@UK PLC - Interim Results

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@UK PLC

Unaudited Interim Results for the six months ended 30 June 2007

@UK PLC (AIM:ATUK.L), a leading eMarketplace provider of eCommerce and eProcurement solutions, today announces its unaudited interim results for the six months ended 30 June 2007.

Interim period highlights:

* Revenue up 19% to £1,165,000 (2006: £978,000)

* Loss before tax of £1,431,000 (2006: £1,257,000)

* Significant reduction in run rate of losses and cash outflow compared to the second half of last year

* Cash balance of £2,882,000 (2006: £4,119,000)

* Local Authority markets remain slow

* Switch of sales effort to the NHS showing first results in important contract win with major supplier to the NHS for procurement services

The interim results have been prepared under IFRS for the first time.

Commenting on today's announcement, Grant Oliver, Chief Executive, said:

'Although implementations of eProcurement projects in the Local Authorities have been disappointing, we are encouraged by the advent of the opportunities presented by the NHS of which we have been able to take advantage.

We do not anticipate that NHS contracts will compensate for the loss of turnover from the Local Authority market in the current year, but it is this new stream of revenue and its potential for future growth which underpins our confidence in the long term prospects for @UK.'

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Notes to Editors:

@UK is one of the UK's leading eMarketplace providers. @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. Over 140,000 companies have been incorporated using @UK's online company formation service.

@UK is included in the Software and Computer Services Sector (9530). For further information please visit www.ukplc.net.

OPERATING AND FINANCIAL REVIEW

Financial results

This is the first set of results announced under IFRS, with comparisons against restated 2006 interim results.

Revenue for the six months to 30 June 2007 increased 19% to £1,165,000 (2006: £978,000).

The operating loss was £1,521,000 (2006: £1,425,000). After net interest income of £90,000 (2006: £168,000), the loss before tax was £1,431,000, compared to £1,257,000 in 2006. During the six months our cash reduced by £1,237,000 to £2,882,000 (2006: £1,925,000). The loss before tax and cash outflow in the first half were both substantially reduced from the levels in the second half of 2006, by 36% and 52% respectively, as the benefits of cost reductions flowed through.

Operating Review

Since we reported last this has been a difficult period for the Company due to the lack of impetus in our traditional markets. However, it has ended very positively as we are pleased to announce that @UK has won a contract with a major supplier to the NHS for the provision of a national procurement catalogue and exchange service.

Local Authorities

Our traditional market has been within Local Authorities, and it was there that we saw a major opportunity for expansion following our IPO, as Local Authorities had been targeted by Government to adopt eProcurement by 2006 as an aid to achieving cost savings. Pre IPO we had focussed strongly on Local Authorities as they typically have large supplier numbers to whom we had anticipated our Supplyside service could be sold.

However, in general, the market has not developed as we had expected due to:

* Government deadlines set for eProcurement have now passed;
* the slow extension of eProcurement across the broader base of suppliers once (the relatively easier area of) commodity purchases such as stationery has been addressed; and
* the expectation by many Local Authorities that implementing eProcurement is a long term project.

We believe this experience is typical of the market as a whole, but that in the longer term there will still be opportunities in the Local Authority market.

We will therefore continue to work in this area and have major installations going live shortly at Somerset County Council and the London Borough of Hillingdon, which will take the total number of live sites to over 30.

National Health Service

This year we made the decision to focus additional sales effort on the NHS market.

Although it has taken us longer for these efforts to start to show results than we had originally hoped, the contract win with this supplier is an important strategic step for us. The @UK system will provide a new catalogue/content platform as part of the e-enablement strategy within the NHS. This will allow all Trusts nationally to purchase a wider range of products online, increasing from a current level of 50,000 items to around 500,000.

We have already had significant interest from NHS Trusts in using the full @UK marketplace solution for their own purchasing. This service would not be part of the contract win and will incur set-up charges and annual licence fees. We will also be marketing the benefits of an enhanced presence on the @UK Marketplace to NHS suppliers.

Coding International

We are experiencing renewed interest in our coding and classification services within the NHS, as they are accustomed to using coding to analyse procurement decisions and benchmark prices.

Company Formations
Our Company Formation services business grew revenues by 8% compared to the same period last year, and we continue to explore opportunities for further enhancements in this area.

Outlook and current trading

The Local Authority market is likely to remain slow and we do not anticipate that the development of our NHS business will be able to compensate for this in the remainder of the current year. Consequently and as previously announced, turnover for the year is expected to be below market expectations, but continued tight management of costs and cash means that the pre-tax losses and cash outflows are expected to be in line.

We do not anticipate that NHS contracts will compensate for the loss of turnover from the Local Authority market in the current year, but it is this new stream of revenue and its potential for future growth which underpins our confidence in the long term prospects for @UK.

Grant Oliver
Chief Executive

28 September 2007

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	Notes	6 months to 30 June 2007 £'000	6 months to 30 June 2006 £'000 (restated)	Year ended 31 Dec 2006 £'000 (restated)
Revenue	3	1,165	978	2,163
Cost of sales		(414)	(396)	(891)
Gross profit		751	582	1,272
Administrative expenses		(2,254)	(1,974)	(4,780)
Share based payments		(18)	(33)	(51)
Operating loss before exceptional item		(1,521)	(1,425)	(3,559)
Exceptional reorganisation costs		-	-	(220)
Operating loss		(1,521)	(1,425)	(3,779)
Interest receivable and similar income		93	171	291
Interest payable and similar charges		(3)	(3)	(6)
Loss on ordinary activities before taxation		(1,431)	(1,257)	(3,494)
Taxation		-	-	-
Loss for the year attributable to equity shareholders of the parent		(1,431)	(1,257)	(3,494)
Loss per share - basic and diluted	4	3.8p	3.3p	9.3p

Revenue and operating loss all derive from continuing operations.

CONSOLIDATED BALANCE SHEET (UNAUDITED)

	Note	30 June 2007 £'000	30 June 2006 £'000 (Restated)	31 Dec 2006 £'000 (Restated)
Assets				
Non-current assets				
Goodwill		96	72	96
Intangible assets		58	52	60
Property, plant and equipment		589	250	693
		743	374	849
Current assets				
Trade and other receivables		336	280	398
Cash and cash equivalents		2,882	6,719	4,119
		3,218	6,999	4,517
Total assets		3,961	7,373	5,366
Liabilities				
Current liabilities				
Trade and other payables		(866)	(658)	(876)
Current tax liabilities		(3)	(3)	(3)
Financial liabilities - borrowings		(12)	(12)	(12)
		(881)	(673)	(891)
Non-current liabilities				
Financial liabilities - borrowings		(60)	(73)	(67)
		(60)	(73)	(67)
Total liabilities		(941)	(746)	(958)
Net assets		3,020	6,627	4,408
Shareholders' equity				
Called up share capital	5	378	376	376
Share premium		10,114	10,114	10,114
Other reserve		630	607	607
Share based payment reserve		69	33	51
Accumulated losses		(8,171)	(4,503)	(6,740)
Total equity attributable to equity shareholders of the parent		3,020	6,627	4,408

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

	6 months to 30 June 2007 £'000	6 months to 30 June 2006 £'000 (Restated)	Year ended 31 Dec 2006 £'000 (Restated)

Cash flows from operating activities			
Loss for the period	(1,431)	(1,257)	(3,494)
Adjustments for:			
Interest and similar charges	(90)	(168)	(285)
Depreciation	143	39	155
Share based payments	18	33	51
Changes in working capital			
Trade and other receivables	61	(31)	(149)
Trade and other payables	15	(389)	(195)
Net cash used by operations	(1,284)	(1,773)	(3,917)
Tax paid	-	(66)	(66)
Net cash outflow from operating activities	(1,284)	(1,839)	(3,983)
Cash flows from investing activities			
Interest received	93	171	291
Interest paid	(3)	(3)	(6)
Acquisition of subsidiary (net of cash acquired)	-	(22)	(22)
Purchase of intangible assets	(11)	(57)	(75)
Purchase of property, plant and equipment	(25)	(168)	(717)
Net cash inflow/(outflow) from investing activities	54	(79)	(529)
Cash flows from financing activities			
Repayments of borrowings	(7)	(7)	(13)
Net cash outflow from financing	(7)	(7)	(13)
Net decrease in cash and cash equivalents	(1,237)	(1,925)	(4,525)
Cash and cash equivalents at beginning of period	4,119	8,644	8,644
Cash and cash equivalents at end of period	2,882	6,719	4,119

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

	Share capital	Share premium	Other reserve	Share based payment reserve	Accumulated losses	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 January 2006 (Restated)	376	10,114	582	-	(3,246)	7,826
Loss for the period	-	-	-	-	(1,257)	(1,257)
Share based payments	-	-	-	33	-	33

Shares issued in the period	-	-	25	-	-	25
Balance as at 30 June 2006 (Restated)	376	10,114	607	33	(4,503)	6,627
Loss for the period	-	-	-	-	(2,237)	(2,237)
Share based payments	-	-	-	18	-	18
Balance as at 31 December 2006 (Restated)	376	10,114	607	51	(6,740)	4,408
Loss for the period	-	-	-	-	(1,431)	(1,431)
Share based payments	-	-	-	18	-	18
Shares issued in the period	2	-	23	-	-	25
Balance as at 30 June 2007	378	10,114	630	69	(8,171)	3,020

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

These interim financial statements have been prepared in accordance with the accounting policies the Group expects to be applicable at 31 December 2007 and the interpretation of those accounting standards underlying the accounting policies. IAS 34, Interim Financial Reporting, has not been applied. It is possible that new standards and new interpretations may be issued which could affect the Group. These figures may therefore require amendment, to change the basis of accounting or presentation of certain financial information, before the adoption of the financial statements for the year ended 31 December 2007, when the Group prepares its first complete set of financial statements in accordance with EU Endorsed International Financial Reporting Standards and IFRIC interpretations (collectively 'IFRS'). 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 comparative figures for the year end 31 December 2006 have been converted to IFRS after extraction from the statutory accounts for that period, which have been filed with the Registrar of Companies. The auditors' report on the statutory accounts for the year ended 31 December 2005 was unqualified and does not contain a statement under Companies Act 1985 sections 237(2) or (3).

The Group's consolidated financial statements were prepared in accordance with the United Kingdom Generally Accepted Accounting Principles ('UK GAAP') until 31 December 2006. UK GAAP differs in some areas from IFRS. In preparing these interim financial statements, management has amended certain accounting, valuation and consolidation methods applied in the UK GAAP financial statements to comply with IFRS. The comparative figures in respect of 2006 were restated to reflect these adjustments.

Reconciliations and descriptions of the effect of the transition from UK GAAP to IFRS on the Group's equity and its net income and cash flows are provided in Note 6.

The preparation of financial statements requires the 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.

A full disclosure of accounting policies of the company as were applicable under UK GAAP are available in the annual report for the year ended 31 December 2006. The major differences in accounting policies under IFRS are described in note 6, and the revised accounting policies following the adoption of IFRS are set out in note 2.

Copies of the interim statements for the six months ended 30 June 2007 are being sent to all shareholders and to the AIM Team. Details can also be found on the company's website at www.ukplc.net. Further copies of the interim statements and

copies of the accounts for the year ended 31 December 2006 can be obtained by writing to the Company Secretary, @UK PLC, 5 Jupiter House, Calleva Park, Aldermaston, Berkshire RG7 8NN.

This announcement was approved by the board of @UK PLC on 28 September 2007.

2. Revised accounting policies

The following are the revised accounting policies which have been adopted following the adoption of IFRS.

Goodwill
Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities at the date of acquisition. Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed. Goodwill is allocated to cash generating units for the purpose of impairment testing.

Intangible assets

Computer software
Acquired computer software is capitalised as an intangible asset unless it is an integral part of the related hardware (such as the operating system) where it remains as an item of property, plant and equipment.
Amortisation is calculated using the straight-line method to allocate the cost of the software over its estimated useful economic life.

Research and development
Research expenditure is written off as incurred.

Development expenditure is also written off, except where the Directors are satisfied that a new or significantly improved product or process results and other relevant IAS 38 criteria are met such as to the technical, commercial and financial viability of individual projects that would allow such costs to be capitalised. In such cases, the identifiable expenditure is capitalised and amortised over the period during which benefits are expected.

Income taxes
Full provision is made for deferred tax on all temporary timing differences resulting from the carrying value of an asset or liability and its tax base. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred tax liability is settled or deferred tax asset realised.

Deferred tax assets are only recognised to the extent to which they are expected to be recovered in the near future. IAS 12 Income Taxes require the separate disclosure of deferred tax assets and liabilities on the Group's Balance Sheet.

3. 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.

Revenue	6 months to 30 June 2007 £'000	6 months to 30 June 2006 £'000	Year ended 31 Dec 2006 £'000
Company formation services	709	655	1,223
Web and ecommerce services	456	323	940
	1,165	978	2,163

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 37,665,515 (6 months to 30 June 2006: 37,580,250; year ended 31 December 2006: 37,593,941) and the following losses:

	6 months to 30 June 2007 £'000	6 months to 30 June 2006 £'000	Year ended 31 Dec 2006 £'000
Unadjusted earnings:			
Loss on ordinary activities after tax	(1,431)	(1,257)	(3,494)
Add back:			
Exceptional reorganisation costs	-	-	220
Share based payments	18	33	51
Adjusted earnings:	(1,413)	(1,224)	(3,223)

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 3.8p (6 months to 30 June 2006: 3.3p; year ended 31 December 2006: 8.6p).

5. Share Capital
During the period 172,413 1p Ordinary Shares were issued in settlement of £25,000 owed as deferred consideration for the acquisition of Coding International Limited in respect of Coding International's performance for the year ended 31 December 2006.

6. Reconciliation of Loss and Net Assets under UK GAAP to IFRS (unaudited)
In implementing the transition to IFRS, the Group has followed the requirements of IFRS 1 'First Time Adoption of International Financial Reporting Standards', which in general requires IFRS accounting policies to be applied fully retrospectively in deriving the opening balance sheet at the date of transition. In the Group's case this is 1 January 2006 being the start of the previous period that has been presented as comparative information. IFRS 1 contains certain mandatory exceptions and some optional exemptions to this principle of retrospective application. Where the Group has taken advantage of the exemptions they are noted below. The adoption of IFRS represents an accounting change only and does not affect the operations or cash flows of the Group. The principal areas of impact are described below.

	6 months to 30 June 2007 £'000	6 months to 30 June 2006 £'000	Year ended 31 Dec 2006 £'000
Operating loss under UK GAAP	(1,531)	(1,428)	(3,792)
Change in amortisation period of goodwill (note (a) below)	10	3	13
Operating loss under IFRS	(1,521)	(1,425)	(3,779)
Retained loss under UK GAAP	(1,441)	(1,260)	(3,507)

Change in amortisation period of goodwill (note (a) below)	10	3	13
Retained loss under IFRS	(1,431)	(1,257)	(3,494)

	30 June 2006			31December 2006		
	UK GAAP	Effect of change	IFRS	UK GAAP	Effect of change	IFRS
	£'000	£'000	£'000	£'000	£'000	£'000
Assets						
Non-current assets						
Goodwill (note (a) below	69	3	72	83	13	96
Intangible assets (note (b) below)	-	52	52	-	60	60
Property, plant and equipment (note (b) below)	302	(52)	250	753	(60)	693
	371	3	374	836	13	849
Current assets						
Trade and other receivables	280	-	280	398	-	398
Cash and cash equivalents	6,719	-	6,719	4,119	-	4,119
	6,999	-	6,999	4,517	-	4,517
Total assets	7,370	3	7,373	5,353	13	5,366
Liabilities						
Current liabilities						
Trade and other payables	(658)	-	(658)	(876)	-	(876)
Current tax liabilities	(3)	-	(3)	(3)	-	(3)
Financial liabilities - borrowings	(12)	-	(12)	(12)	-	(12)
	(673)	-	(673)	(891)	-	(891)
Non-current liabilities						
Financial liabilities - borrowings	(73)	-	(73)	(67)	-	(67)
	(73)	-	(73)	(67)	-	(67)

Total liabilities	(746)	-	(746)	(958)	-	(958)
Net assets	6,624	3	6,627	4,395	13	4,408
Shareholders' equity						
Called up share capital	376	-	376	376	-	376
Share premium	10,114	-	10,114	10,114	-	10,114
Other reserve	607	-	607	607	-	607
Share based payments reserve	33	-	33	51	-	51
Accumulated losses	(4,506)	3	(4,503)	(6,753)	13	(6,740)
Total shareholders' equity	6,624	3	6,627	4,395	13	4,408

There is no difference between UK GAAP and IFRS for the balance sheet as at 1 January 2006.

Explanation of reconciling differences between UK GAAP and IFRS

(a) The goodwill arising from the acquisition of Coding International Limited was previously amortised under UK GAAP on a straight-line basis over its estimated useful life of 5 years. This goodwill is no longer amortised, but is subject to reviews for impairment. The Group has taken advantage of the exemption not to apply IFRS 3 retrospectively to business combinations occurring prior to the date of transition to IFRS.

(b) Purchased computer software costs were previously recorded as property, plant and equipment as permitted by UK GAAP. In accordance with IAS 38, all purchased computer software is recorded as an intangible asset.

INDEPENDENT REVIEW REPORT TO @UK PLC

Introduction
We have been instructed by the Company to review the financial information set out on pages 5 to 13 and we have read the other information in the interim statement and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report, including the conclusion, has been prepared for and only for the company for the purpose of their Interim Statement and for no other purpose. We do not, therefore, 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.

Directors' responsibilities
The interim statement, 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 Statement in accordance with the AIM Market Rules which require that the accounting policies and presentation applied to the interim figures must be consistent with those that will be adopted in the company's annual accounts.

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, as if that Bulletin applied. 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 disclosed accounting policies 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 and therefore provides a lower level of assurance. 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 30 June 2007.

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28 September 2007

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