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life after debt

ClearDebt Group PLC
Interim report for the six months
ended 31 December 2005


ClearDebt



CLEARDEBT GROUP PLC
(“ClearDebt Group” or the “Company”)

CHAIRMAN'S STATEMENT

Following the successful acquisition of ClearDebt Limited (“ClearDebt”) on 4 January 2006 and the approval of the change of the Company's name from Carrwood Plc to ClearDebt Group Plc, I have pleasure in presenting the Company's interim results for the 6 months ended 31 December 2005. The interim figures do not take into account the acquisition of ClearDebt and the associated placing and re-admission to AIM.

As announced on 9 February 2006, the Company has extended its year end to 30 June to coincide with that of ClearDebt.

The Board is confident of the long-term prospects for its strategy and business model. With a substantially different offering to that of its competitors, the Board believes that the Group's business model and strategy puts it in a strong position to generate good returns for shareholders.

The Board looks forward to the future with confidence.

Gerald Carey FCIB
Non-Executive Chairman
27 March 2006

CLEARDEBT GROUP PLC

CHIEF EXECUTIVE'S STATEMENT

PURCHASE OF CLEARDEBT

ClearDebt advises consumers who are finding it difficult to pay their debts as they fall due. The principal solution offered is the Individual Voluntary Arrangement ("IVA").

ClearDebt was acquired on 4 January 2006 for a consideration of £3 million, which was satisfied by the issue of 150 million new ordinary shares and 15 million warrants, together with the assumption of a loan of £500,000 plus accrued interest, satisfied by the issue of a further 29,837,228 new ordinary shares and 2,983,722 warrants.

At the same time, the Company raised £1,207,000 before expenses by means of a placing of 60,350,000 new ordinary shares to finance development of ClearDebt and to provide working capital.

TRADING UPDATE

The Directors believe that ClearDebt has an identifiably different business model compared to that of its competitors. ClearDebt is predominantly web-based and mainly attracts its customers through that same medium by way of natural search, search engine optimisation, cost per click, recommendations and email newsletters, although it has begun a more active marketing campaign, as described below.

ClearDebt only recognises a case at the time an individual's IVA is approved at the creditors meeting. ClearDebt also ensures that its customers are met by an independent, experienced insolvency practitioner (or by an experienced member of their staff), a step which complies with relevant current law and best practice. The directors believe this approach is important in ensuring that few cases fail at the initial creditors meeting and also facilitates the IVA continuing to its termination date.

On 16 January 2006, ClearDebt embarked on a media campaign to establish brand awareness and also to encourage more activity on the website, with the introduction of "Debt is a Monster Tame it". This campaign took the form of two thirty-second radio advertisements, full colour advertisements in certain national and local newspapers, and tube and tram cards.

The number of sessions on ClearDebt's website has risen from an average of 9,899 per month over the last three quarters of 2005 to an average of 17,003 per month between 1 January and 15 March 2006 – an increase of 72%. At the same time, the increase in completions of ClearDebt's more detailed online questionnaire has risen from 896 in the last quarter of 2005 to 2,095, an increase of 134%.

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Notes to the Interim Statements for the six months ended 31 December 2005

1. Basis of Accounting

The interim results are unaudited and do not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The results for the year ended 31 December 2004 are in abbreviated form and have been extracted from the published accounts that have been delivered to the Registrar of Companies. These were audited and reported upon without qualification by Baker Tilly and did not contain a statement under Section 237(2) or (3) of the Companies Act 1985.

2. Loss per share

Loss per share is calculated by reference to the average number of shares in issue in the period amounting to 12,490,650 shares (six months to 31 December 2004: 12,490,650 shares) and on a loss after taxation of £12,050 (six months to 31 December 2004: loss of £10,619) for the period.

3. Post Balance Sheet Events

On 4 January 2006 Carrwood plc acquired the issued share capital of ClearDebt Limited. On the same date the company changed its name from Carrwood plc to ClearDebt Group plc. Full details of the transaction are referred to in the Chief Executive's statement.

On 9 February 2006 ClearDebt Group plc extended its year end to 30 June 2006 to be in line with the year end of ClearDebt Limited. Accordingly a second set of interim accounts for ClearDebt Group plc have been produced.

4. Availability of Interim Report

A copy of this report is being sent to shareholders and copies can be downloaded from www.cleardebtgroup.co.uk



CLEARDEBT GROUP PLC

Cash Flow Statement

for the six months ended 31 December 2005

	Unaudited 6 mths ended 31 Dec 2005 £	Unaudited 6mths ended 30 June 2005 £	Unaudited 6 mths ended 31 Dec 2004 £	Audited 12 mths ended 31 Dec 2004 £
Reconciliation of loss for the period to net cash flow from operating activities				
Operating loss for the period	(12,050)	(15,740)	(10,619)	(22,353)
Movement in debtors	2,456	12,491	35,000	33,172
Movements in creditors	17,585	2,460	(1,115)	1,087
Net cash outflow/ (inflow) from operating activities	7,991	(789)	23,266	11,906
Cash Flow from financing activities				
Interest paid	-	-	-	-
Net cash used in financing activities	-	-	-	-
Cash Flow from investing activities				
Interest received	-	-	-	-
Net cash used in investing activities	-	-	-	-
Increase/(decrease) in cash and cash equivalents	7,991	(789)	23,266	11,906
Reconciliation of movement in shareholders' funds				
Loss for the period	(12,050)	(15,740)	(10,619)	(22,353)
Opening shareholders' funds	11,907	27,647	38,266	50,000
Closing shareholders' (deficiency)/ funds	(143)	11,907	27,647	27,647

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Since April 2005, this activity has resulted in the following number of IVAs:

Number of IVAs

Period ended 30 June 2005	7
Quarter to 30 September 2005	23
Quarter to 31 December 2005	35

Since 1 January 2006, the Company has received 138 IVA applications. Trading to date shows that cases continue to accrue from questionnaire completers for at least four months following the date they originally visited ClearDebt's website. This, together with the doubling of questionnaire completers, augurs well for a pipeline of future business.

ClearDebt is also pleased to report that since April 2005 only 1 case has been rejected at a creditors' meeting. Furthermore it has had to fail only 5 cases (because the relevant debtors failed to meet their monthly contributions).

FUTURE OUTLOOK

ClearDebt currently employs 7 staff and has recently recruited a further 3. The Directors believe that, with this number of employees, the Company will have sufficient resource to process 100 cases per month.

ClearDebt has also entered into a written agreement with John Charcol Limited which offers ClearDebt customers the chance to re-mortgage their homes in order to either settle their indebtedness or to use the lump sum obtained to contribute to an IVA for the benefit of creditors. Additionally, a number of other new alliances have also been established which the Directors believe will increase the referral of new cases. A number of other new initiatives are also being pursued which should also encourage future business.

David Emanuel Merton Mond FCA FCCA
Chief Executive Officer
27 March 2006

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Profit and Loss Account

for the six months ended 31 December 2005

	Unaudited 6 months ended 31Dec 2005 £	Unaudited 6 months ended 30 June 2005 £	Unaudited 6 months ended 31Dec 2004 £	Audited 12 months ended 31Dec 2004 £
Revenue:				
Continuing operations	-	-	-	-
Operating Loss	(12,050)	(15,740)	(10,619)	(22,353)
Loss on ordinary activities before taxation	(12,050)	(15,740)	(10,619)	(22,353)
Loss for the period	(12,050)	(15,740)	(10,619)	(22,353)
Dividends				
Retained loss	(12,050)	(15,740)	(10,619)	(22,353)
Loss per ordinary share	(0.10p)	(0.13p)	(0.09p)	(0.18p)

Recognised gains and losses

There are no recognised gains or losses in the half year ended 31 December 2005, other than those shown above.

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Balance Sheet

as at 31 December 2005

	Unaudited 31 December 2005 £	Unaudited 30 June 2005 £	Unaudited 30 June 2004 £	Audited 31 December 2004 £
Fixed Assets				
Tangible and Intangible	-	-	-	-
Current assets				
Debtors	1,881	4,337	15,000	16,828
Cash at bank and in hand	19,108	11,117	23,266	11,906
	20,989	15,454	38,266	28,734
Creditors – amounts falling due within 1 year	(21,132)	(3,547)	-	(1,087)
Net current assets	(143)	11,907	38,266	27,647
Total assets less current liabilities	(143)	11,907	38,266	27,647
Net (Liabilities)/Assets	(143)	11,907	38,266	27,647
Capital & Reserves				
Called up share capital	249,813	249,813	249,813	249,813
Share premium account	336,766	336,766	336,766	336,766
Profit and loss account	(586,722)	(574,672)	(548,313)	(558,932)
	(143)	11,907	38,266	27,647