

OneClickHR plc**Preliminary results for the year ended 31 December 2005****Chairman's statement****Review of the Business**

We have completed a successful year in which the Group moved from loss making to breakeven. This transition was largely due to the success of HR.net, our enterprise level solution.

Financial review

The Group has made a small profit of for the year 31 December 2005 of £64,000 (2004: loss £1,589,000). This is a significantly improved result compared to previous years. Turnover for the year was up by 24% and the gross margin has increased from 34% to 52%. This combined with our efforts to control overhead costs, which have decreased by 9%, improved our trading position. All development expenditure continues to be expensed as incurred.

The move in our product range to address the needs of large organisations has meant a change in our working capital position and a reduction in cash balances. Large implementations are more likely to have extended time and payment profiles. The group seeks to minimise the impacts of these, by obtaining payments throughout the life of the project. A benefit of dealing with larger organisations is that they generally improve the credit profile of the amounts due to the group.

Operating review

Through 2005 HR.net has demonstrated that it is an extremely competitive product. This is evidenced by the fact that we added the following significant companies as HR.net users; Honda, FTSE, Hilton Hotels, Herbert Smith, Williams Lea and King Sturge. During the period we also secured our first overseas customers for HR.net and these included East Caribbean Development Bank, World Vision and DigiCell. Another significant development was the fact we also signed our first public sector clients - the NHS Central Purchasing Agency and the NHS Trust in Dumfries and Galloway. During 2005 we recruited our first channel partners to resell HR.net and these partners delivered their first HR.net clients in 2005 including Amnesty International and Jersey Telecom.

Licence revenue for the HR.net software ranges from £30,000 for new clients and in some large users is significantly more. Clients also purchase consultancy and implementation services to help them configure the software to meet their own specific needs. There is a growing trend whereby existing HR.net clients purchase further consultancy services from us. For example at De La Rue we further configured HR.net to develop a worldwide ideas management system, My Contribution. This activity demonstrates the powerful document management and workflow functionality that we have built into the system as standard.

Consultancy and training on our own products remains an important and growing part of our business. In mid 2005 we recruited our first Indian HR.net consultants and expanded the range of services offered from our Chennai base. Our ultimate aim is to have an offshore centre providing development, implementation and support for all our services. To prepare for this we made the decision to move into a new office in Chennai giving us increased capacity to accommodate HR.net consultants and developers.

Although the HR.net product is seen by us as being the key product for the success of the group, we continue to invest in all our software products, with functionality and upgrades being added to many.

Change of Name

As reported last year, the shareholders approved a change of name to Vizual Software plc. However in the period between the issuing of the AGM notice and the meeting, another company (not under our control) was incorporated with the same name. The Registrar of Companies, correctly, refused our application for a change of name. It is our intention to rename the business after this years AGM to Vizual plc

Outlook for 2006

We continue to invest in our software products. With particular emphasis on HR.net, we plan to expand our development and technical centre in Chennai, which continues to provide us with a high quality service and a considerable price advantage. This will increase skills, capability and capacity in our implementation and support teams. Within the UK, we are looking at how best to increase our sales penetration using both our direct sales force and the third party dealers who we support.

We come into 2006 with a solid sales momentum for both HR.net licence and consulting revenue. The biggest challenge we face is due to the longer sales cycle of the larger deals which constitute HR.net, however our recurring revenue is continuing to build, reflecting the increasing number of significant customers.

Lord Sheppard of Didgemere
Chairman

**Consolidated profit and loss account
for the year ended 31st December 2005**

	Unaudited 2005 £	Audited 2004 £
Turnover	5,919,811	4,764,879
Cost of sales	(2,843,004)	(3,127,743)
Gross profit	3,076,807	1,637,136
Administrative expenses	(3,046,833)	(3,361,104)
Operating profit / (loss)	29,974	(1,723,968)
Interest receivable	27,750	40,274
Interest payable and similar charges	(102)	(61,510)
Profit / (loss) on ordinary activities before taxation	57,622	(1,745,204)
Tax on profit / (loss) on ordinary activities	6,035	155,820
Profit / (loss) for the financial year	63,657	(1,589,384)
Basic loss and diluted earnings / (loss) per share	0.04p	(1.3p)

**Statement of total recognised gains and losses
for the year ended 31st December 2005**

	2005 £	2004 £
Profit / (loss) for the financial year	63,657	(1,589,384)
Exchange differences on foreign currency net investments	43,468	(820)
Total profit / (loss) recognised during the year	107,125	(1,590,204)

Consolidated balance sheet as at 31st December 2005

	Unaudited 2005 £	Audited 2004 £
Fixed assets		
Intangible assets	-	17,733
Tangible assets	198,195	217,477
	198,195	235,210
Current assets		
Stocks	48,432	74,311
Debtors	1,967,653	1,500,385
Cash at bank and in hand	650,120	1,182,352
	2,666,205	2,757,048
Creditors: amounts falling due within one year	(1,538,234)	(1,791,404)
Net current assets	1,127,971	965,644
Total assets less current liabilities	1,326,166	1,200,854
Creditors: amounts falling due after more than one year	-	-
Net assets	1,326,166	1,200,854
Capital and reserves		
Called up share capital	1,487,601	1,487,601
Share premium account	10,921,689	10,903,502
Other reserves	167,062	167,062
Profit and loss account	(11,250,186)	(11,357,311)
Equity shareholders' funds	1,326,166	1,200,854

**Consolidated statement of cash flows
for the year ended 31st December 2005**

	Unaudited 2005 £	Audited 2004 £
Net cash outflow from operating activities	(529,444)	(1,428,708)
Returns on investments and servicing of finance		
Interest received	27,750	40,274
Interest paid	(102)	(61,510)
Net cash inflow / (outflow) on investments and servicing of finance	27,648	(21,236)
Taxation		
Corporation tax paid	(19,644)	(945)
Corporation tax recovered	25,679	156,765
	6,035	155,820
Capital expenditure		
Proceeds on disposal of tangible fixed assets	8,986	9,121
Payments to acquire tangible fixed assets	(104,418)	(132,579)
	(95,432)	(123,458)
Net cash outflow before use of liquid resources and financing	(591,193)	(1,417,582)
Management of liquid resources		
Decrease / (increase) in short term deposits with banks	306,279	(548,777)
Financing		
Issue of ordinary share capital	-	2,400,000
Issue of warrants	-	-
(Repayment) / issue of loan stock	-	(150,000)
Share issue costs refunded / (paid)	18,187	(196,836)
Net cash inflow from financing	18,187	2,053,164
(Decrease) / increase in cash	(266,727)	86,805

Reconciliation of operating loss to net cash outflow from operating activities

	2005 £	2004 £
Operating profit / (loss)	29,974	(1,723,968)
Depreciation charge	119,171	194,528
(Profit) / loss on disposal of fixed assets	(1,763)	(3,663)
Amortisation and impairment	17,733	59,824
Decrease in stocks	25,879	14,035
(Increase) / decrease in debtors	(467,268)	(219,449)
(Decrease) / (increase) in creditors	(253,170)	254,785
Decrease in other reserves and provisions	-	(4,800)
Net cash outflow from operating activities	(529,444)	(1,428,708)

Analysis of changes in net funds / (debt)

	At 31 December 2004	Cash flow £	Non-cash items £	Exchange movements £	At 31 December 2005
Cash at bank and in hand	265,813	(266,727)	-	40,774	39,860
Bank deposits	916,539	(306,279)	-	-	610,260
Net funds / (debt)	1,182,352	(573,006)	-	40,774	650,120

1. Notes

The results were approved by the Board on 7 July 2006 and relate entirely to continuing operations.

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

The directors do not recommend the payment of a dividend (2004:£nil).

2. Nature of financial information

The financial information has been prepared on the basis of the accounting policies set out in the group's 2004 published accounts. With effect from 31 December 2005 the company has adopted a new accounting standard, FRS 21 Events after the balance sheet date, in preparing its financial statements. The adoption of this standard represents a change in accounting policy but it has no impact on the current or prior year figures.

The financial information set out above, which is presently unaudited, does not constitute the group's statutory accounts for the year ended 31st December 2005. Statutory accounts for 2004 have been filed with the Registrar of Companies, whereas those for 2005 will be delivered following the company's Annual General Meeting. The company's auditors, PricewaterhouseCoopers LLP, gave an unqualified opinion on the 2004 accounts in accordance with section 235 of the Companies Act 1985, and the financial information for the year ended 31st December 2004 is derived from those accounts.

The unaudited group results incorporate the unaudited results of the company and all its subsidiaries for the year ended 31st December 2005. In accordance with s240(3) of the Companies Act 1985, such unaudited results do not constitute financial statements of the group or of the company.

In the light of the previous trading losses of the group, the directors keep the going concern position of the group under constant review. The directors have considered the prospects of the group by reference to anticipated levels of future business and the cashflows associated with that business. Whilst the directors have every confidence in their forecasts, such estimates can be influenced by external events

The directors have a number of sources of funding available in the event of a shortfall in cashflow generated by failing to meet the expected levels. These facilities include an existing bank overdraft facility of £150,000 (which to date has been unused) and a factoring facility of up to £500,000 that can be activated at short notice.

Accordingly, the directors are satisfied that the group has adequate cash resources available to it to continue in business for the foreseeable future and for this reason they continue to adopt the going concern basis in preparing the financial statements.

3. Segmental information

An analysis of turnover by geographical market is given below:

	2005	2004
	£'000	£'000
Geographical analysis		
United Kingdom	5,639	4,612
European Union (excluding UK)	60	46
Rest of the World	221	107
Total	5,920	4,765

An analysis of turnover, profit/(loss) before tax and net assets by origin is given below:

	Turnover		Profit/(loss) before tax		Net assets / (liabilities)	
	2005	2004	2005	2004	2005	2004
	£'000	£'000	£'000	£'000	£'000	£'000
UK	5,920	4,765	167	(1,823)	1,182	675
India	-	-	(109)	78	144	526
Total	5,920	4,765	58	(1,745)	1,326	1,201

4. Loss per share

The basic profit / (loss) per ordinary share is based on the profit after tax of £63,657 (2004: loss after tax £1,589,384) and on 148,760,100 ordinary shares (2004: 122,673,176 ordinary shares) being the weighted average number of ordinary shares in issue during the year.

Diluted profit / (loss) per share is calculated by adjusting the weighted average number of ordinary shares in issue for the dilutive effect of options. Currently there are no share options that have any value, in all cases the option price is below the current market price. Consequently the share options have no dilutive effect on the earnings per share.

5. Taxation

The group has significant tax losses arising from prior periods. The deferred tax asset in relation to these losses has not been recognised in accordance with the group's stated accounting policy.

The group recognises tax credits in relation to research and development where the amount is certain. Foreign taxes are recognised during the period to which they relate.

6. Report and Accounts

A copy of this preliminary announcement is available from the Company Secretary at 2, Bromley Road, Beckenham, BR3 5JE, tel 0844 770 0250 and also www.oneclickhrplc.com

The Report and Accounts, containing the notice of the AGM, will be posted to shareholders shortly and will also be available from the Company's Registered Office.