

1PM PLC
("1pm" or the "Company")

FINAL RESULTS FOR THE YEAR ENDED 31 MAY 2014

Record revenues, profits and earnings per share;

Strong trading momentum maintained; complemented by increasing levels of new business

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 2014.

Ian Smith, Non-executive Chairman commented: "In the year to 31 May 2014 1pm has delivered strong 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 source, adherence to a rigorous underwriting process, the loyalty of a growing network of over 100 finance brokers and the hard work and dedication of the entire 1pm staff."

Financial Highlights:

- Revenues up 35.6% to £4.2m (FY13: £3.1m)
- Profit before tax up 73% to £1.35m (FY13: £0.7m)
- £11.3m of new funding raised (FY13: £4.1m)
- Bad debts and provisions as a percentage of the portfolio stood at 6.6 % (FY13: 8.97%)
- EPS up 36.2% to 3.54p (FY13: 2.60p)

Operational Highlights:

- Number of customers increased by 24.2% to 2,995 (FY13: 2,380)
- New business written during the year increased 58.4% to £10.8m (FY13: £7.8m)
- Increased number of partnerships formed with finance brokers
- Introduced two new products (HP and Business Loans)

Chief Executive, Maria Hampton added: "The Company has now been profitable on a monthly basis for 50 consecutive months; a reflection of the hard work and dedication from the staff and the Board.

"Demand for finance from SMEs continues to grow and the £11.3m of new funds raised during the year has helped the Company to provide a record amount of funding to new customers.

"1pm is in an excellent position to continue to grow against the backdrop of the prevailing commercial lending environment within the UK banking industry."

Contacts:

For further information, please contact:

1pm plc

Ian Smith, Chairman

0844 967 0944

Maria Lewis, CEO

0844 967 0944

WH Ireland (NOMAD and Broker)

Mike Coe / Ed Allsopp

0117 945 3470

Winningtons Financial PR

Paul Vann

07768 807631

paul.vann@winningtons.co.uk

About 1pm:

At the second Annual Small Cap Awards held in May 2014, the Company won two awards including the most prestigious category "Company of the Year". Chief Executive, Maria Lewis and Finance Director, Helen Walker were also jointly awarded Small Cap Executive Director of the Year.

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 £25,000 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 begin my first annual report to shareholders as Chairman of the Board by being able to congratulate the Company on another very successful year. This is reflected in the financial results for the year ended 31 May 2014, with revenue growth of 35.5%, an increase in profit before tax of 73.7% and an increase in earnings per share of 36.0% to 3.5 pence. At 31 May 2014, the value of the lease portfolio was £19.93m, an increase of 34.5% over the prior year.

The business has delivered these strong 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 source, adherence to a rigorous underwriting process, the loyalty of a growing network of over 100 finance brokers and the hard work and dedication of the entire 1pm staff.

In relation to the staff effort, I would like to take this opportunity to congratulate the Company on winning the 2014 Small Cap Company of the Year award and Maria Lewis, Chief Executive Officer, and Helen Walker, Finance Director, for jointly winning Small Cap Executive Director of the Year 2014. In recognition of the performance of the team, I am pleased to announce plans for executive and staff share incentive schemes to be introduced in the current financial year.

The Company operates in an environment where it has to meet the challenges of increasing regulation, stronger competition and innovation in the provision of finance to business. Your Board is confident the Company can continue to succeed in this environment by retaining and continuously improving its focus on providing lease finance and loan products to SMEs. At the same time, these industry challenges in themselves present opportunities for further growth. The Board has therefore set out a strategic and operational plan to develop the business over the next three to four years which includes an appropriate mix of organic growth, new product introductions and consideration of merger and acquisition opportunities as they arise.

The raw material for the business is cash. The Company successfully raised £11.3m in the year ended 31 May 2014 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 for the Company. Our plans for growth will naturally require further funding. I am therefore pleased to report that the Company will announce on the 22nd September 2014 a placing and open offer to raise up to approximately £4.016 million (before expenses) through the issue of up to 6,582,995 new ordinary shares at a price of 61p per share. The proceeds of the fundraising will be used to part fund the continued expansion of the Company's operations in terms of business development, people, premises and systems as well providing additional funding for the loan book.

Furthermore, given the strength of the financial results delivered and the outlook for the future, the Board has decided that a dividend will be considered for the first time in the current financial year and a progressive dividend policy will be introduced.

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

R I Smith

Chairman

19th September 2014

STRATEGIC REPORT

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 Alternative Investment Market in August 2006. Over the past 14 years 1pm has grown organically and helped nearly 6,000 customers, providing an invaluable service to the UK SME market by helping to fill the funding gap left by the UK banking industry.

Since 2010 the Company has been transformed. For the year ended 31 May 2010 the Company reported a £0.4m loss and at 31 May 14 it has reported a profit before tax of £1.35m (FY13: £775k). Over the same period the loan book has increased from £14.8m to £20.4m and the Company's market capitalisation has increased from £6.5m to £21m.

Staff numbers have increased to 17 and include 3 apprentices from Bath College. The Company expects to recruit up to an additional 20 staff over the next two years. The Company has a distinctive 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 members always strive to act in a professional manner to colleagues, clients, business partners, shareholders and visitors and offer a prompt and efficient service.

The Company's core business is finance leasing. During September 2013 a new business loan product was introduced and in June 2014 the provision of asset finance through Hire Purchase was also added to our product offerings.

The Company regards itself as a responsible lender, follows a strict policy when it comes to treating customers fairly and aims to structure deals to give the client the best possible outcome.

The Company follows strict lending criteria. However as 1pm is an independent lender it has the flexibility of being able to tailor deals to meet the customer's needs. All proposals are underwritten manually and therefore the underwriters can take a commercial decision, as opposed to solely using an automated autoscore system. The maximum lend amount is currently £50,000 per customer.

At a time when many businesses are struggling to raise finance through conventional sources, 1pm's unwavering commitment and focus on supporting the SME sector has allowed the business to grow significantly, and the introduction of the new Loan and Hire Purchase products should enable the business to expand further and to 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 combined portfolio reaching approximately £75m.

CHIEF EXECUTIVE OFFICER'S REVIEW

Financial Results

The financial year ended 31st May 2014 saw significant growth and was the fourth consecutive year of increased profit and revenue. Moreover, the Group out-performed market's original expectations for the year.

Total revenue for the year increased 35.6 per cent. to £4.2m (FY13: £3.1m), with profit before tax increasing by 73.7 per cent. to £1.35m (FY13: £0.775m). Earnings per Share increased by 36 per cent. to 3.55p (FY13: 2.60p).

The Group's balance sheet has continued to strengthen during the year with net assets as at 31st May 2014 standing at £7.00m (FY13: £4.56m) a 53.6 per cent. increase.

Portfolio performance

The lease portfolio has also grown significantly during the year, increasing by 34.5 per cent. to £19.93m (FY13: £14.82m). However, no single customer accounts for more than 0.31 per cent. of the total portfolio value, with an average capital lend of £8,200. Notwithstanding the current economic climate, defaults are at an all-time low of less than 0.7 per cent. of the portfolio balance and bad debts and provisions as a percentage of the portfolio stand at 6.6 per cent (FY13: 8.97 per cent.). These figures reflect the Group's continued focus on credit management.

As at the 31st May 2014 the loan portfolio stood at just over £0.5m with no arrears or bad debts. The average loan term is 21 months and the average loan amount is £14,400.

Operations and Business Development

New business written during the year amounted to £10.8m (FY13: £7.8m), an increase of 38.5 per cent, with record monthly sales of £1,084,213 produced in January 2014. In the current financial year, the Company has launched a new commercial Hire Purchase product due to strong demand.

The Group's relationship with its network of over 100 finance brokers across the UK continues to be of utmost 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 Company plans to implement a new accounting and billing system during the second quarter of the current financial year with the aim of increasing efficiency, productivity and customer service.

To help deliver the strategic plan, the Group has sourced larger offices in Bath and expects to relocate towards the end of September 2014.

Staff

Six additional members of staff have been recruited during the financial year. The Company plans to increase staff numbers to around 36 over the next one to two years (an increase of 20) in line with its development and growth objectives.

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 £11.3m of new funding (FY13: £4.14m) during the financial year from a variety of sources including commercial banking institutions and high net worth individuals. This funding is used solely for the purpose of writing new business. The Board

will continue to seek additional funding sources in order to continue to support and satisfy the continuing demand from the UK SME market.

Shareholders

In June 2013, following the prior financial year end, the Group raised £1.5m before costs from Henderson Global Investors Ltd (“Henderson”) by way of a placing of new Ordinary shares. The Board is very pleased to have an institution such as Henderson supporting the Group.

Outlook

Trading in the current year has commenced satisfactorily and is ahead of the equivalent period last year. In overall terms the current financial year is now expected to be a year of modest growth as the platform for future significant growth is established. The Placing and Open Offer to be announced on 22nd September 2014 will allow investment in additional people, new premises and systems, this investment will impact profits growth in the current financial year and the increased number of shares in issue following the Fundraising will restrict earnings growth in the year. The benefits of the increased investment are expected to impact in the later part of the current financial year and into the following financial year

The Board continues to see significant potential and opportunity over next three to four years to continue to grow the business and take advantage of the widely-publicised lending constraints in the banking sector. This will include introducing new financial products and consideration of mergers and acquisitions. The Board views the future with great optimism and the Company will continue to strive to be the leading independent provider of finance to the SME market.

Maria Lewis

Chief Executive Officer

19th September 2014

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MAY 2014**

	Notes	2014 £	2013 £
CONTINUING OPERATIONS			
Revenue	2	4,211,569	3,106,612
Cost of sales		<u>(1,994,239)</u>	<u>(1,651,194)</u>
GROSS PROFIT		2,217,330	1,455,418
Administrative expenses		<u>(844,978)</u>	<u>(663,179)</u>
OPERATING PROFIT		1,372,352	792,239
Finance costs		(26,386)	(17,100)
Finance income		<u>558</u>	<u>148</u>
PROFIT BEFORE INCOME TAX	3	1,346,524	775,287
Income tax		<u>(297,326)</u>	<u>(172,219)</u>
PROFIT FOR YEAR		<u>1,049,198</u>	<u>603,068</u>
Profit attributable to: Owners of the parent		<u>1,049,198</u>	<u>603,068</u>
Earnings per share expressed In pence per share:			
Basic	4	3.54510	2.60490
Diluted		<u>3.54510</u>	<u>2.60490</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 MAY 2014

	2014	2013
	£	£
ASSETS		
NON-CURRENT ASSETS		
Property, Plant and Equipment	72,873	40,761
Investments	-	-
	<u>72,873</u>	<u>40,761</u>
CURRENT ASSETS		
Trade and other receivables	17,324,246	12,899,718
Cash and cash equivalents	2,713	12,894
	<u>17,326,959</u>	<u>12,912,612</u>
TOTAL ASSETS	<u>17,399,832</u>	<u>12,953,373</u>
EQUITY		
SHAREHOLDERS EQUITY		
Called up share capital	2,996,933	2,315,132
Share premium	2,287,540	1,569,340
Retained earnings	1,723,555	679,357
TOTAL EQUITY	<u>7,008,028</u>	<u>4,563,829</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Trade and other payables	4,404,874	3,112,199
Financial liabilities – borrowings:		
Interest bearing loans and borrowings	100,000	100,000
	<u>4,504,874</u>	<u>3,212,199</u>
CURRENT LIABILITIES		
Trade and other receivables	4,806,519	4,109,327
Financial liabilities – borrowings:		
Bank overdrafts	403,085	520,077
Interest bearing loans and borrowings	380,000	400,000
Tax payable	297,326	147,941
	<u>5,886,930</u>	<u>5,177,345</u>
TOTAL LIABILITIES	<u>10,391,804</u>	<u>8,389,544</u>
TOTAL EQUITY AND LIABILITIES	<u>17,399,832</u>	<u>12,953,373</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2014**

	Called up Share Capital	Retained Earnings	Share Premium	Total Equity
	£	£	£	£
Balance at 1 June 2012	2,315,132	76,289	1,569,340	3,960,761
Changes in equity				
Total comprehensive income	-	603,068	-	603,068
Consolidation of share capital	-	-	-	-
Balance at 31 May 2013	<u>2,315,132</u>	<u>679,357</u>	<u>1,569,340</u>	<u>4,563,829</u>
Changes in equity				
Issue of share capital	681,801	-	818,200	1,500,001
Fees incurred	-	-	(100,000)	(100,000)
Consolidation of share capital	-	(5,000)	-	(5,000)
Total comprehensive income	-	1,049,198	-	1,049,198
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>

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2014**

	2014 £	2013 £
Cash flows from operating activities		
Cash generated from operations	(1,039,033)	(812,142)
Interest paid	(26,386)	(17,100)
Tax paid	(147,941)	-
	<u>(1,213,360)</u>	<u>(829,242)</u>
Net cash from operating activities		
Cash flows from investing activities		
Purchase of tangible fixed assets	(55,388)	(16,962)
Interest received	558	148
	<u>(54,830)</u>	<u>(16,814)</u>
Net cash from investing activities		
Cash flows from financing activities		
New loans/(repayments) in year	(20,000)	400,000
Share issue	1,400,001	-
Share consolidation	(5,000)	-
	<u>1,375,001</u>	<u>400,000</u>
Net cash from financing activities		
(Decrease/increase in cash and cash equivalents	106,811	(446,056)
Cash and cash equivalents at beginning of year	(507,183)	(61,127)
Cash and cash equivalents at end of year	(400,372)	(507,183)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2014**

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 after charging:

	2014	2013
	£	£
Other operating leases	16,020	16,020
Depreciation – owned assets	23,276	14,822
Auditor’s remuneration	10,350	10,050
Non audit services	3,450	3,450
	<u>53,096</u>	<u>44,342</u>

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.

	2014	2013
Profit/(loss) attributable to equity shareholders	<u>£1,049,198</u>	<u>£603,068</u>
Pre Consolidation		
Weighted average number of shares	4,340,824,248	3,395,618,769
Basic and diluted earnings per share	0.02475p	0.01760p
Post Consolidation		
Weighted average number of shares	29,595,740	23,151,329
Basic and diluted earnings per share	3.54510p	2.60490p

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 2014 or 31 May 2013. The financial information has been extracted from the statutory accounts of the Company for the years ended 31 May 2014 and 31 May 2013.

The auditors’ opinion on those accounts was unmodified and did not contain a statement under section 498 (2) or section 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 2013 have been delivered to the Registrar of Companies, whereas those for the year ended 31 May 2014 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.1pm.co.uk from 22nd September 2014 and will be posted to shareholders on or before 24 September 2014. 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 17 October 2014 at 12.30 p.m.