



Interim Results
for the six months ended 30 June 2009

Chairman's statement

I am delighted to report that in the period the Group has achieved record operating results. It has also completely revised its product range so that we can offer high quality modern software to organisations of all sizes.

Financial Review

Significant advances in revenue, profitability and cash generation have continued since our 2008 annual results. Revenue for the period was £3,258,000 (2008: £2,725,000) an increase of 20%. While sales from international markets are growing, doubling during the period, we believe the opportunity for further overseas business is substantial. In the period we announced our first customer contracts in North America and we are particularly encouraged by the progress of our business partners in this market. A specific version of HR.net Enterprise has been created to ensure that we meet user requirements in the US.

Some customers prefer to procure software on a SaaS (Software as a Service) basis. The Group has adapted to meet this challenge and as a consequence, revenues

earned from SaaS customers during the period exceeded those earned in the whole of 2008.

We have maintained our commitment to product development and as well as producing new functionality for HR.net Enterprise, in June 2009, we released our new products; HR.net Lite, HR.net Express and HR.net Professional; we anticipate these will contribute to future revenues.

Operating profit for the period at £355,000 substantially increased from £17,000 recorded for the comparative period last year. As further explained in note 4 of these accounts, exceptional costs of £83,000 were incurred from the launch of the new products. Had these costs not been incurred, our operating profit would have been in excess of £400,000.

Whilst direct costs increased to £1,611,000 (2008: £1,495,000) a large proportion of this were due to exceptional one-off costs involved in introducing the new products. Administrative costs were held at levels comparable with previous years whilst finance income fell; in spite of larger cash balances interest rates fell in comparison to last year.

Cash generation was very strong with a net inflow of £696,000 arising during the six month period (2008: outflow of £14,000). At 30 June 2009 total cash balances were £1,536,000 (30 June 2008: £404,000).

Operating review

The positive momentum we previously reported has continued. We are making good progress selling and implementing HR.net Enterprise to a wide range of customers who value the combination of powerful technology, high levels of functionality 'as standard' and our specialist knowledge of the HR field.

New customers during the period include financial services organisations, housing associations, architects, a major international charity and public sector organisations. Our expansion into overseas territories saw customers in the telecommunications, education and oil exploration sectors adopt our software.

The commonality of all these customers is their requirement to improve and more effectively deploy business processes relating to staff. HR.net Enterprise offers unparalleled flexibility to meet customer

requirements. This was recently recognised by Gartner; the world's leading information technology research and advisory company, who identified HR.net Enterprise as being particularly appropriate for multi-site organisations.

HR.net Enterprise differentiates itself from its tier 1 rivals in that it can be accessed by employees through a standard web browser in their local language, incorporate regional variations in business practices and still provide head office with global management information. The cost benefit advantages against these rivals further enhances the positioning of HR.net Enterprise.

Our new partners in Canada and North America have concluded their first HR.net Enterprise deals and are reporting strong interest from their respective markets. The strength of the North American market is such that we have invested in developing US-specific functionality within our standard product to incorporate federal data requirements. This was well received when it was released at the Society for HR Management (SHRM) trade show in New Orleans in June 2009.

Our development team were exceptionally busy during the period working on additional and improved HR functionality for version 4 of HR.net Enterprise, US-specific functionality and also our new family of products for organisations with simpler requirements. The HR.net Lite, HR.net Express and HR.net Professional product range is aimed at businesses with up to 400 employees. As part of our launch activity we distributed over 40,000 copies of HR.net Lite, a free to install product for small organisations.

Our professional services team continue to implement our solutions for new customers and to provide 'follow on' projects to customers in the areas of performance management, succession planning and remuneration management as well as other customer specific work.

The support team continues to expand as our customer base increases. Revision to our internal systems has led to greatly improved services for customers who want 24 hour access to the support team.

During the first half of the year we have also undertaken a number of internal initiatives that, although not directly customer facing, will drive future benefits.

Most notable of these was the securing of ISO 9001:2008 accreditation.

On behalf of the Board of Directors I thank all of our staff for their contribution towards what we have achieved in the first half of the current financial year:

Outlook

The economic backdrop in the UK continues to be unsettled and consequently budgets remain under pressure. Our approach of providing the highest levels of functionality combined with innovative technology enables us to maintain a competitive advantage in our market and will continue to win new business.

The introduction of our new entry level products means we now have a fully featured solution at every level of the market from SMEs to large complex enterprises. These products not only provide a migration path for existing customers on our older technologies but also supply competitive advantages on all pricing points. Financially these will help us maintain and build recurring revenue.

We continue to experience new client wins and our 'follow-on' consulting business from existing customers is increasing. The size and diversity of the customer base leads us to expect that this trend will continue. Furthermore, we will be introducing a substantial improvement in the functionality of 'e-recruitment'; creating opportunities for customers searching for the highest calibre candidates in the most effective way.

We go into the second half of 2009 with a strong sales pipeline of software licence opportunities in the UK, which has increased since the beginning of the year. Our focus for the next six months will be to ensure that we convert these opportunities to revenue generating sales. In addition we expect to see increasing sales from new geographic markets, in particular North America.

Lord Sheppard of Didgemere
Chairman
2 September 2009

Consolidated Income Statement

Unaudited

		Six months ended 30 June 2009 £'000	Six months ended 30 June 2008 £'000	Year to 31 Dec 2008 £'000
	Note			
Revenue	3	3,258	2,725	5,851
Cost of sales	4	(1,611)	(1,495)	(3,091)
Gross profit		1,647	1,230	2,760
Administrative expenses		(1,292)	(1,213)	(2,470)
Operating profit	5	355	17	290
Finance income		1	6	14
Profit before tax		356	23	304
Income tax expense	6	-	(16)	(24)
Profit for the period		356	7	280
Earnings / (loss) per ordinary share	7			
Basic		0.24p	0.0 p	0.19p
Diluted		0.23p	0.0 p	0.19p

Six months ended Six months ended Year to

Consolidated Statement of Comprehensive Income

Unaudited

	30 June 2009 £'000	30 June 2008 £'000	31 Dec 2008 £'000
Profit for the period	356	7	280
Other comprehensive income			
Currency translation differences	(59)	(77)	40
Total comprehensive income for the period	297	(70)	320

The above results relate to continuing operations

Profit and comprehensive income for the period is entirely attributable to the equity holders of OneClickHR plc.

Consolidated Statement of Financial Position

Unaudited

	Notes	30 June 2009 £'000	30 June 2008 £'000	31 Dec 2008 £'000
ASSETS				
Non-current assets				
Intangible assets		175	178	194
Property, plant and equipment		148	173	176
		323	351	370
Current assets				
Inventories		10	31	18
Trade and other receivables	8	1,792	1,969	2,025
Cash and cash equivalents		1,536	404	861
		3,338	2,404	2,904
LIABILITIES				
Current liabilities				
Trade and other payables	9	1,843	1,716	1,768
Current tax liabilities		37	-	37
Total liabilities		1,880	1,716	1,805
TOTAL NET ASSETS		1,781	1,039	1,469
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital		1,487	1,487	1,487
Share premium		10,922	10,922	10,922
Cumulative translation reserve		21	(37)	80
Retained earnings		(10,649)	(11,333)	(11,020)
TOTAL EQUITY		1,781	1,039	1,469

Consolidated Statement of Changes in Equity

Unaudited

	Share capital	Share premium	Cumulative translation reserve	Retained earnings	Total Equity
	£'000	£'000	£'000	£'000	£'000
Six Months ended 30 June 2009					
At 1 January 2009	1,487	10,922	80	(11,020)	1,469
Retained profit for the period	-	-	-	356	356
Currency translation differences	-	-	(59)	-	(59)
Total of comprehensive income for the period	-	-	(59)	356	297
Share based payments	-	-	-	15	15
At 30 June 2009	1,487	10,922	21	(10,649)	1,781
Six Months ended 30 June 2008					
At 1 January 2008	1,487	10,922	40	(11,369)	1,080
Profit for the period	-	-	-	7	7
Currency translation differences	-	-	(77)	-	(77)
Total of comprehensive income for the period	-	-	(77)	7	(70)
Share based payments	-	-	-	29	29
At 30 June 2008	1,487	10,922	(37)	(11,333)	1,039
Year ended 31 December 2008					
At 1 January 2008	1,487	10,922	40	(11,369)	1,080
Profit for the period	-	-	-	280	280
Currency translation differences	-	-	40	-	40
Total of comprehensive income for the period	-	-	40	280	320
Share based payments	-	-	-	69	69
At 31 December 2008	1,487	10,922	80	(11,020)	1,469

Consolidated Statement of Cash Flows

Unaudited

	Six months ended 30 June 2009 £'000	Six months ended 30 June 2008 £'000	Year to 31 Dec 2008 £'000
Cash flows from operating activities			
Profit after tax	356	7	280
Adjustments for:			
Amortisation and Depreciation	226	194	422
Share based payments	15	29	69
Taxation expense	-	16	24
Movements in inventories	8	-	13
Decrease in receivables	224	-	22
Increase / (decrease) in payables	56	(61)	64
Cash generated cash operations	885	185	894
Income taxes paid	-	(16)	(65)
Net cash from operating activities	885	169	829
Net cash flows from investing activities			
Purchase of property, plant and equipment	(24)	(9)	(42)
Purchase of intangible assets	(2)	(8)	(25)
Capitalised development expenditure	(163)	(166)	(338)
Net cash used in investing activities	(189)	(183)	(405)
Net increase/ (decrease) in cash and cash equivalents	696	(14)	424
Effects of exchange rate changes on cash and cash equivalents	(21)	(4)	15
Cash and cash equivalents at beginning of period	861	422	422
Cash and cash equivalents at end of period	1,536	404	861

Notes to the Consolidated Interim Financial Statements

I Nature of Operations and general information

OneClickHR plc and subsidiaries' (together 'the Group') principal activities are the development, sale, implementation, customisation and support of its software to enable organisations to effectively improve all aspects of their Human Resources (HR) requirements.

The Group operates from offices in the UK together with an office in India. The Group has a UK based sale force with a global network of business partners to support its sales in overseas territories.

OneClickHR plc is the Group's ultimate parent company. It is incorporated and domiciled in the UK and has its registered office (and principal place of business) at 2 Bromley Road, Beckenham, Kent, BR3 5JE. The shares of OneClickHR plc are listed on the Alternative Investment Market of the London Stock Exchange.

The financial information for the year ended 31 December 2008 set out in this interim report does not constitute statutory accounts as defined by section 240 of the Companies Act 1985. The Group's statutory financial statements for the year ended 31 December 2008 have been filed with the Registrar of Companies. The auditors report on those financial statements was unqualified and did not contain statements under Section 237(2) or Section 237 (3) of the Companies Act 1985.

These consolidated condensed interim financial statements (the interim financial statements) were approved for issue by the Board of Directors on 2 September 2009.

2 Basis of Preparation

The interim financial statements are for the six months ended 30 June 2009, have been presented in Pounds Sterling (£) the functional currency of the parents company and have been prepared under the historical cost convention. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2008.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

The interim financial statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements (for the year ended 31 December 2008) except for the adoption

of IAS 1 Presentation of Financial Statements (revised 2007), which have been prepared in accordance with IFRSs as adopted by the European Union.

The adoption of IAS 1 (Revised 2007) does not affect the financial position or profits of the Group, but gives rise to additional disclosures, primarily the introduction of two additional primary statements; the 'Statement of Comprehensive Income', and a 'Consolidated Statement of changes in Equity'.

In accordance with this standard, the Group does not present a 'Statement of Recognised Income and Expense' as it did in the 2008 consolidated financial statements.

The directors keep the going concern position of the Group under constant review by reference to the actual trading performance, the expected future trading performance and the sources of funding available. The directors believe it is appropriate to adopt the going concern basis in preparing these financial statements.

3 Segment reporting

The Group manages its operations on the basis of products and services supplied to customers. It considers that the sale of software, its implementation and the subsequent provision of customer support forms one business segment. This business segment represents in excess of 90% of revenues, costs and assets.

The Group operates from offices in the UK together with an office in India. The Group has a UK based sales force with a global network of business partners to support its sales in overseas territories. Customers may be serviced by staff from any of the Groups' offices.

	Six months ended 30 June 2009	Six months ended 30 June 2008	Year to 31 Dec 2008
Sales by location of customer	£'000	£'000	£'000
United Kingdom	3,021	2,637	5,743
Rest of the World	237	88	108
	3,258	2,725	5,851

	Six months ended 30 June 2009 £'000	Six months ended 30 June 2008 £'000	Year to 31 Dec 2008 £'000
Assets by geographic area			
United Kingdom	3,062	2,507	2,788
Rest of the World	599	248	486
	3,661	2,755	3,274
Liabilities by geographic area			
United Kingdom	1,712	1,654	1,670
Rest of the World	168	62	135
	1,880	1,716	1,805

4 Exceptional costs

Included within Cost of Sales are the following costs incurred by the Group in the development, production and distribution of its new products and entry into new markets. The costs below do not include any cost related to Group staff. The directors consider it appropriate to identify these exceptional costs as they are 'one-off' in nature and are material enough to affect the overall financial performance of the Group in these financial statements.

	Six months ended 30 June 2009 £'000	Six months ended 30 June 2008 £'000	Year to 31 Dec 2008 £'000
Development and marketing costs	83	-	-

5 Operating profit

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

	Six months ended 30 June 2009 £'000	Six months ended 30 June 2008 £'000	Year to 31 Dec 2008 £'000
Foreign exchange differences	(28)	(42)	23
Depreciation of tangible assets	44	45	95
Amortisation of purchased software	10	10	24

Included within cost of sales is expenditure on Research and Development associated with the Groups software products as follows:

Actual costs incurred	352	413	809
Amounts capitalised	(163)	(166)	(338)
Amortisation for period	172	139	303
Net amount charged to income statement	361	386	774

6 Income tax expense

The taxation charge for the period is based upon the estimated effective rate for the full year.

The Group has tax losses of approximately £8.2m. 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.

7 Earnings per share

Basic 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.

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 30 June 2009	Six months ended 30 June 2008	Year to 31st Dec 2008
Profit attributable to shareholders (£'000)			
Profit after tax	356	7	280

Weighted average number of shares ('000s)

For basic earnings per share	148,760	148,760	148,760
Effect of potential dilutive share options	3,196	-	618
For diluted earnings per share	151,956	148,760	149,378

8 Trade and other receivables

	30 June 2009 £'000	30 June 2008 £'000	31 Dec 2008 £'000
Trade receivables	1,253	1,191	1,161
Accrued income	142	486	513
Other receivables and prepayments	397	292	351
	1,792	1,969	2,025

9 Trade and other payables

	30 June	30 June	31 Dec
	2009	2008	2008
	£'000	£'000	£'000
Trade payables	299	329	140
Accruals and other payables	355	275	397
Payroll and sales taxes	254	236	279
Deferred income	935	876	952
	1,843	1,716	1,768

10 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 interim report for the six months ended 30 June 2009 which comprises the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and notes 1 to 10. We have read the other information contained in the interim report which comprises only the Chairman's statement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim report.

This report is made solely to the company in accordance with guidance contained in IRSE (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 interim report is the responsibility of, and has been approved by, the directors. The AIM rules of the London Stock Exchange requires that the accounting policies and presentation applied to the financial information in the interim report 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 note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The financial information in the interim report has been prepared in accordance with the basis of preparation in note 2.

Our responsibility

Our responsibility is to express to the company a conclusion on the financial information in the interim report based upon 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 interim report for the six months ended 30 June 2009 is not prepared, in all material respects, in accordance with the basis of accounting described in note 2.

GRANT THORNTON UK LLP
CHARTERED ACCOUNTANTS
Gatwick
2 September 2009

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