24 August 2021

CPPGroup Plc
("CPP", "the Group" or "the Company")

HALF YEAR REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2021

Robust performance against a challenging backdrop

CPP Group (AIM: CPP), the multinational provider of personal protection and insurance products and services, is pleased to announce its half year results for the six months ended 30 June 2021.

Highlights

- Group revenue from continuing operations increased by 10% to £66.4 million (H1 2020 restated: £60.3 million)
- EBITDA from continuing operations increased by 37% to £2.6 million (H1 2020 restated: £1.9 million)
- Reported loss before tax from continuing operations of £0.7 million (H1 2020 restated: £0.5 million profit)
- Underlying profit before tax from continuing operations of £0.8 million (H1 2020 restated: £0.6 million)
- Loss after tax from continuing operations of £1.8 million (H1 2020 restated: £1.2 million) which improves to an overall profit for the period of £1.3 million (H1 2020: £0.7 million loss) when including discontinued operations
- Cash balance of £19.6 million as at 30 June 2021 (H1 2020: £18.2 million)
- 5 pence per share interim dividend declared following recommencement of full year dividend announced in FY 2020 results

Strategic progress

- Customer numbers increased to 12.3 million (H1 2020 restated: 10.8 million, FY 2020 restated: 11.6 million)
- The partner base continues to grow, including the addition of financial wellbeing company ClearScore in the UK
- Further product innovation to meet the changing needs of consumers with the release of a home emergency product range in the UK and EU, and plans to launch a similar line in Turkey
- Integration of Blink into our platform to strengthen the Group's ability to meet the growing demand for parametric insurance solutions
- Established an IT team in our Indian business to build their new customer platform
- Disposal of German card protection legacy business for £2.4 million
- Restructuring of Mexico and closure of Malaysia business units in line with the Group's commitment to maximise value from its assets and focus on the areas with the strongest prospects

Financial and non-financial highlights – continuing operations

£ millions	Six months to 30 June 2021	Six months to 30 June 2020 (Restated[1])	Change
Financial highlights:			
Group			
Revenue	66.4	60.3	10%
EBITDA[2]	2.6	1.9	37%
Operating (loss)/profit	(0.5)	0.5	(199)%
(Loss)/profit before tax			
- Reported	(0.7)	0.5	(231)%
- Underlying[3]	0.8	0.6	41%
Loss after tax			
- Reported	(1.8)	(1.2)	(51)%
- Underlying[3]	(0.4)	(1.1)	60%
Profit/(loss) for the period[4]	1.3	(0.7)	273%
Basic loss per share (pence)	(23.36)	(14.19)	(65)%
Interim dividend per share (pence)	5.00	-	n/a
Cash and cash equivalents	19.6	18.2	7%
Segmental revenue			
Ongoing Operations	61.9	55.1	12%
Restricted Operations	4.5	5.2	(13)%
Non-financial highlights:			
Customer numbers (millions)	12.3	10.8	13%

1. Restated to reflect Germany as a discontinued operation.
2. EBITDA represents earnings before interest, taxation, depreciation, amortisation and exceptional items.
3. Underlying profit before tax excludes exceptional items of £1.5 million (H1 2020: £0.1 million). The tax effect of the exceptional items is £0.1 million (H1 2020: £nil). Further detail of exceptional items is provided in note 5 of the condensed consolidated interim financial statements.
4. Profit/(loss) for the period includes continuing and discontinued operations.

Jason Walsh, CEO of CPP Group, commented:

"The first half of 2021 was a similar story to that of 2020, with a strong first quarter tempered by the negative effects of COVID-19 in the second, particularly in our main market of India. Nonetheless, we have adapted well across our markets and delivered a solid overall performance on the corresponding period last year while making progress in restructuring elements of the Group to further strengthen its position for long-term, sustainable and profitable growth.

"As COVID-19 measures have eased in India, we have seen a progressive recovery in trading in the region with strong progress since the end of June. However, we remain cognisant of the need to monitor the situation closely as we move through the second half.

"Elsewhere in our key markets, we continue to make progress. Our performance in Turkey at a local level was particularly pleasing, driven in large part by our expanded network of partners in the territory. However, the continuing devaluation of the lira has largely negated this performance at a Group level. In the UK and EU we continued to build on strong foundations to develop an innovative, differentiated and integrated business with compelling prospects.

"We remain focused on growing our offering through innovation and strengthening our routes to market while continuing to drive efficiencies across the Group. Whilst uncertainty remains from COVID-19, the Board believes the Company is trading broadly in line with market expectations for the full year with the outlook being positive for the remainder of the year.

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About CPP Group:

CPP Group takes away many of the stresses and strains of daily life for millions of people across the globe. In collaboration with selected partners in each country in which the Group operates, it develops, aggregates, offers and supports a range of personal protection and insurance products, which are sold alongside, or packaged with, the core product offerings of the Group's partners. CPP is listed on AIM, operated by the London Stock Exchange.

For more information on CPP visit https://international.cppgroup.com/

Chief Executive's Statement

We delivered another half of robust financial and operational progress amid continuing challenges related to the pandemic. To be able to do so is testament to the quality and dedication of our teams. I am grateful to all our colleagues, particularly those in India who have been affected by the devastating second wave of COVID-19 in Q2. Our people have shown exceptional resolve throughout what has been an extremely difficult time and I would like to thank them all for the way they have dealt with a period of unprecedented adversity.

The pandemic and its knock-on effects will continue to affect the pace of our progress in some areas. While we must remain vigilant in continuing to manage the situation, there are signs of a return to a more normal environment and we can now look to the future with cautious optimism.

The Group's strategy is to maximise value from its assets and focus on the areas of the business with the greatest prospects for delivering sustainable and profitable medium to long-term growth. During H1 we have restructured elements of the Group as planned. This included the sale of our German Card Protection legacy business for £2.4 million, providing additional financial flexibility for the Group to deliver its growth strategy. Consequently the German business is presented as a discontinued operation with this review focusing on the performance of the Group's continuing operations.

Financial performance

Six months ended 30 June **Continuing operations**	**2021** **£'m**	2020[1] £'m	Change	Constant currency change[2]
Revenue	**66.4**	60.3	10%	19%
EBITDA	**2.6**	1.9	37%	88%
Operating (loss)/profit	**(0.5)**	0.5	(199)%	(288)%
(Loss)/profit before tax	**(0.7)**	0.5	(231)%	(397)%
Cash	**19.6**	18.2	7%	n/a

1. Restated to reflect Germany as a discontinued operation
2. The constant currency basis retranslates the previous year measures at the average actual exchange rates used in the current financial period. This approach is applied as a means of eliminating the effects of exchange rate movements on the period-on-period reported results. The relevant exchange rates and analysis of exchange rate movements are included in note 3 of the condensed consolidated interim financial statements.

Group revenue of £66.4 million (H1 2020 restated: £60.3 million) has grown by 19% on a constant currency basis driven by our Indian market where we were pleased to see Q1 new sales return to pre-pandemic levels. Although new sales in April and May in the region were heavily impacted by the second wave of COVID-19, the effect was not as deep as that experienced in Q2 2020. The speed of recovery from the latest COVID-19 shock in India is not clear, however, we draw confidence from the early signs in Q3 of further improvements in trading.

The renewal books across all our markets, including the growing book in India, continue to perform well providing a reliable source of revenue and cash to the business. The Group's customer numbers have increased to 12.3 million (H1 2020 restated: 10.8 million; 31 December 2020 restated: 11.6 million) with growth in India being well supplemented by customer acquisitions from new partners in Turkey and the UK.

Gross profit has reduced to £15.9 million (H1 2020 restated: £16.6 million) which is reflective of a falling gross profit margin at 24% (H1 2020 restated: 28%). This reflects growth in our Indian business which has higher costs of acquisition associated with sales than the UK and EU renewal books it is replacing. In addition, whilst gross profit in India is increasing this is at a lower margin period-on-period as an increasing share of revenue and customer growth comes from lower margin product variants. We expect the Group gross profit margin to continue to reduce in the medium-term.

We are pleased that EBITDA has grown by 88% on a constant currency basis to £2.6 million (H1 2020 restated: £1.9 million) following a 10% reduction in administrative expenses, before depreciation and exceptional items. The reducing cost base demonstrates the benefit of restructuring exercises across the Group to address loss-making operations and cost inefficiencies.

The operating loss of £0.5 million (H1 2020 restated: £0.5 million profit) reflects depreciation charges of £1.6 million (H1 2020: £1.8 million) and exceptional costs of £1.5 million (H1 2020: £0.4 million credit) associated with restructuring in H1 which focused on the effectiveness of some of the Group's operations and the overall cost base. This led to additional operational efficiencies being realised in Spain, new business development activities halted in Mexico, the closure of Malaysia and a reduction in central Board costs. In addition, Blink, the parametric insurance platform was brought under central management.

The loss before tax of £0.7 million (H1 2020: £0.5 million profit) is principally due to the level of exceptional restructuring activity in H1 which will benefit future periods including H2 2021. This coupled with the fact the Group's trading activities are weighted towards H2, led by the festival season in India, is expected to lead to the Group reversing this position and reporting a pre-tax profit for the full year. On an underlying basis, which excludes exceptional items, the Group has generated a profit before tax of £0.8 million (H1 2020 restated: £0.6 million).

Discontinued operations

This represents our German operation which was sold in May 2021. Germany was a non-core book of Card Protection business that was placed into run-off, which included closure of the company's operation in Hamburg, following a strategic decision to restructure the Group's EU markets in 2018. The disposal has enabled the Group to realise the value of the diminishing run-off book and re-direct resources to supporting its key markets. Discontinued operation profits in the period were £3.1 million (H1 2020 restated: £0.4 million) comprising a profit on disposal of the business of £2.7 million (H1 2020: £nil) and a profit after tax from the trading results of Germany prior to disposal of £0.4 million (H1 2020 restated: £0.4 million). Further detail is provided in note 9 to the condensed consolidated interim financial statements.

Segmental performance

Revenue	H1 2021 £'m	H1 2020 (Restated)[1] £'m	Change	Constant currency change
Ongoing Operations:				
India	**53.1**	46.0	15%	26%
EU Hub	**5.0**	5.4	(8)%	(6)%
Turkey	**1.8**	1.8	1%	38%
Rest of World[2]	**2.0**	1.9	6%	8%
Total Ongoing Operations	**61.9**	55.1	12%	22%
Restricted Operations	**4.5**	5.2	(13)%	(13)%
Group revenue	**66.4**	60.3	10%	19%

EBITDA	H1 2021 £'m	H1 2020 (Restated)[1] £'m	Change	Constant currency change
Ongoing Operations:				
India	**3.9**	2.9	29%	48%
EU Hub	**0.5**	1.5	(64)%	(64)%
Turkey	**0.4**	0.4	8%	75%
Rest of World[2]	**(0.7)**	(1.9)	63%	62%
Total Ongoing Operations	**4.1**	2.9	40%	69%
Restricted Operations	**1.0**	1.4	(29)%	(29)%
Central Functions	**(2.4)**	(2.3)	(2)%	(2)%
Segmental EBITDA	**2.7**	2.0	35%	81%
Share of loss in joint venture	**(0.1)**	(0.1)	2%	2%
Group EBITDA	**2.6**	1.9	37%	88%

1. Restated to reflect Germany as a discontinued operation.
2. Rest of World comprises China, Malaysia, Mexico, UK, Blink and Bangladesh.

Ongoing Operations

Revenue has increased by 22% on a constant currency basis to £61.9 million (H1 2020 restated: £55.1 million) due to the growth in India through increased sales of our Mobile and LivCare products particularly led by the rural market and the growing Card Protection renewal book. In addition, Globiva, which was heavily affected by COVID-19 last year, has grown and we are pleased that monthly revenues are now back at pre-pandemic levels.

EBITDA has increased 69% on a constant currency basis to £4.1 million (H1 2020 restated: £2.9 million) resulting from growth in India and Globiva and a reduction in Rest of World losses following the restructuring exercises in Blink and Mexico and the closure of Malaysia.

The good performance in India demonstrates the strength of our partner relationships – particularly with Bajaj Finance Limited (Bajaj) and SBI Card (SBI), our two largest partners in India – who continue to see the value of our products in helping them to maximise revenue and increase loyalty among their rapidly expanding customer bases. In the period, CPP customer numbers in the region surpassed 10 million, and subsequently have continued to grow at a healthy rate.

We have also continued to make headway in strengthening the operational side of our Indian business. Most notably in the period, we brought in a new IT team to build a new customer platform that will underpin our operations and will be of benefit as we continue to scale the business in the coming years.

The performance of Globiva, the Indian business process management company in which we own a 51% stake, was largely not impacted by the escalation of the COVID-19 situation in Q2. Globiva spent much of 2020 building a stronger operational model that could withstand the unique challenges posed by the pandemic and we are pleased that this enabled the business to withstand the shocks of the second wave. As a result, the business has been able to grow its billable seats through the period. Overall sales have increased period-on-period, making Globiva one of our best performing units alongside our main Indian business.

While to date there are encouraging signs that India is emerging from the crisis, there remains uncertainty around the rate of the recovery and we cannot rule out the possibility of further spikes. In the short-term, we continue to work through the challenges and remain positive about the growth prospects of our interests in India in the second half. The structural drivers around the growth of the middle class that have made the territory such a success story to date show no sign of abating, giving us confidence in our ability to deliver further growth in the years ahead.

Turkey, another of our key markets, delivered good growth against the first half of 2020 with local revenue and retail customer numbers growing by 38% and 32% respectively. The continued weakening of lira has largely negated this progress in the reported results. The new partnerships signed last year developed as we had hoped and made meaningful contributions to revenue growth – particularly those with Akbank and Türkiye Sigorta.

Our operations in Turkey were not immune from the impact of COVID-19, but against a challenging backdrop that included periods of bank branch closures, we worked closely with our partners to explore new and innovative acquisition channels, while focusing on continued product innovation. In the second half, we expect to be able to launch a home emergency product into the market in a similar vein to the one launched in our UK and EU businesses in the first half. This is a good example of our improved pooling of resources and knowledge from across the Group allowing us to successfully replicate products in different markets.

We continue to execute our strategy across our UK and EU businesses, built around a simple principle of investing in the UK to create a strong product delivery and distribution team and leveraging that infrastructure and expertise to grow our presence in mainland Europe. We are pleased with the traction we are seeing on the continent, having signed several new partners while gradually ramping up trading momentum, particular in the energy sector.

In the UK, we signed a new partnership with ClearScore, a financial wellbeing company, for a personal cyber product and saw a healthy inflow of new customers from them in the period. Our relationship with ClearScore demonstrates our growing capability in embedded insurance.

As planned, we also expanded our relationship with the RAC in the period to offer an extended range of products, such as Excess Protect and Key insurance.

On the operational side, we merged the new and legacy UK businesses to deliver greater synergies and efficiencies between them under a single business structure and leadership. Notably, we integrated Blink into our tech platform to strengthen the Group's ability to meet the growing demand for parametric insurance solutions.

Restricted Operations

As expected, revenue has decreased by 13% to £4.5 million (H1 2020: £5.2 million) reflecting the continuing decline in the UK legacy renewal books. The steps taken by the Group in changing the renewal process for vulnerable customers has returned renewal levels in line with the Board's expectations. EBITDA reduced to £1.0 million (H1 2020: £1.4 million). Following the closure of Malaysia in H1 the UK is the only operation remaining in this segment.

Tax

The Group's tax charge from continuing operations in H1 is £1.1 million (H1 2020 restated: £1.7 million) which mainly comprises tax payable in India, along with smaller charges in the EU and Turkey. The reduced charge reflects a lower tax charge in India due to additional withholding taxes recognised on dividend distributions in the prior year and a drop in taxable profits in the EU following restructuring in Spain resulting in lower tax charges.

Six months ended 30 June	2021			2020		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
(Loss)/profit before tax	**(0.7)**	**3.1**	**2.4**	0.5	0.5	1.0
Tax charge	**1.1**	**0.1**	**1.2**	1.7	0.1	1.8
Effective tax rate	**(175)%**	**1%**	**48%**	338%	14%	173%

The level of exceptional restructuring charges in H1 has led to a loss before tax which combined with the tax charge results in an effective tax rate (ETR) of negative 175% (H1 2020 restated: positive 338%).

The half year ETR is not considered to be representative of the full year as the Group expects to generate an overall profit before tax through the trading performance in the second half, whilst the level of exceptional restructuring costs will slow. The full year ETR is forecast to be approximately 220% (FY 2020 restated: 378%), but will ultimately be determined by the split of profits and losses in the Group.

Our forecast ETR continues to be higher than the standard UK corporation tax rate of 19%. The high rate reflects the following factors:

- A high level of one-off exceptional charges on which no tax relief is currently available. These charges reflect restructuring activity as part of the Group's strategy to focus resources on profitable operations;
- withholding tax charges arising on repatriation of funds from overseas countries;
- deferred tax has not been recognised on losses arising in developing markets as the short-term profit expectations do not support the recognition of deferred tax assets in these areas; and

- tax is chargeable at the local statutory rate in our profitable countries, which is higher than the UK corporate income tax rate of 19%.

Adjusted ETR

The half year adjusted ETR (which excludes the impact of exceptional items) at 152% (H1 2020 restated: 281%) demonstrates the progressive improvement in the Group's tax position as the Group systematically addresses its loss-making operations and overall cost-base. The adjusted ETR is summarised as follows:

	H1 2021			H1 2020		
Continuing operations	Reported	Exceptional items[1]	Adjusted	Reported	Exceptional items[1]	Adjusted
(Loss)/profit before tax	**(0.7)**	**1.5**	**0.8**	0.5	0.1	0.6
Tax charge	**1.1**	**0.1**	**1.3**	1.7	-	1.7
ETR	**(175)%**		**152%**	338%		281%

1. Refer to note 5 of the condensed consolidated interim financial statements.

Whilst we expect the Group's ETR to reduce in future periods, it will remain higher than the UK statutory tax rate (which will increase to 25% from 1 April 2023) whilst we continue to make profits in territories with similar or higher statutory rates to the UK tax rate and provide for withholding taxes on overseas distributions. Examples of this are India where our ETR is approximately 35% reflecting statutory corporate income tax in combination with additional taxes on dividends and certain intercompany services. Similarly, our ETR in Turkey is approximately 30%.

The strategic decisions taken by the Group in H1 to close loss-making markets or restructure operations to create small but profitable business units will reduce the existing profit drag from developing markets. We have not been in a position to recognise deferred tax assets on these losses which has been a large contributor to the Group's high ETR in recent years. These actions give the Group confidence in a progressive reduction and normalisation of the ETR in the medium-term.

Foreign exchange

Exchange rate movements in H1 have continued to work against the Group, particularly in our Indian and Turkish businesses where the local exchange rates have depreciated against sterling. This has adversely impacted the reported results when comparing to the prior period.

The reported results from continuing operations when compared to H1 2020 include the following adverse foreign exchange movements: £4.6 million (H1 2020: £1.4 million) within revenue; and £0.5 million (H1 2020: £0.1 million) at an EBITDA level. Refer to note 3 of the condensed consolidated interim financial statements for further detail.

Financial position

The Group had cash balances at 30 June 2021 of £19.6 million (30 June 2020: £18.2 million; 31 December 2020: £21.9 million). The cash proceeds from the Germany sale have been more than offset by the reintroduction of the dividend payment and one-off payments associated with restructuring activities which have led to a reduction in cash balances of £2.3 million since the year end. The Group's cash cycle is weighted to the second half of the year and, taking into consideration the factors in H1 2021, on a 12 month cycle the cash balance has increased by £1.4 million.

Dividend

In the 2020 results we announced the recommencement of dividends and our intention to grow the dividend in the years ahead. Based on the Board's continued confidence in the outlook, we are pleased to report that as part of that commitment the Directors have approved an interim dividend of 5 pence per share. The interim dividend is expected to be paid on 24 September 2021 to all shareholders on the Register of Members on 3 September 2021 with the ex-dividend date being 2 September 2021.

ESG focus

The Group recognises the importance of high standards of Environmental, Social and Governance (ESG) across its operations and, in line with this, has undertaken a review of its practices with a view to developing a strategy to build on the initiatives already in place. We expect to be able to provide a more comprehensive update when reporting on the full year performance.

Related party transactions

ORConsulting Limited (ORCL) is an organisation used by the Group for consulting services in relation to leadership coaching. Organisation Resource Limited (ORL), a company owned by Mark Hamlin who is a Non-Executive Director of the Group, retains intellectual property in ORCL for which it is paid a license fee. In the six months to 30 June 2021, the Group paid £65,000 plus VAT (30 June 2020: £28,000; year ended 31 December 2020: £63,000) to ORCL, which was payable under 30 days credit terms.

Mark Hamlin is the Chairman of Globiva. The fees for this role are paid to his consultancy company, ORL. The fee paid to ORL by the Group in the six months ended 30 June 2021 was £35,000 (H1 2020: £37,000; year ended 31 December 2020: £73,000) and was payable under 25 day credit terms.

The Group paid £166,800 to Sosafe Limited (Sosafe) in February 2021 pursuant to a settlement agreement with Sosafe and Mr Hamish Ogston dated 23 February 2021 (the Settlement). Mr Ogston is a director and majority shareholder of Sosafe and a substantial shareholder in the Group and therefore the Settlement constituted a related party transaction pursuant to AIM Rule 13. The Settlement was made in connection with claims for certain legal and professional costs incurred by Sosafe and Mr Ogston and represents full and final settlement of such claims, which date back several years and have been fully provided for since 2016. With the exception of David Morrison, the Company's non-executive Chairman and a representative of Mr Ogston, the independent Directors of the Company consider, having consulted with Liberum, the Company's nominated adviser, that the terms of the transaction were fair and reasonable insofar as its shareholders are concerned.

Outlook

The Group has continued to respond decisively and effectively to the challenges presented by COVID-19. While we saw varying degrees of impact across our different markets, we were able to deliver a solid performance in the circumstances.

Looking ahead, while the backdrop remains an uncertain one, the recovery we have seen in India and the continued traction in our other core markets gives us confidence that 2021 will be another year of progress. This view is underpinned by favourable macro-trends and a proven ability to innovate in collaboration with our partners to develop products that resonate with consumers, as well as a strong balance sheet and an organisational structure that is increasingly optimised for success. Therefore, whilst uncertainty remains from COVID-19, the

Board believes the Company is trading broadly in line with market expectations for the full year.

Jason Walsh
Chief Executive Officer

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

	Note	**6 months ended 30 June 2021 £'000 (Unaudited)**	6 months ended 30 June 2020 (Restated*) £'000 (Unaudited)	Year ended 31 December 2020 (Restated*) £'000 (Audited)
Continuing operations				
Revenue	4	**66,392**	60,295	138,141
Cost of sales		**(50,536)**	(43,688)	(103,063)
Gross profit		**15,856**	16,607	35,078
Administrative expenses		**(16,230)**	(15,990)	(32,649)
Share of loss in joint venture		**(119)**	(121)	(264)
Operating (loss)/profit		**(493)**	496	2,165
Analysed as:				
EBITDA	4	**2,580**	1,882	6,016
Depreciation and amortisation		**(1,584)**	(1,761)	(3,495)
Exceptional items	5	**(1,489)**	375	(356)
Investment revenues		**112**	436	412
Finance costs		**(269)**	40	(373)
Other gains and losses		**-**	(476)	(1,294)
(Loss)/profit before taxation		**(650)**	496	910
Taxation	6	**(1,136)**	(1,677)	(3,441)
Loss for the period from continuing operations		**(1,786)**	(1,181)	(2,531)
Discontinued operations				
Profit for the period from discontinued operations	9	**3,062**	442	934
Profit/(loss) for the period		**1,276**	(739)	(1,597)
Attributable to:				
Equity holders of the Company		**1,013**	(790)	(1,680)
Non-controlling interests		**263**	51	83
		1,276	(739)	(1,597)
(Loss)/earnings per share				
		Pence	Pence	Pence
Basic and diluted				
Continuing operations	8	**(23.36)**	(14.19)	(30.00)
Continuing and discontinued operations	8	**11.55**	(9.10)	(19.28)

* Restated to reflect Germany as a discontinued operation. See note 2.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months ended 30 June 2021 £'000 (Unaudited)	6 months ended 30 June 2020 £'000 (Unaudited)	Year ended 31 December 2020 £'000 (Audited)
Profit/(loss) for the period	**1,276**	(739)	(1,597)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	**(451)**	(218)	(809)
Exchange differences reclassified on disposal of foreign operations	**(4)**	476	1,294
Other comprehensive (expense)/income for the period net of taxation	**(455)**	258	485
Total comprehensive income/(expense) for the period	**821**	(481)	(1,112)
Attributable to:			
Equity holders of the Company	**588**	(541)	(1,145)
Non-controlling interests	**233**	60	33
	821	(481)	(1,112)

CONSOLIDATED BALANCE SHEET

	Note	30 June 2021 £'000 (Unaudited)	30 June 2020 £'000 (Unaudited)	31 December 2020 £'000 (Audited)
Non-current assets				
Goodwill		**528**	1,388	612
Other intangible assets		**3,845**	3,715	3,741
Property, plant and equipment		**1,357**	2,362	1,670
Right-of-use assets		**5,577**	6,325	6,097
Investment in joint venture		**331**	593	450
Deferred tax assets		**245**	802	858
Contract assets		**593**	541	426
		12,476	15,726	13,854
Current assets				
Insurance assets		**31**	37	46
Inventories		**146**	182	145
Net investment lease asset		**-**	63	-
Contract assets		**3,689**	4,803	4,853
Trade and other receivables		**13,119**	21,998	16,379
Cash and cash equivalents		**19,592**	18,237	21,856
		36,577	45,320	43,279
Total assets		**49,053**	61,046	57,133
Current liabilities				
Insurance liabilities		**(367)**	(1,563)	(935)
Income tax liabilities		**(1,047)**	(1,228)	(974)
Trade and other payables		**(17,116)**	(23,104)	(20,387)
Borrowings		**-**	28	-
Provisions		**-**	(304)	-
Lease liabilities		**(910)**	(1,153)	(882)
Contract liabilities		**(8,405)**	(10,816)	(10,889)
		(27,845)	(38,140)	(34,067)
Net current assets		**8,732**	7,180	9,212
Non-current liabilities				
Borrowings		**77**	-	98
Deferred tax liabilities		**(104)**	(234)	(579)
Lease liabilities		**(5,304)**	(5,708)	(5,756)
Contract liabilities		**(1,333)**	(1,025)	(1,094)
		(6,664)	(6,967)	(7,331)
Total liabilities		**(34,509)**	(45,107)	(41,398)
Net assets		**14,544**	15,939	15,735
Equity				
Share capital	10	**24,232**	24,152	24,153
Share premium account		**45,225**	45,225	45,225
Merger reserve		**(100,399)**	(100,399)	(100,399)
Translation reserve		**409**	548	834
ESOP reserve		**17,656**	17,369	17,490
Retained earnings		**26,083**	28,100	27,327
Equity attributable to equity holders of the Company		**13,206**	14,995	14,630
Non-controlling interests		**1,338**	944	1,105
Total equity		**14,544**	15,939	15,735

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital	Share premium account	Merger reserve	Translation reserve	ESOP reserve	Retained earnings	Total	Non-controlling interests	Total equity
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
6 months ended 30 June 2021 (Unaudited)										
At 1 January 2021		**24,153**	**45,225**	**(100,399)**	**834**	**17,490**	**27,327**	**14,630**	**1,105**	**15,735**
Profit for the period		**-**	**-**	**-**	**-**	**-**	**1,013**	**1,013**	**263**	**1,276**
Other comprehensive expense for the period		**-**	**-**	**-**	**(425)**	**-**	**-**	**(425)**	**(30)**	**(455)**
Total comprehensive income for the period		**-**	**-**	**-**	**(425)**	**-**	**1,013**	**588**	**233**	**821**
Equity-settled share-based payment charge		**-**	**-**	**-**	**-**	**166**	**-**	**166**	**-**	**166**
Exercise of share options	**10**	**79**	**-**	**-**	**-**	**-**	**(69)**	**10**	**-**	**10**
Dividends	**7**	**-**	**-**	**-**	**-**	**-**	**(2,188)**	**(2,188)**	**-**	**(2,188)**
At 30 June 2021		**24,232**	**45,225**	**(100,399)**	**409**	**17,656**	**26,083**	**13,206**	**1,338**	**14,544**
6 months ended 30 June 2020 (Unaudited)										
At 1 January 2020		24,056	45,225	(100,399)	299	16,999	28,928	15,108	884	15,992
Loss for the period		-	-	-	-	-	(790)	(790)	51	(739)
Other comprehensive income for the period		-	-	-	249	-	-	249	9	258
Total comprehensive expense for the period		**-**	**-**	**-**	**249**	**-**	**(790)**	**(541)**	**60**	**(481)**
Equity-settled share-based payment charge		-	-	-	-	370	-	370	-	370
Deferred tax on intangible asset		-	-	-	-	-	58	58	-	58
Exercise of share options		96	-	-	-	-	(96)	-	-	-
At 30 June 2020		24,152	45,225	(100,399)	548	17,369	28,100	14,995	944	15,939
Year ended 31 December 2020 (Audited)									-	
At 1 January 2020		24,056	45,225	(100,399)	299	16,999	28,928	15,108	884	15,992
Loss for the year		-	-	-	-	-	(1,680)	(1,680)	83	(1,597)
Other comprehensive income for the year		-	-	-	535	-	-	535	(50)	485
Total comprehensive expense for the period		**-**	**-**	**-**	**535**	**-**	**(1,680)**	**(1,145)**	**33**	**(1,112)**
Equity-settled share-based payment charge		-	-	-	-	491	-	491	-	491
Deferred tax on intangible asset		-	-	-	-	-	58	58	-	58
Exercise of share options		97	-	-	-	-	(97)	-	-	-
Movement in non-controlling interest		-	-	-	-	-	118	118	188	306
At 31 December 2020		24,153	45,225	(100,399)	834	17,490	27,327	14,630	1,105	15,735

CONSOLIDATED CASH FLOW STATEMENT

	Note	**6 months ended 30 June 2021 £'000 (Unaudited)**	6 months ended 30 June 2020 £'000 (Unaudited)	Year ended 31 December 2020 £'000 (Audited)
Net cash (used in)/from operating activities	11	**(302)**	(2,279)	3,162
Investing activities				
Interest received		**112**	434	410
Purchases of property, plant and equipment	4	**(136)**	(290)	(356)
Purchases of intangible assets	4	**(756)**	(780)	(1,408)
Receipts from net investment lease assets		**-**	53	117
Cash consideration in respect of sale of discontinued operations	9	**2,353**	-	-
Cash disposed of with discontinued operations		**(112)**	-	-
Net cash from /(used in) investing activities		**1,461**	(583)	(1,237)
Financing activities				
Dividends paid	7	**(2,188)**	-	-
Costs of refinancing the bank facility		**-**	-	(110)
Repayment of the lease liabilities		**(775)**	(975)	(1,783)
Proceeds on disposal of partial interest in a subsidiary		**-**	-	329
Interest paid		**(37)**	(159)	(60)
Issue of ordinary share capital	10	**10**	-	-
Net cash used in financing activities		**(2,990)**	(1,134)	(1,624)
Net (decrease)/increase in cash and cash equivalents		**(1,831)**	(3,996)	301
Effect of foreign exchange rate changes		**(433)**	276	(402)
Cash and cash equivalents at start of period		**21,856**	21,957	21,957
Cash and cash equivalents at end of period		**19,592**	18,237	21,856

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 General information

The condensed consolidated interim financial statements for the six months ended 30 June 2021 do not constitute statutory accounts as defined under Section 434 of the Companies Act 2006. The Annual Report and Financial Statements (the 'Financial Statements') for the year ended 31 December 2020 were approved by the Board on 23 March 2021 and have been delivered to the Registrar of Companies. The Auditor, Deloitte LLP, reported on these financial statements; their report was unqualified, did not contain an emphasis of matter paragraph and did not contain statements under s498 (2) or (3) of the Companies Act 2006.

2 Accounting policies

Basis of preparation

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all the information required for full annual financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2020 which were prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRSs).

The Group's consolidated financial statements for the year ending 31 December 2021 will be prepared in accordance with UK-adopted IFRSs.

The condensed consolidated interim financial statements were approved for release on 23 August 2021.

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2020. The Group has adopted all relevant amendments to existing standards that are effective from 1 January 2021 with no material impact on its consolidated results or financial position.

On 17 May 2021, the Group completed the sale of its 100% shareholding in CPP Creating Profitable Partnerships GmbH ("Germany"). As a result, in accordance with IFRS 5 *Non-current assets held for sale and discontinued operations*, the comparative information has been restated to recognise the Germany operation as discontinued. See note 9. The adjustments relating to the restatement have not been audited.

Management performed a review of the presentation of certain items in the income statement in advance of the 2020 year end. It was concluded that foreign exchange reclassified on closure of overseas branches should be separately presented in the income statement and goodwill impairment should be treated as an exceptional item. Accordingly, in the 30 June 2020 comparative, £476,000 has been reclassified from 'finance costs' to 'other gains and losses' and £104,000 has been reclassified from 'depreciation and amortisation' to 'exceptional items'. These are presentational changes only and have no impact on the EBITDA, operating profit, profit before tax or net assets of the 30 June 2020 comparative.

Going concern

In reaching their view on the preparation of the condensed consolidated interim financial statements on a going concern basis, the Directors are required to consider whether the Group can continue in operational existence for a period of at least 12 months from the date of this report.

The Group has a formalised process of budgeting, reporting and review along with procedures to forecast its profitability and cash flows. The plans provide information to the Directors which are used to ensure the adequacy of resources available for the Group to meet its business objectives, both in the short-term and in relation to its strategic priorities. The Group's revenue, profit and cash flow forecasts are subject to robust downside stress testing which involves modelling the impact of a combination of plausible adverse scenarios focused on crystallisation of the Group's key operational risks. The assessment considers the Group's modelling of the risks associated with COVID-19. This is done to identify risks to liquidity and covenant compliance and enable management to formulate appropriate and timely mitigation strategies.

Taking the analysis into consideration, the Directors are satisfied that the Group has the necessary resources to continue in operational existence for a period of at least 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed consolidated interim financial statements.

3 Foreign exchange

The table below shows the average exchange rates for the relevant reporting periods and closing exchange rates at the relevant period ends:

	Average H1[1] 2021	**Closing June 2021**	Average H1 2020	Closing June 2020	Average Full Year 2020	Closing December 2020
Indian rupee	**101.78**	**102.68**	92.89	92.72	95.57	99.58
Turkish lira	**11.20**	**12.04**	8.23	8.44	9.19	10.11
Euro	**1.15**	**1.16**	1.14	1.10	1.12	1.11
Mexican peso	**28.17**	**27.47**	27.40	28.44	27.69	27.14
Chinese yuan	**8.96**	**8.93**	8.88	8.71	8.89	8.91

1. Average exchange rates applied in constant currency calculations

Constant currency is an alternative performance measure and is used as a means of eliminating the effects of exchange rate fluctuations on the period-on period reported results. The constant currency basis retranslates the previous year measures at the average actual exchange rates used in the current financial period. The average exchange rates in H1 2021 have weakened against sterling compared to H1 2020 which has resulted in adverse exchange movements in the reported results.

Analysis of the constant currency impacts to revenue and EBITDA on a segmental basis are as follows:

	Ongoing Operations							
Continuing operations	**India**	**EU Hub**	**Turkey**	**Rest of World**	**Restricted operations**	**Central Functions**	**Share of joint venture losses**	**Total**
H1 2021 (£'000)								
Revenue	53,044	5,013	1,833	1,972	4,530	-	n/a	**66,392**
Revenue from Ongoing Operations	53,044	5,013	1,833	1,972	n/a	n/a	n/a	**61,862**
EBITDA	3,835	526	421	(717)	1,015	(2,380)	(119)	**2,581**
H1 2020 (£'000)								
Revenue	46,007	5,431*	1,811	1,855	5,191	-	n/a	**60,295**
Revenue from Ongoing Operations	46,007	5,431*	1,811	1,855	n/a	n/a	n/a	**55,104**
EBITDA	2,963	1,472*	391	(1,916)	1,437	(2,344)	(121)	**1,882**
Foreign exchange movements (£'000)								
Revenue	(4,027)	(72)	(481)	(22)	(8)	-	n/a	**(4,610)**
Revenue from Ongoing Operations	(4,027)	(72)	(481)	(22)	n/a	n/a	n/a	**(4,602)**
EBITDA	(369)	(21)	(150)	33	(2)	-	n/a	**(509)**
H1 2020 at H1 2021 average exchange rates (£'000)								
Revenue	41,980	5,359	1,330	1,833	5,183	-	n/a	**55,685**
Revenue from Ongoing Operations	41,980	5,359	1,330	1,833	n/a	n/a	n/a	**50,502**
EBITDA	2,594	1,451	241	(1,883)	1,435	(2,344)	(121)	**1,373**
Period-on-period movement at constant exchange rates (%)								
Revenue	26%	(6)%	38%	8%	(13)%	n/a	n/a	**19%**
Revenue from Ongoing Operations	26%	(6)%	38%	8%	n/a	n/a	n/a	**22%**
EBITDA	48%	(64)%	75%	62%	(29)%	(2)%	2%	**88%**

*Restated to reflect Germany as a discontinued operation. See note 2.

4 Segmental analysis

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 Board of Directors to allocate resources to the segments and to assess their performance. The Group's operating segments are:

- *Ongoing Operations*; India, China, Turkey, Spain, Portugal, Italy, Mexico, Malaysia, UK, Bangladesh and Blink. These businesses have no regulatory restrictions on new sales activity. These markets represent a combination of businesses in which we continue to invest and drive new opportunities as well as ones that have been strategically assessed and wound down or exited.
- *Restricted Operations*: historic renewal books of our UK regulated entities; CPPL, including its overseas branch in Malaysia; and HIL. As a result of regulatory restrictions we are not permitted to undertake new sales in these businesses.
- *Central Functions*: central cost base required to provide expertise and operate a listed group. Central Functions is stated after the recharge of certain central costs that are appropriate to transfer to both Ongoing Operations and Restricted Operations for statutory purposes.

Segment revenue and performance for the current and comparative periods are presented below:

Six months ended 30 June 2021 (Unaudited)	**Ongoing Operations £'000**	**Restricted Operations £'000**	**Central Functions £'000**	**Total £'000**
Continuing operations				
Revenue - external sales	61,862	4,530	-	66,392
Segmental EBITDA	**4,064**	**1,015**	**(2,380)**	**2,699**
Share of loss in joint venture				(119)
EBITDA				**2,580**
Depreciation and amortisation				(1,584)
Exceptional items				(1,489)
Operating loss				**(493)**
Investment revenues				112
Finance costs				(269)
Loss before taxation				**(650)**
Taxation				(1,136)
Loss for the period from continuing operations				**(1,786)**
Discontinued operations				
Profit for the period from discontinued operations				**3,062**
Profit for the period				**1,276**

4 Segmental analysis (continued)

Six months ended 30 June 2020 (Unaudited)	Ongoing Operations (Restated*) £'000	Restricted Operations £'000	Central Functions £'000	Total (Restated*) £'000
Continuing operations				
Revenue - external sales	55,104	5,191	-	60,295
Segmental EBITDA	**2,910**	**1,437**	**(2,344)**	**2,003**
Share of loss in joint venture				(121)
EBITDA				**1,882**
Depreciation and amortisation				(1,761)
Exceptional items				375
Operating profit				**496**
Investment revenues				436
Finance costs				40
Other gains and losses				(476)
Profit before taxation				**496**
Taxation				(1,677)
Loss for the period from continuing operations				**(1,181)**
Discontinued operations				
Profit for the period from discontinued operations				**442**
Loss for the period				**(739)**

* Restated to reflect Germany as a discontinued operation. See note 2.

Year ended 31 December 2020 (Audited)	Ongoing Operations (Restated*) £'000	Restricted Operations £'000	Central Functions £'000	Total (Restated*) £'000
Continuing operations				
Revenue - external sales	127,073	11,068	-	138,141
Segmental EBITDA	**6,539**	**3,806**	**(4,065)**	**6,280**
Share of loss in joint venture				(264)
EBITDA				**6,016**
Depreciation and amortisation				(3,495)
Exceptional items				(356)
Operating profit				**2,165**
Investment revenues				412
Finance costs				(373)
Other gains and losses				(1,294)
Profit before taxation				**910**
Taxation				(3,441)
Loss for the year from continuing operations				**(2,531)**
Discontinued operations				
Profit for the year from discontinued operations				**934**
Loss for the year				**(1,597)**

* Restated to reflect Germany as a discontinued operation. See note 2.

4 Segmental analysis (continued)

Segmental assets

	30 June 2021 £'000 (Unaudited)	30 June 2020 (Restated*) £'000 (Unaudited)	31 December 2020 (Restated*) £'000 (Audited)
Ongoing Operations	**38,740**	46,027	41,340
Restricted Operations	**7,670**	7,615	7,564
Central Functions	**1,539**	3,332	5,113
Total segment assets	**47,949**	56,974	54,017
Assets relating to discontinued operations	**-**	1,289	1,196
Unallocated assets	**1,104**	2,783	1,920
Consolidated total assets	**49,053**	61,046	57,133

* Restated to reflect Germany as a discontinued operation. See note 2.

Goodwill, deferred tax assets and investment in joint venture are not allocated to segments.

Capital expenditure

	Other intangible assets		
	6 months ended 30 June 2021 £'000 (Unaudited)	6 months ended 30 June 2020 £'000 (Unaudited)	Year ended 31 December 2020 £'000 (Audited)
Continuing operations			
Ongoing Operations	**465**	550	1,055
Restricted Operations	**4**	230	352
Central Functions	**287**	-	1
Total assets	**756**	780	1,408

	Property, plant and equipment			**Right-of-use assets**		
	6 months ended 30 June 2021 £'000 (Unaudited)	6 months ended 30 June 2020 £'000 (Unaudited)	Year ended 31 December 2020 £'000 (Audited)	**6 months ended 30 June 2021 £'000 (Unaudited)**	6 months ended 30 June 2020 £'000 (Unaudited)	Year ended 31 December 2020 £'000 (Audited)
Continuing operations						
Ongoing Operations	**123**	223	255	**444**	694	1,568
Restricted Operations	**5**	13	18	**-**	41	-
Central Functions	**8**	54	83	**-**	513	523
Total assets	**136**	290	356	**444**	1,248	2,091

4 Segmental analysis (continued)

Timing of revenue recognition

The Group derives revenue from the transfer of goods and services over time and at a point in time as follows:

	6 months ended 30 June 2021 £'000 (Unaudited)	6 months ended 30 June 2020 (Restated*) £'000 (Unaudited)	Year ended 31 December 2020 (Restated*) £'000 (Audited)
Continuing operations			
At a point in time	**57,127**	48,499	117,902
Over time	**9,265**	11,796	20,239
Revenue from continuing operations	**66,392**	60,295	138,141
Discontinued operations	**1,062**	1,459	3,003
Total revenue	**67,454**	61,754	141,144

* Restated to reflect Germany as a discontinued operation. See note 2.

Revenue from major products

	6 months ended 30 June 2021 £'000 (Unaudited)	6 months ended 30 June 2020 (Restated*) £'000 (Unaudited)	Year ended 31 December 2020 (Restated*) £'000 (Audited)
Continuing operations			
Retail assistance policies	**59,633**	54,478	128,136
Retail insurance policies	**2**	12	85
Wholesale policies	**1,280**	1,662	2,621
Non-policy revenue	**5,477**	4,143	7,299
Revenue from continuing operations	**66,392**	60,295	138,141
Discontinued operations	**1,062**	1,459	3,003
Total revenue	**67,454**	61,754	141,144

* Restated to reflect Germany as a discontinued operation. See note 2.

Major product streams are disclosed on the basis monitored by the Board of Directors. For the purpose of this product analysis, "retail assistance policies" are those which may be insurance backed but contain a bundle of assistance and other benefits; “retail insurance policies” are those which protect against a single insurance risk; “wholesale policies” are those which are provided by business partners to their customers in relation to an ongoing product or service which is provided for a specified period of time; “non-policy revenue” is that which is not in connection with providing an ongoing service to policyholders for a specified period of time.

4 Segmental analysis (continued)

Geographical information

The Group operates across a wide number of territories, of which India, the UK and Spain are considered individually material. Revenue from external customers and non-current assets (excluding investment in joint venture and deferred tax assets) by geographical location is detailed below:

	External revenues			**Non-current assets**		
	6 months ended 30 June 2021	6 months ended 30 June 2020	Year ended 31 December 2020	**30 June 2021**	30 June 2020	31 December 2020
	£'000 (Unaudited)	£'000 (Unaudited)	£'000 (Audited)	**£'000 (Unaudited)**	£'000 (Unaudited)	£'000 (Audited)
Continuing operations						
India	**53,044**	46,007	108,406	**7,403**	7,625	8,071
UK	**5,452**	5,477	12,082	**2,008**	3,725	2,062
Spain	**3,558**	3,725	7,538	**215**	390	256
Other	**4,338**	5,086	10,115	**2,274**	2,591	2,157
Total continuing operations	**66,392**	60,295	138,141	**11,900**	14,331	12,546
Discontinued operations	**1,062**	1,459	3,003	**-**	-	-
Total	**67,454**	61,754	141,144	**11,900**	14,331	12,546

Information about major customers

Revenue from customers of one business partner in our Ongoing Operations segment represented approximately £36,156,000 (H1 2020: £30,222,000; year ended 31 December 2020: £73,739,000) of the Group’s total revenue.

5 Exceptional items

	Note	**6 months ended 30 June 2021**	6 months ended 30 June 2020	Year ended 31 December 2020
		£'000	£'000	£'000
		(Unaudited)	(Unaudited)	(Audited)
Restructuring costs		**1,489**	206	161
Impairment of goodwill	2	**-**	104	880
Customer redress and associated costs		**-**	(685)	(685)
Exceptional charge/(credit) included in operating profit		**1,489**	(375)	356
Other gains and losses – foreign exchange reclassification	2	**-**	476	1,294
Total exceptional charge included in profit before tax		**1,489**	101	1,650
Tax on exceptional items		**(137)**	-	-
Total exceptional charge after tax		**1,352**	101	1,650

Restructuring costs of £1,489,000 (H1 2020: £206,000; year ended 31 December 2020: £161,000) relate to costs associated with wide-scale operational changes or closure activities in Spain, Mexico, Malaysia and Blink. The charges recognised are primarily redundancy costs.

6 Taxation

The tax charge is calculated by aggregating the tax arising in each jurisdiction based on estimated profits chargeable to corporation tax and withholding taxes arising in H1 2021 at the local statutory rate of tax. This leads to a tax charge on continuing operations of £1.1 million (H1 2020 restated: £1.7 million; year ended 31 December 2020 restated: £3.4 million) reflecting the charges arising in India, Turkey and our EU markets. These tax charges result in an effective tax rate (ETR) at the half year of negative 175% (H1 2020 restated: positive 338%; year ended 31 December 2020 restated: positive 378%). The Group expects to generate a profit before tax for the full year through the trading performance in the second half, whilst the level of exceptional restructuring costs will slow and hence the forecast full year ETR has not been used in calculating the tax charge at H1 2021. The full year ETR is forecast to be approximately 220%.

The corporate income tax in our profitable overseas jurisdictions is higher than the current UK corporate income tax rate of 19% and, in addition, there are withholding taxes applied to funds repatriated from our overseas operations which further increases the ETR. Profits from our UK Restricted Operations are expected to be covered by group relief from losses arising in other UK entities.

The Group's forecast ETR for the full year is significantly higher than the UK corporate income tax rate due to losses in our developing markets which coupled with the one-time exceptional restructuring charges will reduce the overall Group profit before tax to a level that is lower than the tax charges recognised in our profitable markets. The restructuring activity undertaken in 2021 is expected to alleviate this position and enable a progressive reduction in the Group's ETR over the medium-term.

7 Dividends

	6 months ended 30 June 2021	6 months ended 30 June 2020	Year ended 31 December 2020
	£'000	£'000	£'000
	(Unaudited)	(Unaudited)	(Audited)
Final dividend for the year ended 31 December 2020 of 25 pence per share (31 December 2019: £nil)	2,188	-	-
	2,188	-	-

After 30 June 2021 the Directors have approved an interim dividend of 5 pence per share for 2021. The dividend has not been accrued as a liability as at 30 June 2021. The interim dividend will be paid on 24 September 2021 with an ex-dividend date of 2 September 2021 and a record date of 3 September 2021.

8 (Loss)/earnings per share

Basic and diluted (loss)/earnings per share has been calculated in accordance with IAS 33 *Earnings per share*. Underlying (loss)/earnings per share, which excludes exceptional items, has also been presented in order to give a better understanding of the performance of the business. In accordance with IAS 33, potential ordinary shares are only considered dilutive when their conversion would decrease the earnings per share or increase the loss per share attributable to equity holders. The diluted (loss)/earnings per share is therefore equal to the basic (loss)/earnings per share in the six months ended 30 June 2021, six months ended 30 June 2020 and the year ended 31 December 2020.

Six months ended 30 June 2021 (Unaudited)	**Continuing operations**	**Discontinued operations**	**Total**
(Losses)/earnings	**£'000**	**£'000**	**£'000**
(Loss)/earnings for the purposes of basic and diluted (loss)/earnings per share	**(2,049)**	**3,062**	**1,013**
Exceptional items (net of tax)	**1,352**	**(2,641)**	**(1,289)**
(Loss)/earnings for the purposes of underlying basic and diluted (loss)/earnings per share	**(697)**	**421**	**(276)**

Number of shares	**Number (thousands)**
Weighted average number of ordinary shares for the purposes of basic and diluted (loss)/earnings per share and underlying (loss)/earnings per share	**8,770**

(Loss)/earnings per share	**Continuing operations**	**Discontinued operations**	**Total**
	Pence	**Pence**	**Pence**
Basic and diluted (loss)/earnings per share	**(23.36)**	**34.91**	**11.55**
Basic and diluted underlying (loss)/earnings per share	**(7.95)**	**4.80**	**(3.15)**

8 (Loss)/earnings per share (continued)

Six months ended 30 June 2020 (Unaudited)	**Continuing operations**	**Discontinued operations**	**Total**
(Losses)/earnings	**£'000**	**£'000**	**£'000**
(Loss)/earnings for the purposes of basic and diluted (loss)/earnings per share	(1,232)	442	(790)
Exceptional items (net of tax)	101	-	101
(Loss)/earnings for the purposes of underlying basic and diluted (loss)/earnings per share	(1,131)	442	(689)

Number of shares	**Number (thousands)**
Weighted average number of ordinary shares for the purposes of basic and diluted (loss)/earnings per share and underlying (loss)/earnings per share	8,683

(Loss)/earnings per share	**Continuing operations Pence**	**Discontinued operations Pence**	**Total Pence**
Basic and diluted (loss)/earnings per share	(14.19)	5.09	(9.10)
Basic and diluted underlying (loss)/earnings per share	(13.03)	5.09	(7.94)

Year ended 31 December 2021 (Audited)	**Continuing operations**	**Discontinued operations**	**Total**
(Losses)/earnings	**£'000**	**£'000**	**£'000**
(Loss)/profit for the purposes of basic and diluted (loss)/earnings per share	(2,614)	934	(1,680)
Exceptional items (net of tax)	1,650	-	1,650
(Loss)/profit for the purposes of underlying basic and diluted (loss)/earnings per share	(964)	934	(30)

Number of shares	**Number (thousands)**
Weighted average number of ordinary shares for the purposes of basic and diluted (loss)/earnings per share and underlying (loss)/earnings per share	8,713

(Loss)/earnings per share	**Continuing operations Pence**	**Discontinued operations Pence**	**Total Pence**
Basic and diluted (loss)/earnings per share	(30.00)	10.72	(19.28)
Basic and diluted underlying (loss)/earnings per share	(11.06)	10.72	(0.34)

9 Discontinued operations

On 17 May 2021, the Group completed the sale of its 100% shareholding in CPP Creating Profitable Partnerships GmbH ("Germany"). The gross consideration on disposal was £2,353,000 (€2,730,000).

In accordance with IFRS 5 *Non–current assets held for sale and discontinued operations* this operation has been presented as a discontinued operation.

Profit from discontinued operations comprises the following:

	6 months ended 30 June 2021 £'000 (Unaudited)	6 months ended 30 June 2020 £'000 (Unaudited)	Year ended 31 December 2020 £'000 (Audited)
Revenue	**1,062**	1,459	3,003
Cost of sales	**(430)**	(554)	(1,127)
Gross profit	**632**	**905**	**1,876**
Administrative expenses	**(203)**	(368)	(732)
EBITDA and operating profit	**429**	**537**	**1,144**
Finance costs	**22**	(21)	(42)
Profit before taxation	**451**	**516**	**1,102**
Taxation	**(30)**	(74)	(168)
Profit after taxation	**421**	**442**	**934**
Profit on disposal	**2,641**	-	-
Total profit	**3,062**	**442**	**934**

Operating results for the six months ended 30 June 2021 reflect the trading performance of Germany up to the date of disposal, being 17 May 2021. Comparative information reflects a complete six months and 12 months respectively. Prior to disposal Germany was part of the Ongoing Operations segment.

The Group has recognised a profit on disposal of Germany as follows:

	6 months ended 30 June 2021 £'000 (Unaudited)
Proceeds	**2,353**
Net liabilities sold	**284**
Costs associated with disposal	**-**
Currency translation differences on disposal	**4**
Profit on disposal	**2,641**

The final proceeds are subject to a working capital adjustment. In accordance with the timelines agreed in the share purchase agreement this position has not yet been finalised. The final adjustment is expected to be highly immaterial and is not included in the information above.

10 Share capital

Share capital at 30 June 2021 is £24,232,000 (30 June 2020: £24,152,000; 31 December 2020: £24,153,000). To satisfy share option exercises in the six month period to 30 June 2021 the Company has issued 79,101 £1 ordinary shares post for a total equity value of £79,000 and cash consideration of £10,000.

The total number of ordinary shares in issue at 30 June 2021 is 8,822,564 of which 8,817,565 are fully paid and 4,999 are partly paid.

11 Reconciliation of operating cash flows

	6 months ended 30 June 2021 £'000 (Unaudited)	6 months ended 30 June 2020 £'000 (Unaudited)	Year ended 31 December 2020 £'000 (Audited)
Profit/(loss) for the period	**1,276**	(739)	(1,597)
Adjustments for:			
Depreciation and amortisation	**1,584**	1,720	3,454
Share-based payment expense	**226**	360	499
Impairment loss on goodwill	**-**	104	880
Impairment loss on right-of-use assets	**-**	41	41
Loss on disposal of intangible assets	**-**	16	54
Loss on disposal of property, plant and equipment	**4**	3	30
Profit on disposal of discontinued operations	**(2,641)**	-	-
Share of loss of joint venture	**119**	121	264
Lease concessions	**-**	-	(86)
Investment revenues	**(112)**	(436)	(412)
Finance costs	**247**	(19)	415
Other gains and losses	**-**	476	1,294
Income tax charge	**1,166**	1,751	3,609
Operating cash flows before movement in working capital	**1,869**	3,398	8,445
Increase in inventories	**(4)**	(95)	(58)
Decrease in contract assets	**569**	1,555	1,272
Decrease/(increase) in receivables	**2,084**	(4,538)	663
Decrease/(increase) in insurance assets	**15**	5	(4)
Decrease in payables	**(2,493)**	(950)	(3,049)
Decrease in contract liabilities	**(867)**	(1,792)	(953)
(Decrease)/increase in insurance liabilities	**(568)**	807	179
Decrease in provisions	**-**	(5)	(309)
Cash from/(used in) operations	**605**	(1,615)	6,186
Income taxes paid	**(907)**	(664)	(3,024)
Net cash (used in)/from operating activities	**(302)**	(2,279)	3,162

12 Related party transactions

Transactions with associated undertakings

The Group has a balance receivable from its joint venture, KYND, in the amount of £150,000 (30 June 2020 and 31 December 2020: £150,000). The loan by the Group to KYND forms part of KYND's participation in the UK Governments 'Future Fund Scheme' and falls due for repayment on 26 June 2023.

In the six months to 30 June 2021, the Group incurred fees of £4,000 plus VAT (30 June 2020 and year ended 31 December 2020: £nil) for services rendered from KYND, which was payable under 14 day credit terms.

Transactions with related parties

ORConsulting Limited (ORCL) is an organisation used by the Group for consulting services in relation to leadership coaching. Organisation Resource Limited (ORL), a company owned by Mark Hamlin who is a Non-Executive Director of the Group, retains intellectual property in ORCL for which it is paid a license fee. In the six months to 30 June 2021, the Group paid £65,000 plus VAT (30 June 2020: £28,000; year ended 31 December 2020: £63,000) to ORCL, which was payable under 30 days credit terms.

Mark Hamlin is the Chairman of Globiva. The fees for this role are paid to his consultancy company, ORL. The fee paid to ORL by the Group in the six months ended 30 June 2021 was £35,000 (H1 2020: £37,000; year ended 31 December 2020: £73,000) and was payable under 25 day credit terms.

The Group paid £166,800 to Sosafe Limited (Sosafe) in February 2021 pursuant to a settlement agreement with Sosafe and Mr Hamish Ogston dated 23 February 2021 (the Settlement). Mr Ogston is a director and majority shareholder of Sosafe and a substantial shareholder in the Group and therefore the Settlement constituted a related party transaction pursuant to AIM Rule 13. The Settlement was made in connection with claims for certain legal and professional costs incurred by Sosafe and Mr Ogston and represents full and final settlement of such claims, which date back several years and have been fully provided for since 2016. With the exception of David Morrison, the Company's non-executive Chairman and a representative of Mr Ogston, the independent Directors of the Company consider, having consulted with Liberum, the Company's nominated adviser, that the terms of the transaction were fair and reasonable insofar as its shareholders are concerned.

Remuneration of key management personnel

The remuneration of the Directors and Senior Management Team, who are the key management personnel of the Group, is set out below:

	6 months ended 30 June 2021 £'000 (Unaudited)	6 months ended 30 June 2020 £'000 (Unaudited)	Year ended 31 December 2020 £'000 (Audited)
Short-term employee benefits	**1,024**	1,143	2,442
Post-employment benefits	**41**	44	89
Termination benefits	**203**	-	-
Share-based payments	**108**	98	423
	1,376	1,285	2,954