Regulatory Announcement

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MONEY DEBT & CREDIT GROUP PLC

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2007

Money Debt & Credit Group PLC ("Money Debt & Credit Group" or "the Group")is a leading provider of financial solutions to over-indebted individuals who are seeking to manage and reduce their debt burden in a responsible manner.

CHAIRMAN'S STATEMENT

Financial Overview

There is no doubt that trading conditions in the first half of 2007 have been challenging for the debt solutions industry as creditors sought to reduce the level of Individual Voluntary Arrangement (IVA) acceptances. However, during this 6 month period, Money Debt & Credit Group has achieved growth in its IVA run rate in the face of an overall decline in the number of IVAs reported nationally. The Group has also successfully launched two subsidiary businesses providing debt management plans and mortgages, which are expected to make a positive contribution to earnings in the second half of 2007.

The Group made a loss of £1.8m in the six months ended 30 June 2007. Net cash outflow was £1.9m. This reflects a further period in the establishment of a market-leading debt solutions business which was not expected to be profitable during 2007, while infrastructure and revenue streams were being established.

Operational Review

During 2007, the Group has sought to broaden the focus of its activities through organic growth to offer a complete range of debt solutions.

Our marketing strategy continues to deliver a strong pipeline of client leads. Our analysis aims to identify clients before many have acknowledged the full extent of their debt problems and have recognised their need for a debt solution. Compared with January 2007, monthly leads into the business have increased almost five fold with 4,508 leads received in August 2007 on a broadly similar marketing budget for the period.

In addition, our referral network of business partners is performing strongly and producing additional client leads again at an early stage in the client's search for a debt resolution product. We now have 51 such partnerships actively contributing to our on-going business pipeline.

IVA Business

The first half of 2007 saw tactics from creditors aimed at reducing IVA acceptance rates. The Insolvency Service reported that in Q2 2007, 10,698 IVAs were completed, a decrease of 15.1% on the previous quarter and a decrease of 0.7% on the corresponding quarter of the previous year. In the same set of statistics bankruptcies showed a 7.7% increase on the corresponding quarter of the previous year. We believe that debt management plans, which because they are informal arrangements fall outside of these statistics, will be a growth area in personal insolvency.

In the long term, we believe that a reduction in the number of IVAs will not benefit creditors or debtors. The realisations in bankruptcy for creditors from unsecured lending will often be significantly lower than the surplus paid to creditors over the typical 5 year term of an IVA. In addition, the rights of debtors to choose from the insolvency solutions which the Government has made available cannot be restricted by collective tactics from creditors.

The Group has continued to take a lead in negotiations to resolve these issues with creditors and the Insolvency Service through its participation in the Debt Resolution Forum.

As at 30 June 2007 the Group had 1,244 IVAs under supervision. In August 2007, the latest complete month for which data is available 230 IVAs were completed.

Financial Services and Debt Management Business

With the commencement of trading of Money Debt and Credit (Debt Management) Ltd and Money Debt and Credit (Financial Services) Ltd the Group is now able to offer a full range of debt solutions including IVAs, debt management plans, mortgages and consolidations loans. This strategy maximises the conversion of enquiries into the business and means the Group is less exposed to short-term variations in demand for any particular debt solution.

Money Debt and Credit(Financial Services) Ltd, which manages the Group's mortgage broking, secured lending revenues and income from referrals out is currently trading profitably and will continue to do so during the remainder of 2007 and 2008.

Money Debt and Credit (Debt Management) Ltd arranges and manages debt management plans. These are an increasingly important solution for over-indebted individuals where the fixed costs of a statutory procedure such as an IVA cannot be easily justified. Our Debt Management business, which began trading in June, completed 116 cases in August, its second full month of operation. This business is expected to contribute substantially to future revenues.

Outlook

In tougher than expected trading conditions, the Group has increased its market share in its IVA business and going forward we now have additional revenue streams to reduce the risk inherent in a single-product strategy. The uncertainty surrounding the level of demand for IVAs will be resolved and the Group's position as a low-cost provider will enable it to compete effectively should IVA fees come under further downward pressure. The macro economic environment, with the increase in home repossessions and rises in interest rates, is also likely to lead to increased demand for the Group's services.

Through our strategy of cost-effective client acquisition and by maximising conversion through appropriate debt solutions which benefit both debtors and creditors, I remain optimistic about the future prospects for the Group.

Simon Johnson
Executive Chairman

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INDEPENDENT REVIEW REPORT TO MONEY DEBT & CREDIT GROUP PLC

Introduction

We have been instructed by the Company to review the financial information for the six months ended 30 June 2007 which comprises the consolidated income statements, balance sheets, cash flow statements and the related notes. We have read the other information contained in the interim report which comprises the Chairman's Statement and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Company in accordance with guidance contained in APB Bulletin 1999/4 "Review of Interim Financial Information". Our review work has been undertaken so that we might state to the Company those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusion we have formed.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim report and ensuring that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

This interim report has been prepared in accordance with the recognition and measurements requirements of those IFRSs as adopted by the EU expected to be applicable to the financial statements for the year ended 31 December 2007.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 "Review of Interim Financial Information" issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2007.

Grant Thornton UK LLP
Chartered Accountants

London, England
12 September 2007

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CONSOLIDATED INCOME STATEMENTS
for the 6 months ended 30 June 2007

	Unaudited 6 month period ended 30 June 2007 £'000	Unaudited 6 month period ended 30 June 2006 £'000	Audited 64 week period ended 31 December 2006 £'000
Revenue	1,460	82	1,035
Cost of Sales	(1,843)	(462)	(2,165)
Gross loss	(383)	(380)	(1,130)
Administrative expenses	(1,322)	(277)	(1,248)
Operating loss	(1,705)	(657)	(2,378)
Interest payable	(115)	(6)	(461)
Interest receivable	42	-	8
Loss before tax	(1,778)	(663)	(2,831)
Tax	-	-	-
Loss for the period	(1,778)	(663)	(2,831)
Loss per share			
Basic and diluted loss per ordinary share	4.4p	1.7p	9.9p

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CONSOLIDATED BALANCE SHEETS
as at 30 June 2007

	Unaudited As at 30 June 2007 £'000	Unaudited As at 30 June 2006 £'000	Audited As at 31 December 2006 £'000
Assets			
Non-current assets			
Property, plant & equipment	681	169	467
Total non-current assets	681	169	467
Current assets			
Trade and other receivables	1,579	264	1,158
Cash and cash equivalents	465	189	2,332

Total current assets	2,044	453	3,490
Total assets	2,725	622	3,957
Equity and liabilities			
Share capital	4,000	1	4,000
Share premium account	1,635	-	1,635
Merger reserve	4,200	-	4,200
Reverse acquisition reserve	(7,000)	-	(7,000)
Retained loss	(4,609)	(663)	(2,831)
Total equity	(1,774)	(662)	4
Non-current financial liabilities			
Hire purchase obligations	274	12	90
Shareholder loan	3,216	1,035	3,196
Total non-current liabilities	3,490	1,047	3,286
Current liabilities			
Trade & other payables	899	235	647
Hire purchase obligations	110	2	20
Total current liabilities	1,009	237	667
Total liabilities	4,499	1,284	3,953
Total equity & liabilities	2,725	622	3,957

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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
for the 6 months ended 30 June 2007

	Share Capital	Share Premium	Merger Reserve	Retained Earnings	Reverse Acquisition Reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 January 2007	4,000	1,635	4,200	(2,831)	(7,000)	4
Loss for the period	-	-	-	(1,778)	-	(1,778)
Unaudited Balance as at 30 June 2007	4,000	1,635	4,200	(4,609)	(7,000)	(1,774)

for the 64 week period ended 31 December 2006

	Share Capital	Share Premium	Merger Reserve	Retained Earnings	Reverse Acquisition Reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Loss for the period	-	-	-	(2,831)	-	(2,831)
Group reconstruction	2,800	-	4,200	-	(7,000)	-

6 December 2006						
Issue of share capital 13 December 2006	1,200	1,800	-	-	-	3,000
Issue costs	-	(165)	-	-	-	(165)
Audited Balance as at 31 December 2006	4,000	1,635	4,200	(2,831)	(7,000)	4

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CONSOLIDATED CASH FLOW STATEMENTS
for the 6 months ended 30 June 2007

	Unaudited 6 month period ended 30 June 2007 £'000	Unaudited 6 month period ended 30 June 2006 £'000	Audited 64 week period ended 31 December 2006 £'000
Cash flows from operating activities			
Net loss before taxation	(1,778)	(663)	(2,831)
Adjustments for:			
Depreciation	85	15	54
Cost of raising equity share capital	-	-	384
Interest payable	115	6	77
Interest received	(42)	(1)	(8)
Cash used by operations before changes in working capital	(1,620)	(643)	(2,324)
Movement in trade and other receivables	(421)	(264)	(1,158)
Movement in trade and other payables	265	243	647
Cash used by operating activities	(1,776)	(664)	(2,835)
Cash flows from investing activities			
Purchase of property, plant and equipment	-	(184)	(400)
Net cash used in investing activities	-	(184)	(400)
Cash flows from financing activities			
Hire purchase principal repayments	(38)	-	(16)
Proceeds from shareholder loan	-	1,035	3,124
Proceeds of issue of shares	-	1	3,000
Costs of share issue	-	-	(549)
Interest receivable	42	1	8
Interest payable	(95)	-	-

Net cash from financing activities	(91)	1,037	5,567
Net (decrease)/increase in cash and cash equivalents	(1,867)	189	2,332
Cash and cash equivalents at beginning of the period	2,332	-	-
Cash and cash equivalents at the end of the period	465	189	2,332

NOTES TO THE INTERIM ACCOUNTS

1. Basis of Preparation

The accounts of the Group for the half year ended 30 June 2007 were approved by the Board on 12 September 2007. The interim financial statements for the six months ended 30 June 2007 are unaudited and do not constitute statutory accounts as defined under S240 of the Companies Act 1985. The interim financial statements have been prepared in accordance with applicable accounting standards and are consistent with those adopted and disclosed in the Group's statutory accounts for the year ended 31 December 2006. Those accounts, upon which the auditors issued an unqualified opinion, have been delivered to the Registrar of Companies.

This interim report has been prepared in accordance with the recognition and measurements requirements of those IFRSs as adopted by the EU expected to be applicable to the financial statements for the year ended 31 December 2007.

The Company was incorporated as Flareorbit plc on 28 April 2006 and changed its name to Money Debt & Credit Group plc on 10 November 2006. On 6 December 2006 Money Debt & Credit Group plc acquired 100% of the shares of Money Debt & Credit Limited through a share for share exchange. In consideration for the transfer of the entire issued share capital of Money Debt & Credit Limited, a total aggregate of 27,999,980 ordinary shares of 10p each were issued on 6 December increasing the issued share capital to 28,000,000 ordinary shares of 10p each and giving the shareholders of Money Debt & Credit Limited effective control of the combined group.

On 13 December 2006, 12,000,000 ordinary shares were issued in a placing and admission to trading on AIM. The issue price was 25p, which included a premium of 15p per share. The total number of shares in issue following the placing was 40,000,000.

2. Loss per Share

The earnings per share (basic) has been calculated using the loss for the period of £1.8m and a weighted average number of ordinary shares in issue during the six month period from 1 January 2007 to 30 June 2007 of 40,000,000.

The share options currently in issue are options over existing shares held by the Directors and are not deemed to be dilutive.

3. Comparative Figures

The comparative figures represent the unaudited results for the six month period to 30 June 2006. In accordance with IFRS3 Business Combinations, the comparatives are presented as if the companies in the Group had been owned and controlled by the Company throughout the six month period to 30 June 2006.

4. Related Party Transactions

During the period, interest of £99,738 was accrued on the loan from Simon Johnson and interest of £80,000 was paid.

Included within current liabilities is an accrual of £167,980 in respect of salary due but not paid to Simon Johnson at 30 June 2007.

Additionally, the Group paid £16,300 to Michael Bartman the father of Jon Bartman for data collection services.

5. Going Concern

The Group has been in discussions with a number of parties concerning financing of its funding requirements. The board is satisfied that there is likely to be a positive outcome to these discussions, which will provide sufficient finance to enable the Group to meet its working capital requirements and the interim financial statements have therefore been prepared on a going concern basis.

6. Distribution of the Interim Report

Copies of the Interim Report are being sent to shareholders. Further copies of the Interim and Annual Report and Accounts may be obtained from the Company Secretary at the registered office: 45 Clarendon Road, Watford WD17 1SZ. In addition, an electronic version will be available on the Company's website:

www.moneydebtandcredit.com/investor-relations

Enquiries

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