

**1pm plc**

**("1pm" or the "Company")**

**INTERIM RESULTS FOR THE  
6 MONTHS ENDED 30 NOV 2006**



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1pm plc (AIM: OPM), the UK specialist asset finance provider to SME markets, today announces its interim results for the six month period to 30 November 2006.

**HIGHLIGHTS**

- Turnover up 22 per cent to £488,255
- Gross profit up 55 per cent to £335,879
- New borrowing facility arranged with Siemens Financial Services of £500,000
- Appointment of Michael Johnson as Non-Executive Chairman

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

"We have been extremely active following the successful admission to AIM in August last year. We have identified additional key brokers who will provide increased business together with investing in the infrastructure required to support our growth plans and new business levels should rise commensurately once new facilities are in place."

**ENQUIRIES TO:**

<b>1pm plc</b> John Stickley	08707 397397
<b>SVS Securities plc</b> Ian Callaway Peter Manfield	020 7638 5600
<b>ARM Corporate Finance Limited</b> Nick Harriss	020 7512 0191

## CHAIRMAN'S STATEMENT

I am pleased to report on the inaugural, interim results of 1pm as a publicly quoted company. Following the successful admission to AIM in August last year, we have been extremely active in the market place generating new business opportunities, negotiating facilities with lending banks and reviewing our own operations to ensure that the Company goes forward in the most efficient manner.

## OVERVIEW OF RESULTS

The results for the six months to 30 November 2006 show a 22% increase in turnover to £488,255 (2005: £400,410). This resulted in a 55% increase in gross profit to £335,879 (2005: £216,549). However, profit before taxation fell marginally to £104,947 (2005: £111,861), a result of the higher administrative expenses associated with being a public quoted company.

Since admission, the Company has visited a large number of new brokers who are keen to refer business to 1pm thus confirming our original view that there is a significant demand for the Company's services. However, it has taken more time to arrange borrowing facilities to meet this demand than expected and consequently the initial volume of new business contracts written has been lower than originally anticipated.

As announced on 12 February 2007, we are delighted that Siemens Financial Services has confirmed a new £500,000 block discount facility and we are also continuing our discussions with a number of other lending banks.

Further investment has been made to the bespoke CRM system, enabling the underwriting procedures to be even more efficient and effective and allowing a quicker response to proposals. We are currently involved in the next phase of development of the CRM system which will enhance our robust arrears and collections procedures, making recoveries against both customers and assets even more effective.

## BOARD

As announced, Steve Grey stepped down as acting Chairman but will remain on the Board as a non-executive director. I would like to thank Steve for overseeing the company through the challenging period of the floatation. The Company is now in position to take advantage of the many opportunities ahead and I believe my 30 years' experience in leading and developing small ticket leasing businesses will help in this new and exciting phase.

## STAFF

I would like to thank our loyal and experienced team of staff for their continued enthusiasm and the support given particularly while the Directors were involved in the floatation process.



Mike Johnson  
Chairman  
27 February 2007

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**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
for the six months to 30 November 2006

	<i>Notes</i>	Unaudited 6 months to 30 November 2006 £	Unaudited 6 months to 30 November 2005 £	Audited 12 months to 31 May 2006 £
<b>TURNOVER</b>		488,255	400,410	794,664
Cost of sales		(152,376)	(183,861)	(323,480)
<b>GROSS PROFIT</b>		335,879	216,549	471,184
Administrative expenses		(227,534)	(95,418)	(208,466)
<b>OPERATING PROFIT</b>		108,345	121,131	262,718
Interest receivable		4,139	-	-
Interest payable and similar charges		(7,537)	(9,270)	(22,471)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		104,947	111,861	240,247
Taxation	2	32,232	21,254	45,647
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		72,715	90,607	194,600

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

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**CONSOLIDATED BALANCE SHEET**  
as at 30 November 2006

	<i>Notes</i>	Unaudited 30 November 2006 £	Unaudited 30 November 2005 £	Audited 31 May 2006 £
<b>FIXED ASSETS</b>				
Tangible assets	5	26,881	17,426	18,400
		<u>26,881</u>	<u>17,426</u>	<u>18,400</u>
<b>CURRENT ASSETS</b>				
Debtors		3,294,847	2,649,402	2,740,217
Cash at bank and in hand		184,402	1,041	942
		<u>3,479,249</u>	<u>2,650,443</u>	<u>2,741,159</u>
<b>CREDITORS: Amounts falling due within one year</b>		<u>(1,391,815)</u>	<u>(1,405,069)</u>	<u>(1,454,381)</u>
<b>NET CURRENT (LIABILITIES) / ASSETS</b>		<u>2,087,434</u>	<u>1,245,374</u>	<u>1,286,778</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,114,315</u>	<u>1,262,800</u>	<u>1,305,178</u>
<b>CREDITORS: Amounts falling due after more than one year</b>		<u>(822,224)</u>	<u>(1,144,563)</u>	<u>(1,040,084)</u>
		<u>1,292,091</u>	<u>118,237</u>	<u>265,094</u>
<b>PROVISION FOR LIABILITIES: Deferred taxation</b>		<u>(694)</u>	<u>–</u>	<u>(694)</u>
<b>NET ASSETS / (LIABILITIES)</b>		<u>1,291,397</u>	<u>118,237</u>	<u>264,400</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		99,929	264,400	264,400
Share premium account		903,325	–	–
Merger reserve		215,428	–	–
Profit and loss account		72,715	(146,163)	–
		<u>1,291,397</u>	<u>118,237</u>	<u>264,400</u>

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## CONSOLIDATED CASH FLOW STATEMENT for the six months 30 November 2006

	<i>Notes</i>	Unaudited 6 months to 30 November 2006 £	Unaudited 6 months to 30 November 2005 £	Audited 12 months to 31 May 2006 £
<b>NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES</b>	6	(489,548)	(547,188)	(207,100)
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>				
Interest received		4,139	–	–
Interest paid		(7,537)	(9,270)	(22,471)
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		(492,946)	(556,458)	(229,571)
<b>TAXATION</b>		(16,300)	–	(35,000)
<b>CAPITAL EXPENDITURE</b>				
Payments to acquire tangible fixed assets		(12,620)	(12,835)	(19,311)
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>		(12,620)	(12,835)	(19,311)
<b>EQUITY DIVIDEND PAID</b>		–	(75,331)	(33,161)
<b>NET CASH OUTFLOW BEFORE FINANCING</b>		(521,866)	(644,624)	(317,043)
<b>FINANCING</b>				
Issue of shares net of costs		954,282	–	–
Bank loan repaid		(27,633)	(28,649)	(55,245)
Net (outflow)/inflow from long term trade creditors		(7,080)	680,608	226,401
<b>NET CASH INFLOW FROM FINANCING</b>		919,569	651,959	171,156
<b>INCREASE/(DECREASE) IN CASH IN THE PERIOD</b>	7	397,703	7,335	(145,887)

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## CONSOLIDATED CASH FLOW STATEMENT *(continued)*

for the six months to 30 November 2006

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

	6 months to 30 November 2006 £	6 months to 30 November 2005 £	12 months to 31 May 2006 £
Increase/(decrease) in cash in the period	397,703	7,335	(145,887)
Net cash outflow from bank loans	27,632	28,818	55,245
Net cash outflow/ (inflow) from long- term creditors	7,080	(680,608)	(524,922)
<b>Movement in net (debt) / funds in the year</b>	<b>432,415</b>	<b>(644,455)</b>	<b>(615,564)</b>
Opening net (debt)	(2,342,313)	(1,726,749)	(1,726,749)
Closing net (debt)	(1,909,898)	(2,371,204)	(2,342,313)

## 1 ACCOUNTING POLICIES

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

### BASIS OF PREPARATION

The interim financial statements comprise the unaudited results for the six months to 30 November 2006 and 30 November 2005 and the audited accounts for the year to 31 May 2006. The interim financial statements have been prepared on a consistent basis and using the accounting policies set out in the accounts for the year ended 31 May 2006.

The interim results are unaudited and do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985.

Statutory financial statements for the Group for the year to 31 May 2006, prepared on the basis of the accounting policies set out in those accounts, were reported on by the auditors without qualification or statement under section 237(2) or (3) of the Companies Act 1985 and have been delivered to the Registrar of Companies. Comparative information for the year ended 31 May 2006 shown in this report has been extracted from those accounts.

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

### BASIS OF CONSOLIDATION

On 3<sup>rd</sup> July 2006 100% of the issued share capital of Ipm (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, Ipm (UK) Ltd, by the method of merger accounting.

In the company's balance sheet the investment in Ipm (UK) Limited is stated at the nominal value of shares issued. As permitted by Sections 131 and 133 of the Companies Act 1985, no premium has been recorded on the ordinary shares in connection with this acquisition.

On consolidation the difference between the nominal value of the shares issued with the nominal value of the shares received has been credited to a merger reserve.

## 2 TAXATION

Taxation charged for the period ended 30 November 2006 is calculated by applying the directors' best estimate of the annual tax rate to the result for the period.

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### 3 SHARE CAPITAL

As at 30 November 2006, the company had an authorised share capital of 440,000,004 ordinary shares of £0.0006818p each, of which 146,561,469 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 2006
	£
Profit for the period after taxation	<u>72.715</u>
	Number
Basic weighted average of ordinary shares of 1p each	<u>122,387,639</u>
	pps
Basic earnings (pence per share)	<u>0.0006</u>

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



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## 5 TANGIBLE FIXED ASSETS

	Fixtures fittings and equipment Total £
<b>Cost or valuation</b>	
At 1 June 2006	31,873
Additions	12,620
	<hr/>
At 30 November 2006	44,493
	<hr/>
<b>Depreciation</b>	
At 1 June 2006	13,472
Charge	4,140
	<hr/>
At 30 November 2006	17,612
	<hr/>
<b>Net book value</b>	
At 30 November 2006	26,881
	<hr/>
At 30 November 2005	17,426
	<hr/>
At 31 May 2006	18,400
	<hr/>

## 6 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES

	6 months to 30 November 2006 £	6 months to 30 November 2005 £	12 months to 31 May 2006 £
Operating profit	108,345	121,131	262,718
Depreciation	4,140	2,467	7,969
(Increase) in debtors	(554,630)	(587,605)	(712,202)
Decrease / (increase) in creditors	(47,403)	(83,181)	234,415
Net cash (outflow) from operating activities	<u>(489,548)</u>	<u>(547,188)</u>	<u>(207,100)</u>

## 7 ANALYSIS OF CHANGES IN NET FUNDS / (DEBT)

	At 1 June 2006 £	Cash flows £	At 30 November 2006 £
Cash at bank and in hand	942	183,460	184,402
Bank overdrafts	(214,243)	214,243	-
Net cash	<u>(213,301)</u>	<u>397,703</u>	<u>184,402</u>
Debt			

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Debt due within 1 year	(1,088,928)	(182,455)	(1,271,383)
Debt due after 1 year	(1,040,084)	217,168	(822,916)
<b>Total net funds / (debt)</b>	<b>(2,342,313)</b>	<b>432,416</b>	<b>1,909,898</b>

### 8 RECONCILIATION OF NET MOVEMENT IN SHAREHOLDERS' FUNDS

	6 months to 30 November 2006 £	6 months to 30 November 2005 £	12 months to 31 May 2006 £
Profit for the financial year	72,715	90,607	194,600
Equity dividends	-	(75,331)	(33,161)
Share Issue	1,003,254		
Merger reserve	(48,972)		
<b>Net addition to shareholders' funds</b>	<b>1,026,997</b>	<b>15,276</b>	<b>161,439</b>
Opening shareholders' funds	264,400	102,961	102,961
Closing shareholders' funds	<b>1,291,397</b>	<b>118,237</b>	<b>264,400</b>

### 9 COPIES OF THE INTERIM REPORT

Copies of the interim report will be sent to shareholders and are available from the company secretary at the company's registered office: 12 George Street, Bath, 2EH.