9 June 2015

Private & Commercial Finance Group plc
("PCFG", "Private & Commercial Finance", the "Company" or the "Group")

Preliminary Results for the year ended 31 March 2015

Strong gains in profitability reflecting portfolio quality

Private & Commercial Finance (AIM: PCF), the AIM-quoted finance house, today announces its preliminary results for the year ended 31 March 2015.

Financial Highlights:
- Profit before tax up 69% to £2.1 million (2014: £1.25 million)
- Profit after tax up 120% to £1.6 million (2014: £0.7 million)
- Basic earnings per share up 114% to 3.0p (2014: 1.4p)
- Fully diluted earnings per share up 63% to 1.3p (2014: 0.8p)
- Return on average assets ("ROAA") increased by 51% to 2.2% (2014: 1.5%)
- Fully diluted after-tax return on equity ("ROE") up 68% to 10.4% (2014: 6.2%)
- £23.6 million (2014: £20.1 million) of unearned finance charges to contribute to earnings in future years

Business Highlights:
- 10% increase in new business volumes to £56 million (2014: £51 million)
- Total portfolio growth of 13% to £100 million (2014: £89 million)
- Over 60% of all new business originations falling within top two credit grades
- Record low level of arrears as portfolio quality continues to improve
- Business plan for a banking licence has been submitted
- Resolutions will be put to shareholders at our AGM to restructure the Company balance sheet to allow for the payment of a dividend
- Committed debt facilities of £112 million (2014: £96 million) with headroom at year end of £23 million (2014: £14 million) to fund growth, plus an additional £10 million of facilities put in place since year end

Commenting on the results Scott Maybury, Chief Executive of PCFG, said:
"We are very pleased to deliver another strong set of results, with our total portfolio growing by 13% to £100 million. Margins and profitability have increased even more significantly as a result of further improvements in portfolio quality and the positive effect of our overall operational gearing. We are continuing to progress our banking licence application and, in the meantime, we have significant headroom in our funding lines which will enable us to continue growing profitably for the foreseeable future. The current financial year has started well and we look forward with considerable optimism to the year ahead."

- end -

For further information please contact:

Private & Commercial Finance Group Tel: +44 (0) 20 7222 2426

Scott Maybury, Chief Executive

Robert Murray, Managing Director

Zane Kerse, Finance Director

Tavistock Communications Tel: +44 (0) 20 7920 3150

Chris Munden / Niall Walsh / Lucia Caprani

Panmure Gordon (UK) Limited Tel: +44 (0) 20 7886 2500

Fred Walsh / Peter Steel / Atholl Tweedie

Westhouse Securities Limited Tel: +44 (0) 20 7601 6100

Henry Willcocks

About Private & Commercial Finance Group plc (www.pcfg.co.uk)

Established in 1994, Private & Commercial Finance Group plc is an AIM-quoted finance house which has two main operating divisions:

- Consumer Finance which provides finance for motor vehicles to consumers; and
- Business Finance which provides finance for vehicles, plant and equipment to SMEs.

The Group has a highly efficient and scalable business model, utilising its specially developed internet-based proposal system to service national networks of brokers and suppliers.

Chairman’s Statement
For the year ended 31 March 2015

Profit before tax increased by 69% to £2.1 million (2014: £1.25 million) while profit after tax more than doubled to £1.6 million (2014: £0.7 million). Fully diluted earnings per share were 1.3p (2014: 0.8p), an increase of 63%. Finance receivables increased by 13% to £100 million (2014: £89 million).

These results have been delivered without compromising on portfolio quality, which will underpin the future prospects of the Group.

In 2012, when we put in place the funding and platform to recommence growth, we decided to focus initially on ROAA and set ourselves a medium-term target of 2.0% from the level at that time of 0.4%. We have now exceeded that target, delivering an ROAA of 2.2% (2014: 1.5%), as well as a fully diluted after tax ROE for the year of 10.4% (2014: 6.2%), an increase of 68%.

We achieved these results through strong focus on quality and cost control, along with an improvement in operational gearing, utilising our existing infrastructure and business model to increase profitability through portfolio scale. We will remain focussed on continuing to improve our two key performance indicators as we enter the next stage in our development, and are now targeting an ROAA of 2.5% and an after tax ROE of 12.5% over the medium-term.

Operational gearing has also improved our ratio of administrative costs to gross profit, with the ratio falling to 33.9% (2014: 34.2%).

New business and market

New business originations were up by 10% in the year to £56 million (2014: £51 million). This growth was more broadly based than in previous years, with SME lending and business confidence showing improvement as the year progressed, adding to the strong growth we have seen in the consumer motor finance market over the last couple of years.

New business margins have been maintained across the Group despite an increasingly competitive market and the credit quality is matching our expectations, with over 60% of originations being in our top two credit tiers. Our efforts to develop direct channels, such as retaining customers and rewarding loyalty, have continued to be successful. Repeat and direct business at £6.6 million (2014: £5.8 million) now represents our largest single source of business at 12% of annual originations.

A successful new initiative has been the introduction of an ‘*e-signature*’ product in January 2015, further automating our new business processes and providing a strong competitive advantage. ‘*e-signature*’ enables customers to sign their finance agreements electronically and for us to store them digitally. After a successful pilot, this product has recently been rolled out to all introducers and 49% of customers are already using this solution. This provides our introductory sources and customers with a fast, efficient and secure method of executing our finance agreements.

Consumer finance industry regulation changed from 1 April 2014. The Financial Conduct Authority (FCA) is the new regulator of consumer credit related activities and we have interim permissions for all subsidiaries engaged in such business. In January 2015 we submitted our applications for full permission and these are being dealt with under the six month authorisation process. We have always focussed on providing a high quality of service and treating customers fairly with formal policies and procedures overseeing our activities since 1994. To strengthen our governance procedures in this area further, we have invested in an IT based solution for maintaining our policies and procedures manuals, delivered across the Group intranet, to provide improved access and training to all staff.

Our business model

Private & Commercial Finance has a proven business model for lending to both individuals and SMEs. The use of information technology is at the heart of our operational efficiencies and the relationships with our customers. The model requires an understanding of their finance needs, an ability to deliver excellent levels of customer service to both the customers and our network of intermediaries, as well as striking the right balance, when underwriting, between risk and reward. The Group will continue to focus on its core sectors and, with future strategic initiatives to diversify how we fund ourselves, the opportunities to grow the business will become even greater.

We will continue to operate a model that minimises risk by financing assets which have strong collateral characteristics and average low transaction sizes, spread over a diverse customer base. This is a robust model that has been tested in the most difficult of economic conditions and provides us with confidence for the future.

Portfolio and balance sheet

The Group operates in two different markets, consumer finance and business finance, which complement each other in terms of the infrastructure required and balancing the risk profile. Each market also provides distinct growth opportunities at different points in the economic cycle.

The portfolio is reported net of £23.6 million (2014: £20.1 million) of unearned finance charges which are attributable to future years. These will be recognised over the next four years and provide the Group with predictability and quality of earnings going forward.

The quality of the portfolio continues to improve. The loan loss provisioning charge fell from £2.0 million in 2014 to £1.5 million this year, a 24% reduction that represents a charge-off rate for the year of 1.6% of the average portfolio (2014: 2.4%). The improved credit quality is also reflected in the percentage of the portfolio that is reported as neither past due nor impaired, which was 90% this year (2014: 85%). This compares to an equivalent 73% at the worst point during the global financial crisis. With the quality of new business originations being maintained and the Group operating in markets in which it has invaluable experience through historic performance, the portfolio should continue to perform well throughout its lifecycle.

The net assets of the Group increased by 14% to £11.8 million as at 31 March 2015 (2014: £10.4 million).

Capital and funding

We have £112 million of committed debt facilities (2014: £96 million). These are drawn to £89 million, leaving headroom available for future growth of £23 million (2014: £14 million) at the year end. Increased facilities were granted throughout the year by our existing funders. Since the year end, a new £10 million facility has been awarded by British Business Bank Investments Ltd, the commercial division of the UK Government's economic development bank. This facility has further increased the Group's available headroom and it promotes Private & Commercial Finance to a small group of asset finance providers chosen to support the British Business Bank Investment Programme.

In addition to maintaining adequate debt facilities, a key objective is to obtain a banking licence, thereby accessing retail depositors and providing a more diversified and lower cost treasury platform for the Group. The Group has submitted its business plan for consideration by the relevant authorities and is looking forward to progressing the application. We have invested considerable time researching a suitable target operating model and selecting suitable IT systems and remain committed to achieving this objective, albeit behind our original schedule. This strategy will initially incur costs but will transform the business, supporting our long term strategy to grow beyond the constraints of wholesale funding and into a substantial financial services group.

The Group's capital base continues to strengthen and the gearing ratio, excluding unsecured convertible debt, stands at 6.7 (2014: 6.9).

Staff and resources

We are fortunate to have high quality and long-serving staff with a strong commitment to customer service, and I thank them for their efforts.

After fourteen years service with the Group, Zane Kerse our Finance Director has advised the Board that he wishes to pursue other interests which will eventually take him back to his native New Zealand. The Board wishes him well and would like to thank him for his diligence and financial stewardship through a critical period for the Group. This advance notice has allowed the Group to secure an excellent candidate as his proposed replacement and will also allow for a period of handover. A further announcement will be made in due course.

The Group relocated to new offices in the City of London in October 2014, providing premises commensurate with our long-term growth plans.

Current trading and outlook

We have delivered excellent profitability in the year as the result of a growing portfolio combined with further gains in portfolio quality and a continued focus on margin and costs.

March 2015 was the best month for originations in nearly seven years and the new financial year has also started extremely well.

I have strong confidence in the future success of the business and in this regard, we will be proposing resolutions to shareholders at the Annual General Meeting in September to restructure the Company balance sheet to facilitate a return to the dividend list in due course.

D G Anthony
Chairman

GROUP INCOME STATEMENT

12 months ended 31 March (£'000)	Note	2015	2014
Group turnover	4	**45,293**	**42,656**
Cost of sales		(31,846)	(30,098)
Gross profit		**13,447**	**12,558**
Administration expenses		(6,686)	(6,935)
Operating profit		**6,761**	**5,623**
Interest receivable		4	8
Interest payable		(4,666)	(4,386)
Profit on ordinary activities before taxation	5	**2,099**	**1,245**
Income tax expense	6	(485)	(513)
Profit on ordinary activities after taxation		**1,614**	**732**
Profit for the year attributable to equity holders		**1,614**	**732**
Earnings per 5p ordinary share - basic	7	3.0p	1.4p
Earnings per 5p ordinary share - diluted	7	1.3p	0.8p

GROUP STATEMENT OF COMPREHENSIVE INCOME

12 months ended 31 March (£'000)	2015	2014
Profit for the year	**1,614**	**732**
Other comprehensive income that may be reclassified to the income statement in subsequent years		
Cash flow hedges – fair value (losses)/gains	(303)	422
Income tax effect	63	(93)
	(240)	**329**
Total comprehensive income for the year	**1,374**	**1,061**

GROUP BALANCE SHEET

As at 31 March (£'000)	2015	2014
Non-current assets		
Goodwill	397	397
Other intangible assets	514	646
Property, plant and equipment	105	84
Loans and receivables	63,680	53,134
Derivative financial instruments	-	137
Deferred tax	1,694	1,840
	66,390	**56,238**
Current assets		
Loans and receivables	36,149	35,521
Trade and other receivables	1,134	930
Corporation Tax	-	136
Cash and cash equivalents	139	283
	37,422	**36,870**
Total assets	**103,812**	**93,108**
Current liabilities		
Interest-bearing loans and borrowings	10,733	8,241
Trade and other payables	1,643	1,302
Derivative financial instruments	22	40
Corporation Tax	176	-
Bank overdrafts	703	329
	13,277	**9,912**
Non-current liabilities		
Derivative financial instruments	156	-
Interest-bearing loans and borrowings	78,521	72,784
	78,677	**72,784**
Total liabilities	**91,954**	**82,696**
Net assets	**11,858**	**10,412**
Capital and reserves		
Issued share capital	2,656	2,651
Share premium	4,398	4,395
Capital reserve	3,873	3,873
Other reserves	(127)	115
Own shares	(305)	(355)
Profit and loss account	1,363	(267)
Shareholders' funds	**11,858**	**10,412**

GROUP STATEMENT OF CHANGES IN EQUITY

12 months ended 31 March (£'000)	2015	2014
Total comprehensive income for the year	**1,374**	**1,061**
New share capital subscribed	8	25
Share-based payments	14	2
Issue of own convertible debt	50	-
Net addition to shareholders' funds	**1,446**	**1,088**
Opening shareholders' funds	10,412	9,324
Closing shareholders' funds	**11,858**	**10,412**

GROUP STATEMENT OF CASH FLOWS

12 months ended 31 March (£'000)	2015	2014
Cash flows from operating activities		
Profit before taxation	2,099	1,245
Adjustments for:		
Amortisation of other intangible assets	184	173
Amortisation of issue costs	136	142
Depreciation	29	44
Share-based payments	14	2
Fair value movement on derivative financial instruments	(18)	30
Increase in loans and receivables	(11,174)	(8,628)
Increase in trade and other receivables	(203)	(230)
Increase in trade and other payables	331	251
Cash flows used in operating activities	**(8,602)**	**(6,971)**
Tax received/(paid)	35	(55)
Net cash flows used in operating activities	**(8,567)**	**(7,026)**
Cash flows from investing activities		
Purchase of property, plant and equipment	(83)	(8)
Proceeds from sale of property, plant and equipment	33	-
Purchase of other intangible assets	(52)	(172)
Net cash flows used in investing activities	**(102)**	**(180)**
Cash flows from financing activities		
Issue of own convertible debt	50	-
Proceeds from borrowings	8,842	9,517
Repayments of borrowings	(741)	(2,586)
Net cash flows from financing activities	**8,151**	**6,931**
Net decrease in cash and cash equivalents	(518)	(275)
Cash and cash equivalents at beginning of the year	(46)	229
Cash and cash equivalents at end of the year	**(564)**	**(46)**
Cash at bank	139	283
Bank overdraft	(703)	(329)
	(564)	**(46)**
The amount of interest paid during the year	4,694	4,355

NOTES TO THE FINANCIAL STATEMENTS

1. The preliminary results are unaudited and do not constitute statutory accounts as defined by section 434 of the Companies Act 2006. The comparative figures for the year ended 31 March 2014 are based on the statutory accounts of the Group for that period which have been reported on by the Group's auditor and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not contain a statement under section 498 of the Companies Act 2006.

2. The preliminary results have been prepared on the basis of the accounting policies set out in the Annual Report & Financial Statements for the year ended 31 March 2014 as updated where necessary for new accounting standards adopted in the year.

3. These consolidated financial statements have been prepared in accordance with IFRS and its interpretations issued by the International Accounting Standards Board, as adopted by the European Union. This announcement has been approved and authorised for issue by the Board of Directors.

4. The Group's turnover represents gross rentals and instalments from the hire, financing and sale of equipment, and the provision of related fee-based services, stated net of Value Added Tax.

5. The Group operates in the principal areas of consumer finance for motor vehicles and business finance for vehicles, plant and equipment. All revenue is generated in the United Kingdom.

   Turnover, profit on ordinary activities before taxation, and loan loss provisioning charge are detailed below:

12 months ended 31 March (£'000)	**2015**	**2014**
Consumer finance	24,270	22,935
Business finance	21,023	19,721
Group Turnover	**45,293**	**42,656**
Consumer finance	1,624	865
Business finance	1,087	599
Central costs	(612)	(219)
Profit on ordinary activities before taxation	**2,099**	**1,245**
Consumer finance	(1,060)	(1,388)
Business finance	(486)	(636)
Loan loss provisioning charge	**(1,546)**	**(2,024)**

6. The income tax assessed for the year is higher than the standard rate of Corporation Tax in the UK of 21% (2014 – 23%). The differences are explained below. As part of the Finance Act 2014, the UK government legislated to reduce the main rate of Corporation Tax from 23% to 21% with effect from 1 April 2014 and to 20% with effect from 1 April 2015 which has been reflected in the amount of the recognised deferred tax asset.

12 months ended 31 March (£'000)	**2015**	**2014**
Profit on ordinary activities before tax	**2,099**	**1,245**
Profit on ordinary activities multiplied by the standard rate of Corporation Tax in the UK of 21% (2014 – 23%)	(441)	(286)
Effects of:		
Expenses not deductible for taxation purposes	(33)	(7)
Adjustments in respect of prior years	(1)	(17)
Change in tax rate	(11)	(257)
Utilisation of previously unrecognised losses	1	54
Total tax charge for the year	**(485)**	**(513)**

7. The calculation of basic earnings per ordinary share is based on profit after taxation of £1,613,789 (2014 – £731,736) and on 53,066,335 (2014 – 52,980,732) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

   The calculation of diluted earnings per ordinary share is based on profit after taxation of £2,193,948 for the year (2014 - £1,198,495), before deducting interest on the convertible loan notes of £580,159 (2014 - £466,759), on 170,378,206 (2014 – 146,371,439) ordinary shares, being the dilutive weighted average number of ordinary shares in issue during the year.

8. The calculation of return on average assets is based on a profit before tax of £2,099,451 (2014: £1,244,476) and on average portfolio assets of £94,241,815 (2014: £84,340,757).

9. The 2015 Annual Report & Financial Statements will be posted to all shareholders on 21 July 2015. Further copies can be obtained from the Company Secretary at Pinners Hall, 105-108 Old Broad Street, London EC2N 1ER or can be downloaded from our website, www.pcfg.co.uk.