory change within the consumer credit sector. The company is part of the S&U Group whose consumer credit activities expose it to the financial risks of changes in interest rates and the Group uses interest rate derivative contracts to hedge these exposures in bank borrowings. More detail of the Group's financial risk management policies is included in the S&U Group accounts.

STATEMENT OF GOING CONCERN

The company'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 company, its cash flows, liquidity position and borrowing facilities are set out in the company financial statements. The company is part of the S&U Group and the Group's objectives, policies and processes for managing its capital are described in the notes to the S&U Group accounts. Details of the Group's financial risk management objectives, its financial instruments and hedging activities; and its exposures to credit risk, market risk and liquidity risk are also set out in the notes to the S&U Group accounts.

The Group has adequate financial resources. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.
After making enquiries, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Advantage Finance Limited

DIRECTORS' REPORT (CONTINUED)

AUDIT STATEMENT

Each of the directors at the date of approval of this report confirms that:

1. so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

2. the director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 234ZA of the Companies Act 1985.

CREDITOR PAYMENT POLICY

The group and the company do not follow any published code of practice but agrees terms and conditions with its suppliers. Payment is then made on the terms agreed, subject to the appropriate terms and conditions being met by the supplier. Trade creditor days for the company for the year ended 31 January 2009 were 35 days (2008 – 38 days), calculated in accordance with the requirements set down in the Companies Act 1985. This represents the ratio, expressed in days, between the amounts invoiced to the group and the company by their suppliers in the year and the amount due, at the year end, to trade creditors within one year.

AUDITORS

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board

CH Redford

Company Secretary

6 July 2009

Advantage Finance Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to be properly prepared in accordance with IFRSs as adopted by the European Union and the Companies Act 1985.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board

CH Redford, Secretary

6 July 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ADVANTAGE FINANCE LIMITED

We have audited the financial statements of Advantage Finance Limited for the year ended 31 January 2009 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes 1 to 24. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ADVANTAGE FINANCE LIMITED (CONTINUED)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 January 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Separate opinion in relation to IFRSs

As explained in Note 1.2 to the financial statements, the company in addition to complying with IFRSs as adopted by the European Union has also complied with the IFRSs as issued by the International Accounting Standards Board.

In our opinion the financial statements give a true and fair view, in accordance with IFRSs, of the state of the company's affairs as at 31 January 2009 and of its profit for the year then ended.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
Birmingham, United Kingdom

6 July 2009

INCOME STATEMENT
Year ended 31 January 2009

	Note	2009 £000	2008 £000
Revenue	2	14,175	12,858
Cost of sales	3	(7,163)	(6,506)
Gross profit		7,012	6,352
Administrative expenses		(2,103)	(1,779)
Exceptional item	5	(150)	-
Operating profit	5	4,759	4,573
Net finance costs	6	(1,747)	(1,960)
Profit before tax	2	3,012	2,613
Tax	7	(847)	(792)
Profit for the year		2,165	1,821

All activities derive from continuing operations.

STATEMENT OF CHANGES IN EQUITY

	2009 £000	2008 £000
Opening Balance at 1 February	4,658	3,787
Profit for the year	2,165	1,821
Dividends	(1,050)	(950)
Closing Balance at 31 January	5,773	4,658

ADVANTAGE FINANCE LIMITED
BALANCE SHEET
31 January 2009

	Note	2009 £000	2008 £000
ASSETS			
Non Current Assets			
Property, plant and equipment	9	185	177
Amounts receivable from customers	11	24,813	22,550
Deferred tax assets	15	15	15
		25,013	22,742
Current Assets			
Amounts receivable from customers	11	14,563	13,384
Trade and other receivables	12	153	95
Cash and cash equivalents		-	-
		14,716	13,479
Total Assets		39,729	36,221
LIABILITIES			
Current liabilities			
Bank overdrafts and loans	13	(6,254)	(9,823)
Trade and other payables	14	(26,689)	(20,528)
Tax liabilities		(525)	(502)
Accruals and deferred income		(488)	(710)
Total liabilities		(33,956)	(31,563)
NET ASSETS		5,773	4,658
Equity			
Called up share capital	16	1	1
Profit and loss account		5,772	4,657
Total equity	17	5,773	4,658

These financial statements were approved by the Board of Directors on 6 July 2009

Signed on behalf of the Board of Directors

CH Redford

CASH FLOW STATEMENT
Year ended 31 January 2009

	Note	2009 £000	2008 £000
Net cash inflow/(outflow) from operating activities	18	4,712	(1,920)
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment		22	30
Purchases of property, plant and equipment		(115)	(65)
Net cash used in investing activities		(93)	(35)
Cash flows from financing activities			
Dividends paid		(1,050)	(950)
Net (decrease)/increase in overdraft		(3,569)	2,905
Net cash (used)/generated in financing activities		(4,619)	1,955
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of period		-	-
Cash and cash equivalents at the end of period		-	-
Cash and cash equivalents comprise			
Cash		-	-

1. ACCOUNTING POLICIES

1.1 General Information

Advantage Finance Limited is a company incorporated in the United Kingdom under the Companies Act 1985. The address of the registered office is given on page 2. All operations are situated in the UK.

1.2 Basis of preparation

As part of a listed group we elected to prepare our financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

These financial statements have been prepared under the historical cost convention as modified by the revaluation of derivative financial instruments to fair value. The company 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 financial statements have been prepared on the going concern basis as disclosed in the Directors' statement of going concern set out in the Directors' Report.

At the date of authorisation of these financial statements the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

IAS 1 (Revised) Presentation of Financial Statements

IFRS 2 (Amendment) Share based payment

IFRS 8 Operating Segments

IAS 23 (Amendment) Borrowing Costs

IAS 36 (Amendment) Impairment of Assets

IAS 39 (Amendment) Financial Instruments Recognition and Measurement

IFRIC 13 Customer Loyalty Programmes

IFRIC 15 Agreements for the Construction of Real Estate

IFRIC 16 Hedges of a Net Investment in a Foreign Operation

IFRIC 17 Distributions of Non-cash owned Assets to Owners

IFRIC 18 Transfers from Assets to Customers

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements.

1.3 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 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 insurance products, for which the company does not bear any underlying insurance risk is recognised and credited to the income statement when the brokerage service has been provided.

1. ACCOUNTING POLICIES (CONTINUED)

1.4 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.

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.

1.5 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
Fixtures and Fittings	20% per annum straight line
Motor Vehicles	25% per annum reducing balance

1.6 Investments

Investments are stated at cost less provision for any impairment.

1.7 Tax

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.

1.8 Pensions

The company operates a defined contribution pension scheme 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 ACCOUNTS
Year ended 31 January 2009

1. ACCOUNTING POLICIES (CONTINUED)

1.10 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The key accounting judgements which the directors have made in the process of applying the Group's accounting policies and which have the most significant effect on the amounts recognised in the financial statements are the judgements relating to revenue recognition and impairment applied as in 1.3 and 1.4 above. The directors consider that there are no key sources of estimation uncertainty other than those inherent in the consumer credit market in which we operate.

2. SEGMENTAL ANALYSIS

All the company's assets and liabilities, revenue and profit before tax are attributable to the provision of hire purchase car finance.

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

3. COST OF SALES

	2009	**2008**
	£000	**£000**
Loan loss provisioning charge	4,785	4,087
Other cost of sales	2,378	2,419
	7,163	6,506

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2009	**2008**
Directors' emoluments	**£000**	**£000**
Salary and commission	534	477
Pension	29	29
	563	506

The emoluments of the highest paid director are £209,305 for the year (2008: £182,019), and the company paid pension contributions on his behalf of £18,380 (2008: £17,580). Three of the directors are paid by other S&U plc Group companies.

	2009	**2008**
Number of directors who are members of a defined contribution pension scheme	9	8
Average number of persons employed		
Management and administration	68	71
Staff costs during the year (including directors):	**£000**	**£000**
Wages and salaries	1,720	1,579
Social security costs	187	174
Other pension costs	94	90
	2,001	1,843

5. OPERATING PROFIT

	2009 £000	2008 £000
Operating profit is stated after charging:		
Depreciation and amortisation:		
Owned assets	78	68
Rentals under operating leases:		
Other operating leases	94	90
Loss on sale of fixed assets	7	9

	2009 £000	2008 £000
The analysis of auditors' remuneration is as follows;		
Auditors' remuneration for audit fees:		
Fees payable to the group's auditors for the audit of the company annual accounts	14	14
Auditors' remuneration for non-audit fees:		
Other services pursuant to legislation	6	6
Tax services	8	5
Total	28	25

Exceptional Item

On 16 May 2008 after 30 years serving as Chairman of the group, Mr DM Coombs retired as Chairman and resigned as a director to take up the non-Board position as president of the group. The Board agreed to make a one off payment to Mr Coombs upon his appointment as president of which £150,000 was paid by Advantage Finance Limited.

6. NET FINANCE COSTS

	2009 £000	2008 £000
Bank interest payable	1,747	1,960
Bank interest receivable	-	-
	1,747	1,960

7. TAX

	2009 £000	2008 £000
Corporation tax at 28.33% (2008 – 30%) based on the profit for the year	857	792
Adjustment in respect of prior years	(10)	-
Deferred tax timing differences –origination and reversal	-	-
	847	792

The actual tax charge for the current and the previous year exceeds the standard rate for the reasons set out in the following reconciliation.

	2009 £000	2008 £000
Profit on ordinary activities before tax	3,012	2,613
Tax on profit on ordinary activities at standard rate of 28.33% (2008 – 30%)	853	784
Factors affecting charge for the period:		
Expenses not deductible for tax purposes	4	8
Prior period adjustments	(10)	-
Total actual amount of tax	847	792

The effect of the reduction in the UK corporation tax rate from 30 per cent to 28 per cent from 1 April 2008 has resulted in a change in the standard rate this year which is calculated on a pro rata basis. Deferred tax on the UK timing differences has been calculated at the rate of 28 per cent (2008: 28 per cent).

8. DIVIDENDS

	2009 £000	2008 £000
Ordinary dividend paid £1,050 per share (2008: £950)	1,050	950

9. PROPERTY, PLANT AND EQUIPMENT

	Short Leasehold Buildings £000	Motor vehicles £000	Fixtures and Fittings £000	Total £000
Cost or valuation				
At 1 February 2007	39	245	328	612
Additions	-	28	37	65
Disposals	-	(94)	-	(94)
At 1 February 2008	39	179	365	583
Additions	4	76	35	115
Disposals	-	(70)	(3)	(73)
At 31 January 2009	43	185	397	625
Accumulated depreciation				
At 1 February 2007	30	116	246	392
Charge for the year	3	29	36	68
Eliminated on disposals	-	(54)	-	(54)
At 1 February 2008	33	91	282	406
Charge for the year	4	34	40	78
Eliminated on disposals	-	(41)	(3)	(44)
At 31 January 2009	37	84	319	440
Net book value				
At 31 January 2009	6	101	78	185
At 31 January 2008	6	88	83	177

10. INVESTMENTS

	2009 £	2008 £
Shares in subsidiary companies cost and carrying value		
At 1 February 2007, 1 February 2008 and 31 January 2009	2	2

Interests in subsidiaries

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

Subsidiary	Principal activity
Advantage Motor Finance Limited	Dormant
Communitas Finance Limited	Secured consumer finance

The company has not prepared consolidated accounts as it is a wholly-owned subsidiary of S&U plc, a company registered in England and Wales, and the ultimate parent company which prepares consolidated financial statements.

11. AMOUNTS RECEIVABLE FROM CUSTOMERS

	2009 £000	2008 £000
Credit receivables	50,850	46,365
Less: Loan loss provision	(11,474)	(10,431)
Amounts receivable from customers	39,376	35,934
Analysed by future date due		
- due within one year	14,563	13,384
- due in more than one year	24,813	22,550
Amounts receivable from customers	39,376	35,934
Analysis of security		
Loans secured on vehicles under hire purchase agreements	37,479	33,946
Other Loans	1,897	1,988
Amounts receivable from customers	39,376	35,934
Analysis of overdue		
Not impaired		
Neither past due nor impaired	28,108	25,256
Past due up to 3 months but not impaired	3,770	3,698
Past due over 3 months but not impaired	-	-
Impaired		
Past due up to 3 months	3,509	3,155
Past due up to 6 months	1,284	1,094
Past due over 6 months or default	2,705	2,731
Amounts receivable from customers	39,376	35,934

The credit risk inherent in amounts receivable from customers is reviewed under impairment as per note 1.4 and under this review the credit quality of assets which are neither past due nor impaired was considered to be good with no issues noted. 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 (2008: £nil).

Analysis of movements on loan loss provisions	**£000**
At 1 February 2007	9,036
Charge for year	4,087
Amounts written off during year	(1,448)
Unwind of discount	(1,244)
At 31 January 2008	10,431
Charge for year	4,785
Amounts written off during year	(2,438)
Unwind of discount	(1,304)
At 31 January 2009	11,474

There has been no material change in the average discount rate used during the years to 31 January 2008 and 31 January 2009.

12. TRADE AND OTHER RECEIVABLES

	2009 £000	2008 £000
Other debtors	16	7
Prepayments and accrued income	137	88
	153	95

All the above amounts fall due within one year.

13. BANK OVERDRAFTS

	2009 £000	2008 £000
Bank overdrafts – due within one year	6,254	9,823

The bank overdraft is secured over the assets of the group under a multilateral guarantee (see note 19).

14. TRADE AND OTHER PAYABLES

	2009 £000	2008 £000
Trade creditors	194	260
Amounts owed to other group undertakings	26,382	20,142
Other creditors	113	126
	26,689	20,528

15. DEFERRED TAX

	Accelerated tax depreciation	Total
	£000	£000
At 1 February 2007	15	15
Credit to income	-	-
At 1 February 2008	15	15
Credit to income	-	-
At 31 January 2009	15	15

A deferred tax asset has been recognised on the basis that the company has been historically profitable and the asset can be utilised in the future.

16. CALLED UP SHARE CAPITAL

	2009 £000	2008 £000
Authorised, called up, allotted and fully paid		
1,000 Ordinary shares of £1 each	1	1

17. SHAREHOLDERS' FUNDS

	Called Up Share Capital	Profit And Loss Account	Total Equity
	£000	£000	£000
At 1 February 2007	1	3,786	3,786
Profit for year	-	1,821	1,821
Dividends	-	(950)	(950)
At 1 February 2008	1	4,657	4,658
Profit for year	-	2,165	2,165
Dividends	-	(1,050)	(1,050)
At 31 January 2009	1	5,772	5,773

18. RECONCILIATION OF PROFIT BEFORE TAX TO NET CASH FROM OPERATING ACTIVITIES

	2009 £000	2008 £000
Profit before tax	3,012	2,613
Tax paid	(824)	(703)
Depreciation on plant, property and equipment	78	68
Loss on disposal of plant, property and equipment	7	9
(Increase) in amounts receivable from customers	(3,442)	(4,078)
(Increase) in trade and other receivables	(58)	(20)
Increase in trade and other payables	6,161	251
(Decrease) in accruals and deferred income	(222)	(60)
Net cash inflow/(outflow) from operating activities	4,712	(1,920)

19. CONTINGENT LIABILITIES

The company has entered into cross-guarantee arrangements with respect to the bank overdrafts of certain of its subsidiaries. The maximum exposure under this arrangement at 31 January 2009 was £23,873,783 (2008 - £21,460,301).

20. RELATED PARTY TRANSACTIONS

The company paid dividends to its parent company S&U plc of £1,050,000 (2008: £950,000). During the current and preceding year the company was recharged by other group undertakings for various administrative expenses incurred on behalf of Advantage Finance Limited. At 31 January 2009 the company owed £26,382,000 (2008: £20,142,000) to other group undertakings and was owed £7,177 by other group undertakings (2008:£nil).

21. ULTIMATE PARENT COMPANY

The company's ultimate parent company and controlling party is S&U plc, a company incorporated in England. Copies of the group accounts of S&U plc may be obtained from its registered office at Royal House, Prince's Gate, Solihull, West Midlands, B91 3QQ.

22. FINANCIAL COMMITMENTS

Capital commitments
At 31 January 2009 and 31 January 2008 the company had no capital commitments contracted but not provided for.

Operating lease commitments
At 31 January 2009 and 31 January 2008 the company had annual commitments under non-cancellable other operating leases as set out below:

	2009 £000	2008 £000
Land and buildings		
Leases which expire:		
Within one year	-	52
Within two to five years	-	-

23. PENSION SCHEMES

The company makes contributions to a defined contribution pension scheme and there are no outstanding contributions at 31 January 2009 or 31 January 2008. The company has no commitments for pensions that have not been fully funded outside the company.

24. FINANCIAL INSTRUMENTS

The company's principal financial instruments are amounts receivable from customers, cash, preference share capital, bank overdrafts and bank loans.

The company's business objectives rely on maintaining a well spread customer base of carefully controlled quality by applying strong emphasis on good credit management, both through strict lending criteria at the time of underwriting a new credit facility and continuous monitoring of the collection process. The home collected credit hire purchase debts are secured by the goods.

The table below analyses the company assets and liabilities into relevant maturity groupings based on the remaining period at the balance sheet date (to contractual maturity).

The average effective interest rate on financial assets of the company was estimated to be 30% (2008: 30%). The average effective interest rate on financial liabilities of the Company at 31 January 2009 was estimated to be 6% (2008: 6%).

Derivative financial instruments

The company is part of the S&U plc Group whose activities expose it to the financial risks of changes in interest rates and the group uses interest rate derivative contracts to hedge these exposures in accordance with disclosures made in the S&U plc accounts.

Currency and credit risk

The company has no material exposure to foreign currency risk. Company trade and other receivables and cash are considered to have no material credit risk. The credit risk inherent in amounts receivable from customers is reviewed under impairment as per note 1.4.

Interest rate risk

The company is part of the S&U plc Group whose activities expose it to the financial risks of changes in interest rates and the Group uses interest rate derivative contracts to hedge these exposures in bank borrowings in accordance with disclosures made in the S&U plc accounts. There is considered to be no material interest rate risk in cash, trade and other receivables and trade and other payables.

Capital risk management

The company is part of the S&U plc Group and the Board of Directors of S&U plc assess the capital needs of the Group on an ongoing basis and approve all capital transactions. The Group's objective in respect of capital risk management is to maintain a conservative group gearing level with respect to market conditions, whilst taking account of business growth opportunities in a capital efficient manner. At 31 January 2009 the group gearing level was 72% which the directors consider to have met their objective.

External capital requirements are imposed by the FSA on Advantage Finance itself. Throughout the year the company has maintained a capital base greater than this requirement.

Fair values of financial assets and liabilities

The fair values of amounts receivable from customers, bank loans and overdrafts and other assets and liabilities are considered to be not materially different from their book values.

24. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

The Company's liquidity risk is shown in the following tables which measure the cumulative liquidity gap. These figures include the intergroup contingent liability in note 19. After the year-end £10m of the liabilities due within 1 year were replaced with a new £12m 3 year loan due to mature in 2012.

At 31 January 2009	Less than 1 year £'000	More than 1 year but not more than 2 years £'000	More than 2 years but not more than 5 years £'000	More than 5 years £'000	Non interest bearing £'000	Total £'000
Financial assets	14,563	11,117	13,696	-	-	39,376
Other assets	-	-	-	-	353	353
Cash at bank and in hand	-	-	-	-	-	-
Total assets	14,563	11,117	13,696	-	353	39,729
Shareholders' funds	-	-	-	-	(5,773)	(5,773)
Bank overdrafts and loans	(6,254)	-	-	-	-	(6,254)
Other liabilities	(10,000)	-	(16,000)	-	(1,702)	(27,802)
Contingent liabilities	(7,873)	-	(16,000)	-	-	(23,873)
Total liabilities and shareholders' funds	(24,127)	-	(32,000)	-	(7,475)	(63,602)
Cumulative gap	(9,564)	1,553	(16,751)	-	(23,873)	(23,873)

At 31 January 2008	Less than 1 year £'000	More than 1 year but not more than 2 years £'000	More than 2 years but not more than 5 years £'000	More than 5 years £'000	Non interest bearing £'000	Total £'000
Financial assets	13,384	10,155	12,395	-	-	35,934
Other assets	-	-	-	-	287	287
Cash at bank and in hand	-	-	-	-	-	-
Total assets	13,384	10,155	12,395	-	287	36,221
Shareholders' funds	-	-	-	-	(4,658)	(4,658)
Bank overdrafts and loans	(9,823)	-	-	-	-	(9,823)
Other liabilities	-	(20,000)	-	-	(1,740)	(21,740)
Contingent liabilities	(1,460)	(20,000)	-	-	-	(21,460)
Total liabilities and shareholders' funds	(11,283)	(40,000)	-	-	(6,398)	(57,681)
Cumulative gap	2,101	(27,744)	(15,349)	(15,349)	(21,460)	(21,460)

24. FINANCIAL INSTRUMENTS (CONTINUED)

The gross contractual cash flows payable under financial liabilities are analysed as follows;

At 31 January 2009	Repayable on Demand £'000	Less than 1 year £'000	More than 1 year but not more than 2 years £'000	More than 2 years but not more than 5 years £'000	More than 5 years £'000	Total £'000
Bank overdrafts and loans	6,254	-	--	-	-	6,254
Trade and other payables	-	689	-	-	-	689
Tax liabilities	-	525	-	-	-	525
Accruals and deferred income	-	488	-	-	-	488
Inter company loans	-	10,000	-	16,000	-	26,000
At 31 January 2009	6,254	11,702	-	16,000	-	33,956

At 31 January 2008	Repayable on Demand £'000	Less than 1 year £'000	More than 1 year but not more than 2 years £'000	More than 2 years but not more than 5 years £'000	More than 5 years £'000	Total £'000
Bank overdrafts and loans	9,823	-	-	-	-	9,823
Trade and other payables	-	528	-	-	-	528
Tax liabilities	-	502	-	-	-	502
Accruals and deferred income	-	710	-	-	-	710
Inter company loans	-	-	20,000	-	-	20,000
At 31 January 2008	9,823	1,740	20,000	-	-	31,563