



Under embargo until 7:00am

28 July 2011

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

**Unaudited Interim Results for the six months ended 30 June 2011**

@UK PLC (AIM:ATUK.L), the cloud ecommerce marketplace, today announces its unaudited interim results for the six months ended 30 June 2011.

**Highlights**

National Audit Office Report highlighted £500 million in savings for NHS using @UK technology

Major contract win – 5 year contract worth £1 million from JISC Advance to supply an ecommerce marketplace (“GeM”) for universities in the UK

Project now successfully delivered and attracting significant international interest as the world’s first B2B purchasing card marketplace.

Revenue increased 25% to £1,255,000 (2010: £1,007,000)

Operating loss reduced by 38% to £216,000 (2010: £349,000)

Successful share placing raising £265,000 at start of period

Billed £350,000 to JISC Advance at start of next period to provide strong ongoing cash position

**Ronald Duncan, Executive Chairman**, commented, “Overall the last six months have been a busy and productive time for @UK, during which we have consolidated our leading position in eprocurement in the UK, successfully sold and delivered a transformational project on time and within budget, whilst starting the move into international markets.”

**Enquiries:**

|                                 |                    |
|---------------------------------|--------------------|
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**Notes to Editors**

@UK PLC provides secure cloud based ecommerce, eprocurement, startup and email services to over 1 million users, that enable efficient trading in a sustainable manner.

@UK’s Spend Analysis identifies savings that only the @UK secure ecommerce marketplace can deliver, and the @UK ecommerce marketplace provides more business to @UK start ups to allow them to quickly grow, in the only marketplace with product level carbon footprints.

@UK is an ecommerce marketplace vs the legacy catalogue marketplaces. Ecommerce means correct pricing and automatically matching invoices, legacy catalogue marketplaces result in high levels of invoice failures.

@UK has an established track record of delivering large IT systems to public and private sector on time and budget, which is sadly exceptional performance for the IT sector.

## **CHAIRMAN'S STATEMENT**

### **Summary**

The first half of 2011 saw @UK win the GeM marketplace contract, to provide a card only ecommerce marketplace to all of the UK's higher and further educational establishments. This is a transformational project and underlines the uniqueness of @UK's technology platform, not only in the UK but globally. Although the timescale for deployment was very tight for a national system, the system is due to go live on the 1st of August exactly on time and to budget. This is testament to the overall project team, which has been drawn from the higher education sector as well as from @UK.

The successful delivery of the GeM project means that there is no requirement to raise any further funds, and that we start the second half in a much stronger position than the first half.

### **Financial results**

Revenue for the six months to 30 June 2011 was £1,255,000, an increase of 25% from £1,007,000 in the same period in 2010. This resulted in an increase in gross profit to £915,000 (2010: £657,000).

Investment in sales and marketing and technical development increased operating costs by 11% to £1,122,000 (2010: £1,007,000). After deduction of a charge for share based payments of £6,000 (2010: £1,000) the operating loss was £216,000. This is a 38% reduction from £349,000 in 2010.

After finance costs of £6,000 (2010: £1,000), the loss before tax was £222,000, compared to £350,000 in 2010.

### **GeM**

£350,000 was billed to GeM shortly after the period end, with £200,000 being recognised in the first half of 2011, and £75,000 in the second half of 2011, and £75,000 in the first half of 2012.

### **Operational and Performance Review**

Whilst GeM has been our headline project we have also continued to deliver to our other customers, notably Herefordshire Council is the first joint project covering Health and Local Government, Findel Group is another first, having carbon foot-printed all of the goods that they sell.

Our work with the National Audit Office to provide the detailed analysis for its report 'the Procurement of Consumables in the NHS', shows the depth of our work and draws on the sheer weight of analysis that we have undertaken in the NHS and more widely across public and private sector organisations.

We have established ourselves as the market leader in product level carbon footprinting, and this has been an important factor in contract wins across public and private sector as organisations move from scope 1 (electric bills) to scope 3 (the entire carbon footprint of the organisation).

We continue to work closely with our banking partners and GeM is a clear endorsement of the joint model. As part of the GeM contract we are currently enabling the 800 suppliers who hold National or Regional contracts with @UK websites and merchant accounts to allow them to accept card payment. Once this supplier base is fully enabled they will offer a compelling proposition to other buying organisations, as it will be possible to implement full eprocurement programmes for organisations in the certainty that they will be entirely funded by banking rebates. At a local level this proposition is also being demonstrated by Huddersfield University which is rolling out the full marketplace across all of its buying, in association with its pCard provider Barclaycard.

From a supplier perspective we continue to work with very large suppliers providing them with enterprise level ecommerce. A good example of this is ABD Serotec, one of the world's largest suppliers of antibodies. We created their ecommerce environment for the USA and Canada at the turn of the year and over the course of the last week have deployed Germany, Austria and Netherlands, followed by the UK and Republic of Ireland in the last few days. This ability to deploy a complex B2B infrastructure across different languages, currencies and territories is increasingly interesting to our large customer base, many of whom have not yet developed this capability.

We raised £265,000 by way of a placing of new shares in January 2011 to allow us to increase our investment in sales and marketing activities. As part of this process, we recruited Richard Ludlow as

Associate Director Business Development, who joined us from CIPFA (The Chartered Institute of Public Finance Accountants) where he was Business Development Manager. Richard brings a depth of knowledge and experience in procurement and supply chain both in the UK and globally, gained during his time with CIPS (The Chartered Institute of Purchasing and Supply) where he was a Key Account Manager. We also continue to invest in developing our technology, as we believe our competitors have sunset products which have had little investment over the years, as the sector has struggled towards profitability.

### **Outlook**

We have a healthy pipeline of opportunities for the second half, these cover all areas of our business from eprocurement solutions for individual organisations, through spend analysis, carbon analysis and supplier ecommerce. We expect company formation to also see a boost as we support the Government's New Enterprise Allowance Initiative with a programme to provide the 40,000 businesses that will be created with a start up package. This will include a formation, domain, email, ecommerce, a business bank account and an accounting package.

We have experienced considerable interest in our products and services from areas outside of the UK, particularly Asia Pacific and Europe. This is as a direct result of working with banking partners who are facing the same challenges in other markets as those in the UK. GeM as a national reference site gives our banking partners and their customers real confidence that we can deliver for them regardless of location. This is underpinned by our work with global suppliers such as ABD Serotec where we have already done the work to create a multi-currency and multi-lingual capability as well as integration with global card acceptance gateways such as authorise.net.

Whilst the global opportunity is important, we do not anticipate revenues from overseas markets until the medium to long term.

Overall the last six months have been a busy and productive time for @UK, during which we have consolidated our leading position in eprocurement in the UK, successfully sold and delivered a transformational project on time and within budget, whilst starting the move into international markets.

### **Ronald Duncan**

Executive Chairman

28 July 2011

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

|                                                                            |   | <i>6 months to<br/>30 June<br/>2011<br/>£'000</i> | <i>6 months to<br/>30 June<br/>2010<br/>£'000</i> | <i>Year ended<br/>31 Dec<br/>2010<br/>£'000</i> |
|----------------------------------------------------------------------------|---|---------------------------------------------------|---------------------------------------------------|-------------------------------------------------|
| <b>Revenue</b>                                                             | 2 | 1,255                                             | 1,007                                             | 2,051                                           |
| Cost of sales                                                              |   | (340)                                             | (350)                                             | (674)                                           |
| <b>Gross profit</b>                                                        |   | 915                                               | 657                                               | 1,377                                           |
| Administrative expenses                                                    |   | (1,122)                                           | (1,005)                                           | (1,962)                                         |
| Share based payments                                                       |   | (9)                                               | (1)                                               | (5)                                             |
| <b>Operating loss</b>                                                      |   | (216)                                             | (349)                                             | (590)                                           |
| Finance costs                                                              |   | (6)                                               | (1)                                               | (1)                                             |
| <b>Loss on ordinary activities before taxation</b>                         |   | (222)                                             | (350)                                             | (591)                                           |
| Income tax expense                                                         |   | 34                                                | -                                                 | 39                                              |
| <b>Loss for the year attributable to equity shareholders of the parent</b> |   | (188)                                             | (350)                                             | (552)                                           |
| <br>                                                                       |   |                                                   |                                                   |                                                 |
| Loss per share – basic and diluted                                         | 3 | 0.3p                                              | 0.6p                                              | 0.9p                                            |

Revenue and operating loss all derive from continuing operations.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

|                                                                       | 30 June<br>2011<br>£'000 | 30 June<br>2010<br>£'000 | 31 Dec<br>2010<br>£'000 |
|-----------------------------------------------------------------------|--------------------------|--------------------------|-------------------------|
| <b>Assets</b>                                                         |                          |                          |                         |
| <b>Non-current assets</b>                                             |                          |                          |                         |
| Other intangible assets                                               | -                        | 1                        | -                       |
| Property, plant and equipment                                         | 42                       | 58                       | 38                      |
|                                                                       | 42                       | 59                       | 38                      |
| <b>Current assets</b>                                                 |                          |                          |                         |
| Trade and other receivables                                           | 413                      | 299                      | 231                     |
| Cash and cash equivalents                                             | 15                       | 37                       | 29                      |
|                                                                       | 428                      | 336                      | 260                     |
| <b>Total assets</b>                                                   | 470                      | 395                      | 298                     |
| <b>Liabilities</b>                                                    |                          |                          |                         |
| <b>Current liabilities</b>                                            |                          |                          |                         |
| Trade and other payables                                              | (583)                    | (500)                    | (491)                   |
| Financial liabilities - borrowings                                    | (13)                     | (13)                     | (13)                    |
|                                                                       | (596)                    | (513)                    | (504)                   |
| <b>Non-current liabilities</b>                                        |                          |                          |                         |
| Financial liabilities - borrowings                                    | (12)                     | (24)                     | (18)                    |
|                                                                       | (12)                     | (24)                     | (18)                    |
| <b>Total liabilities</b>                                              | (608)                    | (537)                    | (522)                   |
| <b>Net liabilities</b>                                                | (138)                    | (142)                    | (224)                   |
| <b>Shareholders' equity</b>                                           |                          |                          |                         |
| Called up share capital                                               | 702                      | 578                      | 649                     |
| Share premium                                                         | 10,369                   | 10,112                   | 10,157                  |
| Other reserve                                                         | 630                      | 630                      | 630                     |
| Share based payment reserve                                           | 69                       | 56                       | 60                      |
| Accumulated losses                                                    | (11,908)                 | (11,518)                 | (11,720)                |
| <b>Total equity attributable to equity shareholders of the parent</b> | (138)                    | (142)                    | (224)                   |

## CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

|                                                         | 6 months to<br>30 June<br>2011<br>£'000 | 6 months to<br>30 June<br>2010<br>£'000 | Year ended<br>31 Dec<br>2010<br>£'000 |
|---------------------------------------------------------|-----------------------------------------|-----------------------------------------|---------------------------------------|
| <b>Cash flows from operating activities</b>             |                                         |                                         |                                       |
| Loss for the period                                     | (222)                                   | (350)                                   | (591)                                 |
| Adjustments for:                                        |                                         |                                         |                                       |
| Finance expense/(income) (net)                          | 6                                       | 1                                       | 1                                     |
| Depreciation of property, plant & equipment             | 25                                      | 32                                      | 56                                    |
| Amortisation of other intangible assets                 | -                                       | 1                                       | 2                                     |
| Share based payments                                    | 9                                       | 1                                       | 5                                     |
| Goodwill impairment provision                           | -                                       | -                                       | -                                     |
| Loss on disposal of fixed assets                        | -                                       | -                                       | -                                     |
| Changes in working capital                              |                                         |                                         |                                       |
| Trade and other receivables                             | (213)                                   | 183                                     | 231                                   |
| Trade and other payables                                | 93                                      | (47)                                    | (56)                                  |
| <b>Net cash used by operations</b>                      | (302)                                   | (179)                                   | (352)                                 |
| Tax repayment                                           | 64                                      | -                                       | 60                                    |
| <b>Net cash outflow from operating activities</b>       | (238)                                   | (179)                                   | (292)                                 |
| <b>Cash flows from investing activities</b>             |                                         |                                         |                                       |
| Interest received                                       | -                                       | -                                       | -                                     |
| Interest paid                                           | (6)                                     | (1)                                     | (1)                                   |
| Purchase of property, plant and equipment               | (29)                                    | (2)                                     | (6)                                   |
| Proceeds from sale of property, plant and equipment     | -                                       | -                                       | -                                     |
| <b>Net cash inflow from investing activities</b>        | (35)                                    | (3)                                     | (7)                                   |
| <b>Cash flows from financing activities</b>             |                                         |                                         |                                       |
| Proceeds of issuance of ordinary shares                 | 265                                     | -                                       | 116                                   |
| Repayments of borrowings                                | (6)                                     | (6)                                     | (13)                                  |
| <b>Net cash outflow from financing</b>                  | 259                                     | (6)                                     | 103                                   |
| <b>Net decrease in cash and cash equivalents</b>        | (14)                                    | (188)                                   | (196)                                 |
| <b>Cash and cash equivalents at beginning of period</b> | 29                                      | 225                                     | 225                                   |
| <b>Cash and cash equivalents at end of period</b>       | 15                                      | 37                                      | 29                                    |

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

|                                       | <i>Share<br/>capital</i> | <i>Share<br/>premium</i> | <i>Other<br/>reserve</i> | <i>Share<br/>based<br/>payment<br/>reserve</i> | <i>Accumul<br/>-ated<br/>losses</i> | <i>Total</i> |
|---------------------------------------|--------------------------|--------------------------|--------------------------|------------------------------------------------|-------------------------------------|--------------|
|                                       | £'000                    | £'000                    | £'000                    | £'000                                          | £'000                               | £'000        |
| <b>Balance as at 1 January 2010</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)        |
| Shares issued in the period           | 71                       | 45                       | -                        | -                                              | -                                   | 116          |
| Loss for the period                   | -                        | -                        | -                        | -                                              | (202)                               | (202)        |
| Share based payments                  | -                        | -                        | -                        | 4                                              | -                                   | 4            |
| <b>Balance as at 31 December 2010</b> | 649                      | 10,157                   | 630                      | 60                                             | (11,720)                            | (224)        |
| Shares issued in the period           | 53                       | 212                      | -                        | -                                              | -                                   | 265          |
| Loss for the period                   | -                        | -                        | -                        | -                                              | (188)                               | (188)        |
| Share based payments                  | -                        | -                        | -                        | 9                                              | -                                   | 9            |
| <b>Balance as at 30 June 2011</b>     | 702                      | 10,369                   | 630                      | 69                                             | (11,908)                            | (138)        |

## 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 2010 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 2010 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 2011 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 27 July 2011.

### 2. Revenue (unaudited)

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

|                              | <i>6 months to<br/>30 June<br/>2011<br/>£'000</i> | <i>6 months to<br/>30 June<br/>2010<br/>£'000</i> | <i>Year ended<br/>31 Dec<br/>2010<br/>£'000</i> |
|------------------------------|---------------------------------------------------|---------------------------------------------------|-------------------------------------------------|
| <i>Revenue</i>               |                                                   |                                                   |                                                 |
| Company formation services   | 606                                               | 623                                               | 1,209                                           |
| Web and ecommerce services   | 496                                               | 305                                               | 669                                             |
| Coding International Limited | 153                                               | 79                                                | 173                                             |
|                              | <u>1,255</u>                                      | <u>1,007</u>                                      | <u>2,051</u>                                    |
| <i>Gross Profit</i>          |                                                   |                                                   |                                                 |
| Company formation services   | 342                                               | 320                                               | 631                                             |
| Web and ecommerce services   | 440                                               | 258                                               | 573                                             |
| Coding International Limited | 133                                               | 79                                                | 173                                             |
|                              | <u>915</u>                                        | <u>657</u>                                        | <u>1,377</u>                                    |

### 3. Loss per share (unaudited)

The calculations for loss per share are based on the weighted average number of shares in issue during the period 69,870,284 (6 months to 30 June 2010: 57,779,822; year ended 31 December 2010: 60,063,115) and the following losses:

|                                       | <i>6 months to<br/>30 June<br/>2011<br/>£'000</i> | <i>6 months to<br/>30 June 2010<br/>£'000</i> | <i>Year ended<br/>31 Dec 2010<br/>£'000</i> |
|---------------------------------------|---------------------------------------------------|-----------------------------------------------|---------------------------------------------|
| <i>Unadjusted earnings:</i>           |                                                   |                                               |                                             |
| Loss on ordinary activities after tax | ( 188)                                            | ( 350)                                        | (552)                                       |
| <i>Add back:</i>                      |                                                   |                                               |                                             |
| Share based payments                  | 9                                                 | 1                                             | 5                                           |
| <i>Adjusted earnings:</i>             | <u>(179)</u>                                      | <u>(349)</u>                                  | <u>(547)</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 0.3p (6 months to 30 June 2010: 0.6p; year ended 31 December 2010: 0.9p).

**4. Post Balance Sheet Events**

There are no post balance sheet events requiring disclosure.