



For immediate release

27 July 2010

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

**Unaudited Interim Results for the six months ended 30 June 2010**

@UK PLC (AIM:ATUK.L), a provider of cloud based software for Spend Analysis, eCommerce and eProcurement which combines into a comprehensive eMarketplace, used by Government, Health and Private Sectors with over 1 million logins, and on which over 200,000 companies have been formed, today announces its unaudited interim results for the six months ended 30 June 2010.

**Highlights**

- Operating loss down from £ 460,000 to £349,000 - a 25% reduction
- Costs reduced from £1,340,000 to £1,007,000 - a 25% reduction
- Revenue down from £1,226,000 to £1,007,000 - a 18% reduction
- Net cash outflow from operating activities down from £322,000 to £179,000 – a 44% reduction
- Intention to raise cash over the next 6 months

Commenting on the results the Chairman, Ronald Duncan, said “The operating performance was affected by slow decision making in the public sector in the run up to the General Election. We believe that our markets are about to improve significantly as the Public Sector actively looks to achieve the savings our product set can quickly identify and help realise.”

**CHAIRMAN’S STATEMENT**

**Summary**

A public sector halt at the beginning of the year resulted in a disappointing performance in Web and eCommerce services, but continued work on cost reduction led to significant reductions in the operating loss and operating net cash outflow. Signs that the markets are about to improve significantly after the autumn spending review leave the Board positive about the outlook.

**Financial results**

Costs were down for the six months to 30 June 2010 from £1,340,000 to £1,007,000, this meant that despite a 18% reduction in revenue to £1,007,000 (2009: £1,226,000) and a consequent 29% reduction in gross profit from £922,000 to £657,000, the operating loss was reduced by 25% to £349,000 (2009: £460,000).

After net interest cost of £1,000 (2009: net income £3,000), the loss before tax was £350,000, compared to £457,000 in 2009.

Net cash outflow from operations reduced by 44% from £322,000 to £179,000. Overall during the six months our cash reduced by £188,000 to £37,000 (2009: reduction of £140,000, after £198,000 receipt from share issue).

Our cash burn was reduced to £18,847 by the last month of the period June 2010. It is the Board’s intention to raise a small amount of additional working capital.

## **Operational and Performance Review**

### *Web and ecommerce services*

A combination of factors resulted in a disappointing performance with revenues down from £495,000 in the corresponding period to £305,000, and gross profit down from £454,000 to £258,000.

The change of management at London Procurement Program (LPP), described in our annual report, meant that our initiatives with LPP stalled. We have now replaced LPP with another NHS purchasing hub, but revenues in the first half were some £120,000 lower than those earned from LPP in the prior period.

This factor was compounded by the slow decision making in the public sector in the run up to the General Election which slowed progress on our marketplace initiative with Barclaycard.

Operationally we have continued to develop and enhance our services:

- *SpendInsight* - We released a new version of the reporting which significantly improves the look and feel and makes identification of savings easier. We have analysed over £100 billion in spend for various bodies, mainly on behalf of partners who are selling the solution into their customers. We identified substantial savings in all cases and our partners are actively marketing the results of the analysis to their customers. We can see a revenue stream emerging and anticipate that this will increase in the coming months.
- *GreenInsight* - We launched GreenInsight just after the period end at the business of bio diversity summit on the 13 July 2010, along with BASDA Green XML. GreenInsight is a logical add-on to the SpendInsight service enabling an organisation to examine and calculate the carbon footprint of its product purchases. Feedback to date is positive so we will continue to take this service to market.
- *Marketplace and procurement* - we have almost completed development on a new enhanced version of our marketplace that builds on our high user base to increase sales by our suppliers into the public sector. Amongst our 1 million logins we have representatives of virtually every public sector body, we are seeking to increase spend by the 4,600 (92%) public sector organisations that are not yet contracted with any marketplace, and are already buying via our system.
- *Ecommerce hosting domains and email* - We have built a new cloud based email system, and migrated all our customers over to the new system. It has produced a significant improvement in spam reduction, and is now fully scalable on demand with the ability to easily add virtual servers in a matter of minutes as and when required. We are moving to the same architecture for deploying our new eCommerce webservers, and have noticed a significant performance improvement from our new cloud based eCommerce platform. We have also rewritten our domain name code to run on our new platform.

There have been positive signs in our market with the change in Government. Whilst there is some indication that organisations are holding off decision making until the results of the spending review, there is a very clear sign of commitment to making savings in procurement across Government, and to carrying that commitment through. That contrasts with the false dawn for eProcurement solutions in 2005, when the initial pressure to seek a solution was there, but without the follow-up to ensure the savings were realised

### *Company Formations*

We formed our 200,000<sup>th</sup> company in March 2010. Company Formations incorporated over 10,000 companies for its own clients in the first half of the year plus another 5,000 companies for other agents and resellers. This amounted to around 8% of all companies formed electronically in the UK in that period being incorporated through the @UK PLC system and consolidated our position as one of the leading UK company formation agents.

Company Formation revenue was £623,000 in the six months ended 30 June 2010, a small increase over £616,000 in the corresponding period. The gross profit in Company Formations showed a reduction of £33,000 to £320,000, reflecting a change in product mix.

To increase margins we intend to increase our up selling of, higher margin, complementary products and services to our formation clients and we are addressing this by newsletter campaigns to existing clients as well as a renewed focus on the provision of additional goods and services which generate commission for the department without any attendant expenditure. In the first half year these have principally been commissions from introductions to banks and the introduction of business insurance through carefully selected partners.

The new company formation site launched in early March is generating a higher average spend per product compared with the old site, this is expected to continue and, when the switch over to the new site is complete along with the new Marketplace site, we expect to see an increase in cross selling of all products.

**Outlook**

We believe that our markets are about to improve significantly as the Public Sector actively looks to achieve the savings our product set can quickly identify and help realise.

It is the board's intention is to raise a small amount of cash, over the next 6 months, as our clients look to achieve their savings.

**Ronald Duncan**

Executive Chairman

27 July 2010

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	<i>Notes</i>	<i>6 months to 30 June 2010 £'000</i>	<i>6 months to 30 June 2009 £'000</i>	<i>Year ended 31 Dec 2009 £'000</i>
<b>Revenue</b>	2	1,007	1,226	2,295
Cost of sales		(350)	(304)	(624)
<b>Gross profit</b>		657	922	1,671
Administrative expenses		(1,005)	(1,340)	(2,421)
Share based payments		(1)	11	10
<b>Operating loss before exceptional item</b>		(349)	(407)	(740)
Exceptional items	3	-	(53)	(69)
<b>Operating loss</b>		(349)	(460)	(809)
Investment income		-	6	13
Finance costs		(1)	(3)	(3)
<b>Loss on ordinary activities before taxation</b>		(350)	(457)	(799)
Taxation		-	-	78
<b>Loss for the year attributable to equity shareholders of the parent</b>		(350)	(457)	(721)
Loss per share – basic and diluted	4	0.6p	1.0p	1.4p

Revenue and operating loss all derive from continuing operations.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	30 June 2010 £'000	30 June 2009 £'000	31 Dec 2009 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Other intangible assets	1	6	2
Property, plant and equipment	58	137	89
	59	143	91
<b>Current assets</b>			
Trade and other receivables	299	508	482
Cash and cash equivalents	37	413	225
	336	921	707
<b>Total assets</b>	395	1,064	798
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	(500)	(546)	(547)
Financial liabilities - borrowings	(13)	(12)	(13)
	(513)	(558)	(560)
<b>Non-current liabilities</b>			
Financial liabilities - borrowings	(24)	(37)	(31)
	(24)	(37)	(31)
<b>Total liabilities</b>	(537)	(595)	(591)
<b>Net (liabilities)/assets</b>	(142)	469	207
<b>Shareholders' equity</b>			
Called up share capital	578	578	578
Share premium	10,112	10,112	10,112
Other reserve	630	630	630
Share based payment reserve	56	54	55
Accumulated losses	(11,518)	(10,905)	(11,168)
<b>Total equity attributable to equity shareholders of the parent</b>	(142)	469	207

## CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

	6 months to 30 June 2010 £'000	6 months to 30 June 2009 £'000	Year ended 31 Dec 2009 £'000
<b>Cash flows from operating activities</b>			
Loss for the period	(350)	(457)	(799)
Adjustments for:			
Finance expense/(income) (net)	1	(3)	(10)
Depreciation of property, plant & equipment	32	106	156
Amortisation of other intangible assets	1	11	15
Share based payments	1	(11)	(10)
Goodwill impairment provision	-	-	-
Loss on disposal of fixed assets	-	-	-
Changes in working capital			
Trade and other receivables	183	(101)	(74)
Trade and other payables	(47)	5	7
<b>Net cash used by operations</b>	(179)	(450)	(715)
Tax repayment	-	128	206
<b>Net cash outflow from operating activities</b>	(179)	(322)	(509)
<b>Cash flows from investing activities</b>			
Interest received	-	6	13
Interest paid	(1)	(3)	(3)
Purchase of property, plant and equipment	(2)	(14)	(16)
Proceeds from sale of property, plant and equipment	-	-	-
<b>Net cash inflow from investing activities</b>	(3)	(11)	(6)
<b>Cash flows from financing activities</b>			
Proceeds of issuance of ordinary shares	-	198	198
Repayments of borrowings	(6)	(5)	(11)
<b>Net cash outflow from financing</b>	(6)	193	187
<b>Net decrease in cash and cash equivalents</b>	(188)	(140)	(328)
<b>Cash and cash equivalents at beginning of period</b>	225	553	553
<b>Cash and cash equivalents at end of period</b>	37	413	225

**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>
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance as at 1 January 2009</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
Loss for the period	-	-	-	-	(263)	(263)
Share based payments	-	-	-	1	-	1
<b>Balance as at 31 December 2009</b>	578	10,112	630	55	(11,168)	207
Loss for the period	-	-	-	-	(350)	(350)
Share based payments	-	-	-	1	-	1
<b>Balance as at 30 June 2010</b>	578	10,112	630	56	(11,518)	(142)

## 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 2009 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 434 of the Companies Act 2006. The auditors' report on the statutory accounts for the year ended 31 December 2009 which have been filed with the Registrar of Companies was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

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 2010 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 26 July 2010.

### 2. Revenue (unaudited)

Set out below is an analysis of revenue recognised and gross profit attributable between reportable segments:

	<i>6 months to 30 June 2010 £'000</i>	<i>6 months to 30 June 2009 £'000</i>	<i>Year ended 31 Dec 2009 £'000</i>
<i>Revenue</i>			
Company formation services	623	616	1,182
Web and ecommerce services	305	495	830
Coding International Limited	79	115	283
	<hr/> 1,007	<hr/> 1,226	<hr/> 2,295
<i>Gross Profit</i>			
Company formation services	320	353	646
Web and ecommerce services	258	454	743
Coding International Limited	79	115	282
	<hr/> 657	<hr/> 922	<hr/> 1,671

### 3. Exceptional items (unaudited)

	<i>6 months to 30 June 2010 £'000</i>	<i>6 months to 30 June 2009 £'000</i>	<i>Year ended 31 Dec 2009 £'000</i>
Reorganisation costs (see note below)	<hr/> -	<hr/> 53	<hr/> 69

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 57,779,822 (6 months to 30 June 2009: 44,603,026; year ended 31 December 2009: 51,245,575) and the following losses:

	<i>6 months to 30 June 2010 £'000</i>	<i>6 months to 30 June 2009 £'000</i>	<i>Year ended 31 Dec 2009 £'000</i>
<i>Unadjusted earnings:</i>			
Loss on ordinary activities after tax	(350)	(457)	(721)
<i>Add back:</i>			
Exceptional reorganisation costs	-	53	69
Share based payments	1	(11)	(10)
<i>Adjusted earnings:</i>	<u>(351)</u>	<u>(415)</u>	<u>(662)</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 0.6p (6 months to 30 June 2009: 0.9p; year ended 31 December 2009: 1.4p).

**5. Post Balance Sheet Events**

There are no post balance sheet events requiring disclosure.

**For further information please contact:**

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