

HR GO PLC

**Interim Report for the six months to
30 June 2009**

CHAIRMAN'S STATEMENT

RESULTS

The results for the first half showed a 25% reduction in turnover to £34.4m (£45.9m) which resulted in a loss before tax of (£898k) compared to a profit of £530k last year. We disposed of a significant subsidiary in July 2008 and, therefore, on a like for like basis, turnover is 21% lower than last year and profitability is £914k lower.

OUTLOOK

As stated in our year end accounts, we have, during the course of 2009, been reducing our cost base in the light of the difficult economic circumstances. As a result of this a number of one-off restructuring costs have been incurred and these are reflected in the above figures. We will be profitable in the second half of 2009, have the funding facility available to support an increase in turnover and are of the opinion that we are well placed to take advantage of opportunities for growth going forward as the economy gradually recovers.

HR GO PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the six months ended 30 June 2009

	Note	Six months to 30 June 2009 (Unaudited)	Six months to 30 June 2008 (Unaudited)	Year to 31 December 2008 (Audited)
		£'000	£'000	£'000
TURNOVER	4	34,377	45,927	90,934
Cost of Sales		(26,712)	(34,307)	(69,285)
GROSS PROFIT		7,665	11,620	21,649
Administrative expenses		(8,559)	(10,938)	(21,400)
Other operating income		113	119	247
OPERATING (LOSS)/PROFIT		(781)	801	496
(Loss)/profit on sale of stakes in subsidiaries		(16)	-	1,955
Interest payable and similar charges		(101)	(271)	(516)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(898)	530	1,935
Tax on ordinary activities		(13)	(257)	(349)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(911)	273	1,586
Minority interests		166	(289)	(974)
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL PERIOD		(745)	(16)	612
Basic and diluted (loss)/earnings per share	3	(4.38p)	(0.09p)	3.64p

1. The six months figures to 30 June 2009 and 30 June 2008 are unaudited and do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985.
2. The results for the year to 31 December 2008 are not statutory financial statements. A copy of the statutory financial statements for that year has been delivered to the Registrar of Companies and carries an audit report that is unqualified and includes no adverse comment.

The directors of the issuer accept responsibility for the contents of this announcement.

HR GO PLC

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the six months ended 30 June 2009

	Six months to 30 June 2009 (Unaudited) £'000	Six months to 30 June 2008 (Unaudited) £'000	Year to 31 December 2008 (Audited) £'000
(Loss)/profit for the financial period	(745)	(16)	612
Currency translation differences on foreign currency net investment	(25)	16	82
Total recognised gains and losses relating to the period	<u>(770)</u>	<u>-</u>	<u>694</u>

HR GO PLC

CONSOLIDATED BALANCE SHEET 30 June 2009

	30 June 2009 (Unaudited) £'000	30 June 2008 (Unaudited) £'000	31 December 2008 (Audited) £'000
FIXED ASSETS			
Intangible fixed assets	461	476	381
Tangible fixed assets	2,034	1,569	2,248
	<u>2,495</u>	<u>2,045</u>	<u>2,629</u>
CURRENT ASSETS			
Stock	-	135	-
Debtors	14,015	18,857	16,250
Deferred taxation – asset	27	27	15
Cash at bank and in hand	117	175	64
	<u>(14,159)</u>	<u>19,194</u>	<u>16,329</u>
CREDITORS: amounts falling due within one year	<u>(14,179)</u>	<u>(18,989)</u>	<u>(15,354)</u>
NET CURRENT (LIABILITIES)/ASSETS	<u>(20)</u>	<u>205</u>	<u>975</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>2,475</u>	<u>2,250</u>	<u>3,604</u>
CREDITORS: amounts falling due after more than one year	<u>(910)</u>	<u>(561)</u>	<u>(1,138)</u>
TOTAL NET ASSETS	<u><u>1,565</u></u>	<u><u>1,689</u></u>	<u><u>2,466</u></u>
CAPITAL AND RESERVES			
Called up share capital	170	168	168
Share premium account	760	662	662
Capital reserve	7	7	7
Profit and loss account	(118)	(42)	652
EQUITY SHAREHOLDERS' FUNDS	<u>819</u>	<u>795</u>	<u>1,489</u>
EQUITY MINORITY INTERESTS	<u>746</u>	<u>894</u>	<u>977</u>
	<u><u>1,565</u></u>	<u><u>1,689</u></u>	<u><u>2,466</u></u>

RECONCILIATION OF MOVEMENTS IN CONSOLIDATED SHAREHOLDERS' FUNDS

	£'000	£'000	£'000
Opening shareholders' funds	1,489	795	795
(Loss)/profit for the financial period	(745)	(16)	612
Other recognised gains and losses relating to the period	(25)	16	82
Issue of ordinary shares	100	-	-
Closing shareholders' funds	<u><u>819</u></u>	<u><u>795</u></u>	<u><u>1,489</u></u>

CONSOLIDATED CASH FLOW STATEMENT
For the six months ended 30 June 2009

	Note	Six months to 30 June 2009 (Unaudited) £'000	Six months to 30 June 2008 (Unaudited) £'000	Year to 31 December 2008 (Audited) £'000
Net cash inflow from operating activities	5	1,196	1,938	1,656
Returns on investments and servicing of finance				
Interest received		2	4	8
Interest paid		(86)	(255)	(481)
Interest element of finance lease and hire purchase payments		(17)	(20)	(43)
Dividend paid to minority interests		-	(58)	(267)
Net cash outflow from returns on investments and servicing of finance		(101)	(329)	(783)
Taxation				
UK corporation tax paid		(84)	(102)	(294)
Capital expenditure and financial investment				
Payments to acquire tangible fixed assets		(340)	(278)	(1,467)
Receipts from sale of tangible fixed assets		250	241	333
Net cash outflow from capital expenditure and financial investment		(90)	(37)	(1,134)
Acquisitions and disposals				
Receipts from decrease in stake in subsidiaries		-	18	18
Receipts from sale of subsidiary undertakings		-	-	2,391
Net cash disposed of with subsidiary undertakings		-	-	(514)
Payments to increase stake in subsidiaries		(208)	-	(19)
Payment to acquire subsidiary		-	-	(76)
Payments to acquire assets and trades of businesses		-	-	(6)
Net cash balances acquired with subsidiary undertaking		-	-	14
Net cash (outflow)/inflow from acquisitions and disposals		(208)	18	1,808
Equity dividend paid		-	-	-
Net cash inflow/(outflow) before financing		713	1,488	1,253
Financing				
Issue of ordinary share capital		100	-	-
Issue of ordinary share capital to subsidiary minorities		-	-	-
Receipt of loans		-	-	806
Invoice discounting (repayments)/advances		(453)	(1,158)	(1,664)
Repayment of loans		(92)	-	(189)
Capital element of finance lease rental payments		(151)	(230)	(379)
Net cash inflow/(outflow) from financing		(596)	(1,388)	(1,426)
Increase/(decrease) in cash in the period	6	117	100	(173)

NOTES TO THE FINANCIAL STATEMENTS
For the six months ended 30 June 2009

1. The six months figures to 30 June 2009 and 30 June 2008 are unaudited and do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985.
2. The results for the year to 31 December 2008 are not statutory financial statements. A copy of the statutory financial statements for that year has been delivered to the Registrar of Companies and carries an audit report that is unqualified and includes no adverse comment.
3. **EARNINGS PER ORDINARY SHARE**

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares during the period.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue on the assumption of conversion of all dilutive potential ordinary shares.

	Six months to 30 June 2009 (Unaudited)	Six months to 30 June 2008 (Unaudited)	Year to 31 December 2008 (Audited)
	£'000	£'000	£'000
(Loss)/profit for the financial period being basic and diluted (loss)/profit attributable to ordinary shareholders	(745)	(16)	612
Weighted average number of ordinary shares ('000)	17,013	16,813	16,813
Basic and diluted (loss)/earnings per share	(4.38p)	(0.09p)	3.64p

NOTES TO THE FINANCIAL STATEMENTS
For the six months ended 30 June 2009

4. TURNOVER AND OPERATING PROFIT

The Group's turnover and operating profit is derived from the supply of permanent and temporary staff.

	Six months to 30 June 2009 (Unaudited)	Six months to 30 June 2008 (Unaudited)	Year to 31 December 2008 (Audited)
	£'000	£'000	£'000
Geographical analysis of turnover:			
EU Countries	34,377	45,927	90,934
	<u>34,377</u>	<u>45,927</u>	<u>90,934</u>
Geographical analysis of operating (loss)/profit:			
EU Countries	(781)	801	496
	<u>(781)</u>	<u>801</u>	<u>496</u>

5. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Six months to 30 June 2009 (Unaudited)	Six months to 30 June 2008 (Unaudited)	Year to 31 December 2008 (Audited)
	£'000	£'000	£'000
Operating (loss)/profit	(781)	801	496
Depreciation	327	381	766
Amortisation of goodwill	36	92	127
Impairment of goodwill	-	-	89
(Profit)/loss on sale of tangible fixed assets	(3)	(8)	(15)
Increase in stock	-	(134)	-
Decrease/(increase) in debtors	2,260	(633)	1,118
(Decrease)/increase in creditors	(616)	1,428	(990)
Other non cash movements	(27)	11	65
	<u>1,196</u>	<u>1,938</u>	<u>1,656</u>
Net cash inflow from operating activities	<u>1,196</u>	<u>1,938</u>	<u>1,656</u>

NOTES TO THE FINANCIAL STATEMENTS
For the six months ended 30 June 2009

6. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Six months to 30 June 2009 (Unaudited)	Six months to 30 June 2008 (Unaudited)	Year to 31 December 2008 (Audited)
	£'000	£'000	£'000
Increase/(decrease) in cash in the period	117	100	(173)
Cash outflow/(inflow) from decrease/(increase) in debt and lease finance	696	1,400	1,426
Change in net debt resulting from cash flows	813	1,500	1,253
Other non-cash items:			
New finance leases	(9)	(281)	(364)
Finance leases and debt due within one year disposed of on sale of subsidiaries	-	-	44
Movement in net debt in the period	804	1,219	933
Net debt at 1 January	(9,416)	(10,349)	(10,349)
Net debt at 30 June/31 December	(8,612)	(9,130)	(9,416)

7. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2009	Cash flow	Other non-cash changes	At 30 June 2009
	£'000	£'000	£'000	£'000
Cash at bank and in hand	64	53	-	117
Overdrafts	(293)	64	-	(229)
	(229)	117	-	(112)
Debt due after one year	(945)	133	-	(812)
Debt due within one year	(7,781)	412	-	(7,369)
Finance leases	(461)	151	(9)	(319)
	(9,416)	813	(9)	(8,612)