

OneClickHR plc
Consolidated Profit and Loss Account
for the Six Months to 30th June 2003

	Six Months to 30th June 2003 (unaudited)	Six Months to 30th June 2002 (unaudited) As restated	Year Ended 31st Dec 2002 (audited)
	£	£	£
Turnover	2,712,382	2,575,178	4,689,010
Cost of sales	(1,215,471)	(1,095,756)	(2,311,923)
Gross profit	<u>1,496,911</u>	<u>1,479,422</u>	<u>2,377,087</u>
Administrative expenses	(1,354,200)	(2,585,434)	(5,818,949)
Operating profit / (loss)	<u>142,711</u>	<u>(1,106,012)</u>	<u>(3,441,862)</u>
Interest receivable	2,928	15,800	33,003
Interest payable	(80,810)	(3,141)	(64,987)
Profit / (loss) on ordinary activities before taxation	<u>64,829</u>	<u>(1,093,353)</u>	<u>(3,473,846)</u>
Tax on loss on ordinary activities	-	-	(1,220)
Retained profit / (loss) for the period	<u>64,829</u>	<u>(1,093,353)</u>	<u>(3,475,066)</u>
Earnings / (loss) per ordinary share			
Basic and diluted	0.1 p	(2.0) p	(6.4) p

The above results relate entirely to continuing operations.

There are no recognised gains or losses other than the profit for the period and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year as stated above and their historical cost equivalents.

OneClickHR plc
Consolidated Balance Sheet
30th June 2003

	30th June 2003 (unaudited)	30th June 2002 (unaudited) As restated	31st Dec 2002 (audited)
	£	£	£
Fixed assets			
Intangible assets	560,820	531,778	600,899
Tangible assets	374,828	697,975	479,013
	<u>935,648</u>	<u>1,229,753</u>	<u>1,079,912</u>
Current assets			
Stocks	120,518	137,957	134,878
Debtors	1,379,209	2,658,693	1,670,616
Cash at bank and in hand	312,157	277,114	617,460
	<u>1,811,884</u>	<u>3,073,764</u>	<u>2,422,954</u>
Creditors - amounts falling due within one year	(1,499,233)	(1,752,857)	(2,362,258)
Net current assets	<u>312,651</u>	<u>1,320,907</u>	<u>60,696</u>
Total assets less current liabilities	1,248,299	2,550,660	1,140,608
Creditors - amounts falling due after more than one year	(604,168)	-	(561,306)
Provisions for liabilities and charges	-	(8,618)	-
Net assets	<u>644,131</u>	<u>2,542,042</u>	<u>579,302</u>
Capital and reserves			
Called up share capital	557,060	542,060	557,060
Share premium account	7,694,281	7,595,681	7,694,281
Other reserves	656,645	160,039	656,645
Profit and loss account	(8,263,855)	(5,755,738)	(8,328,684)
Equity shareholders' funds	<u>644,131</u>	<u>2,542,042</u>	<u>579,302</u>

OneClickHR plc
Consolidated Cash Flow Statement
for the Six Months to 30th June 2003

	Six Months to 30th June 2003 (unaudited)	Six Months to 30th June 2002 (unaudited) As restated	Year Ended 31st Dec 2002 (audited)
	£	£	£
Net cash outflow from operating activities	(54,021)	(587,414)	(1,134,778)
Returns on investments and servicing of finance			
Interest received	2,928	15,800	33,003
Interest paid	(18,308)	(2,536)	(32,701)
Interest element of finance lease payments	(519)	(605)	(1,037)
Taxation			
Corporation tax paid	-	-	(1,220)
Corporation tax recovered	-	-	20,621
Capital expenditure and financial investment			
Proceeds on disposal of tangible fixed assets	-	-	83,352
Payments to acquire tangible fixed assets	(29,040)	(63,596)	(156,264)
Acquisitions and Disposals			
Purchase of subsidiary - deferred consideration	(200,112)	(89,914)	(395,013)
Cash acquired with subsidiary	-	-	-
Net cash outflow before use of liquid resources and financing	<u>(299,072)</u>	<u>(728,265)</u>	<u>(1,584,037)</u>
Management of liquid resources			
(Increase) / decrease in short term deposits with banks	(115,153)	-	65,613
Financing			
Issue of ordinary shares	-	427,350	592,350
Issue of warrants	-	-	489,583
Issue of loan stock	-	-	510,417
Share issue costs	-	(15,783)	(67,183)
Director's loan	-	-	50,000
Capital element of finance lease payments	(6,231)	(4,793)	(5,828)
(Decrease) / increase in cash	<u>(420,456)</u>	<u>(321,491)</u>	<u>50,915</u>

Reconciliation of Net Cash Flow to Movement in Net (Debt) / Funds

	£	£	£
(Decrease) / increase in cash	(420,456)	(321,491)	50,915
Increase / (decrease) in short term deposits with banks	115,153	-	(65,613)
Loan stock	(62,502)	-	(541,666)
Director's loan	-	-	(50,000)
Capital element of finance lease payments	6,231	4,793	5,828
Net (debt) / funds as at 1st January	19,044	619,580	619,580
Net (debt) / funds at end of period	<u>(342,530)</u>	<u>302,882</u>	<u>19,044</u>

OneClickHR plc
Notes to the financial information

	Six Months to 30th June 2003 (unaudited)	Six Months to 30th June 2002 (unaudited) As restated	Year Ended 31st Dec 2002 (audited)
	£	£	£
Net Cash Flow from Operating Activities			
Operating profit / (loss)	142,711	(1,106,012)	(3,441,862)
Depreciation charges	133,224	176,096	329,322
Loss on disposal of fixed assets	-	-	11,398
Amortisation	40,079	50,223	125,855
Decrease / (increase) in stocks	14,360	18,079	21,158
Decrease / (increase) in debtors	291,407	727,125	1,694,582
(Decrease) / increase in creditors	(675,802)	(475,347)	126,364
(Decrease) / increase in other reserves and provisions	-	22,422	(1,595)
	<u>(54,021)</u>	<u>(587,414)</u>	<u>(1,134,778)</u>
Segmental Information			
	£000	£000	£000
Geographical Segment Information - Turnover			
United Kingdom	2,582	2,474	4,405
European Union	41	32	150
Rest of World	89	69	134
	<u>2,712</u>	<u>2,575</u>	<u>4,689</u>

Retained profit / (loss) for the period

Notes to the financial information

Notes:

1. **Basis of preparation**

The interim financial information has been prepared on the basis of accounting policies set out in the Report & Accounts for the year ended 31st December 2002 and the board's recommendation that shareholders approve external investment in the Group of £625,000 (through a further issue of loan stock supported by warrants).

No provision for taxation is required as tax losses brought forward will be utilised. The deferred tax asset in relation to these losses has not been recognised in accordance with the Group's stated accounting policy.

2. **Non statutory accounts**

These statements do not constitute statutory financial statements within the meaning of s240 of the Companies Act 1985. The comparative figures for the year ended 31st December 2002 are an abridged statement of the full financial statements for that period which have been delivered to the Registrar of Companies and on which the auditors made an unqualified report. Financial statements for the six months to 30th June 2003 will not be filed.

3. **2002 Restated**

Comparative figures for June 2002 have been restated in line with the changes in accounting policy detailed in the Group's financial statements for December 2002.

4. **Basis of consolidation of goodwill**

These statements consolidate the accounts of the company and all its subsidiaries. Results of subsidiary undertakings acquired are consolidated from the date on which control passes. Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired, and is capitalised and amortised over its estimated economic life.

5. **Earnings per share**

The calculation of earnings per 1p ordinary share is based upon the profit after tax for the period of £ 64,829 for the six months ended 30th June 2003; (loss of £ 1,093,353 for the six months ended 30th June 2002 as restated), and the weighted average number of shares in issue during the period of 55,706,000 (53,400,000 for the six months ended 30th June 2002).

6. **Copies of this statement will be sent to all shareholders and are available from the company's registered office.**

Independent review report to OneClickHR plc

Introduction

We have been instructed by the company to review the financial information which comprises the profit and loss account, the balance sheet, the cash flow statement and the related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30th June 2003.

PricewaterhouseCoopers LLP
Chartered Accountants
Maidstone
17th September 2003