

CHIEF EXECUTIVE OFFICER'S REVIEW FOR THE YEAR ENDED 31 MAY 2017

Introduction

As at 31 May 2017, in addition to 1pm plc, which is the AIM listed holding company, the 1pm plc Group ("the Group") comprised the following trading entities, each separately accredited by the Financial Conduct Authority:

- 1pm (UK) Limited, trading as Onepm Finance ("Onepm")
- Academy Leasing Limited ("Academy"), acquired in August 2015
- Bradgate Business Finance Limited ("Bradgate"), acquired in March 2016
- Bell Finance Limited ("Bell"), acquired in April 2017 and now operationally merged into Bradgate
- Intelligent Financing Limited, trading as iLoans ("iLoans"), acquired in March 2017

The consolidated financial results of the Group for the year ended 31 May 2017 therefore consist of the aggregated results of each of these entities, either for the year, or for the period since the date of acquisition, as applicable.

Subsequent to the year-end, the Group also completed the purchases of the respective holding companies of Gener8 Finance Limited and Positive Cashflow Finance Limited, entities which now form the Commercial Finance division within the Group. The financial results of these entities will be consolidated into the Group in the current financial year ending on 31 May 2018.

Financial results

I am delighted to be able to report both strong organic growth over the year to 31 May 2017 and further strategic growth as a result of the acquisitions towards the end of the year.

Revenue amounted to £16.9m (2016: £12.5m) an increase of 35%. This reflects organic growth at Onepm Finance, the original company in the Group, a full year's contribution from Academy and Bradgate, compared with periods of nine months and two months since their respective acquisitions in the prior year to 31 May 2016, and initial contributions from Bell and iLoans, both acquired towards the end of the financial year. Revenue comprises interest and related income from the companies' portfolios of 'own-book' lease and loan deals, plus commission income from deals 'broked-on' to other funders. Within total revenue, commission income amounted to £2.2m (2015: £1.4m) an increase of 57%.

Profit before tax and non-recurring exceptional items amounted to £4.3m (2016: £3.7m) an increase of 17%. Exceptional items principally comprised costs related to acquisitions and amounted to £0.3m (2016: £0.4m). Profit before tax after exceptional items was, therefore, £4.1m (2016: £3.3m) an increase of 24%.

At 31 May 2017, consolidated net assets stood at £28.5m (2016: £23.9m) an increase of 19%. Profit after tax and attributable to shareholders for the financial year of £3.3m (2016: £2.9m) results in a return on net assets of 11.6% (2016: 12.0%), a marginal decrease as explained in the Chairman's Statement.

At 31 May 2017, there were 54,940,215 shares in issue (2016: 52,534,463). During the year, 1pm plc issued 2,405,752 new ordinary shares in respect of acquisitions in the year, earn-out arrangements relating to acquisitions in the prior year and the exercise of options under the employee share scheme. Earnings per share amounted to 6.09p (2016: 5.87p) an increase of 4%.

New Business Origination

Including broked-on business, in aggregate, the entities in the Group originated £83.0m of new lease, hire and loan agreements (2016: £49.7m) an increase of 67%. On a like-for-like basis, excluding the acquisitions of Bell and iLoans completed towards the end of the financial year and assuming Academy and Bradgate were part of the Group for the entire prior year to 31 May 2016, the organic increase would have been 23%.

Within the aggregate total of new business originated, £40.2m, 48%, was written on 'own-book' and £42.8m, 52%, was broked-on to other funders to generate cash commissions (2016: £31.3m, 63%, own-book and £18.4m, 37%, broked-on). The broked-on total consists of £18.0m, of Asset Finance origination (2016: £7.5m), £16.6m of Vehicles origination (2016: £10.9m) and £8.2m of property-backed Loan origination (2016: £nil). 100% of Vehicles deals originated are broked-on; as a policy the Group does not carry residual value risk in Vehicles.

The decision to either add to own-book, or broke-on is based on a range of underwriting factors including risk, price, quantum, existing exposure to the customer and nature of the asset. This intrinsic flexibility in business model allows a balance to be achieved between future profits built-in to own-book deals and short term cash generation from broker commissions.

Within the aggregate total of £40.2m of own-book new business, Onepm originated £9.9m of loans to SMEs for working capital purposes (2016: £10.1m) a decrease of 2.4%. This decrease reflects a risk-based decision to restrict working capital loans as a proportion of the Group's total lease and loan portfolio. Although such loans attract a higher interest rate than an asset-backed lease and although personal guarantees are obtained from the directors of the SMEs seeking to borrow, these loans are not secured on either a business-critical asset or a property and as such represent a higher risk element of the Group's portfolio. In the current financial year, it is the Group's ambition to increase the Loans division own-book portfolio again, but with any such growth arising through the origination and funding of secured property-backed loans.

Portfolio performance

At 31 May 2017, the Group's combined asset and loans portfolio stood at a value of £89.5m (2016: £67.7m) an increase of 32%. The portfolio value included £18.9m (2016: £14.6m) of deferred income, i.e. future revenue. As at 31 May 2017, £2.5m of the portfolio value, representing 2.9% (2016: £2.9m, representing 4.3%) was in arrears, but not impaired. This is considered to be a normal level of arrears. In addition to the 'live' portfolio, Onepm carried a value of £2.4m (2016: £1.7m) of impaired trade receivables over which guarantees and charging orders are held and which are being collected over time.

In the year to 31 May 2017, impairments to trade receivables, less recoveries against previously written-off receivables through guarantees, charging orders and payment plans, resulted in a net charge to profits in the year of £0.9m, representing 1.0% of the portfolio (2016: £0.5m, representing 0.8%).

As at 31 May 2017, the Group carried £1.2m of bad debt provision against the aggregate total of the 'live' portfolio and impaired receivables, representing a 1.6% provision (2016: £0.8m, representing a 1.3% provision). Whilst this portfolio performance is strong and the Group's bad debt experience is within accepted industry norms, current economic uncertainties call for continual review of the incidence of arrears, impairments and provisioning policy in order to ensure the overall level of provision continues to be adequate as economic conditions evolve.

Funding

In order to provide finance to UK SMEs, the Group borrows primarily from banks, but also from high net-worth individuals. As at 31 May 2017, the Group's aggregate facilities at 31 May 2017 amounted to £74.5m (2016: £61.5m), an increase of 21%, of which £49.0m was being utilised (2016: £38.8m), an increase of 26%. The utilisation represented 70% of the capital value of receivables (2016: 73%) and gearing of 3.6 times the consolidated net assets of the Group, excluding intangible assets (2016: 2.9 times).

The blended cost of the Group's borrowings was approximately 5.3% (2016: 5.8%). The Group continues to seek additional cost-effective funding sources and to reduce the cost of borrowing in order to facilitate writing more own-book business (i.e. to profitably gear-up) to meet the demand for finance from SMEs.

Operations

The trading entities in the Group source their business from a network of brokers and introducers, from equipment vendors and suppliers and direct from end users and borrowers, all of whom constitute the Group's customer base which now amounts to over 16,150 broked and own-book accounts. Good customer service in each Group entity and location means the conversion of incoming proposals into an underwriting decision and then a paid-out, or broked-on, deal on an efficient and timely basis. This operational service, while strictly adhering to the Group's credit policies, is paramount. The Group continues to invest in the systems and personnel to generate new business and to deliver improved customer service. The Group now employs 152 personnel (109 at 31 May 2017 and 83 at 31 May 2016).

Business conditions

The demand for cash from UK SMEs is strong and there is ample availability in the wholesale funding market to be able to supply it. As a result, there is a real opportunity for lenders to grow. These conditions are attracting new entrants to the market, especially for loans and are causing some price competition. At the same time, there are economic uncertainties suggesting a more cautious approach to growth is merited. The Group is pleased with the growth and financial results delivered in the year to 31 May 2017, but has taken a conscious decision to maintain a cautious and prudent approach to top-line growth, credit risk-taking, the spread of sectors to which it lends, the range of products offered, security obtained and provisioning policies adopted.

Stakeholders

I congratulate all those involved with the 1pm plc Group on a further successful year of trading and another year of significant strategic development. I would like to thank the Group's customers, brokers and introducers for the business provided, our staff at each location for their hard work, dedication and commitment, our debt funders for their continued provision of facilities to each business and our shareholders for their continued support of the Group's growth plans. As referred to in the Chairman's statement, a dividend in line with the Group's policy will be declared.

Ian Smith

Chief Executive Officer

12 September 2017

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MAY 2017

Goal and Objectives

The stated goal of the Group's current strategic plan formulated in late 2014 is unchanged and is to achieve a market capitalisation of £100m. The objectives that will enable this goal to be achieved and that shape the strategic plan are:

- building scale through operating a model of distributed separate subsidiary entities
- having a multi-channel and multi-product offering for business lending to SMEs
- maintaining risk mitigation through funding and broking capability
- being 'digitally capable'
- strictly adhering to underwriting policies and credit control procedures
- being geared appropriately with cost-effective funding facilities

The Board is pleased with the further strategic progress made in the year to 31 May 2017 and reports on each of the above objectives as follows:

Distributed model

The Group now comprises six trading subsidiaries (four as at 31 May 2017 year-end with two acquired post year-end) operating from seven sites in the UK with 152 employees serving circa 16,150 SME businesses. Each of the businesses acquired has a distinct product offering, introducer channel, customer base and industry position and each of the entity management teams has a growth-oriented business plan to execute. As such, the Group's operating model is to enable each entity to pursue its own business plan whilst simultaneously providing efficiency benefits in such matters as funding, IT systems and infrastructure, compliance, marketing, finance and HR integration. Furthermore, management believes that enhanced organic growth can be delivered from cross-selling the Group's products through each of its trading entities.

Multi-channel and multi-product

As well as sourcing business from multiple channels; brokers, vendors, suppliers and introducers, a stated strategic aim is to provide multiple finance products to SMEs. This has been achieved through the acquisition of Intelligent Financing Limited during the year, which provides secured second-charge, bridging and commercial property loans and through the acquisitions post year-end of both Gener8 Finance Limited and Positive Cashflow Finance Limited, which offer invoice discounting and factoring, and now form the Group's Commercial Finance division. As a result, from June 2017, the Group now operates three divisions; Asset Finance, Loans and Commercial Finance.

Funding and broking capability

Maintaining flexibility to both fund lease and loan deals on the Group's own-book and to broke-on to other funders is an essential risk, profit and cash management capability. The Group is well-placed to optimise profitable organic growth as a result of this flexibility and has continued to grow both commission-earning and interest-generating business during the year.

Digital capability

IT improvement is now a clear operational focus and is captured in the Group's "Platform1" project, which covers a broad range of initiatives including improvements in process automation, data capture and management, customer interface and management information reporting as well as the use of "FinTech" capability such as artificial intelligence and pattern recognition applications. The Group has formed a "FinTech committee" including external advisers and "thinking partners" to steer developments in this critical project.

Strict adherence to underwriting policies and credit control procedures

The Group's objective is to be a responsible lender and to follow strict policy guidelines with regard to treating customers fairly and assessing affordability. The Group adheres to strict lending criteria, thereby minimising the risk of defaults, whilst aiming to flexibly meet each individual customer's needs through a personalised underwriting process. Strict adherence to these policies and procedures will continue to be a key part of the governance of the Group's growth aspirations. In current benign credit conditions, the board has taken a conscious decision, despite the potential to realise additional top-line growth, not to relax credit criteria.

Funding facilities and managing capital

The Group's objective when managing capital is to maintain a strong capital base to support its current operations and planned growth as well maintaining an optimal capital structure to reduce the cost of capital to provide returns for shareholders and benefits for other stakeholders.

To meet these objectives the Group has adopted a policy of sourcing different funding instruments appropriate to each of the financial products it provides:

- In respect of Asset Finance, the Group is continuing to increase its block discount facilities and to pursue complementary credit instruments that will reduce the overall cost of borrowing.
- In respect of Loans, the Group utilises block discount facilities and, during the year, established a Secured Loan Note facility, comprising loans from high net-worth individuals.
- In respect of Commercial Finance, the Group utilises ‘back-to-back’ bank facilities for lending against client receivables.

In each case security is provided to each lender in the form of an assignment of the underlying lease, loan or invoice receivables.

In order to successfully manage the increased funding lines and capital requirements the Group is implementing a centralised Treasury function. This aims to ensure adequate cash is readily available to fuel expected growth, gearing ratios associated with its funding are met and the cost of capital of the Group continues to reduce. This approach has ensured all funding covenants have been met and are expected to continue to be met and that the Group’s aggregate funding facilities provide sufficient headroom to ensure the Group is well-placed to deliver further organic growth.

The Group is not subject to any external regulatory capital requirements and only provides funds to UK SMEs. As such it does not operate in, nor have significant exposure to, currencies other than sterling.

Key performance indicators

The Board and senior management regularly review and monitor key metrics in assessing the performance of the Group. Some of these key metrics to help gauge the Group’s meaningful progress are detailed below.

- Revenue – increased 35% to £16.9m (prior year £12.6m)
- Profit Before Tax and Exceptional Items – increased 17% to £4.3m (prior year £3.7m)
- Earnings Per Share – increased 4% to 6.09p (prior year 5.87p)
- New Business Origination - increased 67% to £83.0m (prior year £49.7m)
- Number of ‘live’ accounts in own-book portfolio – increased 10% to 10,450 (prior year 9,500)
- Funding interest rate – reduced to a range from 4.5% to 8.8% (prior year 4.8% to 12%).

Principal risks and uncertainties

Principal Risks are a risk or a combination of risks that, given the Group’s current position, could seriously affect the performance, future prospects or reputation of the Group. These risks could potentially materially threaten the business model, performance, solvency or liquidity, or prevent the delivery of the strategic objectives. The Board has overall responsibility for ensuring that risk is appropriately managed across the Group and, through the Risk Committee, has established the Group’s appetite to risk and approved its structure, methodologies, policies, and management roles and responsibilities.

As well as regular external reviews and audits from the Group’s statutory auditors and the quarterly audits from its various funding partners, the Group has numerous internal checks and balances. Initial responsibility rests with the business divisions and functions with line managers responsible for identifying and managing risks arising in their business areas. This is augmented by the Group’s central and independent compliance and finance functions with responsibility for reporting to the Board. The Group has a Chief Risk Officer who reviews all significant Group credit exposures.

The key risks identified and which the Board has reasonable expectation are appropriately mitigated are:

- **Credit Risk** – the risk of default, potential write off, disruption to cashflow and increased recovery costs on a debt that is not repaid individually or if there is a wider market deterioration. This is mitigated by the Group adopting prescribed lending policies and adhering to strict credit and underwriting criteria specifically tailored to each business area. The Group also has the capacity to ‘broke-on’ business rather than write it on its own book. As such, any market deterioration impact can be reduced by broking on prospective deals.
- **Funding Risk** – the risk of the Group not being able to meet its current and future financial obligations over time, specifically that funding is not available to meet the Group’s growth targets. The Group currently has funding facilities, across Block discounting, the Secured Loan Note programme and back-to-back invoice finance facilities, in excess of £120m with ample headroom to meet the growth targets for the foreseeable future. The Board is also actively engaged in securing additional facilities to enable it exploit any further business opportunities in the future.
- **Acquisition Risk** – the risk that the Group’s acquisition programme does not deliver value, overstretches resource beyond its capacity or has failed to identify problems within the acquired businesses. The Group has paid appropriate consideration for its acquired businesses with post synergy price to earnings multiples expected to be circa six times. It has also spent considerable time and effort, and will continue to do so, to bolster its central resources and infrastructure to assist in integrating and generating synergies from the acquisitions. Finally, the Group has conducted thorough and detailed internal and external due diligence on all acquisitions, ensured appropriate warranties, indemnities and lock-in periods are included in the purchase agreements and has

purchased well established businesses with successful and respected management teams.

- Regulatory Risk – the risk of legal or regulatory action resulting in fines, penalties and sanctions that could arise from the Group’s failure to identify and adhere to regulatory requirements in the UK. In addition, there is the risk that new or enhanced regulations could adversely impact the Group. The Group has a well-established and independent compliance department with appropriate resources and access to external advisors. The department looks both internally at the Group ensuring its practices are appropriate and externally at future developments to ensure the Group is prepared to adopt any changes in regulation as and when they arise.

Summary

The Board remains confident that it is maintaining its commitment to provide a range of finance solutions to support the UK SME sector, whilst also pursuing growth plans to deliver increased shareholder value.

ON BEHALF OF THE BOARD:

Ian Smith

Chief Executive Officer

12 September 2017

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MAY 2017**

	2017	2016
	£'000	£'000
CONTINUING OPERATIONS		
Revenue	16,944	12,554
Cost of sales	<u>(6,094)</u>	<u>(4,480)</u>
GROSS PROFIT	10,850	8,074
Other operating income	3	2
Administrative expenses	(6,469)	(4,290)
Exceptional Items	<u>(263)</u>	<u>(368)</u>
OPERATING PROFIT	4,121	3,418
Finance costs	(82)	(74)
Finance income	<u>41</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	4,080	3,346
Income Tax	<u>(794)</u>	<u>(480)</u>
PROFIT FOR THE YEAR	<u>3,286</u>	<u>2,866</u>
Profit attributable to: Owners of the parent	<u><u>3,286</u></u>	<u><u>2,866</u></u>
Profit per share attributable to the equity holders of the company during the Period		
Earnings Per Share expressed in pence per share		
Basic	<u><u>6.09</u></u>	<u><u>5.87</u></u>
Diluted	<u><u>5.69</u></u>	<u><u>5.51</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 MAY 2017

	2017	2016
	£'000	£'000
ASSETS		
NON-CURRENT ASSETS		
Goodwill	14,908	10,289
Intangible assets	84	-
Property, plant and equipment	1,744	1,251
Trade and other receivables	49,966	33,166
Deferred tax	411	208
	<u>67,113</u>	<u>44,914</u>
CURRENT ASSETS		
Inventories	135	81
Trade and other receivables	23,989	22,895
Cash and cash equivalents	2,078	910
	<u>26,202</u>	<u>23,886</u>
TOTAL ASSETS	<u>93,315</u>	<u>68,800</u>
EQUITY		
SHAREHOLDERS' EQUITY		
Called up share capital	5,494	5,253
Share premium account	14,170	13,077
Employee shares	91	90
Retained earnings	8,755	5,469
TOTAL EQUITY	<u>28,510</u>	<u>23,889</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Trade and other payables	32,097	19,664
Financial liabilities – borrowings:	250	399
Provisions	2,300	1,833
	<u>34,647</u>	<u>21,896</u>
CURRENT LIABILITIES		
Trade and other payables	26,533	19,979
Financial liabilities – borrowings:		
- Bank overdrafts	-	519
- Interest bearing loans and borrowings	949	729
Tax payable	943	543
Provisions	1,733	1,245
	<u>30,158</u>	<u>23,015</u>
TOTAL LIABILITIES	<u>64,805</u>	<u>44,911</u>
TOTAL EQUITY AND LIABILITIES	<u>93,315</u>	<u>68,800</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2017**

	Called up Share Capital £'000	Retained Earnings £'000	Share Premium £'000	Employee Shares £'000	Total Equity £'000
Balance at 1 June 2015	3,685	2,994	5,606	83	12,368
Transactions with owners					
Dividends	-	(391)	-	-	(391)
Value of employee services	-	-	-	7	7
Total comprehensive income	-	2,866	-	-	2,866
Changes in equity					
Issue of share capital	1,568	-	7,471	-	9,039
Balance at 31 May 2016	<u>5,253</u>	<u>5,469</u>	<u>13,077</u>	<u>90</u>	<u>23,889</u>
Transactions with owners					
Dividends	-	-	-	-	-
Value of employee services	-	-	-	1	1
Total comprehensive income	-	3,286	-	-	3,286
Changes in equity					
Issue of share capital	241	-	1,093	-	1,334
Balance at 31 May 2017	<u>5,494</u>	<u>8,755</u>	<u>14,170</u>	<u>91</u>	<u>28,510</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2017**

	2017	2016
	£'000	£'000
Cash generated from operations		
Profit before tax	4,080	3,346
Depreciation and amortisation charges	544	354
Finance costs	82	74
Finance income	(41)	(3)
(Increase) in trade and other receivables	(9,134)	(12,649)
Increase in trade and other payables	11,476	11,996
	<u>7,007</u>	<u>3,118</u>
Cash flows from operating activities		
Interest Paid	(82)	(74)
Tax paid	(615)	(637)
	<u>(697)</u>	<u>(711)</u>
Net cash generated from operating activities	<u>6,310</u>	<u>(2,407)</u>
Cash flows from investing activities		
Acquisition of subsidiaries	(3,141)	(7,588)
Purchase of software, property, plant and equipment	(1,089)	(547)
Interest received	41	3
	<u>(4,189)</u>	<u>(8,132)</u>
Cash flows from financing activities		
Loan repayments in year	(422)	(179)
Loans issued in year	400	-
Share issue net of costs	(150)	6,769
Equity dividends paid	(262)	(129)
	<u>(434)</u>	<u>6,461</u>
Net cash generated from financing activities	<u>(434)</u>	<u>6,461</u>
Increase in cash and cash equivalents	<u>1,687</u>	<u>736</u>
Cash and cash equivalents at beginning of year	<u>391</u>	<u>(345)</u>
Cash and cash equivalents at the end of the period	<u><u>2,078</u></u>	<u><u>391</u></u>

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. The directors expect the Group to operate with three distinct business units – Asset Finance, Loan and Commercial Finance – from 1 June 2017.

3. **PROFIT BEFORE INCOME TAX**

The profit before income tax is stated after charging:

	2017	2016
	£'000	£'000
Depreciation - owned assets	529	462
Computer software amortisation	15	-
Auditors' remuneration	40	19
Other non-audit services	20	34
	<u> </u>	<u> </u>

4. **DIVIDENDS**

	2017	2016
	£'000	£'000
Ordinary shares £0.10 each		
Final	-	391
	<u> </u>	<u> </u>

Subject to shareholder approval at the Group's Annual General Meeting on 9 October 2017, the Board is recommending the payment of a dividend of 0.5p per share.

5. EARNINGS PER SHARE

Earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year. For diluted earnings per share, the weighted average number of shares is adjusted to assume conversion of all dilutive potential ordinary shares.

2017

	Earnings £'000	Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	3,286	53,939,771	6.09
Effect of dilutive securities	-	3,819,210	(0.40)
Diluted EPS			
Adjusted earnings	<u>3,286</u>	<u>57,758,981</u>	<u>5.69</u>

2016

	Earnings £'000	Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	2,866	48,850,117	5.87
Effect of dilutive securities	-	3,152,098	(0.36)
Diluted EPS			
Adjusted earnings	<u>2,866</u>	<u>52,002,215</u>	<u>5.51</u>

Subsequent to the year end, on 8 June 2017 the company issued 28,861,117 Ordinary £0.10 shares in order to fund acquisitions. Had this transaction occurred before the end of the reporting period it would have significantly changed the number of ordinary shares used for the purpose of these calculations.

6. 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 2017 and 31 May 2016. The financial information has been extracted from the statutory accounts of the Group for the years ended 31 May 2017 and 31 May 2016.

The auditors' opinion on those accounts was unmodified and did not contain a statement under section 498 (1) or 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 2016 have been delivered to the Registrar of Companies, whereas those for the year ended 31 May 2017 will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

7. ANNUAL REPORT AND ANNUAL GENERAL MEETING

The Annual Report will be available from the Company's website, www.lpm.co.uk, from 12 September 2017 and will be posted to shareholders on that date. The Annual Report contains notice of the Annual General Meeting of the Company which will be held at Cenkos Securities plc, 6 7 8 Tokenhouse Yard, London, EC2R 7AS on 9 October 2017 at 1pm.