

OneClickHR plc
(the "Group")

Interim Results for the six months ended 30 June 2008

OneClickHR, the AIM quoted HR software, training services and solutions provider, is pleased to announce its interim results for the six months ended 30th June 2008.

Highlights:

- Underlying HR.net sales increase of over 30% compared with corresponding period last year, excluding Ceridian transaction;
- 40 new HR.net clients added during the period, compared to 48 clients added over the whole of 2007;
- Support Service revenue reached 40% of total revenue;
- Costs over the period reduced by £700,000 to £2.7m in comparison to the same period last year;
- Cash balances remained stable at £404,000;

Frank Beechinor, OneClickHR's chief executive officer, commented:

"The first six months of the year has shown considerable progress in increasing our client base, reducing costs substantially and very importantly growing our support services revenue. Although the economy is weakening I believe we will continue to grow our client base in the second half of the year as we have a healthy pipeline of new license and consultancy opportunities."

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About HR.net

Designed and developed by OneClickHR plc the software was designed for rapid deployment in a standard web enabled environment. All users need is an internet browser and connection to the internet.

Available as a traditional licence purchase or as a SaaS (Software as a Service) solution HR.net provides total flexibility to enable clients to configure their entire HR processes to meet local, national, international and company specific requirements. Annual Appraisals, Employee Self Service, E-Recruitment, Performance Management, Talent Management and Salary Reviews can all be swiftly implemented with the confidence of using up to date and accurate data .

CHAIRMAN'S STATEMENT

Financial Review

I am pleased to report that the Group has again traded profitably for the period under review. Importantly, during the period, we have continued a series of actions to improve the prospects for sustained growth and to drive shareholder value. These measures have led to:

- increased underlying sales of HR.net
- a lower cost base, whilst maintaining our software development capacity and implementation capability
- stronger process and controls within the unified UK and Indian consultancy operations enabling improved service levels
- a healthy pipeline of new license and consultancy opportunities for the second half.

In the comparable period last year, we concluded a transaction for £0.9m with Ceridian UK whereby they purchased a license to use our HR.net technology within their own client base. This type of sale has not been repeated and, as a consequence, the stated revenue, profits and cashflow for the period under review are lower than last year. Although this transaction masks the underlying improvement that has occurred, the effect of the significant actions we have taken to establish the foundations for sustained growth are also demonstrated.

Total revenues generated by HR.net (license sales, consultancy and support) have increased by a third (excluding the Ceridian transaction) and this product now represents two thirds of our total revenues. As expected revenues of our legacy products, primarily Personnel Manager and Personnel Director, have declined. Although both are stable and effective products, shareholders will be aware we have concentrated our most recent efforts into the HR.net range of products.

Support revenues continued to increase and are now approaching 40% of total revenues. Customers who pay for this support receive extensive helpdesk support in the operation of their software and also upgrades designed to deliver further benefits to the user.

We believe that it is a fundamental strength of HR.net that customers are able to adapt the software, exactly to their needs. Consequently as their businesses change, HR.net can be adapted to reflect this. Therefore we are seeing improving 'repeat' revenues for the consultancy team as existing HR.net customers want additional services after initial implementation, ranging from simple training requirements to complex business processes such as automating performance reviews. With a growing HR.net customer base, this source of revenue will undoubtedly grow in the future.

The consultancy team is located in both the UK and India. This arrangement gives us a competitive cost structure, reduced delivery times and the capability to effectively service overseas clients. To ensure that we make the most of this structure and deliver excellence to our customers, we have strengthened and improved our internal processes.

The architecture of the core HR.net product enables us to offer a SaaS (Software as a Service) version for customers who wish to procure in this manner. Whilst this means initially that revenues and cashflows maybe lower, when compared to a traditional license sale, it does increase the level of committed revenue and cashflows going forward.

During 2007 and into 2008 we have re-shaped the business and controlled the cost base in line with our ambition to generate profitability and cashflow. This has meant that total costs for the six month period were £2.7m (2007: £3.4m) a reduction of £0.7m. This reduction has been achieved whilst maintaining our software development capability and our implementation capacity. We therefore have a strong infrastructure already in place and from which we can meet future growth.

Cash balances at £404,000 are little changed from December 2007 with a net outflow of £14,000 for the six month period, again demonstrating the benefits of a revised and re-structured cost base.

Operating review

We continued to increase our HR.net customer base and during the period we added a further 40 HR.net clients compared to 48 in the whole of 2007. These contracts demonstrate the competitiveness of our product, increasing success in particular vertical markets, the strengths of HR.net in a multinational environment and the utilisation of HR.net by customers to optimise their workforce investment in a weakening economic climate. Many of these customer wins are against much larger competitors illustrating the growing acceptance of HR.net as a market-leading technology.

New clients during the period include Foster Wheeler, an international engineering services group with a six figure deal value. This significant contract again demonstrates the flexibility of HR.net in a multi-national environment. During the period we secured a number of other clients in the oil services sector including our first customer in Yemen. Savills, the UK's largest property management group, selected HR.net to manage their workforce administration and now 8 of the UK's top 20 property management companies now use HR.net to manage their workforce data.

We have added a number of new distribution partners and we have secured our first HR.net customer in New Zealand.

In the first half there has been a good performance from our consulting team. As well as improving management process, we have improved our client facing activities and consequently increased business from existing customers. Examples of this repeat business include a project from Digicel, who already use our technology in the Caribbean, to deploy HR.net in Fiji, and the development of a worldwide performance management solution for Aberdeen Asset Management.

In May we hosted our latest user group in London with over 150 attendees from 6 countries, again underling the strength of our products and demonstrating how technology can help with their HR requirements.

Our offshore operation in India continues to do well and we have paid particular attention to building our quality assurance experience to improve the speed at which we can develop software. The offshore consulting capability gives us significant consulting capacity at a lower cost than our competitors.

The software development teams have retained their Microsoft certification. Our HR.net product is built upon Microsoft technologies and as a consequence we seek to operate at a recognised level, Microsoft Certified Gold Partner, with particular expertise recognised in Custom Development Solutions. The development teams regularly release new versions of HR.net to reflect the changes in the core Microsoft technologies and also to improve and increase the functionality of our software.

My thanks go to all our staff, for their contribution towards these results.

Outlook

We go into the second half of 2008 with a stronger sales pipeline of prospective HR.net licence customers compared to last year. A number of these prospects are well known brand names in existing and new markets. Added to this, we have a growing pipeline of consulting business from existing customers and improved contracted support revenues from the growing HR.net user base.

Although the increased sales pipeline is very satisfactory, the Board recognise that there is a risk of customers deferring purchase decisions. However the sales pipeline combined with the cost reductions previously initiated give good grounds for confidence in a satisfactory result for the year.

Lord Sheppard of Didgimere
Chairman
15 September 2008

OneClickHR plc

CONSOLIDATED INTERIM INCOME STATEMENT
Unaudited results

	Note	Six months ended		Year to
		30 June 2008 £'000	30 June 2007 £'000	31 Dec 2007 £'000
Revenue	1	2,725	3,469	6,338
Cost of sales		(1,495)	(1,859)	(3,593)
Gross profit		1,230	1,610	2,745
Administrative expenses		(1,213)	(1,530)	(2,813)
Operating profit / (loss)	2	17	80	(68)
Finance income		6	10	22
Profit / (loss) before taxation		23	90	(46)
Income tax expense	3	(16)	-	-
Profit / (loss) for the period attributable to shareholders		7	90	(46)
Earnings / (loss) per ordinary share	4			
Basic		0.0p	0.1 p	(0.03)p
Diluted		0.0p	0.1 p	(0.03)p

The above results relate to continuing operations

CONSOLIDATED INTERIM STATEMENT OF RECOGNISED INCOME AND EXPENSE
Unaudited

	Six months ended		Year to
	30 June 2008 £'000	30 June 2007 £'000	31 Dec 2007 £'000
Currency translation differences	(77)	43	74
Net (losses) / profits recognised directly in equity	(77)	43	74
Net profit / (loss) for period	7	90	(46)
Total recognised income and expense for the period attributable to shareholders	(70)	133	28

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CONSOLIDATED INTERIM BALANCE SHEET
Unaudited

	Notes	30 June 2008 £'000	30 June 2007 £'000	31 Dec 2007 £'000
ASSETS				
Non-current assets				
Property, plant and equipment		173	175	217
Intangible assets		178	132	155
		351	307	372
Current assets				
Inventories		31	38	31
Trade and other receivables	5	1,969	2,096	1,969
Cash and cash equivalents		404	917	422
		2,404	3,051	2,422
LIABILITIES				
Current liabilities				
Trade and other payables	6	1,480	1,815	1,479
Current income tax liabilities		236	383	235
Total liabilities		1,716	2,198	1,714
TOTAL NET ASSETS				
		1,039	1,160	1,080
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	7	1,487	1,487	1,487
Share premium		10,922	10,922	10,922
Cumulative translation reserve		(37)	9	40
Retained earnings		(11,333)	(11,258)	(11,369)
TOTAL EQUITY		1,039	1,160	1,080

OneClickHR plc

CONSOLIDATED INTERIM CASH FLOW STATEMENT
Unaudited

	Note	Six months ended		Year to
		30 June 2008 £'000	30 June 2007 £'000	31 Dec 2007 £'000
Cash flows from operating activities				
Net cash inflows from operations	8	179	729	422
Net interest received		6	10	22
Taxation paid		(16)	-	-
Net cash from operating activities		169	739	444
Net cash outflows from investing activities				
Purchase of property, plant and equipment		(9)	(17)	(82)
Purchase of intangible assets		(8)	(39)	(35)
Capitalised development expenditure		(166)	(106)	(247)
Net cash used in investing activities		(183)	(162)	(364)
Net (decrease)/increase in cash and cash equivalents		(14)	577	80
Effects of exchange rate changes on cash and cash equivalents		(4)	2	4
Cash and cash equivalents at beginning of period		422	338	338
Cash and cash equivalents at end of period		404	917	422

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ACCOUNTING POLICIES

Basis of preparation

The Group has prepared its consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS'). Accordingly, this interim financial report for the period 1 January 2008 to 30 June 2008 has been prepared using accounting policies consistent with those which the Group expects to apply in the IFRS Annual Report and Accounts for the year ending 31 December 2008.

The accounting policies are based on the recognition and measurement principles of IFRS in issue and expected to be effective at 31 December 2008. IFRS currently in issue are subject to ongoing review and endorsement by the European Commission and are therefore subject to possible change. Further standards or interpretations may also be issued that could be applicable for the full year consolidated financial statements. These potential changes could result in the need to change the basis of accounting or presentation of certain financial information from that presented in this document.

The interim financial information has not been audited but has been reviewed under Bulletin 99/4 of the Auditing Practices Board. The above unaudited financial information does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. Statutory accounts for the year ended 31 December 2007, which included an unqualified auditors' report, have been filed with the Registrar of Companies.

In the light of the previous trading losses of the Group, the directors keep the going concern position under constant review by reference to the actual trading performance, the expected future trading performance and the sources of funding available to the Group. Accordingly the Group continues to adopt the going concern basis in preparing these financial statements.

This statement was approved by the directors on 15 September 2008.

Accounting policies

The principle accounting policies adopted by the Group are set out in the annual accounts for the year ended 31 December 2007. There have been no material changes in the period.

OneClickHR plc

NOTES TO THE FINANCIAL REPORT 30 June 2008

1 Segment reporting

The Group manages its operations on the basis of the products and services supplied to customers. It considers that the sale of software, its implementation and the subsequent customer support forms the major business segment. Other products and services include the provision of HR and Training services and the sale of business forms. The major business segment accounts for in excess of 90% of revenues, costs and assets. Accordingly the Group has not separately disclosed segmental information about its operations.

Geographically, the Group operates from offices in the UK and India, with a direct sales force based in the UK. Consequently the majority of sales are made to UK based customers, although these may be serviced by staff based both in the UK and India.

	Six months ended		Year to
	30 June	30 June	31 Dec
	2008	2007	2007
	£'000	£'000	£'000
Sales to external customers by location of customer			
United Kingdom	2,637	3,302	5,875
European Union (excluding UK)	57	96	236
Rest of the World	31	71	227
	2,725	3,469	6,338
Assets by geographic area			
United Kingdom	2,507	3,065	2,468
India	248	293	326
	2,755	3,358	2,794
Liabilities by geographic area			
United Kingdom	1,654	2,176	1,630
India	62	22	84
	1,716	2,198	1,714
Expenditure on property, plant, equipment and purchased software by geographic area			
United Kingdom	9	30	47
India	8	26	70
	17	56	117

2 Operating profit / (loss)

The following items have been charged/(credited) in arriving at operating profit / (loss):

	Six months ended		Year to
	30 June	30 June	31 Dec
	2008	2007	2007
	£'000	£'000	£'000
Foreign exchange differences	(42)	27	60
Depreciation of tangible assets	45	56	96
Amortisation of purchased software	10	21	23
Research and development expenditure			
Actual costs incurred	413	436	945
Amounts capitalised	(166)	(106)	(247)
Amortisation for period	139	93	206
Net amount charged to income statement	386	423	904

3 Income tax expense

The taxation charge for the period is based upon the estimated effective rate for the full year. During the period, the Group charged overseas taxes of £16,000 (2007: nil) to the income statement.

As the Group has tax losses of approximately £3.6m in the UK it is considered that no tax charge will arise for the period on UK operations. A deferred tax asset is not recognised in respect of the tax losses, as the Group cannot be certain that sufficient taxable profits will be generated to utilise the tax losses.

4 Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to shareholders of by weighted average number of ordinary shares in issue during the period.

Diluted earnings per share are calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period, adjusted to take account of the potential dilutive effect of outstanding share options. Share options are not considered dilutive where the exercise price is higher than the prevailing market price.

	Six months ended		Year to
	30 June	30 June	31st Dec
	2008	2007	2007
Profit attributable to shareholders (£'000)			
Profit / (loss) after tax	7	90	(46)
Weighted average number of shares ('000s)			
For basic earnings per share	148,760	148,760	148,760
Effect of potential dilutive share options	-	4,311	-
For diluted earnings per share	148,760	153,071	148,760

5 Trade and other receivables

	30 June 2008 £'000	30 June 2007 £'000	31 Dec 2007 £'000
Trade receivables	1,191	1,311	1,478
Accrued income	486	382	234
Other receivables and prepayments	292	403	257
	1,969	2,096	1,969

6 Trade and other payables

	30 June 2008 £'000	30 June 2007 £'000	31 Dec 2007 £'000
Trade payables	329	378	205
Accruals and other payables	275	497	325
Deferred income	876	940	949
	1,480	1,815	1,479

7 Statement of Changes in Equity

	Share capital	Share premium	Cumulative translation reserve	Retained earnings	Total Equity
	£'000	£'000	£'000	£'000	£'000
At 1 January 2007	1,487	10,922	(34)	(11,374)	1,001
Retained profit for the period	-	-	-	90	90
Currency translation differences	-	-	43	-	43
Total of recognised income and expense for the period	-	-	43	90	133
Share based payments				26	26
At 30 June 2007	1,487	10,922	9	(11,258)	1,160
Retained loss for the period	-	-	-	(136)	(136)
Currency translation differences	-	-	31	-	31
Total of recognised income and expense for the period	-	-	31	(136)	(105)
Share based payments				25	25
At 31 December 2007	1,487	10,922	40	(11,369)	1,080
Retained profit for the period	-	-	-	7	7
Currency translation differences	-	-	(77)	-	(77)
Total of recognised income and expense for the period	-	-	(77)	7	(70)
Share based payments	-	-	-	29	29
At 30 June 2008	1,487	10,922	(37)	(11,333)	1,039

8 Net cash flow from operations

Reconciliation of profit / (loss) after tax to cash generated from operations:

	Six months ended		Year to
	30 June	30 June	31 Dec
	2008	2007	2007
Profit / (loss) after tax	7	90	(46)
Net interest receivable	(6)	(10)	(22)
Amortisation and depreciation	194	170	325
Movements in inventories	-	4	11
Decrease in receivables	-	302	382
(Decrease) / increase in current liabilities	(61)	147	(279)
Tax charge for period	16	-	-
Share based payments	29	26	51
Net cash inflow from operations	179	729	422

9 Interim Report

Copies of the Interim Report will be available from the registered office and at the Group's website www.OneClickHRplc.com

Independent review report to OneClickHR plc

Introduction

We have been engaged by the company to review the financial information in the half-yearly financial report for the six months ended 30 June 2008 which comprises the consolidated interim income statement, consolidated interim balance sheet, consolidated interim statement of recognised income and expense, consolidated interim cash flow statement, accounting policies and related notes 1 to 9. We have read the other information contained in the half yearly financial report which comprises only the Chairman's statement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in ISRE (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the company those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusion we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The AIM rules of the London Stock Exchange require that the accounting policies and presentation applied to the interim figures are consistent with those which will be adopted in the annual accounts having regard to the accounting standards applicable for such accounts.

As disclosed in Accounting Policies, the annual financial statements of the group are prepared in accordance with the basis of preparation.

Our responsibility

Our responsibility is to express to the Company a conclusion on the financial information in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial information in the half-yearly financial report for the six months ended 30 June 2008 is not prepared, in all material respects, in accordance with the basis of accounting described in Accounting Policies.

GRANT THORNTON UK LLP
AUDITOR
Gatwick
15 September 2008