



24 July 2015

IPM PLC
(“1pm” or the “Company”)

FINAL RESULTS FOR THE YEAR ENDED 31 MAY 2015
A year of investment in resources produces record revenues, profits and earnings per share
Proposed Maiden Final Dividend

1pm plc (AIM: OPM), the AIM listed independent provider of finance facilities to the SME sector, announces final results for the year ended 31 May 2015.

Financial Highlights:

- Revenues up 31% to £5.5m (FY14: £4.2m);
- Profit before tax up 20% to £1.62m (FY14: £1.35m);
- Earnings per share up 4.8% to 3.72p (2014: 3.55p);
- Proposed maiden final dividend for the year of 0.35p per share;
- £10.9m of new funding raised during the year (FY14: £11.3m);
- £3.8m share placing in October 2014;
- Balance Sheet significantly strengthened during year; net assets at 31 May 2015 of £12.4m (FY14: £7.0m);
- Bad debts and provisions as a percentage of the portfolio at an all-time low of 0.85% at the year-end (FY14: 1.29%);

Operational Highlights:

- New business written during the year increased 49% to a record £16.1m (FY14: £10.8m);
- Lease portfolio increased 26% to stand at £25.2m at the year-end (FY14: £19.9m);
- Number of customers increased by 26% to 3,727 (FY14: 2,995);
- Business Loans increased significantly; portfolio stood at £5m at year end (FY14: £0.5m);
- Recently introduced HP product gaining traction; stood at £0.2m at year-end;
- Increased number of partnerships formed with finance brokers; current network of over 150 brokers;
- Relocation to newer, larger offices successfully completed in December 2014; ten additional staff recruited during the year;

Ian Smith, Non-executive Chairman commented:

“These strong financial results, building on five successive years of organic growth, have enabled the Board to recommend a maiden final dividend for the year of 0.35pence per share. The trading performance is all the more pleasing given that the year to 31 May 2015 was, as planned, a year of investment in resources across the Group to help maintain its continued growth.

“The business has delivered these strong financial results through a combination of factors, including its unwavering commitment to the SME sector at a time when other sources of finance for SME businesses remains difficult to secure, its adherence to rigorous underwriting and credit control processes, the loyalty of its growing network of over 150 finance brokers across the UK and not least the hard work and dedication of the Company’s award-winning executive directors and the entire 1pm staff.”

Chief Executive, Maria Lewis added:

“The Group has again exceeded market expectations. 2015 saw further significant growth and was the fifth consecutive year of increased profit and revenue. Demand for our products and services remains buoyant. Monthly sales have doubled since the last financial year and the Board is confident that new business origination will continue to increase over the next 12 months.

“The Board remains focussed both on organic growth, including the introduction of new financial products, and potential merger and acquisition opportunities as they arise. The Board has a clearly stated strategic plan to significantly grow the business and to increase shareholder value commensurately, which will require both. We are confident this plan can be delivered.”

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The Company was admitted to AIM in August 2006.

1pm plc is an established independent finance company focused on providing SMEs with accessible funding to add value to their businesses. All customers must have good credit histories and proven ability to repay their finance commitments.

1pm currently provides assets finance from £1,000 to £50,000 for a period of between 12 and 60 months and £1,000 to £50,000 for business loans (repaid over 3-36 months).

Mission Statement – ‘Helping the UK economy grow by providing funding to businesses’

More information is available on the Company website www.1pm.co.uk

CHAIRMAN'S STATEMENT

I am delighted to be able to congratulate the Group on another very successful year. The results for the financial year ended 31 May 2015 show revenue growth of 31%, an increase in profit before tax of 20% and an increase in earnings per share of 4.8% to 3.72 pence. At 31 May 2015, the aggregate value of the lease and loan portfolios was £30.1m, an increase of 47% over the prior year. These strong financial results, building on five successive years of organic growth, have enabled the Board to recommend a maiden dividend for the year of 0.35 pence per share. The maiden dividend will be paid on 2 September 2015 to shareholders on the register at the close of business on the 7 August 2015. The shares go ex-dividend on 6 August 2015. It is the Board's intention to adopt a progressive dividend policy, based on financial performance.

This trading performance is all the more pleasing given that the year to 31 May 2015 was, as planned, a year of investment in resources across the Group to help maintain its continued growth. This has included a successful relocation to newer, larger premises, staff recruitment across all levels, building our marketing and business development capabilities and planning the introduction of new IT systems.

The business has delivered these strong financial results through a combination of factors, including its unwavering commitment to the SME sector at a time when other sources of finance for SME businesses remain difficult to secure, its adherence to rigorous underwriting and credit control processes, the loyalty of a growing network of over 150 finance brokers across the UK and not least the hard work and dedication of the Company's award-winning executive directors and the entire 1pm staff.

The raw material for 1pm's business is cash. The Group successfully raised £10.9m in the year ended 31 May 2015 from a number of sources and I would like to thank each provider of funds, whether in the form of equity or debt, for their support.

The Company operates in a commercial environment where it has to meet the challenges of increasing regulation, greater competition and innovation. Your Board remains confident that the Company can continue to succeed in this environment by pursuing the dual objectives of continuously improving and expanding its range of products and services in the provision of lease and loan finance to SMEs, whilst pursuing strategic plans to develop the business further.

Your Board continues to be confident of the Group's prospects and sees a positive outlook for further growth in the current financial year.

R Ian Smith
Chairman

24 July 2015

CHIEF EXECUTIVE OFFICER'S REVIEW

Financial Results

The financial year ended 31st May 2015 saw further significant growth and was the fifth consecutive year of increased profit and revenue.

The Group has again exceeded market expectations with total revenue for the year increasing 31 per cent. to £5.5m (FY14: £4.2m), while profit before tax rose by 20 per cent. to £1.62m (FY14: £1.35m). Earnings per share increased by 4.8 per cent. to 3.72p (FY14: 3.55p).

The Group's balance sheet has continued to strengthen during the year with net assets at 31st May 2015 standing at £12.4m (FY14: £7.0m) a 77 per cent. increase.

Portfolio performance

The lease portfolio has grown significantly during the year, increasing by 26.4 per cent. to £25.2m (FY14: £19.9m). No single customer accounts for more than 0.24 per cent. of the total portfolio value, whilst the average loan size increased to £10,444. Notwithstanding the current economic climate, defaults are at an all-time low of less than 0.85 per cent. (FY14: 1.29 per cent.) These figures reflect the Group's continued focus on credit management.

As at 31st May 2015, the loan portfolio stood at just under £5m. The average loan term is currently 28 months and the average loan amount is £24,592. This loan book has grown significantly over the past year (FY14: £0.48m) and demonstrates the potential for the business of introducing new products to the Group's portfolio which meet the needs of our target SME market.

As at 31st May 2015 the recently introduced HP portfolio stood at £0.2m. The average term is 38 months and the average lend amount is £26,959. We anticipate growth as this product gains traction with our broker network.

Operations and Business Development

New business written during the year amounted to £16.1m (FY14: £10.8m), an increase of 49 per cent, with record monthly sales of more than £2m achieved in October 2014 and April 2015.

The Group's relationships with its network of over 150 finance brokers across the UK continues to be of upmost importance. 1pm regularly reviews its customer service experience in order to provide the best possible service. The systems, policies and procedures are reviewed regularly to ensure 1pm is working as efficiently as possible.

The Group's new accounting and invoicing system is expected to be installed and fully operational during the current financial year.

In January this year, the Group successfully completed a move to newer larger offices in Bath, totalling over 4,000 square feet. These offices have provided the Company with much needed additional space and have undoubtedly contributed to greater operational efficiencies whilst enabling the recruitment of additional staff.

Staff

Ten additional members of staff have been recruited during the financial year. The Company plans to increase staff numbers to around 36 over the next year in line with its development and growth objectives.

The total costs associated with the move to larger offices, the development and implementation of the new accounting system, staff recruitment and business development is expected to be approximately £800k of which the Company has spent £432k to date.

On behalf of the Board and Shareholders, I would like to thank all staff for their continued hard work and commitment to the Group.

Finance

I am pleased to report that the Group raised £10.9m of new funding (FY14: £11.3m) during the financial year from a variety of sources including commercial banking institutions and high net worth individuals. This funding is used primarily for the purpose of writing new business. The Board will continue to seek additional funding sources in order to satisfy the ever-growing demands for funding from the UK SME market.

Shareholders

In October 2014 the Group raised £3.8m before costs by way of a placing of new Ordinary shares. The money was raised to assist the Company with its growth plans.

The Board would like to thank shareholders for their continued support and is delighted to be able to reward them with the Company's maiden dividend.

Outlook

Demand for our products and services remains buoyant. Monthly sales have doubled since the last financial year and the Board is confident that new business origination will continue to increase over the next 12 months.

The Board remains focussed both on organic growth, including the introduction of new financial products and also on potential merger and acquisition opportunities as they arise. The Board has a clearly stated strategic plan to significantly grow the business over the coming years and increase shareholder value commensurately, which will require both. We are confident that this plan can be delivered.

Maria Lewis

Chief Executive Officer

24 July 2015

GROUP STRATEGIC REPORT

The directors present their strategic report of the company and the group for the year ended 31 May 2015.

1PM PLC (1pm, the Company) is a specialist independent provider of finance to the UK SME sector. Founded in 2000 and based in Bath, the Group was admitted to the AIM in August 2006. Over this period, 1pm has delivered an invaluable service to the UK SME sector by providing funding solutions to over 6,500 customers helping to fill the funding gap left by the UK's mainstream banking industry, particularly in recent years.

Since 2010 the Company's financial performance has been transformed. For the year ended 31 May 2010 the Company reported a pre-tax loss of £0.4m. For the year ended 31 May 2015 it has reported a profit before tax of £1.6m (FY14: £1.35m). Over the same period the loan book has increased from £6.4m to £30.1m (FY14: £20.4m) and the Company's market capitalisation has increased to around £25m (FY14: £21m).

Staff numbers currently stand at 27 and include 2 apprentices from Bath College. The Company expects to recruit up to an additional 9 staff over the next year. The Company has a distinctive, close-knit culture and staff members have a genuine sense of loyalty to the business. A number of benefits are provided including flexible working hours, childcare vouchers, income protection, life insurance, private healthcare and a pension scheme. The Company's staff always strive to act in a professional manner to colleagues, clients, business partners, shareholders and visitors and offer a prompt and efficient service.

Since inception, the Company's core business has been finance leasing. In September 2013 a new, business loan product was introduced and in June 2014 the product portfolio was further strengthened with the introduction of asset finance through Hire Purchase.

The Company is well-established in its marketplace. Its objective is to be a responsible lender and follow strict policy guidelines with regard to treating customers fairly, always aiming to structure deals to give the client the best possible outcome.

The Company also adheres to strict lending and credit management criteria, thereby minimising the risk of defaults. However, as 1pm is an independent lender, it has the flexibility to tailor deals to meet each individual customer's needs. All proposals are underwritten manually enabling underwriters to make a balanced commercial decision, rather than solely using an automated autoscore system. The maximum amount lent is currently £50,000 per customer.

At a time when many SME businesses continue to struggle to raise finance through conventional sources, 1pm's unwavering commitment and focus on supporting the SME sector has enabled the business to grow significantly, whilst the recent introduction of the new Loan and Hire Purchase products should enable the business to expand further and reach a more diversified market.

The Board has recently adopted ambitious, but robust and risk-assessed plans aiming for significant growth over the next three to four years, which are intended to result in the value of the combined loan portfolios reaching approximately £75m.

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MAY 2015**

	Notes	2015 £	2014 £
CONTINUING OPERATIONS			
Revenue	2	5,533,990	4,211,569
Cost of sales		<u>(2,503,253)</u>	<u>(1,994,239)</u>
GROSS PROFIT		3,030,737	2,217,330
Administrative expenses		<u>(1,393,636)</u>	<u>(844,978)</u>
OPERATING PROFIT		1,637,101	1,372,352
Finance costs		(20,857)	(26,386)
Finance income		<u>3,373</u>	<u>558</u>
PROFIT BEFORE INCOME TAX	3	1,619,617	1,346,524
Income tax		<u>(349,003)</u>	<u>(297,326)</u>
PROFIT FOR THE YEAR		<u>1,270,614</u>	<u>1,049,198</u>
Profit attributable to: Owners of the parent		<u>1,270,614</u>	<u>1,049,198</u>
Earnings per share expressed in pence per share:			
Basic	4	3.71786	3.54510
Diluted		<u>3.71786</u>	<u>3.54510</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 MAY 2015

	2015 £	2014 £
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	239,214	72,873
Investments	<u>-</u>	<u>-</u>
	<u>239,214</u>	<u>72,873</u>
CURRENT ASSETS		
Trade and other receivables	24,991,236	17,324,246
Cash and cash equivalents	12,000	2,713
	<u>25,003,236</u>	<u>17,326,959</u>
TOTAL ASSETS	<u><u>25,242,450</u></u>	<u><u>17,399,832</u></u>
EQUITY		
SHAREHOLDERS' EQUITY		
Called up share capital	3,685,457	2,996,933
Share premium	5,606,347	2,287,540
Employee shares	83,002	-
Retained earnings	2,994,169	1,723,555
	<u>12,368,975</u>	<u>7,008,028</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Trade and other payables	5,685,052	4,404,874
Financial liabilities - borrowings		
Interest bearing loans and borrowings	100,000	100,000
Deferred tax	39,544	-
	<u>5,824,596</u>	<u>4,504,874</u>
CURRENT LIABILITIES		
Trade and other payables	6,182,466	4,806,519
Financial liabilities - borrowings		
Bank overdrafts	356,950	403,085
Interest bearing loans and borrowings	200,000	380,000
Tax payable	309,463	297,326
	<u>7,048,879</u>	<u>5,886,930</u>
TOTAL LIABILITIES	<u><u>12,873,475</u></u>	<u><u>10,391,804</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>25,242,450</u></u>	<u><u>17,399,832</u></u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2015**

	Called up share capital £	Retained earnings £	Share premium £	Employee shares £	Total equity £
Balance at 1 June 2013	2,315,132	679,357	1,569,340	-	4,563,829
Changes in equity					
Issue of share capital	681,801	-	718,200	-	1,400,001
Total comprehensive income	-	1,044,198	-	-	1,044,198
Balance at 31 May 2014	<u>2,996,933</u>	<u>1,723,555</u>	<u>2,287,540</u>	-	<u>7,008,028</u>
Changes in equity					
Issue of share capital	688,524	-	3,318,807	-	4,007,331
Value of employee services	-	-	-	83,002	83,002
Total comprehensive income	-	1,270,614	-	-	1,270,614
Balance at 31 May 2015	<u><u>3,685,457</u></u>	<u><u>2,994,169</u></u>	<u><u>5,606,347</u></u>	<u><u>83,002</u></u>	<u><u>12,368,975</u></u>

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2015**

	2015	2014
	£	£
Profit before income tax	1,619,617	1,346,524
Depreciation charges	79,485	23,276
Finance costs	20,857	26,386
Finance income	(3,373)	(558)
Increase in trade and other receivables	(7,666,990)	(4,424,528)
Increase in trade and other payables	<u>2,656,125</u>	<u>1,989,867</u>
Cash generated from operations	(3,294,279)	(1,039,033)
Interest paid	(20,857)	(26,386)
Tax paid	<u>(297,322)</u>	<u>(147,941)</u>
Net cash from operating activities	<u>(3,612,458)</u>	<u>(1,213,360)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(245,826)	(55,388)
Interest received	<u>3,373</u>	<u>558</u>
Net cash from investing activities	<u>(242,453)</u>	<u>(54,830)</u>
Cash flows from financing activities		
Loan repayments in year	(180,000)	(20,000)
Share issue	4,090,333	1,400,001
Share consolidation	<u>-</u>	<u>(5,000)</u>
Net cash from financing activities	<u>3,910,333</u>	<u>1,375,001</u>
	<hr/>	<hr/>
Increase in cash and cash equivalents	55,422	106,811
Cash and cash equivalents at beginning of year	<u>(400,372)</u>	<u>(507,183)</u>
	<hr/>	<hr/>
Cash and cash equivalents at end of year	<u><u>(344,950)</u></u>	<u><u>(400,372)</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2015**

1. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (as adopted by the European Union) and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

2. SEGMENTAL REPORTING

The company has one business segment to which all revenue, expenditure, assets and liabilities relate.

3. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging:

	2015	2014
	£	£
Other operating leases	55,875	16,020
Depreciation - owned assets	79,485	23,276
Auditors' remuneration	11,508	10,350
Other non- audit services	<u>3,450</u>	<u>3,450</u>

Non audit services are in respect of services provided by the auditor.

4. EARNINGS PER SHARE

The calculations of earning per share are calculated by dividing the earnings attributable to ordinary shares by the weighted average number of shares in issue during the year. For diluted earnings per share, the weighted average number of ordinary shares is adjusted to assume conversion of all dilutive potential ordinary shares. There are no dilutive ordinary shares.

	2015	2014
Profit/(Loss) attributable to equity shareholders	<u>£1,270,614</u>	<u>£1,049,198</u>
Post Consolidation		
Weighted average number of shares	34,175,928	29,595,740
Basic and diluted earnings per share	3.71786p	3.54510p
Pre Consolidation		
Weighted average number of shares	5,012,603,115	4,340,824,248
Basic and diluted earnings per share	0.02534p	0.02475p

5. PUBLICATION OF NON-STATUTORY ACCOUNTS

The financial information set out in this announcement does not comprise the Group's statutory accounts for the years ended 31 May 2015 or 31 May 2014. The financial information has been extracted from the statutory accounts of the Company for the years ended 31 May 2015 and 31 May 2014.

The auditors' opinion on those accounts was unmodified and did not contain a statement under section 498 (2) or 498 (3) Companies Act 2006 and did not include references to any matters to which the auditor drew attention by the way of emphasis.

The statutory accounts for the year ended 31 May 2014 have been delivered to the Registrar of Companies, whereas those for the year ended 31 May 2015 will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

6. **ANNUAL REPORT AND ANNUAL GENERAL MEETING**

The Annual Report will be available from the Company's website www.lpm.co.uk from 24 July 2015 and will be posted to shareholder on or before 28 September 2015. The Annual Report contains notice of the Annual General Meeting of the Company which will be held at the Francis Hotel, Queens Square, Bath, BA1 2HH on 25 August 2015 at 12:30 p.m.