



For Immediate Release

26th January 2016

1pm plc

(“1pm”, the “Group” or the “Company”)

**INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30th NOVEMBER 2015**

**Strong trading momentum maintained;
Further profitable growth at both 1pm and newly-acquired Academy Leasing;
Aggregate Portfolio stood at £57m at period end; Earnings per share increased 54%**

1pm, the AIM listed independent specialist provider of finance facilities to the SME sector, announces Interim Results for the six month period ended 30th November 2015 which include a first contribution from Academy Leasing from 25th August 2015 to 30th November 2015.

Financial Highlights

- Revenue for the period more than doubled to £5.25m (H1 2015: £2.56m);
- Profit before tax more than doubled to £1.66m (H1 2015: £0.76m);
- Earnings per share increased 52% to 2.91p (H1 2015: 1.91p);
- Net receivables increased 135% to £47.94m (H1 2015: £20.42m);
- Bad debt write-off in the period amounted to £0.16m, representing 0.28% of the total portfolio (H1 2015: £0.11m, representing 0.46% of the total portfolio)

Operational Highlights

- £12m acquisition of Academy Leasing successfully completed in August 2015, funded by a net £6.9m of new equity finance, £1m of vendor loan notes and issue of ordinary shares;
- New lease and hire purchase contracts written during the period increased to £9.7m (H1 2015: £5.8m);
- New business loan contracts written during the period amounted to £6.1m (H1 2015: £1.0m)
- Total portfolio increased to £57.0m (H1 2015: £24.3m);
- New revenue stream of £0.45m in the period from lease and vehicles commissions;
- Organic growth funded by increased use of existing facilities, additional debt funding of £2.35m (H1 2015: £5.7m) and reinvestment of £4.5m of cash flow from operations (H1 2015: £3.0m).

Commenting on the results, Chairman, Ian Smith, said:

“1pm’s results for the first six months of the current financial year continue the trend of profitable growth delivered over recent years and, although only three months since its acquisition, the equally strong results of Academy Leasing clearly justify the decision to expand the Group. Investment in resources at 1pm earlier in 2015 and the Academy Leasing acquisition completed in August 2015 mark the first successful steps towards achieving our strategic aims. We look forward to the second half of the financial year with optimism and confidence”.

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1pm plc

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About 1pm:

The Company was admitted to AIM in August 2006.

1pm plc is an established group of independent finance companies 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.

Mission Statement – ‘Helping the UK economy grow by supporting SMEs’

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

CHAIRMAN'S STATEMENT

Financial Results

I am pleased to report that the Group continued to make good progress during the first half of the current financial year. The financial results achieved for the six months ended 30th November 2015 ("the period") give cause for optimism and confidence in the outcome of the year to 31st May 2016 as a whole.

The half-year results include a first contribution from Academy Leasing Limited ("Academy") for the period 25th August 2015 to 30th November 2015. Academy, a provider of equipment finance and an equipment and vehicles broker to the SME market, is the only trading company within the MH Holdings (UK) Limited group of companies ("MH Holdings"), which was acquired by 1pm plc on 25th August 2015 (the "Acquisition").

Total revenue amounted to £5.25m (H1 2015: £2.56m). In addition to the revenue generated from lease and hire purchase contracts by 1pm and Academy, a further £0.45m of commission income was generated by Academy in the period in respect of the broking-on of equipment and vehicles contracts.

Profit before tax more than doubled to £1.66m (H1 2015: £0.76m). This profit figure is stated after charging £0.1m of non-recurring costs relating to the Acquisition. Profit after tax in the period rose to £1.31m (H1 2015: £0.60m).

Excluding the first contribution from Academy, 1pm increased its revenue by 48% and its profit before tax by 52% in the period compared with the equivalent period in the previous financial year.

Earnings per share ("EPS") increased 52% to 2.91p (H1 2014: 1.91p). EPS before the non-recurring costs in the period was 3.13p. EPS has been calculated on a weighted average basis taking into account the issue of 15,679,893 new ordinary shares on 26th August 2015 in connection with the financing of the Acquisition. At the period end a total of 52,534,463 ordinary shares were in issue.

The Group paid a maiden dividend as a final dividend in respect of the financial year ended 31st May 2015. It is the Board's intention to replicate this policy in the current financial year with one dividend payment, being a final dividend in respect of the current financial year ending 31st May 2016.

At the period end, the Group's consolidated net assets stood at £25.2m (H1 2015: £11.7m). Profit after tax in the period therefore represents a 5.2% return on net assets (H1 2015: 5.2%).

Operations

In the period, the Group experienced strong demand across its product range from its core SME customer base. It originated £9.7m of new lease and hire purchase contracts, a 67% increase over the same period last year (H1 2015: £5.8m) and £6.1m of business loans, a six-fold increase compared to last year (H1 2015: £0.96m). To fund this organic growth the Group increased use of its existing block funding facilities, raised additional debt funding of £2.35m (H1 2015: £5.7m) and reinvested £4.5m of free cash flow generated from receivables (H1 2015: £3.0m).

Following the acquisition of Academy, the Group now has considerably greater flexibility to manage the mix of new business origination between lease, hire purchase and loan contracts and the capacity to broke-on equipment and vehicles business to generate cash from commissions. This flexibility and additional capacity will enable the Group to continue to grow profitability whilst optimising its risk profile.

At the period-end the Group's combined lease and loan portfolios amounted to £57.0m, comprising £39.4m at 1pm (H1 2015: £24.3m) and £17.6m at Academy. Approximately 55% of new lease and hire purchase contracts at Academy are broked-on to generate commission income.

The average contract value in the portfolio in the period was £10.8k (H1 2015: £9.8k) with no single customer representing more than 0.21% of the total portfolio value (H1 2015: 0.51%). During the period, the Group's strict financial controls were maintained, with just £0.16m written off as bad debt, representing 0.28% of the aggregate portfolio value (H1 2015: £0.1m representing 0.46% of the portfolio).

Strategy

It is pleasing to report that trading at Academy since the Acquisition is in line with management's expectations and consistent with its stated strategic and operational objectives. Against this background and with the financial results at both 1pm and Academy continuing to be strong, the Group has confidence in pursuing its further strategic growth plans. These include the addition of complementary products, an expanded funding mix to include a wider range of borrowing facilities and consideration of potential further acquisitions.

Board changes

As announced on 27th November 2015, with effect from 1st February 2016, I will become Group CEO and John Newman, currently a non-executive director, will be appointed Chairman.

The Board also announces that Maria Lewis, Chief Operating Officer, will be leaving 1pm on 31st January 2016 and will step down as a director of both 1pm plc and 1pm (UK) Limited with effect from that date. The Board would like to record its appreciation and gratitude to Maria for her operational stewardship of the business and for the part she played in steering 1pm to a position of financial strength. The Board is pleased to also announce that Maria will continue her involvement with the business and will act for the Group in an ad-hoc consulting capacity.

Outlook

Notwithstanding some recent uncertainty over the global economic outlook, demand within the UK SME sector for our products and services remains strong. Competition is increasing, but we continue to expand our broker network and equipment supplier-base which has contributed to the significant increase in new lease and hire purchase contracts written in the period.

The financial results of 1pm for the period continue the trend of profitable growth delivered in recent years. The results of Academy clearly justify the first step in the planned strategic expansion of the Group and give confidence in relation to further expansion plans. The Board is committed to delivering sustainable growth and building value for shareholders. Accordingly, the Board looks forward to the second half of the financial year with optimism and confidence. I would like to thank our staff, shareholders, advisors, clients, finance brokers and funding partners for their continued support.

Ian Smith
Chairman, 1pm plc

Independent Review Report to 1pm plc

Introduction

We have been instructed by the Company to review the financial information set out on pages 6 to 10 and we have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the rules of the London Stock Exchange for companies trading securities on AIM, a market operated by the London Stock Exchange plc. The Disclosure and Transparency Rules require that the accounting policies and presentation applied to the half yearly figures must be consistent with those applied in the latest published annual accounts except where the accounting policies and presentation are to be changed in the subsequent annual financial statements, in which case the new accounting policies and presentation should be followed, and the change and the reasons for the changes should be disclosed in the half yearly financial report. The condensed set of financial statements included in this half yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

Our responsibility

Our responsibility is to express a conclusion on the condensed set of financial statements in the half yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity," issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical and other review procedures to the financial information. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half yearly financial report for the six months ended 30 November 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34.

Moore Stephens

Registered Auditors
Chartered Accountants
30 Gay Street
Bath BA1 2PA

25 January 2016

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS TO 30 NOVEMBER 2015**

	Independently Reviewed 6 months to 30 November	Independently Reviewed 6 months to 30 November	Audited 12 months to 31 May
	2015	2014	2015
Note	£	£	£
REVENUE	5,253,091	2,560,943	5,533,990
Cost of sales	<u>(1,859,886)</u>	<u>(1,161,718)</u>	<u>(2,503,253)</u>
GROSS PROFIT	3,393,205	1,399,225	3,030,737
Administrative expenses	<u>(1,604,101)</u>	<u>(625,977)</u>	<u>(1,393,636)</u>
OPERATING PROFIT BEFORE EXCEPTIONAL ITEM	1,789,104	773,248	1,637,101
Exceptional item – acquisition costs	<u>(98,614)</u>	<u>-</u>	<u>-</u>
OPERATING PROFIT BEFORE EXCEPTIONAL ITEM	1,690,490	773,248	1,637,101
Finance income	804	1,165	3,373
Finance expense	<u>(32,171)</u>	<u>(12,209)</u>	<u>(20,857)</u>
PROFIT BEFORE TAXATION	1,659,123	762,204	1,619,617
Taxation	<u>(343,661)</u>	<u>(160,055)</u>	<u>(349,003)</u>
PROFIT AFTER TAXATION	<u>1,315,462</u>	<u>602,149</u>	<u>1,270,614</u>
Attributable to equity holders of the company	<u>1,315,462</u>	<u>602,149</u>	<u>1,270,614</u>
Profit per share attributable to the equity holders of the company during the Period	Pence per share	Pence per share	Pence per share
- basic and diluted	<u>5</u> 2.91	<u>1.91</u>	<u>3.72</u>

All of the above amounts are in respect of continuing operations.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE SIX MONTHS TO 30 NOVEMBER 2015**

	Independently Reviewed 6 months to 30 November 2015 £	Independently Reviewed 6 months to 30 November 2014 £	Audited 12 months to 31 May 2015 £
FIXED ASSETS			
NON CURRENT ASSETS			
Intangible assets - goodwill	8,804,619	-	-
Property, plant and equipment	1,052,599	224,378	239,214
	<u>9,857,218</u>	<u>224,378</u>	<u>239,214</u>
CURRENT ASSETS			
Cash at bank and in hand	469,809	2,957,442	12,000
Trade and other receivables	<u>47,935,868</u>	<u>20,415,351</u>	<u>24,991,236</u>
	48,405,677	23,372,793	25,003,236
CURRENT LIABILITIES			
Trade and other payables	<u>17,311,799</u>	<u>6,043,939</u>	<u>7,048,879</u>
NET CURRENT ASSETS	31,093,878	17,328,854	17,954,357
TOTAL ASSETS LESS CURRENT LIABILITIES	40,951,096	17,553,232	18,193,571
NON CURRENT LIABILITIES			
Trade and other payables	<u>15,791,795</u>	<u>5,889,882</u>	<u>5,824,596</u>
	<u>25,159,301</u>	<u>11,663,350</u>	<u>12,368,975</u>
EQUITY			
Called up share capital	5,253,446	3,692,260	3,685,457
Share premium account	13,064,319	5,645,387	5,606,347
Consideration shares to be issued	2,528,292	-	-
Employee shares to be issued	132,602	-	83,002
Retained earnings	<u>4,180,642</u>	<u>2,325,703</u>	<u>2,994,169</u>
TOTAL EQUITY	<u>25,159,301</u>	<u>11,663,350</u>	<u>12,368,975</u>

**CONSOLIDATED INTERIM CASH FLOW STATEMENT FOR
THE SIX MONTHS TO 30 NOVEMBER 2015**

	Independently Reviewed 6 months to 30 November 2015	Independently Reviewed 6 months to 30 November 2014	Audited 12 months to 31 May 2015
Cash flows from operating activities			
Cash generated from operations	790,824	(95,873)	(3,294,279)
Interest Paid	(32,171)	(12,209)	(20,857)
Tax paid	-	-	(297,322)
Dividends paid	(128,989)	-	-
	<u>629,664</u>	<u>(108,082)</u>	<u>(3,612,458)</u>
Cash flows from investing activities			
Interest received	804	1,165	3,373
Purchase of tangible fixed assets	(82,159)	(173,744)	(245,826)
	<u>(81,355)</u>	<u>(172,579)</u>	<u>(242,453)</u>
Cash flows from financing activities			
Repayment of loans	-	(380,000)	(180,000)
Issue of shares net of costs	6,365,064	4,018,475	4,090,333
Acquisition	(6,098,614)	-	-
	<u>266,450</u>	<u>3,638,475</u>	<u>3,910,333</u>
Increase in cash and cash equivalents	814,759	3,357,814	55,422
Cash and cash equivalents at the beginning of the period	<u>(344,950)</u>	<u>(400,372)</u>	<u>(400,372)</u>
Cash and cash equivalents at the end of the period	<u><u>469,809</u></u>	<u><u>2,957,442</u></u>	<u><u>(344,950)</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS TO 30 NOVEMBER 2015

	Share Capital	Share Premium	Retained Earnings	Consideration Shares	Employee Shares	Total Equity
Balance at 31 May 2015	3,685,457	5,606,347	2,994,169	-	83,002	12,368,975
Movement in share capital	1,567,989	7,457,972	-	2,528,292	49,600	9,075,561
Profit for period	-	-	1,315,462	-	-	1,315,462
Dividend paid	-	-	(128,989)	-	-	(128,989)
Balance at 30 November 2015	<u>5,253,446</u>	<u>13,064,319</u>	<u>4,180,642</u>	<u>2,528,292</u>	<u>132,602</u>	<u>25,159,301</u>
Balance at 30 November 2014	3,692,260	5,645,386	2,325,704	-	-	11,663,350
Movement in share capital	(6,803)	(39,039)	-	-	83,002	37,160
Profit for Period	-	-	668,465	-	-	668,465
Balance at 31 May 2015	<u>3,685,457</u>	<u>5,606,347</u>	<u>2,994,169</u>	<u>-</u>	<u>83,002</u>	<u>12,368,975</u>

1 BASIS OF PREPARATION

The financial information set out in the interim report does not constitute statutory accounts as defined in section 434(3) and 435(3) of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 May 2015 prepared in accordance with IFRS as adopted by the European Union and with the Companies Act 2006 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under Section 498(2) of the Companies Act 2006. These interim financial statements have been prepared under the historical cost convention.

These interim financial statements have been prepared in accordance with the accounting policies set out in the most recently available public information, which are based on the recognition and measurement principles of IFRS in issue as adopted by the European Union (EU) and are effective at 31 May 2015. The financial information for the six months ended 30 November 2014 and the six month period 30 November 2015 are unaudited and do not constitute the Groups statutory financial statements for these periods. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

2 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

3 TAXATION

Taxation charged for the period ended 30 November 2015 is calculated by applying the directors' best estimate of the annual tax rate to the result for the period.

4 SHARE CAPITAL

The Articles of Association of the company state that there is an unlimited authorised share capital.

Each share carries the entitlement to one vote.

On 26 August 2015 the Company issued shares for cash to the value of £7,263m (before expenses) by way of an Open Offer and Placing of 12,104,181 ordinary shares of nominal value 0.10p at 0.60p per share. In addition on the same date the Company allotted 3,575,712 ordinary shares of 0.10p at 0.67p per share in consideration for the acquisition of MH Holdings (UK) Limited.

During the six months to 30 November 2015, an amount of £49,600, representing 81,311 shares of nominal value 0.10p at a price of 0.61p per share, has been accrued in relation to employee and director share schemes (18,333 for employees and 62,978 for directors). None of the shares had been issued as at 30 November 2015.

5 EARNINGS PER ORDINARY SHARE

The earnings per ordinary share has been calculated using the profit for the period and the weighted average number of ordinary shares in issue and accrued during the period as follows:

	6 months to 30-Nov-15	6 months to 30-Nov-14
	£	£
Profit for the period after taxation	1,315,462	602,149
	Number	Number
Basic weighted average of ordinary shares post consolidation	45,165,770	31,586,768
	Pence per share	Pence per share
Basic earnings (pence per share)	2.912519	1.906333

The basic earnings per share is calculated on the weighted average number of shares in issue and accrued during the period.

6 COPIES OF THE INTERIM REPORT

Copies of the Interim Report are available from www.1pm.co.uk and the Company Secretary at the registered office: 2nd Floor, St James House, The Square, Lower Bristol Road, Bath BA2 3BH