

**1pm plc**



**(“1pm” or the “Company”)**

**INTERIM RESULTS FOR THE  
6 MONTHS ENDED 30 NOV 2007**

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14 February 2008

1pm plc, the AIM listed independent provider of asset finance facilities to the smaller business community, announces today its interim results for the six month period to 30 November 2007.

**HIGHLIGHTS**

- With the Company restructuring now complete, the decision to move away from the sub-prime market into the traditional small ticket leasing market has proven to be the correct decision , with the market moving in the direction the Board anticipated.
- Pre-tax profit of £24k earned in the six months to 30 November 2007.
- Revenue for the six months to 30 November 2007 was £396k, 99% of targeted turnover.
- Gross profit margins at 63% are ahead of target.
- Net assets up to £1.5m.
- New team of directors now fully in place.

Commenting on the results Michael Johnson, Chairman of 1pm plc said:

“Our half year results to 30 November 2007 are excellent and to be able to report a profit in the period exceeded our initial expectations. It is the Company's intention to maximise the momentum it has created over the last ten months of reorganisation to focus its attention on increasing its penetration into the small ticket leasing market whilst generating quality profit and not just chasing volume.”

**ENQUIRIES TO:**

**1pm plc**

Mike Johnson

08707 397397

**SVS Securities plc**

Ian Callaway

020 7638 5600

**Blomfield Corporate Finance Limited**

Nick Harriss

020 7512 0191

## **CHAIRMAN'S STATEMENT**

I am pleased to report on the interim results of 1pm plc for the six month period to 30 November 2007.

I am particularly delighted to report a pre-tax profit of £23,855 for the period.

The six months to 30 November 2007 represents the first period of trade of 1pm plc since the Company repositioned itself in the market place and elected a new board of directors.

I am also pleased to report that the Company has been able to move forward with the 'new start' policy (as was reported in my Chairman's Statement on the accounts for year ended 31 May 2007). Arising from the sound team of operational staff now in place (and using the specific experience the new board of directors has brought to the Company) the Company is now generating strong profit margins and I am delighted at the almost immediate impact on profits that the management changes that have been made has produced in the short term.

## **OVERVIEW OF RESULTS**

The results for six months to 30 November 2007 show a total income of £395,708. As this income has been generated mostly from new customers (i.e. customers from the traditional small ticket leasing market into which the Company repositioned itself in the early summer of 2007) then making a meaningful comparison to the level of sales that was generated by the Company in the six months to 30 November 2006 is difficult. The interim financial information reflects the transition period to International Financial Reporting Standards. The impact of this transition is explained in Note 5.

The revenue in the six months period to 30 November 2007 of £395,708 generated a gross profit of £250,040 and an operating profit of £27,771. This reflects our commitment to quality business and also the fact that administrative expenses of £222,269 in the six months to 30 November 2007 have been well controlled (they compare with administrative expenses of £227,534 in the six month period to 30 November 2006).

Following on from the positive result that the Company has achieved in the last six months, the Company is strengthening its position in moving forward into the traditional small ticket leasing market to ensure that we gain an increasing share of that market.

Equally positively, the Company raised £675,000 (after expenses) through an equity placing by SVS Securities during October 2007. The placing has increased the capital base of 1pm plc thus enabling the Company to negotiate additional and increased bank and other funding facilities. This will accelerate our ability to write a greater volume of new business for the remainder of our financial year ending 31 May 2008.

Our bad debt recoveries in the six months to 30 November 2007 have exceeded our expectations and our half year review has established that the levels of bad debt provision made at the last year end are more than adequate. The legal recoveries (from business supported by individual personal guarantees) are expected to remain strong during the second half.

## **BOARD**

As previously announced Maria Hampton (our operations manager) was appointed a director of the Company on 1 October 2007. Paul Connell was appointed a director of 1pm plc on 18 October 2007.

The Company is now in a very strong position to take advantage of the many market opportunities ahead and I believe that my 30 years plus experience in leading and developing small ticket leasing businesses will help in this exciting development phase of 1pm plc.

## **STAFF**

I would like to thank our loyal and experienced team of operational staff for their continued enthusiasm and the support given to the Directors during the recent evolutionary stage of 1pm plc.

**Mike Johnson**  
**Chairman**  
**1pm plc**

## **Independent Review Report to 1 pm plc**

### **Introduction**

We have been instructed by the company to review the financial information set out on pages 4 to 9 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. The comparative six month period has not been subject to a review and we express no conclusion on these figures.

### **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 Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority. 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.

### **Review work performed**

We conducted our review in accordance with International Standard on Review Engagements 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 2007 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**  
**8 February 2008**

**lpm plc**  
**CONSOLIDATED INTERIM INCOME STATEMENT**  
for the six months to 30 November 2007

	Unaudited 6 months to 30 November 2007 £	Unaudited 6 months to 30 November 2006 £	Audited 12 months to 31 May 2007 £
<i>Notes</i>			
REVENUE	395,708	488,255	871,965
Cost of sales	(145,668)	(152,376)	(792,711)
<b>GROSS PROFIT</b>	<b>250,040</b>	<b>335,879</b>	<b>79,254</b>
Administrative expenses	(222,269)	(227,534)	(296,560)
<b>OPERATING PROFIT / (LOSS)</b>	<b>27,771</b>	<b>108,345</b>	<b>(217,306)</b>
Interest receivable	794	4,139	5,971
Interest payable and similar charges	(4,710)	(7,537)	(12,372)
<b>PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>23,855</b>	<b>104,947</b>	<b>(223,707)</b>
Taxation	-	(32,232)	83,238
<b>PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>	<b>23,855</b>	<b>72,715</b>	<b>(140,469)</b>
Attributable to equity holders of the company	23,855	72,715	(140,469)
<b>Profit per share attributable to the equity holders of the company during the period - basic and diluted</b>	<b>4</b>	<b>0.000117p</b>	<b>0.0006p</b>
		<b>(0.11)p</b>	

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

**1pm plc**  
**CONSOLIDATED BALANCE SHEET**  
as at 30 November 2007

<i>Notes</i>	Unaudited 30 November 2007 £	Unaudited 30 November 2006 £	Audited 31 May 2007 £
<b>FIXED ASSETS</b>			
Tangible assets	44,348	26,881	42,512
<b>CURRENT ASSETS</b>			
Trade and other debtors	3,162,792	3,294,847	2,826,951
Cash at bank and in hand	169,084	184,402	6,104
	<u>3,331,876</u>	<u>3,479,249</u>	<u>2,833,055</u>
<b>TOTAL ASSETS</b>	<u><u>3,376,224</u></u>	<u><u>3,506,130</u></u>	<u><u>2,875,567</u></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
<b>CREDITORS: Amounts falling due within one year</b>	1,285,229	1,391,815	1,382,366
<b>LIABILITIES DUE AFTER MORE THAN ONE YEAR</b>			
<b>CREDITORS: Amounts falling due after more than one year</b>	603,646	822,224	662,376
<b>PROVISION FOR LIABILITIES: deferred taxation</b>	-	694	-
<b>TOTAL LIABILITIES</b>	<u>1,888,875</u>	<u>2,214,733</u>	<u>2,044,742</u>
<b>EQUITY</b>			
Capital and Reserves attributable to equity holders of the company			
Called up share capital	298,773	264,400	264,400
Share premium account	1,305,190	-	-
Merger reserve	-	-	-
Retained earnings	(116,614)	(146,163)	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<u>1,487,349</u>	<u>1,291,397</u>	<u>830,825</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>3,376,224</u></u>	<u><u>3,376,224</u></u>	<u><u>2,875,567</u></u>

**lpm plc**  
**CONSOLIDATED CASH FLOW STATEMENT**  
for the six months to 30 November 2007

<i>Notes</i>	Unaudited 6 months to 30 November 2007 £	Unaudited 6 months to 30 November 2006 £	Audited 12 months to 31 May 2007 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Consumed by operations	(359,042)	(536,900)	(692,199)
Taxation	-	(16,300)	(54,756)
	<u>(359,042)</u>	<u>(553,200)</u>	<u>(746,955)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	794	4,139	5,971
Interest paid	(4,710)	(7,537)	(12,372)
	<u>(3,916)</u>	<u>(3,398)</u>	<u>(6,401)</u>
<b>CASH FLOWS FROM FINANCING</b>			
Issue of shares net of costs	632,669	954,282	921,294
	<u>632,669</u>	<u>954,282</u>	<u>921,294</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	269,711	397,684	167,938
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	(100,627)	(213,282)	(268,565)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u><u>169,084</u></u>	<u><u>184,402</u></u>	<u><u>(100,627)</u></u>

# 1pm plc

## CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

for the six months to 30 November 2007

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### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Share Capital	Reserve Premium	Merger Reserve	Retained Earnings	Total Equity
<b>Balance at 30 November 2006</b>	99,929	903,325	215,428	72,715	1,291,397
<b>Loss for the period</b>	-	-	-	(213,184)	(213,184)
<b>Movement in share capital</b>	(4)	(31,956)	-	-	(31,960)
<b>Other movements</b>	-	-	(215,428)	-	(215,428)
<b>Balance at 31 May 2007</b>	<u>99,925</u>	<u>871,369</u>	<u>-</u>	<u>(140,469)</u>	<u>830,825</u>
<b>Profit for the period</b>	-	-	-	23,855	23,855
<b>Movement in share capital</b>	198,848	433,821	-	-	632,669
<b>Balance at 30 November 2007</b>	<u>298,773</u>	<u>1,305,190</u>	<u>-</u>	<u>(116,614)</u>	<u>1,487,349</u>

## 1 ACCOUNTING POLICIES

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The significant accounting policies, which have been consistently applied in preparing the financial statements are as follows:

### BASIS OF PREPARATION

The financial information set out in the interim report does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The Group's statutory financial statements for the year ended 31 May 2007 prepared under UK GAAP, 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 237(2) of the Companies Act 1985.

These interim financial statements are for the six months ended 30 November 2007. They have been prepared in accordance with the requirements of IFRS 1 'First-time Adoption of International Financial Reporting Standards' relevant to interim reports, because they are part of the period covered by the Group's first IFRS financial statements for the year ended 31 May 2008. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements for the year ended 31 May 2007.

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 2008 or are expected to be adopted and effective at 31 May 2008, our first annual reporting date at which we are required to use IFRS accounting standards adopted by the EU.

1pm plc's consolidated financial statements were prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) until 31 May 2007. The date of transition to IFRS was 1 June 2007. The disclosures required by IFRS 1 concerning the transition from UK GAAP to IFRS are explained in note 5.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

### BASIS OF CONSOLIDATION

On 3rd July 2006 100% of the issued share capital of 1pm (UK) Limited was acquired by the company.

The financial statements consolidate the results, cash flows and assets and liabilities of the company and its wholly owned subsidiary undertaking, 1pm (UK) Ltd.

## 2 TAXATION

Taxation charged for the period ended 30 November 2007 is calculated by applying the directors' best estimate of the annual tax rate to the result for the period.

## 3 SHARE CAPITAL

As at 30 November 2007, the company had an authorised share capital of 440,011,734 ordinary shares of £0.0006818p each, of which 438,212,229 had been issued and were fully paid.

## 4 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 during the period as follows:

	Six months to 30 November 2007
	£
Profit for the period after taxation	23,855
	=====
	Number
Basic weighted average of ordinary shares of 1p each	204,578,018
	=====
	pps
Basic earnings (pence per share)	0.0001117
	=====

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

## 5 EXPLANATION OF TRANSITION TO IFRS

As stated in the basis of preparation, these are the Group's first condensed consolidated interim financial statements for part of the period covered by the first IFRS annual consolidated financial statements prepared in accordance with IFRS.

An explanation of how the transition from UK GAAP to IFRS has affected the Group's financial position, financial performance and cash flows is set out below.

Explanation of material adjustments to the cash flow statement:

Changes to the cashflow statement previously reported under UK GAAP are mainly presentational. For the purpose of the cashflow statement, cash and cash equivalents comprise cash on hand less overdrafts.

Explanation of reconciliation from UK GAAP to IFRS for the balance sheet and income statement:

The adoption of IFRS by the Group has resulted in some reordering of the presentation of certain balances within both the income statement and balance sheet. In accordance with IFRS negative goodwill previously recognised in accordance with UK GAAP had been derecognised. The audited financial results to 31 May 2007 have been duly restated.

Reconciliation of the UK GAAP consolidated figures to the IFRS consolidated figures. Year ended 31 May 2007

	UK GAAP	Presentation	IFRS
Profit on ordinary activities after tax	(247,669)	107,200	(140,469)
Intangible asses - negative goodwill	(107,200)	107,200	-
Earnings per share - basic and diluted	(0.19p)	-	(0.11p)

## 6 COPIES OF THE INTERIM REPORT

Copies of the interim report will be available to the public free of charge from the company secretary at the Company's registered office: 12 George Street, Bath, 2EH and will be available on the Company's website, [www.lpm.co.uk](http://www.lpm.co.uk).