

ClearDebt Group plc

("ClearDebt" or "the Group")

Unaudited Interim Results for the six months ended 31 December 2009

ClearDebt, the AIM quoted personal debt resolution adviser is very pleased to announce its Interim Results for the six months ended 31 December 2009. The period saw significant growth in revenues from the provision of both Individual Voluntary Arrangements ("IVAs") and Debt Management Plans ("DMPs"), with the prospect of continued growth to the year-end. The acquisition of some 6,500 clients through the purchase of IVAs, DMPs and Protected Trust Deeds ("PTDs") from a number of the subsidiaries of Relax Group plc (in Administration) (who were based in Staveley, Chesterfield) in December 2009 has more than doubled the number of clients under management.

Financial Highlights:

- Revenues increased to £2.3m (2008: £1.5m) up 57%
- Profit before tax of £425,185 (2008: £101,393) after the recognition of a gain on bargain purchase of £252,914

Operational Highlights

- Significant increase in number of IVAs passed: 350 agreed in period (2008: 200)

<u>Month</u>	<u>2009/10</u>	<u>2008/09</u>	<u>Month</u>	<u>2009/10</u>	<u>2008/09</u>
July	65	23	Oct	68	35
Aug	59	26	Nov	55	40
Sep	52	34	Dec	51	42
Total	176	83	Total	174	117

- Alternative cash flow/business diversity continues to be provided by Abacus, the Group's debt management arm who now have:
 - 3,949 debt management plans providing income
 - Expansion into other services is beginning to show progress
- Acquisition of 2,400 IVAs, 1,300 PTDs and 2,800 DMPs from certain Relax Group subsidiaries in December 2009. Integration is proceeding well with cases transferred to our systems this week following the successful relocation of a reduced staff base to a smaller office in Staveley.

Outlook

- Number of IVAs passed continues to increase and future looks highly positive

<u>Month</u>	<u>2009/10</u>	<u>2008/09</u>
Jan	20	29
Feb	74	41

Pipeline of new business suggests strong continued growth through to the year-end

- Current economic environment creates increasing demand for personal debt resolution. ClearDebt is in a position to cope with substantial growth due to its scalable model based around web-based algorithms - thereby helping to minimise the cost per case and enhancing profitability

David Mond, CEO of ClearDebt commented:

“We are very pleased by our performance throughout the period and are encouraged by what appear to be highly positive signs for continued future growth across all product lines. The Group is becoming a major player in the industry. As a profitable and highly scalable debt resolution group, we are confident that we will be able to manage our growth for the benefit of our shareholders.

Although the current macro economic conditions are of significant benefit to ClearDebt, we understand that this is a time of considerable personal pain and anxiety to many. Through our leading position in the Debt Resolution Forum, we are committed to the highest of standards in the industry, ensuring that consumers will get the most appropriate solution for their needs.

The combination of the wider economy forcing more individuals into debt, our diversified and scalable business model and crucially the realisation by the major lenders that a well-designed IVA is in their best interests leads us to believe that prospects for further growth are encouraging for the foreseeable future.”

25 March 2010

For further information, please contact:

ClearDebt Group plc

David Mond, Chief Executive Officer
Tel No: 0161 968 6805

Seymour Pierce Limited
(Broker and Nominated Adviser)

John Cowie or Nicola Marrin
Tel No: 020 7107 8000

INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS ENDED

31 DECEMBER 2009

Chairman's Statement

I present our Interim results for the 6 months ended 31 December 2009.

I am delighted to report that during this period the Group made a profit before taxation of £425,185 (2008: £101,393), after the recognition of a gain on bargain purchase of £252,914 on revenue of £2,265,316 (2008: £1,444,784). These results reflect continued progress across all the Group's business activities and include the first month's revenue from the back books of Individual Voluntary Arrangements ("IVAs"), Protected Trust Deeds ("PTDs") and Debt Management Plans ("DMPs") purchased from the Administrator of Relax Group plc on 2 December 2009.

Relax Acquisition

On 3 December 2009 it was announced that we had acquired certain assets of Relax Group plc (in administration).

These assets comprised 2,400 IVAs, 1,300 PTDs and 2,800 DMPs. The total consideration to be paid amounts to £2.7m of which £350,000 had been paid at 31 December 2009 which, together with estimated restructuring, relocation and financing costs estimated at £500,000 will bring the total cash cost to £3.2m. These costs will be expensed in the second half of the year in accordance with current accounting standards

The Board of ClearDebt see this acquisition as the opportunity to expand its operations in the growing IVA and Debt Management sector. It enables us to review the acquired debt management cases for possible IVAs and now give us the capability to take on new business in Scotland rather than referring PTDs onto third parties as we have done previously.

The acquisition of these assets should provide strong and predictable additional cash flow for the Group and our lean administration means we are very confident that we will manage these cases effectively and at a higher margin than Relax found possible. The timing of cash flows from the cases to date has exceeded our expectations.

Existing businesses

ClearDebt - IVAs

As the general economic climate has worsened, the last two quarters of 2009 have seen increasing numbers of IVAs being approved, and the quarterly numbers are now above the record levels recorded during 2006.

The number of Individual Voluntary Arrangements (IVAs) approved in the six months ended 31 December 2009 was 350 (2008: 200). These results not only represent a substantial increase over the equivalent period last year and the previous six months, but also demonstrate a step change in the numbers of new IVAs being passed each month compared to the first six months of calendar year 2009.

	1 st Quarter		2 nd Quarter		
	<u>2009/10</u>	<u>2008/09</u>	<u>2009/10</u>	<u>2008/09</u>	
July	65	23	Oct	68	35
Aug	59	26	Nov	55	40
Sep	52	34	Dec	51	42
Total	176	83	Total	174	117

In the first two months of 2010 (the third quarter of our 2009-10 financial year) the number of IVAs increased by approximately 34% when compared to the same two months of 2009.

	<u>2009/10</u>	<u>2008/09</u>
Jan	20	29
Feb	74	41

January case numbers habitually dip (there is less effective time in December in which to book creditor meetings), but this year the extensive disruption caused by the snow to our postage collections in late December and January led to delays in holding creditor meetings and the corresponding numbers of cases approved in January.

Importantly, March 2010 looks like being a record month, with some 95 meetings (as at 19 March 2010) already held, or booked to be held in the month for creditor approval of IVA proposals.

ClearDebt continues to benefit from its low overhead, high quality model, which allows the company's cost base to be kept to a minimum level whilst still providing high levels of service. More importantly, the model also facilitates efficient and rapid growth as there is minimal need to hire new staff until high customer number thresholds have been breached.

This continues to give ClearDebt the capacity to handle lower levels of debt than many of our major competitors and thereby broadens our addressable market. Moreover, with IVAs increasingly demonstrating their value as an effective debt recovery tool and with re-financing options for debtors still very difficult the growth in market acceptance of IVAs should continue for the foreseeable future.

Abacus - DMPs

Excellent progress continues to be made by Abacus, with 3,949 DMPs (as at 19 March 2010) currently generating income. A steady run rate of approximately 250 new DMPs per month is currently being achieved.

Abacus provides services to indebted individuals by negotiating and putting in place a DMP with their creditors. The debtor makes a monthly payment to Abacus which then distributes the payment to the creditors as agreed in the plan, less an administration fee at an agreed percentage of the monthly payment. An initial set up fee is also charged. DMPs are suitable for individuals whose debts are more manageable and rely on the goodwill of creditors as they are not a formal insolvency procedure and interest usually continues to accrue on outstanding debts, though attempts are made to suspend interest wherever possible and some bank creditors do agree to same.

Many clients are cross referred between ClearDebt and Abacus allowing the Group to offer an appropriate advice solution to all individuals.

These intra-Group synergies may become more prevalent when the current consultation process being undertaken by the Ministry of Justice into the possibility of Regulated Debt Management Plans is completed. Representatives of the Group are closely involved with this consultation process which should introduce important changes to the industry in 2011. Abacus is well placed and prepared to benefit from these changes.

Related Debt Advisory Services

Through Abacus, the Group has extended its activities into related services, such as helping to prevent repossession of debtors' homes and obtaining redress for debtors who have had payment protection insurance ("PPI") incorrectly sold to them. These activities continue to provide a worthwhile income and we are starting to see some acceleration in the settlement of PPI claims and receipt of commissions from the large pipeline of potential fees that has been built up over the last 12 months.

ClearCash card

Steady progress is being made in the new offering of our Pre-Paid MasterCard ClearCash. Over 1,200 clients (as at 19 March 2010) have signed up taking advantage of the online *icount* and our exclusive BudgetMaster tool. Significantly we were pleased to win the award of Best New Unbanked Pre-Paid Card and coming runner up as Best Newcomer at the Prepaid365 Card Awards 2010. We anticipate a higher rate of growth during the next 12 months.

Outlook

ClearDebt has now successfully integrated a debt management offering, a third party introducer and a contact management system into the Group, thereby diversifying our offering, allowing larger and more stable income streams and providing a strong platform for continued growth.

I therefore continue to be optimistic about the Group's prospects for the rest of the financial year to June 2010; the number of IVAs passed and DMPs being arranged continues to grow strongly and this growth is being augmented by the new services we have introduced.

The Abacus debt management business is extremely busy and is now generating significant profits and cash flows as it maximises the cross selling opportunities and marketing synergies between it and the ClearDebt business. As at 19 March 2010, our cash at bank amounted to £311,053, which gives us sufficient flexibility for current purposes.

I believe that the Group is well positioned to continue its growth and to benefit from any consolidation opportunities which may occur in our industry.

Gerald Carey FCIB

25 March 2010

ClearDebt Group plc Consolidated Income Statement		6 Months ended 31 December 2009 Unaudited £	6 Months ended 31 December 2008 Unaudited £	Year ended 30 June 2009 Audited £
	Note			
Revenue				
- ongoing		1,999,836	1,444,784	3,386,935
- acquisitions		265,480	-	-
	4	<u>2,265,316</u>	<u>1,444,784</u>	<u>3,386,935</u>
Cost of sales		(1,430,828)	(912,952)	(1,950,570)
Gross profit		<u>834,488</u>	<u>531,832</u>	<u>1,436,365</u>
Administrative expenses		(396,391)	(361,747)	(770,835)
Separately Disclosable items	8	-	77,500	77,500
Profit before interest, tax, depreciation and amortisation		<u>438,097</u>	<u>247,585</u>	<u>743,030</u>
Depreciation		(48,675)	(45,574)	(90,279)
Amortisation		(154,834)	(41,541)	(76,623)
Gain on bargain purchase		252,914	-	-
Profit from operations		<u>487,502</u>	<u>160,470</u>	<u>576,128</u>
Finance costs		(63,300)	(63,300)	(126,600)
Finance income		983	4,223	11,395
Profit before taxation		<u>425,185</u>	<u>101,393</u>	<u>460,923</u>
Taxation	6	(119,052)	(21,293)	(53,861)
Profit after taxation for period		<u>306,133</u>	<u>80,100</u>	<u>407,062</u>
Earnings per ordinary share - basic (pence)	5	0.10	0.03	0.13
Earnings per ordinary share - diluted (pence)	5	0.10	0.03	0.13

The results for the period are derived from continuing activities.

There was no recognised income or expenditure other than the profit for the period. Accordingly no Statement of Recognised Gains and Losses has been prepared.

ClearDebt Group plc Consolidated statement of comprehensive income – unaudited	6 Months ended 31 December 2009 Unaudited £	6 Months ended 31 December 2008 Unaudited £	Year ended 30 June 2009 Audited £
Profit for the period	306,133	80,100	407,062
Other comprehensive income net of tax	-	-	-
Total comprehensive profit for the period	306,133	80,100	407,062
Attributable to:			
Owners of the parent	306,133	80,100	407,062

ClearDebt Group plc Consolidated Statement of Financial Position	As at 31 December 2009 Unaudited £	As at 31 December 2008 Unaudited £	As at 30 June 2009 Audited £
Assets			
Non-current assets			
Intangible assets	7,516,756	4,463,273	4,537,299
Property, plant and equipment	222,758	208,032	189,800
Deferred taxation	328,098	382,103	347,940
	8,067,612	5,053,408	5,075,039
Current assets			
Trade receivables	662,131	444,476	729,310
Corporation tax receivables	-	108,173	-
Other receivables	120,350	119,615	-
Cash and cash equivalents	378,241	222,517	584,593
	1,160,722	894,781	1,313,903
Total assets	9,228,334	5,948,189	6,388,942
Equity and liabilities			
Issued capital	6,166,812	6,091,812	6,166,812
Share premium account	279,948	279,948	279,948
Share based compensation	112,641	97,814	97,814
Retained losses	(1,703,123)	(2,336,218)	(2,009,256)
Total equity	4,856,278	4,133,356	4,535,318
Current liabilities			
Trade and other payables	3,066,216	614,833	639,807
Corporation tax payables	-	-	13,817
	3,066,216	614,833	653,624
Non-current liabilities			
Financial liabilities	1,200,000	1,200,000	1,200,000
Deferred taxation	105,840	-	-
	1,305,840	1,200,000	1,200,000
Total liabilities	4,372,056	1,814,833	1,853,624
Total equity and liabilities	9,228,334	5,948,189	6,388,942

ClearDebt Group plc Consolidated Statement of Cashflows	6 Months ended 31 December 2009 Unaudited £	6 Months ended 31 December 2008 Unaudited £	Year ended 30 June 2009 Audited £
Cash flow from continuing operating activities			
Profit before taxation	425,185	101,393	460,923
Depreciation of property, plant and equipment	48,675	45,574	90,279
Amortisation of intangible assets	154,834	41,541	76,623
Increase in trade and other receivables	(53,171)	(96,647)	(256,486)
Finance costs	63,300	63,300	126,600
Finance income	(983)	(4,223)	(11,395)
Negative goodwill arising on purchase of assets	(252,914)	-	-
Share based payment charge	14,827	-	-
Decrease in trade and other payables	(66,182)	(125,331)	(105,737)
Cash generated in operations	333,571	25,607	380,807
Income tax refund	10,317	-	123,585
Cash generated in operating activities	343,888	25,607	504,392
Cash flow from investing activities			
Acquisition of business and assets	(350,000)	-	(10,612)
Acquisition of intangibles	(56,290)	-	(23,496)
Acquisition of property, plant and equipment	(81,633)	(9,550)	(36,023)
Finance income	983	4,223	11,395
Net cash absorbed by investing activities	(486,940)	(5,327)	(58,736)
Cash flow from financing activities			
Interest on loans	(63,300)	(63,300)	(126,600)
Cash absorbed by financing activities	(63,300)	(63,300)	(126,600)
Decrease in cash and cash equivalents	(206,352)	(43,020)	319,056
Opening cash and cash equivalents	584,593	265,537	265,537
Closing cash and cash equivalents	378,241	222,517	584,593

ClearDebt Group plc Consolidated Statement of Changes in Equity	Issued capital £	Share premium account £	Share based compensation £	Retained losses £	Total £
Balance at 1 Jul 2008	6,091,812	279,948	97,814	(2,416,318)	4,053,256
Profit for the period	-	-	-	80,100	80,100
Balance at 31 Dec 2008	6,091,812	279,948	97,814	(2,336,218)	4,133,356
Issue of shares	75,000	-	-	-	75,000
Profit for the period	-	-	-	326,962	326,962
As at 1 Jul 2009	6,166,812	279,948	97,814	(2,009,256)	4,535,318
Share based compensation	-	-	14,827	-	14,827
Profit for the period	-	-	-	306,133	306,133
Balance at 31 Dec 2009	6,166,812	279,948	112,641	(1,703,123)	4,856,278

Notes to the Interim Financial Statements

1. General information

The Group's interim financial statements consolidate the results of ClearDebt Group plc and its subsidiary companies made up to 31 December 2009.

The Group's functional currency is the £ Sterling.

ClearDebt Group plc is a limited liability company incorporated and domiciled in England and Wales whose shares have been admitted to trading on AIM, a market operated by the London Stock Exchange.

2. Accounting policies and basis of preparation

These interim financial statements do not constitute statutory accounts as defined by section 434 of the Companies Act 2006. It does not therefore include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 30 June 2009, which have been prepared in accordance with IFRS's as adopted by the European Union. The Group's statutory accounts for the year ended 30 June 2009 have been delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

The Group has not applied IAS 34, Interim Financial Reporting, which is not mandatory for UK Groups, in the preparation of these interim financial statements.

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, such as expectations of future events and are believed to be reasonable under the circumstances. Actual results may differ from these estimates. In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited consolidated financial statements for the year ended 30 June 2009.

The interim financial statements have been prepared using the same accounting policies and estimation techniques as will be adopted in the Group financial statements for the year ending 30 June 2010. The Group financial statements for the year ended 30 June 2009 were prepared under International Financial Reporting Standards.

The Relax acquisition comprised back books of insolvency and debt management cases. The future estimated income from these cases net of provisions and the costs of realisation have been discounted at the Groups weighted average cost of capital back to the date of acquisition to produce a fair value for the assets.

The intangible insolvency assets are being amortised over a period of three years and the debt management assets over one year. These periods have been selected by the directors to approximate as closely as possible to the period over which it is estimated that the vast majority of income will be received.

These interim financial statements have been prepared on a consistent basis and format except for the adoption of IAS 1 'Presentation of Financial Statements (Revised 2007)', IFRS 8 'Operating Segments' and the amendment to IFRS 2, "Share-based payments: vesting conditions and cancellations.

Changes in accounting policies

In the current financial year, the Group has adopted IAS 1, "Presentation of Financial Statements" (Revised), IFRS 8, "Operating Segments" and the amendment to IFRS 2, "Share-based payments: vesting conditions and cancellations".

IAS 1 Presentation of Financial Statements (Revised) includes the requirement to present a Statement of Changes in Equity as a primary statement and introduces the possibility of either a single Statement of Comprehensive Income (combining the Income Statement and a Statement of Comprehensive Income) or to retain the Income Statement with a supplementary Statement of Comprehensive Income. The second option has been adopted by the Group. As this standard is concerned with presentation only it does not have any impact on the results or net assets of the Group.

IFRS 8, Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker ("CODM"). By contrast IAS 14, "Segmental Reporting" required business and geographical segments to be identified on a risks and rewards approach. The business segmental reporting bases used by the Group in previous years are those which are reported to the CODM, so the changes to the segmental reporting for 2009 are in respect of the additional disclosure only.

3. Going Concern

The Group manages its cash requirements through its existing cash resources and operating cash flows. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current resources. Consequently, after making enquires, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the interim financial statements.

4. Segmental Information

The Group's total income, result before taxation and net assets were all derived from its principal activities being the provision of insolvency services (IVAs and PTDs) and DMPs to individuals experiencing personal debt problems. All the Group's activities were undertaken wholly in the United Kingdom.

6 months to 31 December 2009	Insolvency £	Debt Management £	Total £
Revenue			
- ongoing	644,847	1,354,989	1,999,836
- acquisitions	168,201	97,279	265,480
Inter segment trading	122,375	(122,375)	-
	935,423	1,329,893	2,265,316
Cost of sales	(561,222)	(869,606)	(1,430,828)
Gross profit	374,201	460,287	834,488
Administrative expenses	(143,044)	(253,347)	(396,391)
Profit before interest, tax, depreciation and amortisation	231,157	206,940	438,097
Depreciation	(14,337)	(34,338)	(48,675)
Amortisation	(81,640)	(73,194)	(154,834)
Gain on bargain assets	202,914	50,000	252,914
Profit from operations	338,094	149,408	487,502
Finance costs	-	(63,300)	(63,300)
Finance income	983	-	983
Profit before taxation	339,077	86,108	425,185
Taxation	(99,094)	(19,958)	(119,052)
Profit after taxation for period	239,983	66,150	306,133

4. Segmental Information (continued)

6 months to 31 December 2008

	Insolvency £	Debt Management £	Total £
Revenue			
- ongoing	376,458	1,068,326	1,444,784
Cost of sales	(268,081)	(644,871)	(912,952)
Gross profit	108,377	423,455	531,832
Administrative expenses	(129,509)	(232,238)	(361,747)
Separately disclosable items	77,500	-	77,500
Profit before interest, tax, depreciation and amortisation	56,368	191,217	247,585
Depreciation	(15,279)	(30,295)	(45,574)
Amortisation	(34,041)	(7,500)	(41,541)
Profit from operations	7,048	153,422	160,470
Finance costs	-	(63,300)	(63,300)
Finance income	4,223	-	4,223
Profit before taxation	11,271	90,122	101,393
Taxation	(2,367)	(18,926)	(21,293)
Profit after taxation for period	8,904	71,196	80,100

Year ended 30 June 2009	Insolvency £	Debt Management £	Total £
Revenue			
- ongoing	766,366	2,620,569	3,386,935
Inter segment trading	175,125	(175,125)	-
	941,491	2,445,444	3,386,935
Cost of sales	(463,787)	(1,486,783)	(1,950,570)
Gross profit	477,704	958,661	1,436,365
Administrative expenses	(258,926)	(511,909)	(770,835)
Separately disclosable items	77,500	-	77,500
Profit before interest, tax, depreciation and amortisation	296,278	446,752	743,030
Depreciation	(30,508)	(59,771)	(90,279)
Amortisation	(65,373)	(11,250)	(76,623)
Profit from operations	200,397	375,731	576,128
Finance costs	-	(126,600)	(126,600)
Finance income	11,395	-	11,395
Profit before taxation	211,792	249,131	460,923
Taxation	53,266	(107,127)	(53,861)
Profit after taxation for period	265,058	142,004	407,062

4. Segmental Information (continued)

Net operating assets are reconciled to equity funds as follows:

	As at 31 Dec 2009 £	As at 31 Dec 2008 £	As at 30 Jun 2009 £
Gross operating assets			
Insolvency	6,659,432	4,209,850	4,674,784
Debt management	2,568,902	1,738,339	1,714,158
	9,228,334	5,948,189	6,388,942
Gross liabilities			
Insolvency	2,666,906	247,936	413,347
Debt management	1,705,150	1,566,897	1,440,277
	4,372,056	1,814,833	1,853,624
Capital expenditure to acquire property, plant and equipment			
Insolvency	32,222	5,955	11,715
Debt management	49,411	3,595	24,308
	81,633	9,550	36,023
Capital expenditure to acquire business and assets			
Insolvency	200,000	-	-
Debt management	150,000	-	-
	350,000	-	-
Capital expenditure to acquire intangible assets			
Insolvency	56,290	-	23,496
Debt management	-	-	-
	56,290	-	23,496
Depreciation of property, plant and equipment			
Insolvency	14,337	15,279	30,508
Debt management	34,338	30,295	59,771
	48,675	45,574	90,279
Amortisation of intangible assets			
Insolvency	81,640	34,041	65,373
Debt management	73,194	7,500	11,250
	154,834	41,541	76,623

The total income, result before taxation and net assets are attributable to the one principal activity of the Group, being the provision of financial solutions to individuals experiencing personal debt problems and the provision of advice regarding structured settlements and related financial services. All revenue and costs originate within the United Kingdom. The revenue shown in the Group Income Statement represents amounts in respect of the provision of financial solutions to individuals experiencing personal debt problems. Revenue is largely derived from IVA and PTDs which we define as Insolvency services (where a licensed insolvency practitioner is required by statute to manage the case) and the fees charged for the arrangement of debt management plans.

5. Earnings per ordinary share

	6 Months ended 31 December 2009 Unaudited £	6 Months ended 31 December 2008 Unaudited £	Year ended 30 June 2009 Audited £
Profit attributable to equity holders of parent	306,133	80,100	407,062
Weighted average number of shares in issue - basic	308,340,567	304,590,550	306,213,855
Weighted average number of shares in issue - diluted	308,340,567	304,590,550	306,213,855
Earnings per share - basic (pence)	0.10	0.03	0.13
Earnings per share - diluted (pence)	0.10	0.03	0.13

The weighted average number of ordinary shares for calculating the diluted earnings per share above are identical to those for the basic earnings per share. This is because the outstanding share warrants and share options would not be dilutive under the terms of International Accounting Standard ("IAS") 33

6. Taxation

	6 Months ended 31 December 2009 £	6 Months ended 31 December 2008 £	Year Ended 30 June 2009 £
<u>Analysis of current year</u>			
Current tax			
UK corporation tax repayment due	-	-	-
UK corporation tax due	48,237	21,293	(1,595)
Deferred tax			
Temporary differences, origination and reversal	70,815	-	55,456
Tax on profit for the period	119,052	21,293	53,861

7. Acquisition

On 2 December 2009 the Group purchased from the Administrator of Relax Group plc and a number of its subsidiaries (“Relax”) the goodwill and assets of certain subsidiaries of Relax. The assets purchased comprised the goodwill and fixtures of; the IVA business which traded as Synergi Partners; the Debt Management business which traded under the name of Debtcare; and the Protected Trust Deeds which traded under the name of Adie Financial Services or AFS.

The total consideration due was £2,700,000, of which £350,000 had been paid to the Administrator as at 31 December 2009 with the balance due included in other payables. Currently at 25 March 2010 there remains a balance payable of £1,150,000 which will be discharged in the not too distant future.

The assets acquired were exclusively intangible assets represented by the future income due from the collection of the back book of IVA, PTD and DMP cases managed by each business. At the date of acquisition the relevant Relax assets comprised the following:

	Book value £	Fair value adjustment £	Fair Value £
Other intangible assets- Insolvency	-	2,152,000	2,152,000
Other intangible assets- Debt Management	-	926,000	926,000
Deferred taxation	-	(105,840)	(105,840)
Other payables	-	(19,246)	(19,246)
Gain on bargain purchase	-	(252,914)	(252,914)
	-	2,700,000	2,700,000

Settled by:	£
Cash consideration	2,700,000

Included in the results for the half year to 31 December 2009 is revenue of £265,480 and a pre tax profit of £5,395 after excluding the profit on purchase of a bargain asset of £252,194.

We have estimated the timing of, and the expected future income due, from the back books acquired less a provision for future expected delinquency together with the estimated costs necessary to collect in the income. This has been produced on a net present value basis to provide an estimate of the fair value of the intangible assets acquired.

The fair value arrived of the intangible assets acquired was £2,952,914 which is in excess of the £2.7m cost of acquisition. Accordingly under IFRS the profit and loss account has been credited with a gain on bargain purchase of £252,914 in the period.

8. Separately disclosable items

	6 Months Ended 31 December 2009 Unaudited £	6 Months Ended 31 December 2008 Unaudited £	Year Ended 30 June 2009 Audited £
Administration expenses			
Release of provision for litigation costs	-	77,500	77,500

ClearDebt Limited took legal action against several parties involved with the IVA Council for defamation and libel after the IVA Council sent correspondence to ClearDebt's customers (and customers of other IVA companies) alleging that they had been mis-sold IVAs. The case was settled in November 2008 with a full apology and award covering costs. A provision of £100,000 had previously been made in relation to legal costs incurred to 30 June 2008 in the event the case was not successful. Following the successful judgement £77,500 of this provision was released in the half year to 31 December 2008.

9. The Board of Directors approved the interim report on 25 March 2010. A copy of this Interim Statement is being sent to shareholders and copies are available for download by visiting our website at www.cleardebtgroup.co.uk.