

**OneClickHR plc
(The "Group")**

Interim results for the six months ended 30 June 2006

Chairman's Statement

Financial review

In my last statement to shareholders I highlighted that we were continuing to increase the number of significant organisations who were using HR.net as a key part of their internal systems. I pleased to say that this trend has continued.

Turnover increased by 6% compared to the same period last year and continued to operate with a gross profit margin in excess of 50%. This masks a larger percentage increase in HR.net licence and service revenues. We incurred a loss before tax of £80,000 for the period, down from £136,000 in the same period last year.

Administrative expenses have increased by 7% compared to the same period last year, but only 3% on an annualised basis compared with the year ended 31 December 2005 as we scale our infrastructure to accommodate our next phase of growth.

Operating review

We have continued to add significant new clients making particular inroads in the Financial Services, Legal and Property Management sectors. During the first half of the year new HR.net customers included Aberdeen Asset Management, Avis, Regus and Accident Exchange. In total we have added 20 new HR.net customers in the six months to the end of June (compared to 20 in all of 2005). During the first half we also concluded our negotiations with Ceridian, the payroll and HR services company, resulting in a licensing agreement whereby they will sell HR.net into their significant customer base in the UK with the potential to expand into the USA and Canada.

Our commitment to invest in our software continues and we are just completing the next scheduled release of HR.net . We have expanded development capacity in Chennai where we are improving our programming methodologies and knowledge base to help us deliver ever improving products.

We are also investing in our HR.net implementation consultancy team. The role requires a detailed understanding of our product, technical ability and just as importantly an ability to understand and improve the processes operated by our clients. The team are busy and we have been very successful in securing additional consultancy after the initial implementation of HR.net. As a result we have increased the number of consultants through our Chennai operation which will allow us to deliver on contracts expected in the months ahead.

Outlook

Our main priority for the second half of 2006 will be to ensure we increase our sales momentum and sales force productivity. In support of this, our new Head of Sales is now in place. However, sales cycles, particularly on larger requirements are longer than previously expected due to protracted decision making by clients when purchasing enterprise wide HR software. Forecasting precise closure times with these larger customers is difficult. These factors combined with continued investment in our sales organisation and process will reduce our expectations for the second half performance but will establish a good foundation for 2007.

We had a successful HR software show, the industry's main exhibition, in late June and this is providing us with our direct sales opportunities for the remainder of this year and into 2007. We expect a number of contract wins from our HR.net channel partners in the second half and we will continue to build this indirect sales channel in the UK and overseas.

**Lord Sheppard of Didgemere
Chairman
27 September 2006**

OneClickHR plc
Consolidated Profit and Loss Account
for the Six Months to 30th June 2006

	Note	Six months ended		Year ended
		30th June 2006 (unaudited) £'000	30th June 2005 (unaudited) £'000	31st Dec 2005 (audited) £'000
Turnover		2,955	2,786	5,920
Cost of sales		(1,460)	(1,459)	(2,843)
Gross profit		1,495	1,327	3,077
Administrative expenses	2	(1,575)	(1,476)	(3,047)
Operating (loss) / profit		(80)	(149)	30
Net interest receivable		10	13	28
(Loss) / profit on ordinary activities before taxation		(70)	(136)	58
Tax on loss on ordinary activities	3	-	(4)	6
(Loss) / profit for the period		(70)	(140)	64
(Loss) / earnings per ordinary share				
Basic and diluted	4	(0.05) p	(0.09) p	0.04p

The above results relate entirely to continuing operations.

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

Statement of total recognised gains and losses
for the Six Months to 30th June 2006

Loss for the period	(70)	(140)	64
Exchange difference on foreign currency net investments	(24)	32	43
Total recognised losses during the period	(94)	(108)	107

OneClickHR plc
Consolidated Balance Sheet
30th June 2006

		30th June 2006	30th June 2005	31st Dec 2005
	Note	(unaudited) £'000	(unaudited) £'000	(audited) £'000
Fixed assets				
Intangible assets		-	9	-
Tangible assets		271	176	198
		<hr/> 271	185	198
Current assets				
Stocks		48	56	48
Debtors	5	2,395	1,306	1,968
Cash at bank and in hand		90	1,026	650
		<hr/> 2,533	2,388	2,666
Creditors				
Amounts falling due within one year	6	(1,572)	(1,480)	(1,538)
		<hr/> 961	908	1,128
Net current assets				
		<hr/> 1,232	1,093	1,326
Net assets				
Capital and reserves				
Called up share capital		1,487	1,487	1,487
Share premium account		10,922	10,904	10,922
Other reserves		167	167	167
Profit and loss account		(11,344)	(11,465)	(11,250)
		<hr/> 1,232	1,093	1,326
Equity shareholders' funds				

OneClickHR plc
Consolidated Cash Flow Statement
for the Six Months to 30th June 2006

	Note	Six months ended		Year ended
		30th June 2006 (unaudited) £'000	30th June 2005 (unaudited) £'000	31st Dec 2005 (audited) £'000
Net cash outflow from operating activities	7	(402)	(176)	(529)
Returns on investments and servicing of finance				
Interest received		10	13	28
Taxation				
Corporation tax paid		-	(5)	(20)
Corporation tax recovered		-	-	26
Capital expenditure				
Proceeds on disposal of tangible fixed assets		-	2	9
Payments to acquire tangible fixed assets		(152)	(14)	(105)
Net cash outflow before use of liquid resources and financing		(544)	(180)	(591)
Management of liquid resources				
Decrease / (increase) in short term deposits with banks		541	(43)	306
Financing				
Share issue costs refunded		-	-	18
Increase / (decrease) in cash		(3)	(223)	(267)
Reconciliation of net cash flow to movement in net funds				
Increase / (decrease) in cash		(3)	(223)	(267)
(Decrease) / Increase in short term deposits with banks		(541)	43	(306)
Change in net funds resulting from cash flows		(544)	(180)	(573)
Exchange adjustments		(16)	24	41
Decrease in net funds		(560)	(156)	(532)
Net funds at 1st January		650	1,182	1,182
Net funds at end of period		90	1,026	650

Notes to the financial information

1. Basis of preparation

This interim report has been prepared using the accounting policies as set out in the annual report and accounts for the year ended 31 December 2005. This report is unaudited, but has been reviewed by the auditors and their independent review report is set out on page 7.

The comparative figures for the financial year ended 31 December 2005 have been extracted from the statutory accounts that have been delivered to the Registrar of Companies and carried an unqualified audit report and did not contain a statement under section 237(2) or (3) of the Companies Act 1985. The interim report and accounts are not full accounts within the meaning of section 240 of the Companies Act 1985.

2. Administrative expenses

Included within administrative expenses are the following amounts

	<u>Six months ended</u>		<u>Year ended</u>
	<u>30th June</u>	<u>30th June</u>	<u>31st Dec</u>
	<u>2006</u>	<u>2005</u>	<u>2005</u>
	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Depreciation	71	65	119
Amortisation	-	9	18

3. Taxation

The group has tax losses of approximately £3.6m. A deferred tax asset has not been recognised, as the group cannot be certain that the companies with the accumulated tax losses will generate sufficient future taxable profits in order to utilise the tax losses.

4. (Loss) / earnings per share

The basic earnings per share is calculated on the profit after tax for the period divided by the weighted average number of ordinary shares in issue for the period.

The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue for the potential dilutive effect of share options. When the share option exercise price is above the current share price, the share options are considered not to have a dilutive effect on the earnings per share.

	<u>Six months ended</u>		<u>Year Ended</u>
	<u>30th June</u>	<u>30th June</u>	<u>31st Dec</u>
	<u>2006</u>	<u>2005</u>	<u>2005</u>
	<u>(unaudited)</u>	<u>(unaudited)</u>	<u>(audited)</u>
Weighted average number of shares			
For basic earnings per share	148,760,100	148,760,100	148,760,100

5. Debtors

	Six months ended		Year ended
	30th June 2006 (unaudited) £'000	30th June 2005 (unaudited) £'000	31st Dec 2005 (audited) £'000
Trade debtors	1,282	987	1,192
Other debtors	106	67	110
Prepayments and accrued income	1,007	252	666
	2,395	1,306	1,968

6. Creditors

	Six months ended		Year ended
	30th June 2006 (unaudited) £'000	30th June 2005 (unaudited) £'000	31st Dec 2005 (audited) £'000
Trade creditors	364	431	279
Taxation and social security	218	182	320
Other creditors	82	116	70
Accruals and deferred income	908	751	869
	1,572	1,480	1,538

7. Net Cash Flow from Operating Activities

	Six months ended		Year ended
	30th June 2006 (unaudited) £'000	30th June 2005 (unaudited) £'000	31st Dec 2005 (audited) £'000
Operating (loss) / profit	(80)	(149)	30
Depreciation charges	71	65	119
Profit on disposal of fixed assets	-	(2)	(2)
Amortisation	-	9	18
Decrease / (increase) in stocks	-	18	26
(Increase) / decrease in debtors	(427)	194	(467)
Increase / (decrease) in creditors	34	(311)	(253)
	(402)	(176)	(529)

Copies of this statement will be sent to shareholders and are available from the company's registered office and also from www.OneClickHRplc.com

Independent review report to OneClickHR plc

Introduction

We have been instructed by the company to review the financial information for the six months ended 30 June 2006 which comprises summarised profit and loss account, statement of total gains and losses, summarised balance sheet information as at 30 June 2006, summarised cash flow statement, comparative figures and associated 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 Alternative Investment Market rules which require that 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.

This interim report has been prepared in accordance with the basis set out in Note 1.

The maintenance and integrity of the OneClickHR plc web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the web site.

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 management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the disclosed accounting policies have been applied. 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 and therefore provides a lower level of assurance. Accordingly we do not express an audit opinion on the financial information. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Listing Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 30 June 2006.

PricewaterhouseCoopers LLP
Chartered Accountants
Gatwick
27 September 2006