6pm Holdings p.l.c.

THE FOLLOWING IS A COMPANY ANNOUNCEMENT ISSUED BY 6PM HOLDINGS P.L.C. ("THE COMPANY") PURSUANT TO THE LISTING RULES CHAPTER 5.

QUOTE

At the meeting held on the 29th August, 2011, the Board of Directors of 6pm Holdings p.l.c. (the Company) approved the Interim Financial Statements for the period ended 30th June 2011. A copy of the preliminary statement of the interim results is attached to this announcement.

UNQUOTE

Dr. Ivan Gatt
Company Secretary

30th August 2011

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The following interim financial report is published pursuant to the terms of chapter 5 of the Malta Financial Services Authority Listing Rules and the Prevention of Financial Markets Abuse Act 2005. We confirm that the condensed financial information has been extracted from the company's financial statements for the six months ended 30 June 2011 and prepared in accordance with IAS 34 'Interim Financial Reporting' and that to the best of our knowledge this information provides a true and fair view of the group's and company's financial performance for the period then ended. This report has not been audited nor reviewed by the group's independent auditors.

The consolidated financial statements cover 6pm Holdings p.l.c. (parent) and its subsidiaries 6pm Management Consultancy (UK) Limited, 6pm Limited, Compunet Operations Limited (as from 1 April 2011), Compunet Agencies Limited (as from 1 April 2011) and Softweb Limited.

6pm Holdings p.l.c.
Condensed statements of comprehensive income
For the period 1 January to 30 June

	Group		Company	
	30-Jun-11	30-Jun-10	30-Jun-11	30-Jun-10
	GBP	GBP	GBP	GBP
Revenue	2,135,266	1,770,867	-	-
Cost of sales	(1,331,965)	(1,052,102)	-	-
Gross profit	**803,301**	**718,765**	**-**	**-**
Administrative expenses	(1,091,659)	(884,808)	(75,426)	1,609
Operating profit / (loss)	**(288,358)**	**(166,043)**	**(75,426)**	**1,609**
Finance costs	(55,082)	(43,688)	(2,206)	-
Interest income	148	2	46	-
Profit / (loss) before tax	**(343,292)**	**(209,729)**	**(77,586)**	**1,609**
Income tax charge	(22)	(9,180)	(7)	-
Net profit / (loss)	**(343,313)**	**(218,909)**	**(77,593)**	**1,609**
Other comprehensive income / (expense)				
Exchange differences arising on translation of foreign operations	85,118	(103,395)		
Total comprehensive income for the period	**(258,196)**	**(322,304)**		
Attributable to:				
Owners of the company	(227,685)	(218,909)		
Non-controlling interest	(7,916)	-		
	(235,601)	(218,909)		

6pm Holdings p.l.c.
Condensed statements of financial position
As at 30 June 2011

	Group		Company	
	30-Jun-11 GBP	30-Jun-10 GBP	30-Jun-11 GBP	30-Jun-10 GBP
Non-current assets				
Intangible assets	2,389,858	1,587,141	-	-
Property, plant and equipment	1,206,425	1,042,504	-	-
Financial assets	4,385	-	2,486,485	1,511,138
Deferred tax assets	1,334,917	1,090,388	-	-
	4,935,585	3,720,033	2,486,485	1,511,138
Current assets				
Inventories	338,437	-	-	-
Trade and other receivables	1,157,199	831,694	1,815,001	93,938
Current tax assets	37,882	-	-	-
Cash and cash equivalents	556,677	35,795	10,146	2,057
	2,090,195	867,489	1,825,147	95,995
Total assets	7,025,780	4,587,522	4,311,632	1,607,133
Current liabilities				
Trade and other payables	(1,054,676)	(511,909)	(2,640)	-
Bank overdrafts and loans	(553,519)	(959,342)	-	-
Other financial liabilities	(164,343)	-	(93,195)	-
Current tax liabilities	-	(26,428)	-	-
	(1,772,538)	(1,497,679)	(95,835)	-
Non-current liabilities				
Bank loans	(394,772)	(671,788)	-	-
Total liabilities	(2,167,310)	(2,169,467)	(95,835)	-
Net assets / (liabilities)	4,858,470	2,418,055	4,215,797	1,607,133
Equity				
Share capital	3,657,600	1,500,000	4,197,000	1,500,000
Share premium	539,400	-	-	-
Retained earnings	382,672	794,200	18,797	107,133
Exchange reserve	271,577	123,855	-	-
Minority interest	7,221	-	-	-
	4,858,470	2,418,055	4,215,797	1,607,133

6pm Holdings p.l.c.
Condensed statements of changes in equity
As at 30 June 2011

Group	Share capital	Share premium	Exchange reserve	Retained earnings	Attributable to owners of the company	Non-controlling interest	Total
	GBP	GBP	GBP	GBP	GBP	GBP	GBP
Balance as at 31 December 2009	1,500,000	-	227,250	1,013,109	**2,740,359**	-	**2,740,359**
Loss for the period	-	-	-	(218,909)	**(218,909)**	-	**(218,909)**
Other comprehensive expense for the period	-	-	(103,395)	-	**(103,395)**	-	**(103,395)**
Total comprehensive expense for the period	-	-	(103,395)	(218,909)	**(322,304)**	-	**(322,304)**
Balance as at 30 June 2010	1,500,000	-	123,855	794,200	**2,418,055**	-	**2,418,055**
Loss for the period	-	-	-	(76,131)	**(76,131)**	2,429	**(73,702)**
Other comprehensive income for the period	-	-	62,604	-	**62,604**	-	**62,604**
Effect of acquisition of subsidiary	-	-	-	-	-	12,708	**12,708**
Total comprehensive income / (expense) for the period	-	-	62,604	(76,131)	**(13,527)**	15,137	**1,610**
Balance as at 31 December 2010	1,500,000	-	186,459	718,069	**2,404,528**	15,137	**2,419,665**
Issue of share capital	2,157,600	539,400	-	-	**2,697,000**	-	**2,697,000**
Loss for the period	-	-	-	(335,397)	**(335,397)**	(7,916)	**(343,313)**
Other comprehensive income for the period	-	-	85,118	-	**85,118**	-	**85,118**
Total comprehensive income / (expense) for the period	2,157,600	539,400	85,118	(335,397)	**2,446,720**	(7,916)	**2,438,804**
Balance as at 30 June 2011	**3,657,600**	**539,400**	**271,577**	**382,672**	**4,851,249**	**7,221**	**4,858,470**

6pm Holdings p.l.c.
Condensed statements of changes in equity (continued)
As at 30 June 2011

Company	Share capital GBP	Share premium GBP	Retained earnings GBP	Total GBP
Balance as at 31 December 2009	1,500,000	-	105,524	**1,605,524**
Profit for the period	-	-	1,609	**1,609**
Total comprehensive income for the period	-	-	1,609	**1,609**
Balance as at 30 June 2010	1,500,000	-	107,133	**1,607,133**
Loss for the period	-	-	(10,743)	**(10,743)**
Total comprehensive income for the period	-	-	(10,743)	**(10,743)**
Balance as at 31 December 2010	1,500,000	-	96,390	**1,596,390**
Issue of share capital	2,157,600	539,400	-	**2,697,000**
Loss for the period	-	-	(77,593)	**(77,593)**
Total comprehensive income for the period	2,157,600	539,400	(77,593)	**2,619,407**
Balance as at 30 June 2011	**3,657,600**	**539,400**	**18,797**	**4,215,797**

6pm Holdings p.l.c.
Condensed statement of cash flows
As at 30 June 2011

	Group		Company	
	30-Jun-11	30-Jun-10	30-Jun-11	30-Jun-10
	GBP	GBP	GBP	GBP
Net cash generated from operating activities	(527,017)	411,346	(78,083)	3,468
Net cash from investing activities	(271,739)	(31,443)	-	-
Net cash from financing activities	1,688,716	(46,464)	86,172	-
Effect of foreign exchange rate changes	24,313	(103,395)	-	(3,484)
Movement in cash and cash equivalents	**914,272**	**230,044**	**8,089**	**(16)**
Cash and cash equivalents at beginning of the interim period	(684,571)	(1,066,006)	2,057	2,073
Cash and cash equivalents at the end of the interim period	**229,701**	**(835,962)**	**10,146**	**2,057**

Performance review

During the period under review the group reported a loss before tax of *GBP343,292* (30 June 2010 – *GBP209,729*). The said loss has been negatively impacted by rights issue costs amounting to *GBP132,190*. Accordingly the loss before tax excluding the said costs amounts to *GBP211,102*.

Following the rights issue which was fully subscribed to on 29 April 2011 the group's management is now fully focused towards achieving the results outlined in the overall strategic business plan prepared in 2010.

During the first quarter the group has focused on the rights issue and on laying down the right foundations for the new business strategy. In parallel and leading into quarter two, the top priority was to ensure that the group will once again reach the same level of monthly sales orders as it enjoyed in years prior to 2010, which target was consistently achieved since April 2011. During the first 6 months of the year management has also been working to introduce new cost effective strategies aimed at reducing the direct cost base without disabling efficiency. These strategies will be in place by September 2011 and the group is expecting to start transforming the said sales orders into revenue at a faster pace, hence increasing gross profit contribution whilst keeping its administrative cost base fairly constant.

The board is confident that the group will achieve the expected positive results in the coming years and have therefore considered it appropriate to prepare this interim financial report on a going concern basis.

Dividends

The directors are recommending that no interim dividend be paid.

Significant accounting policies

The half-yearly results have been drawn up in accordance with the accounting policies used in the preparation of the annual audited financial statements for the year ended 31 December 2010.

The following are considered key significant accounting policies:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the holding company and entities controlled by the holding company (its subsidiaries). Control is achieved where the holding company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, in preparing these consolidated financial statements, appropriate adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by group entities. All intragroup balances, transactions, income and expenses are eliminated on consolidation.

The acquisition of subsidiaries is accounted for by applying the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control, plus any costs directly attributable to the business combination. An adjustment to the cost of the combination contingent on future events is included to the extent that the adjustment is probable and can be measured reliably. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair values at the acquisition date.

Any excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised at the date of acquisition is recognised as goodwill. The goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Any excess of the group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination, after reassessment, is recognised immediately in profit or loss.

Property, plant and equipment

The group's property, plant and equipment are classified into the following classes – freehold land and buildings, motor vehicles and furniture, fittings and other equipment.

Land and buildings are held for use in the supply of services or for administrative purposes.
Subsequent to initial recognition, land and buildings are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Other tangible assets are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Intangible assets

Am intangible asset is recognized if it is probable that the expected future benefits that are attributable to the asset will flow to the group and the cost of the asset can be measured reliably.

Intangible assets are initially measured at cost. Expenditure on an intangible asset is recognized as an expense in the period when it is incurred unless it forms part of the cost of the asset that meets the recognition criteria.

Intangible assets comprise of goodwill arising on the acquisition of subsidiaries, computer software and licenses and developed software.

Impairment

All assets are tested for impairment except for deferred tax assets. At the end of each reporting period the carrying amount of assets, including cash-generating units are reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication or objective evidence exists, the recoverable amount of the asset is estimated.

Goodwill arising on the acquisition of subsidiaries and intangible assets with an indefinite useful life and that are not yet available for use, are tested for impairment annually and whenever there is an indication of impairment.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for services rendered and goods sold in the normal course of business, net of value-added tax and discounts, where applicable. Revenue is recognized to the extent that it is probable that future economic benefits will flow to the the group and these can be measured reliably.

Revenue from the provision of services is recognised in the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. For practical purposes, when services are performed by an indeterminate number of acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period unless there is evidence that some other method better represents the stage of completion.

Revenue from the sale of goods is recognised on the transfer of the risks and rewards of ownership, which generally coincides with the time of shipment or delivery when the costs incurred or to be incurred in respect of the transaction can be measured reliably and when the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Judgments in applying accounting policies and key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period relate to:

1) The crystallisation of deferred tax assets
2) The carrying amount of goodwill
3) The carrying amount of other intangible assets

In 2010 the directors have prepared a strategic business plan which reflects the group's forecast for a 3 year period ending 31 December 2013. The strategic business plan is based on a number of assumptions. The directors believe that the principal assumptions for the group's expectations relate to:

- Sales volume and product/service mix
- New product and service launches
- General economic trends
- Developments in the markets within which the group operates
- Technological developments
- Foreign exchange rates
- Achieving costs savings
- Economies of scale derived from acquisitions and mergers
- Synergies with new additions to the group

The above key assumptions have also been used by the directors in assessing the crystallisation of the deferred tax assets and the carrying value of goodwill and other intangible assets.

(i) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the losses and credits can be utilized.

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits. The carrying value of the deferred tax assets recognized at the end of the reporting period was *GBP1,344,917* (30 June 2010 – *GBP1,090,388*).

On the basis of the said group's business plan the subsidiary would have utilised a significant part of this asset by 2013 and the remainder over the next few years. In 2013, Malta's position as a beneficiary under the EU Cohesion Policy 2007 - 2013 comes up for review by the EU. Depending on the outcome of this assessment the regulations relating to unutilised tax credits may be revised. Accordingly the revisions could impact the ability of the subsidiary to avail itself of any deferred tax assets as from 2014.

(ii) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the group to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to costs during the period. The directors estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the cash generating unit. The growth rates and changes in direct costs are based on past practices and expectations of future changes in the market.

The assessment of recoverability of the carrying amount of goodwill includes:

- Forecasted projected cash flows, relating to the specific cash generating units to which goodwill has been allocated, for the three year period ending 31 December 2013 and projections of terminal values using the perpetuity method.
- Varying growth rates depending on the individual products and services provided by the group, that relate to the specific cash generating units to which goodwill has been allocated, for the next three years with a nil growth rate to perpetuity in determining the terminal value.
- Use of 25 % (pre-tax) to discount the projected cash flows to net present values.

Based on the above assessment, the directors consider that the carrying amount of goodwill as at 30 June 2011 of *GBP1,458,219* (30 June 2010 – *GBP1,149,182*) to be recoverable and therefore the directors consider that there is no impairment in the carrying value of goodwill as at 30 June 2011.

(iii) Other intangible assets

During the year management has reassessed the recoverability of the value of the group's intangible assets which are included in the statement of financial position at *GBP1,277,943* (30 June 2010 – *GBP437,959*) by applying discounting cash flow techniques to the cash flows included in the group's strategic business plan that relate to the specific intangibles. The key assumptions are the same as those disclosed in (ii) above. Based on the above assessment, management expects the carrying amount of other intangible assets to be recoverable and therefore the directors consider that there is no impairment in the carrying value of other intangible assets as at 30 June 2011.

Revenue

Group revenue represents the amount primarily receivable for services rendered and goods sold during the year net of indirect taxes.

The following is an analysis of the group's revenue from continuing operations by reportable segment.

	30-Jun-11 GBP	30-Jun-10 GBP
Resourcing	587,807	359,888
Product solutions and consultancy	1,197,414	1,410,979
Sale of goods	350,045	-
	2,135,266	1,770,867

Intangible assets

During the period ended 30 June 2011 the group's intangible assets additions including additions through the acquisition of subsidiaries amounted to *GBP851,047* (30 June 2010 – *GBP nil*). No intangible assets were disposed of during the period under review.

Property, plant and equipment

During the period ended 30 June 2011 the group's property, plant and equipment additions including additions through the acquisition of subsidiaries amounted to *GBP233,687* (30 June 2010 – *GBP 7,490*). No property, plant and equipment was disposed of during the period under review.

Acquisition of subsidiaries and associates

On 29 April 2011, 6pm Holdings p.l.c. acquired 100% shareholding in Compunet Operations Limited and Compunet Agencies Limited. The effective date of the transactions was 1 April 2011 and as a result the income statement of the group includes 3 months of the results of the acquired companies.

On 3 June 2011, 6pm Holdings p.l.c. subscribed to 25% of the share capital of emCare360 Limited.

Bank overdrafts and loans

	30-Jun-11			30-Jun-10		
	In Euro GBP	In GBP GBP	Total GBP	In Euro GBP	In GBP GBP	Total GBP
Bank overdrafts	291,813	35,164	326,977	628,375	243,382	871,757
Bank loans	621,314	-	621,314	759,373	-	759,373
	913,127	35,164	948,291	1,387,748	243,382	1,631,130

The bank overdrafts denominated in Euro bears interest between 3.5% and 3.875% per over the bank's base rate.

The overdraft denominated in GBP is based on an invoice discounting facility up to a funding limit of 85% of eligible debts and bears a discounting charge of 2.25% above the sterling base rate per annum quoted by the Royal Bank of Scotland p.l.c. together with a service charge of 0.225% of the Notified Value of each debt. This facility is secured by way of a fixed and floating charge over trade debtors and all other assets of 6pm Management Consultancy (UK) Limited. This facility is also personally guaranteed by two of the company's directors.

Interest on bank loans is charged at rates varying between 3% to 4% per annum over the bank's base rate. The bank overdraft and loans denominated in Euro are secured by a special hypothec over the immovable property and by general hypothecs over the assets of 6pm Limited, a general hypothec over the assets of the company, various guarantees given by the company and its subsidiary, 6pm Management consultancy (UK) Limited and also by the principal shareholders of the company.

Share capital

On 28 March 2011, 6pm Holdings p.l.c. proposed a rights issue of 1.4384 new ordinary shares for each share held as at that date for a total of 10,788,000 new ordinary shares of a nominal value of GBP0.20 each at a share issue price of GBP0.25 per share. The rights issue was fully subscribed on 29 April 2011.

Related party transactions

During the period under review group companies entered into transactions in the ordinary course of business with other related parties as follows:

- Revenue *GBP983*
- Administrative expenses *GBP373*

All other intra-group transactions were eliminated on consolidation.

6pm Holdings p.l.c.
Statement pursuant to Listing Rule 5.75 issued by the Listing Authority

We confirm that to the best of our knowledge:

- This condensed set of financial statements, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and profit and loss of 6pm Holdings p.l.c.; and

- Includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.

Mr. Ivan Bartolo
Chief Executive Officer

Mr. Hector Spiteri
Chairman of the Audit Committee / Non-Executive Director

29 August 2011