



Under embargo until 7:00am

12 August 2009

**@UK PLC**  
**(“@UK” or the “Company”)**

**Unaudited Interim Results for the six months ended 30 June 2009**

@UK PLC (AIM:ATUK.L), a provider of spend analysis, eCommerce and eProcurement software solutions that combine into a comprehensive eMarketplace used by government, health and private sectors, today announces its unaudited interim results for the six months ended 30 June 2009.

**Highlights:**

- Revenue up from £1,078,000 to £1,226,000 – a 14% increase
- Costs reduced from £1,396,000 to £ 1,340,000 – a 4% reduction
- Adjusted loss before tax down from £593,000 to £415,000 – a 30% reduction
- Gross Margin up from 72% to 75%
- Placing of new shares raising £198,000 after expenses
- Period end cash £ 413,000 (31 December 2008: £553,000 )
- Announcement of new initiative with Barclaycard Commercial

Commenting on the results, Ronald Duncan, Chairman said:

“2009 has started to deliver some of the long promised results for @UK and with its strategy and business structure in place this can continue. Based on the achievements so far this year the Board is confident in @UK’s future.”

**For further information please contact:**

**@UK PLC**

Ronald Duncan

**+44 (0) 118 963 7000**

**Beaumont Cornish Limited**

Roland Cornish

**+44 (0) 20 7628 3396**

**Notes to Editors**

@UK PLC is a leading UK electronic marketplace provider, that has formed over 180,000 companies using its SiteGenerator ecommerce engine and is providing ecommerce to NHS Suppliers as part of NHS Cat with NHS Supply Chain. @UK PLC’s SiteGenerator ecommerce allows suppliers to trade with all major finance systems, @UK PLC’s marketplace and other leading marketplaces.

@UK PLC has an OGC Buying Solutions framework contract for the provision of its new Spend Analysis services.

@UK's software provides a secure internet eMarketplace enabling buyers such as local authorities, schools and hospitals to buy online from commercial suppliers ranging from large corporations to small to medium enterprises (SMEs). This allows buying and selling to take place with no paperwork and transposition reduced chance of errors, achieving major savings throughout the supply chain. @UK PLC also offers services to new businesses, including incorporation, company secretarial services and filing annual returns.

@UK is included in the Software and Computer Services Sector (9530). For further information please visit [www.uk-plc.net](http://www.uk-plc.net).

## **CHAIRMAN'S STATEMENT**

### **Summary**

2009 has started to deliver some of the long promised results for @UK and with its strategy and business structure in place this can continue.

### **Financial results**

Revenue for the six months to 30 June 2009 increased 14% to £1,226,000 (2008: £1,078,000), reflecting the commencement of our Spend Analysis service.

The operating loss was £460,000 (2008: £706,000). After net interest income of £3,000 (2008: £32,000), the loss before tax was £457,000, compared to £674,000 in 2008. During the six months our cash reduced by £140,000 to £413,000 (2008: reduction of £602,000). The loss before tax and cash outflow from operating activities in the first half were both substantially reduced from the levels in the second half of 2008, by 46% and 49% respectively, as the benefits of cost reductions flowed through.

### **Operational and Performance Review**

My primary focus over the last 6 months has been to create a lean & effective company with a clear strategic direction. I wanted to ensure that everyone at @UK plc knows what they have to do to deliver for our customers. This focus is now starting to deliver results.

We believe we have a great software solution but have been hampered in realising our potential by, we believe, negative customer perception of marketplace solutions generally, many of which are sunset products. Working closely with our target customers, our Business Development Team has been changing this perception. We have been assisted in this by the ease of use and reliability of our systems, which have exceeded our SLA levels in the first half year, with no recorded downtime on our front end web servers.

In the NHS we have been focusing on implementations through to e-invoicing at a number of NHS Trusts across the UK. We can then build on these implementations through the Channel Marketing strategy, where we are starting to see the benefits of the Barclaycard/@UK joint product launch and NHS Supply Chain joint promotional activity.

In the period we also showcased our solutions at National Social Service Conferences. The boundary between Health and Local Government is changing as NHS Primary Care Trusts and Local Authorities increase their collaboration. Our work in Social Services and our positioning as the only leading marketplace in these two sectors leaves us well placed to take advantage of these changes and to support the move to Patient Centric Budgets. Because of our work in the NHS and our inclusion within the NHS secure network (N3) we can hold patient data, equally with our banking relationships we can provide facilities for the secure and controlled management of patients budgets across different agencies.

Our R&D Team has continued to enhance SpendInsight, our Spend Analysis solution. SpendInsight provides detailed product item information through a fully automated Artificial Intelligence engine. This significantly reduces the cost and time to produce the information, differentiating our solution in the market. As one of only 8 suppliers on the OGC Buying Solutions Framework and with The London Procurement Programme as our launch customer this product is already proving a example of @UK's ability to design, develop and deliver innovation.

### *Company Formations*

The overall company formation market was down in the first half, with 4% fewer companies incorporated than in the same period last year. Given this, we believe the 2% fall in revenues in our Company Formation business was a commendable result. It was helped by the fact that a significant proportion of our revenues come from associated services such as registered office. There are signs that the fall in the overall market has ended with small year on year increases in the number of

companies formed in May and June. We are working on a new website for our Company Formations Business to improve its marketing.

#### *Strategy*

Our strategy now is to focus on our core technical strength and to use channel partners to take our products to market. NHS Supply Chain and Barclaycard Commercial provide us with a strong foundation from which we can build.

Since @UK was set up, in aggregate over 900,000 log-ins have been created by users of the system. In the medium term we will look to find ways of generating additional revenue from this user base.

#### **Share issue**

When releasing our 2008 results in April we announced the Board's intention to raise £150,000 through a placing of new ordinary shares to provide additional working capital for the company. This fundraising was completed with the issue of 15,000,000 shares at 1p. Following announcement of that placing the Board received some further expressions of interest in subscribing for new shares so a further £50,000 was raised in May through the issue of 5,000,000 ordinary shares at 1p. It was very pleasing that our issue was well supported and that we ended up raising double the amount that we indicated in our February trading statement.

#### **People**

This year has continued to be one of change in terms of structure and personnel and I am now confident we have the right team in place to deliver results. To reward the teams' performance we are introducing incentives by means of share options and profit share. On behalf of the Board I would like to formally thank all our employees for their hard work and effort during the year so far.

#### **Outlook**

Based on the achievements so far this year the Board is confident in @UK's future.

#### **Ronald Duncan**

Executive Chairman

12 August 2009

## CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	<i>Notes</i>	<i>6 months to 30 June 2009 £'000</i>	<i>6 months to 30 June 2008 £'000</i>	<i>Year ended 31 Dec 2008 £'000</i>
<b>Revenue</b>	2	1,226	1,078	2,172
Cost of sales		(304)	(307)	(643)
<b>Gross profit</b>		922	771	1,529
Administrative expenses		(1,340)	(1,396)	(2,869)
Share based payments		11	(14)	13
<b>Operating loss before exceptional item</b>		(407)	(639)	(1,327)
Exceptional items	3	(53)	(67)	(228)
<b>Operating loss</b>		(460)	(706)	(1,555)
Investment income		6	34	41
Finance costs		(3)	(2)	(8)
<b>Loss on ordinary activities before taxation</b>		(457)	(674)	(1,522)
Taxation		-	-	181
<b>Loss for the year attributable to equity shareholders of the parent</b>		(457)	(674)	(1,341)
Loss per share – basic and diluted	4	1.0p	1.8p	3.5p

Revenue and operating loss all derive from continuing operations.

## CONSOLIDATED BALANCE SHEET (UNAUDITED)

	30 June 2009 £'000	30 June 2008 £'000	31 Dec 2008 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	-	96	-
Other intangible assets	6	32	17
Property, plant and equipment	137	374	229
	143	502	246
<b>Current assets</b>			
Trade and other receivables	508	330	535
Cash and cash equivalents	413	1,189	553
	921	1,519	1,088
<b>Total assets</b>	1,064	2,021	1,334
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	(546)	(526)	(541)
Income tax	-	(3)	-
Financial liabilities - borrowings	(12)	(12)	(12)
	(558)	(541)	(553)
<b>Non-current liabilities</b>			
Financial liabilities - borrowings	(37)	(48)	(42)
	(37)	(48)	(42)
<b>Total liabilities</b>	(595)	(589)	(595)
<b>Net assets</b>	469	1,432	739
<b>Shareholders' equity</b>			
Called up share capital	578	378	378
Share premium	10,112	10,114	10,114
Other reserve	630	630	630
Share based payment reserve	54	91	65
Accumulated losses	(10,905)	(9,781)	(10,448)
<b>Total equity attributable to equity shareholders of the parent</b>	469	1,432	739

## CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

	<i>6 months to 30 June 2009 £'000</i>	<i>6 months to 30 June 2008 £'000</i>	<i>Year ended 31 Dec 2008 £'000</i>
<b>Cash flows from operating activities</b>			
Loss for the period	(457)	(674)	(1,522)
Adjustments for:			
Finance income (net)	(3)	(32)	(33)
Depreciation of property, plant & equipment	106	132	254
Amortisation of other intangible assets	11	15	30
Share based payments	(11)	14	(13)
Goodwill impairment provision	-	-	96
Loss on disposal of fixed assets	-	-	25
Changes in working capital			
Trade and other receivables	(101)	(18)	(45)
Trade and other payables	5	(60)	(45)
<b>Net cash used by operations</b>	(450)	(623)	(1,253)
Tax repayment	128	-	-
<b>Net cash outflow from operating activities</b>	(322)	(623)	(1,253)
<b>Cash flows from investing activities</b>			
Interest received	6	34	41
Interest paid	(3)	(2)	(8)
Purchase of property, plant and equipment	(14)	(4)	(7)
Proceeds from sale of property, plant and equipment	-	-	2
<b>Net cash inflow from investing activities</b>	(11)	28	28
<b>Cash flows from financing activities</b>			
Proceeds of issuance of ordinary shares	198	-	-
Repayments of borrowings	(5)	(7)	(13)
<b>Net cash outflow from financing</b>	193	(7)	(13)
<b>Net decrease in cash and cash equivalents</b>	(140)	(602)	(1,238)
<b>Cash and cash equivalents at beginning of period</b>	553	1,791	1,791
<b>Cash and cash equivalents at end of period</b>	413	1,189	553

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)**

	<i>Share capital</i>	<i>Share premium</i>	<i>Other reserve</i>	<i>Share based payment reserve</i>	<i>Accumul -ated losses</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<b>Balance as at 1 January 2008</b>	378	10,114	630	77	(9,107)	2,092
Loss for the period	-	-	-	-	(674)	(674)
Share based payments	-	-	-	14	-	14
<b>Balance as at 30 June 2008</b>	378	10,114	630	91	(9,781)	1,432
Loss for the period	-	-	-	-	(667)	(667)
Share based payments	-	-	-	(26)	-	(26)
<b>Balance as at 31 December 2008</b>	378	10,114	630	65	(10,448)	739
Loss for the period	-	-	-	-	(457)	(457)
Share based payments	-	-	-	(11)	-	(11)
Shares issued in the period	200	(2)	-	-	-	198
<b>Balance as at 30 June 2009</b>	578	10,112	630	54	(10,905)	469

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Basis of preparation

These interim financial statements have been prepared in accordance with the accounting policies set out in the Annual Report and Accounts for the year ended 31 December 2008 and the interpretation of those accounting standards underlying the accounting policies. IAS 34, Interim Financial Reporting, has not been applied. The interim financial statements have been issued in accordance with the AIM Rules of the London Stock Exchange and are unaudited. The financial information set out does not constitute statutory accounts for the purposes of section 240 of the Companies Act 1985. The auditors' report on the statutory accounts for the year ended 31 December 2008 which have been filed with the Registrar of Companies was unqualified and does not contain a statement under Companies Act 1985 sections 237(2) or (3).

The preparation of financial statements requires estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although the estimates are based on management's best knowledge of the amounts, events or actions, actual results may differ from those estimates.

The interim statements for the six months ended 30 June 2009 will be published on the company's website at [www.ukplc.net](http://www.ukplc.net).

This announcement was approved by the board of @UK PLC on 11 August 2009.

### 2. Revenue (unaudited)

Set out below is an analysis of revenue recognised between principal product categories, which the Directors use to assess future revenue flows from customers.

	<i>6 months to 30 June 2009 £'000</i>	<i>6 months to 30 June 2008 £'000</i>	<i>Year ended 31 Dec 2008 £'000</i>
Revenue			
Company formation services	616	627	1,262
Web and ecommerce services	610	451	910
	<u>1,226</u>	<u>1,078</u>	<u>2,172</u>

### 3. Exceptional items (unaudited)

	<i>6 months to 30 June 2009 £'000</i>	<i>6 months to 30 June 2008 £'000</i>	<i>Year ended 31 Dec 2008 £'000</i>
Reorganisation costs (see note below)	53	67	132
Provision for impairment of goodwill	-	-	96
	<u>53</u>	<u>67</u>	<u>228</u>

Reorganisation costs represent the costs incurred in reducing staff numbers.



**4. Loss per share (unaudited)**

The calculations for loss per share are based on the weighted average number of shares in issue during the period 44,603,026 (6 months to 30 June 2008: 37,779,822; year ended 31 December 2008: 37,779,822) and the following losses:

	<i>6 months to 30 June 2009 £'000</i>	<i>6 months to 30 June 2008 £'000</i>	<i>Year ended 31 Dec 2008 £'000</i>
<i>Unadjusted earnings:</i>			
Loss on ordinary activities after tax	( 457)	( 674)	(1,340)
<i>Add back:</i>			
Exceptional reorganisation costs	53	67	228
Share based payments	(11)	14	(13)
<i>Adjusted earnings:</i>	<u>(415)</u>	<u>(593)</u>	<u>(1,125)</u>

The share options and warrants are not dilutive as they would not increase the loss per share in the year.

The basic and diluted loss per share calculated on the adjusted earnings is 0.9p (6 months to 30 June 2008: 1.6p; year ended 31 December 2008: 3.0p).

**5. Post Balance Sheet Events**

There are no post balance sheet events requiring disclosure.