

27th August 2009

1pm plc



(“1pm” or the “Company”)

**PRELIMINARY RESULTS
FOR THE PERIOD ENDED 31 MAY 2009**

1pm (UK) Ltd.
27 Gay Street
Bath BA1 2PD

t: 0844 967 0944
e: sales@1pm.co.uk
admin@1pm.co.uk

www.1pm.co.uk

PRELIMINARY RESULTS FOR THE YEAR TO 31 MAY 2009

1pm plc (AIM: OPM), the specialist provider of lease asset finance to the SME sector, announces its preliminary results for the year to 31 May 2009.

Financial and operating highlight:

- A revenue increase of 75% to £1.4 million (2008: £0.8 million).
- Gross profit rose 8% to £574,000 (2008: £533,000).
- Advantage taken of market conditions and the constraints on finance to smaller UK companies by increasing the loan portfolio by 57% to £7.2m (2008: £4.6m).
- During the year successfully raised additional finance through two placings of new shares totalling £1,166,275 before expenses.
- Ron Russell, an investor in the Company since flotation, appointed to the board of 1pm as non-executive director.

Contacts:

1pm plc
Mike Johnson, Chairman *www.1pm.co.uk*
+44 (0) 844 967 0944

WH Ireland Limited
Mike Coe / Marc Davies *www.wh-ireland.co.uk*
+44 (0) 117 945 3470

THE CHAIRMAN'S STATEMENT

I am pleased to report the results for the year ended 31st May 2009. Despite the generally depressed economic environment it has been another year of progress for the company.

Operations and financing

The current challenging economic environment has provided 1pm with an attractive opportunity to build market share as the availability of finance remains constrained for smaller U.K companies. As a result of this general squeeze on credit, 1pm has managed to increase its portfolio from £4.6 million as at 31st May 2008 to £7.2 million as at 31st May 2009.

During August 2008 1pm successfully completed a secondary placing raising £656,500 before costs which was followed by a further placing completed during May 2009 raising £509,775 before costs. The proceeds have increased the Company's funding facilities enabling it to expand its market share, build the client base and accelerate growth. In addition to increasing its working capital via the placings 1pm has secured £250,000 of debt finance through a loan facility, which has assisted the Company's ability to negotiate further funding lines as appropriate and as such enabled us to post a small profit for the period to 31st May 2009.

Notwithstanding the above the Board considered it prudent to implement a detailed analysis of the business to confirm that it was operationally efficient and to help ensure that no opportunities were overlooked. As a result of the review the Board decided to implement increases to the Company's pricing structure which are anticipated to contribute positively to the Company's profit and loss account. In addition our underwriting criteria is constantly under review to ensure we are up to date with all prevailing and changing circumstances and to avoid over exposure in any one area.

Our main target remains the SME sector. 1pm focuses on good quality well founded start up business that, in the Directors opinion, have the potential to become established stable medium sized businesses with the right type of asset finance. Whilst our sector remains competitive experience shows that in times of tightening credit, companies turn to independent flexible asset financiers such as 1pm and consequently margins tend to increase. In addition we are now seeing the benefits of nurturing our relationships with our key introducers resulting in a significant increase in quality referrals and therefore a more stable client base.

The defensive manoeuvre of positioning the Company to insulate it from the effects of the "credit crunch" has enabled the Company to take positive advantage of the strength of its earlier restructuring. For example, we have been able to effectively manage the sudden and unforeseen exit of one of our funders without sustaining any potential downside.

Operations Director Maria Hampton has assumed day-to-day control of delinquency management bringing to bear her extensive knowledge and expertise in this vital area. Through the tight credit control procedures already in place we have been able to work with and assist our clients who have a genuine payment problem and recover debts from those who are just looking for a reason not to pay.

In summary the company continues to focus on disciplined underwriting supported by a robust collection policy through these uncertain times.

Results

Group turnover in the year to 31st May 2009 increased by 75% from the level of the previous year to £1.4 million (2008 £0.8 million)

Gross profit rose by 8% to £574,000 (2008 £533,000) despite provisions of £82,000 provided to reflect the current economic environment.

Net Assets have increased to £2.6m (2008: £1.5m).

Staff

Our staff remains our greatest asset and we believe our dedicated team is comparable with the best in the industry. We would like to thank them for their day-to-day contribution, which remains unsurpassed in driving the Company forward.

In June Mr. Ron Russell an investor in the company since floatation joined the board. My colleagues and I are very much looking forward to Ron's input over the coming year.

The board has appointed WH Ireland Ltd as its nominated advisor and broker with immediate effect.

Outlook

The Board believes the key to success going forward is sustainable growth with the catalyst being the new source of funding secured via the placing together with the loan facility which will enable the Board to scale the business thus taking advantage of the tight credit environment.

Finally the Directors remain confident in 1pm's business in terms of strategy and performance. Helped by the new capital raise during May the current year has commenced in line with management expectations and the Directors are confident that it will deliver further progress.

M. R. Johnson
Chairman

**CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 31 MAY 2009**

	Note	2009 £	2008 £ (restated)
REVENUE		1,365,172	805,378
Cost of sales		(791,399)	(272,018)
GROSS PROFIT		<u>573,773</u>	<u>533,360</u>
Administrative expenses		(556,145)	(470,483)
OPERATING PROFIT/(LOSS)	2	<u>17,628</u>	<u>62,877</u>
Finance income		63	2,602
Finance costs		(14,606)	(8,795)
PROFIT BEFORE INCOME TAX		<u>3,085</u>	<u>56,684</u>
Income tax expense	4	-	-
PROFIT FOR THE YEAR		<u>3,085</u>	<u>56,684</u>
Attributable to equity holders of the company		3,085	56,684
Profit per share attributable to the equity holders of the company during the year - basic and diluted	5	<u>0.000436p</u>	<u>0.0176p</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The company has elected to take exemption under section 408 of the Companies Act 2006 to not present the parent company profit and loss account.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 MAY 2009

	Note	2009 £	2008 £ (restated)
ASSETS			
NON CURRENT ASSETS			
Deferred income taxes		78,861	78,861
Property, plant and equipment		54,651	66,091
		<u>133,512</u>	<u>144,952</u>
CURRENT ASSETS			
Trade and other receivables	6	7,127,592	4,422,625
Cash and cash equivalents		1,655	25,097
		<u>7,129,247</u>	<u>4,447,722</u>
TOTAL CURRENT ASSETS		<u>7,129,247</u>	<u>4,447,722</u>
TOTAL ASSETS		<u><u>7,262,759</u></u>	<u><u>4,592,674</u></u>
EQUITY			
Share capital	9	1,035,639	298,773
Share premium account	9	1,640,867	1,303,112
Retained earnings	10	(88,623)	(91,708)
		<u>2,587,883</u>	<u>1,510,177</u>
TOTAL EQUITY		<u>2,587,883</u>	<u>1,510,177</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	2,428,419	1,637,891
NON CURRENT LIABILITIES			
Trade and other payables	8	2,246,457	1,444,606
Deferred tax liabilities		-	-
		<u>4,674,876</u>	<u>3,082,497</u>
TOTAL LIABILITIES		<u>4,674,876</u>	<u>3,082,497</u>
TOTAL EQUITY AND LIABILITIES		<u><u>7,262,759</u></u>	<u><u>4,592,674</u></u>

CONSOLIDATED CASH FLOW STATEMENT
PERIOD ENDED 31 MAY 2009

	Note	2009 £	2008 £ (restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Consumed by operations	11	(687,209)	(808,756)
Taxation		-	(19,464)
Net cash generated from operating activities		<u>(687,209)</u>	<u>(828,220)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		63	2,602
Purchase of property, plant and equipment		(16,255)	(42,948)
Net cash generated from investing activities		<u>(16,192)</u>	<u>(40,346)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		-	-
Interest paid		14,606	(8,795)
Issue of shares net of cost		565,688	630,591
Net cash generated from financing activities		<u>551,082</u>	<u>621,796</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		(152,319)	(246,770)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	11	(347,397)	(100,627)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	11	<u><u>(499,716)</u></u>	<u><u>(347,397)</u></u>

NOTES TO THE PRELIMINARY RESULTS

PERIOD ENDED 31 MAY 2009

1. ACCOUNTING POLICIES

The financial information set out in this announcement does not constitute the company's statutory accounts.

Statutory accounts for the year ended 31 May 2009 will be delivered to shareholders and to the Registrar of Companies in due course and will be available on the Company's website (www.lpm.co.uk). The report of the auditors on the statutory accounts for the year ended 31 May 2009 was unqualified and did not contain a reference to any matters which the auditor drew attention by way of emphasis without qualifying the report and did not contain a statement under section 498 (2) or section 498 (3) of the Companies Act 2006.

Basis of preparation

The financial statements have been prepared in accordance with IFRS and with the Companies Act 2006.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to May each year. 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.

Leased assets and turnover

Assets leased to customers on finance leases are recognised in the Balance Sheet at the amount of the Company's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

All turnover arose within the UK.

2. OPERATING PROFIT

Operating profit stated after charging:

	2009	2008
	£	£
Depreciation of property, plant and equipment	27,695	19,369
Auditors remuneration (see below)	11,850	11,000
Staff costs	336,913	295,990
Operating lease costs:		
Rent	28,703	15,218
	=====	=====
Auditors' remuneration:		
	2009	2008
	£	£
Audit Service		
Statutory audit	8,500	7,750
Non audit services		
Other services pursuant to legislation	3,350	3,250
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Total	11,850	11,000
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3. DIRECTORS' REMUNERATION

The directors' aggregate emoluments in respect of qualifying services were:

	2009 £	2008 £
Aggregate emoluments	223,404	158,253
Value of company pension contributions to money purchase scheme	1,050	8,867
	<u>224,454</u>	<u>167,120</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2009 No.	2008 No.
Money purchase schemes	1 ==	2 ==

4. INCOME TAX EXPENSE

(a)	2009 £	2008 £
Current tax		
UK corporation tax charge	-	-
Deferred tax (note 12)	-	-
Current tax	<u>-</u> =====	<u>-</u> =====

Corporation tax is calculated at 21% (2008: 20%) of the estimated assessable profit for the year.

The charge for the year can be reconciled to the Income Statement as follows:

(b)	2009 £	2008 £
Profit on ordinary activities before tax	3,085 =====	56,684 =====
Profit on ordinary activities by rate of tax	648	11,337
Capital allowances for the period in excess of depreciation	585	(2,362)
Utilisation of loss relief	(1,220)	(18,468)
Underprovision of current tax	(13)	(525)
Unexplained difference	-	4
Other short term timing differences	-	10,014
Total current tax (note 5(a))	<u>-</u> =====	<u>-</u> =====

5. EARNING 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.

	2009	2008
	£	£
Profit attributable to equity shareholders (restated)	3,085	56,684
Weighted average number of shares	<u>707,144,061</u>	<u>322,667,529</u>
Basic & Diluted Earnings per Share (restated)	<u>0.000436p</u>	<u>0.0176p</u>

6. TRADE AND OTHER RECEIVABLES

	2009	2008
	£	£
Trade receivables	6,208,032	3,990,711
Unpaid share capital	508,933	-
VAT recoverable	-	174,761
Other receivables	375,939	210,151
Prepayments and accrued income	18,241	31,080
Corporation tax	16,447	15,922
	<u>7,127,592</u>	<u>4,422,625</u>

Trade receivables wholly represent finance lease debtors.

	2009	2008
	£	£
Gross receivables from finance leases		
No later than 1 year	2,997,621	2,569,267
Later than 1 year and no later then 5 year	5,079,270	2,610,991
Later then 5 years	-	-
Unearned future finance income on finance lease	(1,868,859)	(1,189,547)
Net investment in finance leases	<u>6,208,032</u>	<u>3,990,771</u>
The net investment in finance leases may be analysed as follows:		
No later than 1 year	2,342,881	1,856,871
Later than 1 year and no later then 5 years	3,865,151	2,133,840
Later then 5 years	-	-

The cost of assets acquired for the purpose of letting under finance leases were as follows; 2009: £4,157,196 (2008: £2,999,524).

Included within Trade receivables are the following receivables that are past due but not impaired as they are considered recoverable: less than three months old £54,127 (2008: £50,229), more than three months old £90,740 (2008: £13,149), all amounts are secured on the asset to which they relate. No other assets are past due or impaired.

7. CURRENT LIABILITIES

	2009 £	2008 £
Bank loans and overdrafts	501,371	372,494
Trade payables	1,804,196	1,138,429
VAT payable	13,279	-
Other taxation and social securities	4,676	5,270
Other payables	70,610	83,687
Accruals and deferred income	34,287	38,011
	<u>2,428,419</u>	<u>1,637,891</u>
	=====	=====

Trade payables wholly represent funding creditors, which are secured on the value of finance leases written during the financial year.

The trade payables figure is made up of numerous funding blocks that are repaid by monthly instalments. The length of the repayment term varies from 29 to 60 months and interest rates from 7.9% to 12%.

The company's banking facilities are secured by a mortgage debenture, dated 7 December 2007 incorporating a fixed and floating charge over all current and future assets of the company.

8. NON CURRENT LIABILITIES (Group only)

	2009 £	2008 £
Bank loans and overdrafts	-	-
Trade payables	2,246,457	1,444,606
	<u>2,246,457</u>	<u>1,444,606</u>
	=====	=====

Trade creditors are secured as noted above, with the same repayment and interest rates.

Maturity analysis

The following analysis shows the contractual undiscounted cashflows (which differ from the discounted cashflow totals shown in Current and Non current liabilities above).

	2009 £	2008 £
Trade payables		
On demand or within one year	2,088,513	1,353,129
More than one year but less than two years	1,554,697	994,458
More than two years but less than five years	881,775	568,027
Total	<u>4,524,985</u>	<u>2,915,614</u>
	=====	=====

9. SHARE CAPITAL AND PREMIUM

	No of Shares	Ordinary Shares £	Share Premium £	Total £
At 1 June 2008	438,212,229	298,773	1,303,112	1,601,885
Movement	1,080,766,857	736,866	337,755	1,074,621
At 31 May 2009	<u>1,518,979,086</u>	<u>1,035,639</u>	<u>1,640,867</u>	<u>2,676,506</u>
Authorised:		No of Shares	Nominal Value £	Total £
Ordinary Shares		1,613,352,889	0.0006818	1,099,984
Allotted and fully paid:		No of Shares	Nominal Value £	Total £
Ordinary Shares		772,522,836	0.0006818	526,706
Allotted and unpaid:		No of Shares	Nominal Value £	Total £
Ordinary Shares		746,456,250	0.0006818	508,933

Issue of shares

On 14 August 2008, the company issued 328,250,000 ordinary shares at a price of £0.002 per share, on 27 March 2009 the company issued 6,060,607 ordinary shares at a price of £0.00165 per share, and on 29 May 2009 the company issued 746,456,250 ordinary shares at £0.0007 per share.

The funds raised were used in 1pm (UK) Limited to finance continuing operations.

10. RETAINED EARNINGS

	Group £	Company £
At 1 June 2008 (restated)	(91,708)	-
Profit for the year	3,085	-
Equity dividends	-	-
At 31 May 2009	<u>(88,623)</u>	<u>-</u>

11. NOTES TO THE STATEMENT OF CASH FLOW (Group only)

CASH FLOWS FROM OPERATING ACTIVITIES

	2009 £	2008 £
Profit before income tax for the year	17,628	62,877
Adjustment for:		
Depreciation	27,695	19,369
Trade and other receivables	(2,196,034)	(900,292)
Trade and other payables	1,463,502	9,290
Cash generated from operations	<u>(687,209)</u>	<u>(808,756)</u>

CASH AND CASH EQUIVALENTS

	2009 £	2008 £
Cash at bank and in hand	1,655	25,097
Bank loans and overdrafts	(501,371)	(372,494)
Cash and cash equivalents	<u>(499,716)</u>	<u>(347,397)</u>

12. TRANSACTIONS WITH DIRECTORS

A director Mr M R Johnson has given personal guarantees to: Svenska Handelsbanken plc of £350,000, Hitachi Capital Limited to of £1,000,000, Venture Finance up to a maximum of £500,000 and Kingston Asset Finance Limited to the outstanding debt at the time of the agreement being terminated.

During the year the following directors invoiced the company for services rendered:

P Connell invoiced the company for £12,000
M R Johnson invoiced the company for £93,197
R Channon invoiced the company for £15,000
H Walker invoiced the company for £22,294

13. SUBSEQUENT EVENTS

Since the year end the company received a loan in the sum of £250,000 from UK Private Healthcare Limited, the companies are connected by virtue of Mr R Russell, a director of both companies.

14. PRIOR YEAR ADJUSTMENT

The company has changed its accounting policy regarding the method of interest recognition on leased assets and funding creditors. In previous years the company has recognised 5% on the inception of a leased asset or funding creditor, this policy has now been changed to remove the initial recognition. The directors considered that the new policy was more appropriate to the requirements of IAS 17. There was no effect on the income tax charge. The change in accounting policy has had the following effect on the results for the year, accordingly the comparatives have been restated.

	2009	2008
	£	£
Decrease in turnover	36,606	43,099
Decrease in cost of sales	16,588	19,915
Decrease in profit for the year	20,018	23,184
Decrease in retained reserves brought forward (cumulative)	31,107	7,924
Decrease in earnings per share (basic and diluted)	0.00283p	0.0072p