

ClearDebt Group plc

("ClearDebt" or "the Group")

Unaudited Interim Results for the six months ended 31 December 2010

ClearDebt, the AIM quoted personal debt resolution adviser is pleased to announce its Interim Results for the six months ended 31 December 2010. The period saw significant growth in EBITDA and revenues, driven by a strong growth in the provision of Individual Voluntary Arrangements ("IVAs"). The Directors expect continued growth to the year-end and for the foreseeable future on the basis of the much-publicised expected ongoing levels of personal debt in the UK. The Group is expected to benefit from this as it continues to demonstrate the strong operational success it has enjoyed since its inception.

Financial Highlights:

- Revenues increased to **£3.97m** (2009: £2.27m) up **75%**
- EBITDA of **£1,156,849** (2009: £438,097) up **164%**

Operational Highlights

- Significant increase in number of IVAs passed:

761 agreed in period, more than 100% increase (2009: 350)

<u>Month</u>	<u>2010/11</u>	<u>2009/10</u>	<u>Month</u>	<u>2010/11</u>	<u>2009/10</u>
July	102	65	Oct	110	68
Aug	114	59	Nov	166	55
Sep	138	52	Dec	131	51
Total	354	176	Total	407	174

- Alternative cash flow/business diversity continues to be provided by Abacus, the Group's debt management arm which now has 6,345 debt management plans providing income.

Outlook

- Continued organic growth to drive increased profits; potential growth from acquisitions
- Number of IVAs passed continues to increase and future looks highly positive

<u>Month</u>	<u>2010/11</u>	<u>2009/10</u>
Jan	77	20

- Pipeline of new business suggests strong continued growth through to the year-end
- Current economic environment continues to create increasing demand for personal debt resolution and will continue for the foreseeable future.
- Negotiations ongoing with new referral partners to provide an increased level of IVA referrals.
- The IVA and debt management industry provides many opportunities for a consolidator to drive growth from acquisitions

David Mond, CEO of ClearDebt commented:

”ClearDebt has now successfully integrated the Relax acquisition and is ready to benefit by virtue of our strong operational performance. Whilst the combination of the nation’s addiction to personal credit and the continued tough economic outlook have created personal tragedies for many, ClearDebt continues to provide a manageable and compassionate solution to personal debt.

This situation does not look likely to change any time soon. Our continued operational strength is largely down to our unparalleled kaizen based system that has allowed us to grow from processing 10 IVAs a month 4 years ago to 150+ now. We are confident that we will be able to provide not only further organic growth, building on our genuine success, but also take on IVAs set up by other providers which are not as well organised as ClearDebt and which may be looking to exit an overcrowded market.”

25 February 2011

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INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS ENDED

31 DECEMBER 2010

Chairman's Statement

I am pleased to present our Interim results for the 6 months ended 31 December 2010.

The period saw considerable operational success with a more-than-doubling in earnings before interest, tax, depreciation and amortisation to **£1,156,849** (2009: £438,097). Our business has continued to generate substantial cash flow at the operating level: at the period end cash in hand was **£517,302** (2009: £378,241). It is worth noting that cash could have been higher, but for the strategic choice to spend £278,364 acquiring debt management back books that will provide increased income for a considerable period - well in excess of the acquisition cost.

During the period the Group made a profit before taxation of **£37,274** (2009: £425,185). This was after substantially higher amortisation costs of **£814,297** (2009: £154,834) and higher interest charges of **£264,402** (2009: £63,300) following the Relax acquisition and the subsequent convertible loan issue. The high amortisation charge in the first half reflects the continued amortisation of the intangible back books of both IVA and DMP assets purchased from Relax. The DMP back books have now been fully amortised which will lead to a lower amortisation charge in the second half - although I am pleased to say that we are still generating significant income from them.

The Board sees this as a period of financial consolidation and we are confident that the Group will generate profits more in keeping with our strong EBITDA in future periods.

Existing businesses

ClearDebt - IVAs

The Insolvency Service personal insolvency statistics showed the number of new IVAs peaked in June 2010 at just under 13,500 and have since fallen back slightly quarter on quarter but remain at historically high levels in excess of 12,500 in the quarter to December 2010. These figures can be seen as a reflection of society's addiction to personal credit. That ClearDebt provides a necessary service that will allow thousands of customers to retain financial independence and responsibility is without doubt.

I am delighted to report that we continued to gain market share with the number of Individual Voluntary Arrangements (IVAs) approved in the six months ended 31 December 2010 more than doubling to **761** (2009: 350) when compared to the same period last year.

	1 st Quarter			2 nd Quarter	
	<u>2010/11</u>	<u>2009/10</u>		<u>2010/11</u>	<u>2009/10</u>
July	102	65	Oct	110	68
Aug	114	59	Nov	166	55
Sep	138	52	Dec	131	51
Total	354	176	Total	407	174

In January 2011 (the third quarter of our 2010-11 financial year) we were pleased to have passed **77** IVAs (2010: 20) in a traditionally quieter month as there are fewer working days in December to book meetings for approval of IVAs in January. Furthermore the disruption caused by the snow in December closed the Staveley office for 3 days.

We have recently started to transfer new cases to the Staveley office to utilise spare staffing capacity that is coming available as the Relax cases are gradually completed and closed. 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.

We continue to experience an increasing proportion of our prospective clients taking up IVAs rather than debt management plans. In the majority of cases this is the most appropriate solution for the heavily indebted clients we continue to advise who would otherwise, in a debt management plan, take substantially more than the 5 years of a typical IVA to clear their debts in full.

The profitability of the IVA division continues to increase despite the increased financing and amortisation charges related to the Relax purchase as evidenced by an increase in EBITDA of the division to **£957,186**

(2009: £231,157). This reflects not only the increased numbers of new cases being passed each month, but also shows the benefit of the substantial income for the ongoing management of the IVAs that is now being realised as a result of our conservative income recognition policy on the passing of a case.

Abacus - DMPs

The Abacus debt management division had a more difficult first half with total client numbers declining as new client numbers were insufficient to offset the normal attrition rates of clients completing or defaulting on plans for a book of our current size. In addition we are seeing many clients transferring onto our IVA product.

During the period a book of DMP clients was purchased for approximately £280,000 and we continue to actively seek to acquire further books. Recent well publicised enforcement of regulations by the Office of Fair Trading has increased the number of companies seeking to sell their DMP books as companies exit the business or seek cash to implement the necessary and costly checks and balances required to become compliant.

Turnover in the 6 months to 31 December 2010 increased to **£1.55m** (2009:£1.33m) with EBITDA declining marginally to **£199,663** (2009:£206,940). Overall the division made a pre-tax loss of **£299,232** (2009: profit £86,108) after amortisation charges relating mainly to Relax of **£420,746** (2009:£73,194). The Relax back book has now been fully amortised although it continues to generate significant income each month.

Abacus as at 31 December 2010 had a total of **6,345** DMPs (2009: 6,793) generating income.

We continue to look to leverage the growing database of clients that we have, and to expand the products and services we can offer to clients thus boosting the ancillary streams of income we currently enjoy.

ClearCash card

Steady progress continues to be made with our Pre-Paid MasterCard ClearCash. In the period we launched an additional new version of the card which has no monthly fee but rather levies charges each time a card is used. This has significantly increased the rate of new card signings and as at 31 December 2010 there were **3,159** cards that have been issued (2009:540).

We see the ClearCash card as an integral service offering to our clients. It is in both their and our interests that our clients' personal financial management is stable throughout the life of their IVA or DMP.

Outlook

I continue to be optimistic about the Group's prospects for the remainder of the financial year to 30 June 2011 with the number of IVAs expected to be accepted continuing to outpace the market as a whole. Increasingly we are seeing clients accept that an IVA is the most appropriate debt resolution product for them and we expect the IVA division to be the main engine of growth.

We are also launching new initiatives to expand existing referrals as well as generating new referrers and would if successful significantly increase the numbers of IVAs being proposed. We would expect any progress with these initiatives to take a number of months to come to fruition in terms of new cases given the lead times to progress from lead to approval of an IVA.

Cash flow generation remains strong and we continue to look for consolidation opportunities and back books to purchase from our existing resources.

I believe that the Group is well positioned to continue its growth through three main drivers. Firstly, there are the continuing levels of unserviceable personal debt in the UK that will drive organic growth. Secondly our efforts to increase our network of referral partners will be profitable and drive further organic growth. Finally, there are groups in our market who will be looking to exit as they lack our fundamental structure and financial discipline. We therefore look forward to the potential benefits from any consolidation opportunities which may occur in our industry.

Gerald Carey FCIB
25 February 2011

ClearDebt Group plc Consolidated Income Statement		6 Months ended 31 December 2010 Unaudited £	6 Months ended 31 December 2009 Unaudited £	Year ended 30 June 2010 Audited £
	Note			
Revenue				
- ongoing		3,915,692	2,265,316	6,633,995
- acquisitions		55,042	-	-
	4	<u>3,970,734</u>	<u>2,265,316</u>	<u>6,633,995</u>
Cost of sales		(1,928,818)	(1,430,828)	(3,333,307)
Gross profit		<u>2,041,916</u>	<u>834,488</u>	<u>3,300,688</u>
Administrative expenses		(779,977)	(381,564)	(1,293,371)
Administrative expenses -Separately disclosable items	8	(74,278)	-	(449,473)
Share based payment		(30,812)	(14,827)	(42,573)
Profit before interest, tax, depreciation and amortisation		<u>1,156,849</u>	<u>438,097</u>	<u>1,515,271</u>
Depreciation		(64,009)	(48,675)	(102,875)
Amortisation		(814,297)	(154,834)	(993,980)
Separately disclosable items	8	21,338	252,914	252,914
Gain on bargain purchase		<u>21,338</u>	<u>252,914</u>	<u>252,914</u>
Profit from operations		<u>299,881</u>	<u>487,502</u>	<u>671,330</u>
Finance costs		(264,402)	(63,300)	(128,314)
Finance costs - separately disclosable items		-	-	(78,346)
Finance income		1,795	983	1,039
Profit before taxation		<u>37,274</u>	<u>425,185</u>	<u>465,709</u>
Taxation	6	(6,514)	(119,052)	(123,474)
Profit after taxation for period		<u><u>30,760</u></u>	<u><u>306,133</u></u>	<u><u>342,235</u></u>
Earnings per ordinary share - basic (pence)	5	0.01p	0.10p	0.11p
Earnings per ordinary share - diluted (pence)	5	0.01p	0.10p	0.11p

The results for the period are derived from continuing activities.

ClearDebt Group plc Consolidated Statement of Comprehensive Income	6 Months ended 31 December 2010 Unaudited £	6 Months ended 31 December 2009 Unaudited £	Year ended 30 June 2010 Audited £
Profit for the period	30,760	306,133	342,235
Other comprehensive income net of tax	-	-	-
Total comprehensive profit for the period	30,760	306,133	342,235
Attributable to:			
Owners of the parent	30,760	306,133	342,235

ClearDebt Group plc Consolidated Statement of Financial Position	As at 31 December 2010 Unaudited £	As at 31 December 2009 Unaudited £	As at 30 June 2010 Audited £
Assets			
Non-current assets			
Intangible assets	6,284,102	7,516,756	6,765,047
Property, plant and equipment	245,063	222,758	227,992
Deferred taxation	158,706	328,098	163,720
	6,687,871	8,067,612	7,156,759
Current assets			
Trade receivables	1,120,706	662,131	1,005,163
Corporation tax receivables	8,372	-	8,372
Other receivables	248,750	120,350	148,063
Cash and cash equivalents	517,302	378,241	541,504
	1,895,130	1,160,722	1,703,102
Total assets	8,583,001	9,228,334	8,859,861
Equity and liabilities			
Issued capital	6,166,812	6,166,812	6,166,812
Share premium account	279,948	279,948	279,948
Share based compensation	171,199	112,641	140,387
Other reserves	96,495	-	96,495
Retained losses	(1,636,261)	(1,703,123)	(1,667,021)
Total equity	5,078,193	4,856,278	5,016,621
Current liabilities			
Trade and other payables	549,215	3,066,216	1,009,151
Corporation tax payables	-	-	-
	549,215	3,066,216	1,009,151
Non-current liabilities			
Financial liabilities	2,877,057	1,200,000	2,765,350
Deferred taxation	78,536	105,840	68,739
	2,955,593	1,305,840	2,834,089
Total liabilities	3,504,808	4,372,056	3,843,240
Total equity and liabilities	8,583,001	9,228,334	8,859,861

ClearDebt Group plc Consolidated Statement of Cashflows	6 Months ended 31 December 2010 Unaudited £	6 Months ended 31 December 2009 Unaudited £	Year ended 30 June 2010 Audited £
Cash flow from continuing operating activities			
Profit before taxation	37,274	425,185	465,709
Depreciation of property, plant and equipment	64,009	48,675	102,875
Amortisation of intangible assets	814,297	154,834	993,980
Gain on bargain purchase	(21,338)	(252,914)	(252,914)
Share based payment	30,812	14,827	42,573
Increase in trade and other receivables	(216,230)	(53,171)	(423,916)
Finance costs	264,402	63,300	206,660
Finance income	(1,795)	(983)	(1,039)
(Increase)/decrease in trade and other payables	(450,951)	(66,182)	332,252
Cash generated by operations	520,480	333,571	1,466,180
Corporation tax refund	-	10,317	10,317
Net cash generated by operating activities	520,480	343,888	1,476,497
Investing activities			
Acquisition of business and assets	(278,364)	(350,000)	(2,700,000)
Acquisition of intangibles	(25,351)	(56,290)	(143,728)
Acquisition of property, plant and equipment	(81,082)	(81,633)	(144,251)
Finance income	1,795	983	1,039
Sale of property, plant and equipment	-	-	3,184
Net cash used in investing activities	(383,002)	(486,940)	(2,983,756)
Financing activities			
Proceeds from issue of convertible loan notes	-	-	1,800,000
Issue costs	-	-	(184,379)
Interest on loans	(161,680)	(63,300)	(151,451)
Cash generated by/(used) in financing activities	(161,680)	(63,300)	1,464,170
Decrease in cash and cash equivalents	(24,202)	(206,352)	(43,089)
Opening cash and cash equivalents	541,504	584,593	584,593
Closing cash and cash equivalents	517,302	378,241	541,504

ClearDebt Group plc Consolidated Statement of Changes in Equity	Issued Capital £	Share premium account £	Share based compensation £	Other Reserves £	Retained losses £	Total £
Balance 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
Equity component on issue of convertible loan notes	-	-	-	96,495	-	96,495
Share based compensation	-	-	27,746	-	-	27,746
Profit for the period	-	-	-	-	36,102	36,102
As at 1 Jul 2010	6,166,812	279,948	140,387	96,495	(1,667,021)	5,016,621
Share based compensation	-	-	30,812	-	-	30,812
Profit for the period	-	-	-	-	30,760	30,760
Balance at 31 Dec 2010	6,166,812	279,948	171,199	96,495	(1,636,261)	5,078,193

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 2010.

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 2010, 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 2010 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 2010.

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 2011. The Group financial statements for the year ended 30 June 2010 were prepared under International Financial Reporting Standards as adopted by the European Union.

The intangible insolvency assets are being amortised over a period of three years and the debt management assets over periods ranging between 12 and 18 months. 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.

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 2010	Insolvency £	Debt Management £	Total £
Revenue			
- ongoing	2,415,609	1,500,083	3,915,692
- acquisitions	-	55,042	55,042
	2,415,609	1,555,125	3,970,734
Cost of sales	(921,290)	(1,007,528)	(1,928,818)
Gross profit	1,494,319	547,597	2,041,916
Administrative expenses	(481,154)	(298,823)	(779,977)
Share based payment	(15,041)	(15,771)	(30,812)
Separately disclosable items	(40,938)	(33,340)	(74,278)
Profit before interest, tax, depreciation and amortisation	957,186	199,663	1,156,849
Depreciation	(26,272)	(37,737)	(64,009)
Amortisation	(393,551)	(420,746)	(814,297)
Gain on bargain assets	-	21,338	21,338
Profit from operations	537,363	(237,482)	299,881
Finance costs	(202,652)	(61,750)	(264,402)
Finance income	1,795	-	1,795
Profit before taxation	336,506	(299,232)	37,274
Taxation	(83,505)	76,991	(6,514)
Profit after taxation for period	253,001	(222,241)	30,760

4. Segmental Information (continued)

6 months to 31 December 2009	Insolvency £	Debt Management £	Total £
Revenue			
- ongoing	813,048	1,452,268	2,265,316
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	(136,223)	(245,341)	(381,564)
Share based compensation	(6,821)	(8,006)	(14,827)
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)

Year ended 30 June 2010	Insolvency £	Debt Management £	Total £
Revenue			
- Ongoing	3,408,373	3,225,622	6,633,995
Cost of sales	(1,522,269)	(1,811,038)	(3,333,307)
Gross profit	1,886,104	1,414,584	3,300,688
Administrative expenses	(701,513)	(591,858)	(1,293,371)
Share based payment	(19,579)	(22,994)	(42,573)
Separately disclosable items	(363,543)	(85,930)	(449,473)
Profit before interest, tax, depreciation and amortisation	801,469	713,802	1,515,271
Depreciation	(30,307)	(72,568)	(102,875)
Amortisation	(468,193)	(525,787)	(993,980)
Gain on bargain assets	202,914	50,000	252,914
Profit from operations	505,883	165,447	671,330
Finance costs	(12,801)	(115,513)	(128,314)
Finance income	1,039	-	1,039
Separately disclosable items	(54,776)	(23,570)	(78,346)
Profit before taxation	439,345	26,364	465,709
Taxation	(116,093)	(7,381)	(123,474)
Profit after taxation for period	323,252	18,983	342,235

4. Segmental Information (continued)

	As at 31 Dec 2010 £	As at 31 Dec 2009 £	As at 30 Jun 2010 £
Capital expenditure to acquire intangible assets			
Insolvency	25,351	256,290	2,260,728
Debt management	278,364	150,000	961,000
	303,715	406,290	3,221,728
Depreciation of property, plant and equipment			
Insolvency	26,271	14,337	30,307
Debt management	37,738	34,338	72,568
	64,009	48,675	102,875
Amortisation of intangible assets			
Insolvency	393,551	81,640	468,193
Debt management	420,746	73,194	525,787
	814,297	154,834	993,980

The Group's total income, profit before taxation and net assets were all derived from its principal activities being the provision of IVA and other financial advice and appropriate solutions to individuals experiencing personal debt problems. All the Group's activities were undertaken wholly in the United Kingdom.

Under IFRS 8, the Group is required to identify its operating segments on the basis of internal reports about segments of the Group that are regularly reviewed by the chief operating decision maker to allocate resources and assess their performance. The chief operating decision maker has been identified as the Board of ClearDebt Group plc, led by the Chairman.

The adoption of this standard has not resulted in any change to the operating segments previously disclosed by the Group.

5. Earnings per ordinary share

	6 Months ended 31 December 2010 Unaudited £	6 Months ended 31 December 2009 Unaudited £	Year ended 30 June 2010 Audited £
Profit attributable to equity holders of parent	30,760	306,133	342,235
Weighted average number of shares in issue - basic	308,340,567	308,340,567	308,340,567
Weighted average number of shares in issue - diluted	308,340,567	308,340,567	308,340,567
Earnings per share - basic (pence)	<u>0.01</u>	<u>0.10</u>	<u>0.11</u>
Earnings per share - diluted (pence)	<u>0.01</u>	<u>0.10</u>	<u>0.11</u>

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

6. Taxation

	6 Months ended 31 December 2010 £	6 Months ended 31 December 2009 £	Year Ended 30 June 2010 £
<u>Analysis of current year</u>			
Current tax			
UK corporation tax repayment due	-	-	(8,372)
UK corporation tax due	-	48,237	-
Over provision from prior years	-	-	(15,273)
Deferred tax			
Temporary differences, origination and reversal	6,514	70,815	147,119
Tax on profit for the period	6,514	119,052	123,474

7. Acquisition

In November 2010 Abacus purchased a back book of debt management cases at a cost of £278,364.

The assets acquired were exclusively intangible assets represented by the future income due from the collection of the back book of DMP cases. At the date of acquisition the relevant assets comprised the following:

	Book value £	Fair value adjustment £	Fair Value £
Other intangible assets- Debt Management	-	308,000	308,000
Deferred taxation	-	(8,298)	(8,298)
Gain on bargain asset	-	(21,338)	(21,338)
		<u>278,364</u>	<u>278,364</u>
Settled by:			£
Cash consideration			<u>278,364</u>

Included in the results for the half year to 31 December 2010 are revenue of £55,042 and a pre tax profit of £16,486.

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.

8. Separately disclosable items

	6 Months ended 31 December 2010 Unaudited £	6 Months ended 31 December 2009 Unaudited £	Year Ended 30 June 2010 Audited £
Administration expenses			
Expenses relating to the acquisition and restructuring of the Relax business	(40,938)	-	(449,473)
Closure costs	(33,340)	-	-
	(74,278)	-	(449,473)
Gain on bargain purchase	21,338	252,914	252,914
Finance costs			
Bridging loan finance	-	-	(78,346)
	(52,940)	252,914	(274,905)

During the period the Debtcare DMP division acquired from Relax and located in Staveley was closed and the clients were successfully transferred to our Timperley head office.

The gain on bargain purchase has arisen from the purchase of a back book of DMP clients in the period and represents the difference between the fair value attributed to the assets and the cost price paid less a provision for deferred taxation.

9. The Board of Directors approved the interim report on 25 February 2011. 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.