HANSARD
GLOBAL PLC

HALF YEAR REPORT AND ACCOUNTS

31 DECEMBER 2019

Hansard is a specialist long–term savings provider that has been providing innovative financial solutions for international clients since 1987.

We focus on helping financial advisors and institutions to provide their clients (individual and corporate investors) with saving and investment products in secure life assurance wrappers to meet long–term savings and investment objectives.

We administer assets in excess of approximately £1 billion for just under 40,000 client accounts in up to 155 countries.

Hansard Global plc Half Year Report and Accounts

HANSARD
GLOBAL PLC

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Chairman's Statement

The Chairman reviews our performance, and the relevant issues affecting our business and how we operate.

Interim Management Report

A narrative review of the Group's performance that includes an overview from the Chief Executive and details of our business. You can also find out about our approach to risk management.

Interim Financial Statements

The Group's IFRS financial statements which include detailed analysis of the Group's performance, assets and liabilities.

Other Information

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Shareholder Information

Further information for shareholders such as our financial calendar and how to get in touch.

“ We continue to pursue our strategy of growing our business organically through Independent Financial Advisor (“IFA”) relationships and the pursuit of targeted opportunities, either through new licences or via institutional partnerships. ”

- Gordon S. Marr, Chief Executive Officer

CHAIRMAN'S STATEMENT

PHILIP GREGORY

New business

New business for the first six months of our 2020 financial year ("H1 2020") was £80.1m on a Present Value of New Business Premiums ("PVNBP") basis. This was an increase of 8% over the comparative period ("H1 2019"), with strong growth in Latin America and the UAE.

Our subsidiary in The Bahamas, Hansard Worldwide Limited ("Hansard Worldwide"), has been well received since its launch in 2019 and has allowed us to build on our key distribution relationships and deploy targeted initiatives to encourage adoption, particularly in Latin America.

Financial performance

The Group's profit after tax under International Financial Reporting Standards ("IFRS") of £2.6m for the period is £0.4m lower than the comparative period profit of £3.0m. The primary drivers of this reduction relate to the strengthening of sterling against the US dollar and higher origination costs incurred in securing new business.

Litigation defence activity in Italy has intensified during the period. However our Group insurers have accepted provisional coverage for a number of our larger litigation claims and we have recorded receipts and additional recoverables totalling £0.5m during H1 2020.

Japan

As noted in our 2019 Annual Report, the key to significantly increased new business lies in our ability to take advantage of the opportunity we have developed in Japan. We are working closely with a targeted number of prospective distribution partners to agree detailed sales and operational models and processes. While some of the timing sits outside our direct control, it remains our plan to launch our new Japanese investment product later this calendar year.

IT systems

Our award-winning IT systems and online customer platform are key aspects of our proposition. As noted in 2019, we have embarked on a project to replace our core administration system and ensure it remains fit for purpose for our next generation of products and strategic development. Significant progress has been made on this in the past six months and we expect to have substantially completed the project by the end of 2020.

Capitalisation and solvency

The Group continues to be well capitalised to meet the requirements of regulators, contract holders, intermediaries and other stakeholders. Free assets in excess of the Solvency Capital Requirements of the Group were £79.2m (227% coverage) (30 June 2019: £86.8m and 233%). We have maintained our prudent investment policy for shareholder assets, which minimises market risk and has provided a stable and resilient solvency position over recent years.

Dividends

Taking into account the current financial position and future outlook, the Board has resolved to maintain its interim dividend at 1.8p per share (H1 2019: 1.8p per share). This will be paid on 21 April 2020.

Philip Gregory

Chairman

4 March 2020

REPORT OF THE GROUP CHIEF EXECUTIVE OFFICER

GORDON MARR

Strategy implementation and new business distribution

The Group's focus is to provide regular and single premium savings products to expatriate and internationally minded clients around the world. We continue to pursue our strategy of growing our business organically through Independent Financial Advisor ("IFA") relationships and the pursuit of targeted opportunities, either through new licences or via institutional partnerships.

Details of the work being performed by our strategic development team are contained in the Business and Financial Review section.

Results for the period

IFRS profit for the period was £2.6m after tax (H1 2019: £3.0m). The primary drivers of this reduction relate to the strengthening of sterling against the US dollar and higher origination costs incurred in securing new business. This was offset by insurance recoveries and recoverables on a number of our litigation claims totalling £0.5m.

The Value of In-Force on a regulatory basis at 31 December 2019 was £135.7m as compared to £139.9m at 30 June 2019. This movement is largely as a result of adverse foreign exchange movements and new business having lower margins than older business.

New business margins for H1 2020 were in line with those of the comparative period, approximately break-even. Improvements in new business were offset by lower treasury margins and other cost assumptions.

Details of the results for the period are contained in the Business and Financial Review.

Capitalisation and solvency

A key financial objective is to ensure that the Group's solvency is managed safely through the economic cycle to meet the requirements of regulators, contract holders, intermediaries and shareholders. The Group remains well capitalised.

The Group's Solvency Capital Requirements under risk based solvency regulations basis have a coverage ratio of 227%, broadly unchanged from the 30 June 2019 level of 233%. The Group's capital is typically held in a wide range of deposit institutions and in highly-rated money market liquidity funds.

Hansard Europe dac's ("Hansard Europe") capital is considered not available for distribution until there is better clarity over the expected outcome of the litigation against the company.

Hansard Europe dac ("Hansard Europe")

Hansard Europe was closed to new business in 2013 and the Group's objective is to run the business off in an efficient and well managed manner. We continue to meet the requirements of the company's policyholders, regulators and stakeholders while utilising operational efficiencies through the use of Hansard Online. The servicing of policy contracts and other administrative operations are performed at the Group's head office on the Isle of Man. Regulatory control and management of outsourced activities are exercised from the company's offices in Dublin. The company remains strongly capitalised with net assets of £17.0m.

We continue to deal with complaints in circumstances where a policyholder believes that the performance of an asset linked to a particular contract is not satisfactory. We do not give investment advice and are not party to the selection of the asset and therefore we feel that we are justified in robustly defending each complaint. Sometimes these complaints progress to threatened or actual litigation with the resulting increase in cost and resource to the Group. In many cases the litigation relates to decisions taken by individuals during, or as a result of, the global financial crisis in 2007/2008.

A summary of the results for H1 2019 are as follows

	H1 2020	**H1 2019**
IFRS profit after tax	£2.6m	£3.0m
IFRS basic earnings per share	1.9p	2.2p
Interim dividend – to be paid on 21 April 2020	1.8p	1.8p
As at	**31 December 2019**	**30 June 2019**
Assets under Administration	£1,080.4m	£1,079.7m
Value of In-Force (regulatory basis)	£135.7m	£139.9m

We reported in our 2019 Annual Report that Hansard Europe was facing litigation based on writs totalling €21.7m (£19.4m) as a result of these and related complaints. As at 31 December 2019, total writs were €24.6m (£20.8m). This increase was driven by a combination of additional cases brought in Italy and a reduction in the fair value of investment assets backing the claims.

We will continue to defend ourselves from all claims, considering early settlement (without admission of liability) only where there is a clear economic benefit. During the period two minor cases were settled, totalling just under £25,000.

We have previously noted that we expect a number of our larger claims to ultimately be covered by our Group insurance cover. During H1 2020 we received our first insurance payment on account for legal expenditure in Italy, of £0.2m, and have booked further recoverables of £0.3m in the period. We expect such reimbursement to continue during the course of that litigation.

As a result, we also expect that a significant amount of the £20.8m of contingent liabilities referred to above would be covered by insurance should those cases be ruled against us. As of 31 December 2019, we estimate insurance coverage to be in the range of £6m to £13m.

Hansard Online

Our award-winning technology, Hansard Online, allows contract holders and intermediaries to transact with us more efficiently and to meet ever increasing digital expectations.

As is reported in the Business and Financial Review, over 95% of policy investment transactions are processed electronically by intermediaries using Hansard Online and over 90% of all new business applications were submitted via the platform during the period.

Regulation and risk management

As the pace, scale, and complexity of regulatory change continue to increase, it is vital for us to understand and manage the impact of these changes both on our clients and on ourselves as a business. We continue to devote significant resources in this area to meet these challenges.

The requirements of the Isle of Man Financial Services Authority's "Roadmap For Updating the Isle of Man's Regulatory Framework for Insurance Business" came into force during 2019. These included new conduct of business and policyholder disclosure requirements, a more sophisticated risk based capital and solvency regime, a group supervision framework and enhanced governance and enterprise risk management requirements. These have all been successfully adopted by the relevant entities within the Hansard Group.

Dividend

The Board has resolved to pay an interim dividend of 1.8p per share (H1 2019: 1.8p). This dividend will be paid on 21 April 2020.

Our people

The Group has a dedicated dynamic workforce across a number of locations around the world. We were especially pleased during 2019 to have welcomed a number of new appointments to our branch in Tokyo and look forward to working with them to launch our exciting new investment product in Japan.

We have a commitment to service and quality at the highest level in relation to servicing contract holders and intermediaries. It was therefore pleasing to have again been recognised externally in this area. In October 2019 we won 'Excellence in Customer Service' from International Investor for both the Latin American region and as overall global winner. We also maintained our five-star rating for customer service by AKG Financial Analytics in their 2019 review.

I thank all our employees for their continued contribution to Hansard and to the progress achieved across a range of key projects during the period.

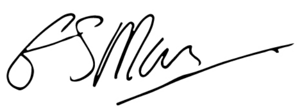
Outlook

Our focus remains upon adding to our locally licenced distribution outlets, specifically in Japan. By doing so, we can supplement our existing international markets and attain the scale necessary to deliver greater returns to our shareholders.

We are also working hard on initiatives to save costs and maintain our positive reputation for technology and efficiency. We have made significant progress on our two-year project to replace and re-engineer our back office systems and expect this to complete by the end of 2020.

We are cognisant of the spread of the Covid-19 virus as an emerging risk to the operation of our business. A range of actions and contingency arrangements to manage and mitigate these risks have been identified and are being kept under close review.

Gordon Marr



Chief Executive Officer
4th March 2020.

BUSINESS AND FINANCIAL REVIEW

1. Business Model

Hansard is a specialist long-term savings provider that has been providing innovative financial solutions for international clients since 1987. We focus on helping financial advisors and institutions to provide their clients (individual and corporate investors) with savings and investment products in secure life assurance wrappers to meet long-term savings and investment objectives. We administer assets in excess of £1 billion for just under 40,000 client accounts around the world.

The Company's head office is in Douglas, Isle of Man, and its principal subsidiaries operate from the Isle of Man, The Bahamas and the Republic of Ireland.

Hansard International Limited ("Hansard International") is regulated by the Financial Services Authority of the Isle of Man Government and has a branch in Malaysia, regulated by the Labuan Financial Services Authority, to support business flows from Asian growth economies. Through its relationship with a local insurer in the UAE, Hansard International reinsures business written in the UAE.

Launched in 2019, Hansard Worldwide underwrites international and expatriate business around the world. It is regulated by the Insurance Commission of The Bahamas.

Hansard Europe is regulated by the Central Bank of Ireland. Hansard Europe ceased accepting new business with effect from 30 June 2013.

Our products are designed to appeal to affluent international investors, institutions and wealth-management groups. They are distributed exclusively through IFAs and the retail operations of financial institutions.

Our network of Account Executives provides local language-based support services to financial advisors in key territories around the world, supported by our multi-language online platform, Hansard Online.

2. Vision and Strategy

Our vision for the Hansard Group is:

"to share success with our clients by providing simple, understandable and innovative financial solutions".

To deliver this vision it is clear that client outcomes will be the central focus within our business and, consequently, we will need to look at all aspects of our products, processes and distribution in order to constantly improve.

Our talented people are the foundation of our business. We have created an empowering culture, which values innovation, quality, integrity and respect.

Our strategy to improve, grow and future-proof our business will be delivered through three key areas of strategic focus:

i. Improve our business: We will improve customer outcomes through the introduction of new disclosures, the provision of new products and services, focusing on the quality of our IFAs with whom we work with and continuing to drive up the engagement of our people within our business.

ii. Grow our business: We have established a new life company in The Bahamas. We have acquired the necessary licence and approvals to access the Japanese market. We will continue to drive our strategic alliance with Union Insurance in the UAE and hope to pursue opportunities to replicate this model in other targeted jurisdictions over the coming years.

iii. Future-proof our business: We are actively testing innovative technologies, propositions and business models. It remains critical to support the online and digital needs of our clients alongside improving organisational efficiency and scalability.

3. Hansard Online

Hansard Online is a powerful and secure tool that is used by our IFAs around the world. Available in multiple languages, it allows them to access information about their clients, to generate reports for their clients, to submit new business applications online, to place dealing and switch instructions online, to access all client correspondence and to access a library of forms and literature.

Almost all investment transactions are processed electronically by intermediaries, on behalf of their clients, using Hansard Online and over 90% of all new business applications are submitted via the platform.

The straight-through processing of contract holder instructions (whether received directly or through their appointed agents) reduces the Group's operational risk exposures, as does the ability of the Group to communicate electronically with contract holders and intermediaries, irrespective of geographical boundaries. Data validation happens in real-time to ensure there are no delays to the investment of client funds.

Hansard Online Lite provides prospective IFAs with easy access to a subset of the online system. Its purpose is to showcase our online proposition to prospective and new IFAs and to allow easy access to non-sensitive documents and functionality. Users can access our online document library, the Unit Fund Centre, company news and submit new business online.

The benefit of Hansard Online is recognised by many IFAs as market leading and our online proposition has been nominated for and won a number of independent industry awards, including in the Middle East, one of our most important markets.

Online accounts

Whilst many of our IFAs are technologically sophisticated and have been utilising our online offering for years, our client base has typically lagged behind. However, we are now observing a growing trend amongst our clients to take more control of their financial wellbeing by embracing mobile technology to better monitor and manage their finances.

To support our commitment to delivering 'excellent customer service', we believe it is vital to provide our clients with a modern and secure online platform that allows them to access their finances easily and comprehensively, 24/7. We provide this through our client-facing version of Hansard Online, called Online Accounts.

Similar to our IFA-facing online platform, the client's Online Account allows them to access all their policy information, valuation statements, transaction history, premium reports, switch funds online, access all correspondence, access a library of forms and literature, and more.

A large and increasing number of clients have signed up for this service which allows them to view all documentation and communications relating to their contracts via their Online Account as well as choosing to receive post electronically, rather than in hard-copy form. This not only provides a more secure, faster and cost efficient means of communication with clients but also the convenience to manage their own contract within a timeframe which is more suitable.

Cyber security

As cyber crime continues to increase and target commercial and public enterprises alike, Hansard has continued to invest in its cyber security. This includes continuous upgrades to our firewall protection, encryption of data, tokenisation of sensitive data and annual external review and testing.

4. New Business

Proposition

The Group's proposition is to develop and enhance relationships with contract holders and intermediaries through the use of our people, products and technology in a way that meets shared objectives.

The results of activities in each region in H1 2020 are reported in the table below.

NEW BUSINESS PERFORMANCE FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

New business for the first six months of our 2020 financial year ("H1 2020") was £80.1m on a PVNBP basis. This was an increase of 8% over the comparative period ("H1 2019"), with strong growth in Latin America and the UAE.

New business in Latin America grew over 50% in H1 2020 compared to H1 2019. Our subsidiary in The Bahamas, Hansard Worldwide, has been well received since its launch in 2019 and has allowed us to build on our key distribution relationships and deploy targeted initiatives to encourage adoption.

Our Middle East & Africa region continued to do well, driven primarily by our strategic relationship in the UAE. The region was up 24.7% in H1 2020 compared to H1 2019.

The Rest of World region was down 7.7% as we wrote less single premium business in H1 2020 compared to H1 2019.

Our current focus in the Far East region is to develop and bring our new Japanese proposition to market. This continues to progress at a detailed operational level with a focus on delivering formal distribution agreements. We are also working with our distribution network to grow business through our licence in Labuan, Malaysia.

New business flows for H1 2020 are summarised as follows.

	Six months ended 31 December		Year ended 30 June
	2019	**2018**	**2019**
	£m	**£m**	**£m**
Present value of New Business Premiums	**80.1**	74.1	155.9
Annualised Premium Equivalent	**12.8**	11.8	24.7

The following tables show the breakdown of new business flows calculated on the basis of PVNBP.

By type of contract	Six months ended 31 December 2019 £m	Six months ended 31 December 2018 £m	Year ended 30 June 2019 £m
Regular premium	**51.6**	37.4	85.5
Single premium	**28.5**	36.7	70.4
	80.1	74.1	155.9

By geographical area	Six months ended 31 December 2019 £m	Six months ended 31 December 2018 £m	Year ended 30 June 2019 £m
Middle East and Africa	**30.8**	24.7	57.4
Rest of World	**24.1**	26.1	52.7
Latin America	**19.7**	13.1	25.9
Far East	**5.5**	10.2	19.9
Total	**80.1**	74.1	155.9

We continue to receive new business from a diverse range of financial advisors around the world. The majority of new business premiums are denominated in US dollars (approximately 64%), with approximately 18% denominated in sterling, and the remainder in euro or other currencies.

5. IFRS Results for the six months ended 31 December 2019

The Group administers, and earns fees from, a portfolio of unit-linked investment contracts distributed to contract holders around the world.

The nature of the Group's products means that new business flows have a limited immediate impact on current earnings reported under IFRS, as initial fees and acquisition costs from the contracts sold are mostly deferred and amortised over the life of the contract. The benefit of sales to fee income levels are felt in future financial periods, noting also that our newer products have a longer earning period than our older products.

The Group also continues to invest strategically for the future, particularly in relation to new markets and new licensing opportunities.

Results under IFRS

Fee and commission income received underpins the expenditure necessary to support the Group's longer-term objectives and ultimately to pay dividends over the long term.

The Group continues to invest for future growth in the business through targeted expenditure, particularly in connection with the development of our branch in Japan. We are also investing significantly in our IT systems and technology.

Consolidated profit after taxation for the period was £2.6m (H1 2019: £3.0m). The key driver of the reduced profit was foreign exchange fluctuations and higher origination costs, offset by insurance recoveries and lower bad debt provisions.

The following is a summary of key items to allow readers to better understand the results of the period.

Abridged Income Statement

The IFRS condensed consolidated statement of comprehensive income which is presented within these half-year results reflects the financial results of the Group's activities during the period under IFRS. This statement however, as a result of its method of presentation, incorporates a number of features that might affect a clearer understanding of the results of the Group's underlying transactions. This relates principally to:

- Investment gains attributable to contract holder assets were £7.0m (H1 2019: losses of £59.5m). These assets are selected by the contract holder or an authorised intermediary and the contract holder bears the investment risk and are also reflected within 'Change in provisions for investment contract liabilities'.
- Third party fund management fees collected and paid onwards by the Group to third parties having a relationship with the underlying contract. In H1 2020 these were £2.5m (H1 2019: £2.3m). These are reflected on a gross basis in both income and expenses under IFRS.

An abridged consolidated income statement is presented below, excluding the items of income and expenditure indicated above

	Six months ended 31 December		Year ended 30 June
	2019	**2018**	**2019**
	£m	**£m**	**£m**
Fees and commissions	**23.0**	22.7	43.8
Investment and other income	**0.5**	1.4	2.3
	23.5	24.1	46.1
Origination costs	**(9.1)**	(8.4)	(16.7)
Administrative and other expenses attributable to the Group	**(11.1)**	(11.2)	(23.3)
Operating profit for the period before litigation and non-recurring expense items	**3.3**	4.5	6.1
Net litigation and non-recurring expense items	**(0.7)**	(1.5)	(1.5)
Profit for the period before taxation	**2.6**	3.0	4.6
Taxation	**-**	-	-
Profit for the period after taxation	**2.6**	3.0	4.6

Fees and commissions

Fees and commissions attributable to Group operations for H1 2020 are £23.0m, an increase of approximately 1.3% compared with £22.7m in H1 2019. A summary of fees and commissions attributable to Group activities is set out below:

	Six months ended 31 December		Year ended 30 June
	2019	2018	2019
	£m	£m	£m
Contract fee income	**16.5**	16.1	31.3
Fund management fees	**4.2**	4.3	7.8
Commissions receivable	**2.3**	2.3	4.7
Total	**23.0**	22.7	43.8

Included in contract fee income is £8.7m (H1 2019: £8.3m) representing the amounts prepaid in previous years and amortised to the income statement, as can be seen in section 7 in the reconciliation of deferred income. This income has increased generally in line with recent years' increases in new business (offset by the run-off of Hansard Europe).

Net fund management fees, together with commissions receivable, totalling £6.5m (H1 2019: £6.6m), are related to the value of contract holder Assets under Administration ("AuA") but also have elements amortised from previous periods.

Investment and other income

	Six months ended 31 December 2019 £m	31 December 2018 £m	Year ended 30 June 2019 £m
Bank interest and other income receivable	**1.0**	1.3	2.0
Foreign exchange (losses) / gains on revaluation of net operating assets	**(0.5)**	0.1	0.3
Total	**0.5**	1.4	2.3

The Group's own liquid assets are held predominantly in sterling and invested in highly rated money market funds and bank deposits.

Further information about the Group's foreign currency exposures is disclosed in note 4.1 to these condensed consolidated financial statements.

Origination costs

Under IFRS, new business commissions paid, together with the directly attributable incremental costs incurred on the issue of a contract, are deferred and amortised over the life of that contract to match the longer-term income streams expected to accrue from it. Typical terms range between 6 and 16 years, depending on the nature of the product. Other elements of the Group's new business costs, which reflect investment in distribution resources in line with our strategy, are expensed as incurred.

This accounting policy reflects that the Group will continue to earn income over the long-term from contracts issued in a given financial year.

Origination costs in the period were:

	Six months ended 31 December 2019 £m	31 December 2018 £m	Year ended 30 June 2019 £m
Origination costs - deferred to match future income streams	**10.2**	8.7	18.0
Origination costs - expensed as incurred	**1.7**	1.3	2.9
Investment in new business in period	**11.9**	10.0	20.9
Net amortisation of deferred origination costs	**(2.8)**	(1.6)	(4.2)
Total	**9.1**	8.4	16.7

Reflecting the long-term nature of the Group's income streams, amounts totalling £7.4m (H1 2019: £7.1m) have been expensed to match contract fee income of £8.7m (H1 2019: £8.3m) earned in H1 2020 from contracts issued in previous financial years. This reflects the profitability of the existing book.

Origination costs incurred in H1 2020 have increased as a result of the increased level of new business, increased sales incentive schemes and a higher mix of business reinsured from the UAE which has a higher cost of acquisition.

Summarised origination costs for the period were:

	Six months ended 31 December 2019 £m	Six months ended 31 December 2018 £m	Year ended 30 June 2019 £m
Amortisation of deferred origination costs	**7.4**	7.1	13.8
Other origination costs incurred during the period	**1.7**	1.3	2.9
	9.1	8.4	16.7

Administrative and other expenses

The Group continues to invest for future growth in the business through planned expenditure in systems infrastructure and targeted licence applications.

A summary of administrative and other expenses attributable to the Group is set out below:

	Six months ended 31 December 2019 £m	Six months ended 31 December 2018 £m	Year ended 30 June 2019 £m
Salaries and other employment costs	**5.5**	5.2	10.5
Other administrative expenses	**3.5**	3.8	7.8
Professional fees, including audit	**1.4**	1.4	3.2
Recurring administrative and other expenses	**10.4**	10.4	21.5
Growth investment spend	**0.7**	0.8	1.8
Administrative and other expenses, excl. litigation and non-recurring expense items	**11.1**	11.2	23.3
Net Litigation defence and settlement costs	**0.7**	1.1	1.4
Provision for doubtful debts	**-**	0.4	0.1
Total administrative and other expenses	**11.8**	12.7	24.8

Salaries and other employment costs have increased by £0.3m over the comparative period to £5.5m, reflecting general inflation, contractor costs and expansion of our Japanese branch. The average Group headcount for the period was 192 compared to 191 for the full 2019 financial year. Headcount at 31 December 2019 was 190.

Other administrative expenses have decreased by £0.3m over the comparative period to £3.5m, primarily as a result of cost saving initiatives from the previous year taking effect.

Professional fees including audit (excluding litigation defence costs) of £1.4m have remained broadly consistent with the prior period.

Growth investment spend of £0.7m represents internal and external costs to generate opportunities for growth. For the current period, these primarily included costs associated with the development of our Japanese proposition, together with the costs of our head office strategy team.

Litigation costs in defending claims against Hansard Europe of £0.7m for the period were lower than H1 2019 due to claim recoveries accepted by our insurers of £0.5m (see note 18 to the condensed consolidated financial statements for further details).

6. Cash Flow Analysis

The sale of the Group's products typically produce an initial cash strain as a result of the commission and other costs incurred at inception of a contract.

The following summarises the Group's own cash flows in the period:

	Six months ended 31 December 2019 £m	Six months ended 31 December 2018 £m	Year ended 30 June 2019 £m
Net cash surplus from operating activities	**11.1**	9.5	20.6
Interest received	**0.5**	0.6	1.4
Net cash inflow from operations	**11.6**	10.1	22.0
Net cash investment in new business	**(10.2)**	(8.7)	(17.5)
Purchase of software, computer equipment and property	**(1.5)**	(0.8)	(2.5)
Corporation tax received/(paid)	**-**	-	-
Net cash (outflow)/inflow before dividends	**(0.1)**	0.6	2.0
Dividends paid	**(3.6)**	(3.6)	(6.0)
Net cash outflow after dividends	**(3.7)**	(3.0)	(4.0)

Cash flows from operating activities have increased in H1 2020 reflecting increased levels of new business. Initial new business cash strain is shown within "net cash investment in new business" and varies depending on the level and type of new business written. £1.5m was spent during the period on the project to upgrade the Group's IT infrastructure.

The factors described above, together with the payment of our final dividend for 2019, led to a net cash outflow of £3.7m (H1 2019: £3.0m outflow) in the Group's own cash resources since 1 July 2019. The Group continues to maintain significant cash reserves to cover any short term outflows.

	Six months ended 31 December 2019 £m	Six months ended 31 December 2018 £m	Year ended 30 June 2019 £m
Net cash outflow after dividends	**(3.7)**	(3.0)	(4.0)
(Decrease) / increase in amounts due to contract holders	**(0.8)**	(2.2)	0.6
Net Group cash movements	**(4.5)**	(5.2)	(3.4)
Group cash - opening position	**65.3**	69.4	69.4
Effect of exchange rate movements	**(0.9)**	(0.7)	(0.7)
Group cash - closing position	**59.9**	63.5	65.3

Bank deposits and money market funds

The Group's liquid assets at the balance sheet date are held in highly-rated money market liquidity funds and with a wide range of deposit institutions, predominantly in sterling. This approach protects the Group's capital base from stock market falls.

Deposits totalling £19.1m (H1 2019: £23.4m) have original maturity dates greater than 3 months and are therefore excluded from the definition of "cash and cash equivalents" under IFRS.

The longer-term term deposits have maturity dates of between 1 month and 9 months from the balance sheet. Substantial money market and short-term cash exist to cover liquidity needs.

The following table summarises the total shareholder cash and deposits at the balance sheet date.

	Six months ended 31 December		Year ended 30 June
	2019	2018	2019
	£m	£m	£m
Money market funds	**39.3**	36.1	40.2
Short-term deposits with credit institutions	**1.5**	4.0	-
Cash and cash equivalents under IFRS	**40.8**	40.1	40.2
Longer-term deposits with credit institutions	**19.1**	23.4	25.1
Group cash and deposits	**59.9**	63.5	65.3

7. Abridged Consolidated Balance Sheet

The condensed consolidated balance sheet presented under IFRS reflects the financial position of the Group at 31 December 2019. As a result of its method of presentation, the consolidated balance sheet incorporates the financial assets held to back the Group's liability to contract holders, and also incorporates the net liability to those contract holders of £1,080m (H1 2019: £976m). Additionally, that portion of the Group's capital that is held in bank deposits is disclosed in "cash and cash equivalents" based on original maturity terms, as noted above.

The abridged consolidated balance sheet presented below, adjusted for those differences in disclosure, allows a better understanding of the Group's own capital position. Additional factors impacting upon the Group's capital position at the balance sheet date are summarised in section 8 of this Review.

As at	Six months ended 31 December		Year ended 30 June
	2019	2018	2019
	£m	£m	£m
Assets			
Deferred origination costs	**120.8**	115.4	118.0
Other assets	**13.5**	11.3	10.1
Bank deposits and money market funds	**59.9**	63.5	65.3
	194.2	190.2	193.4
Liabilities			
Deferred income	**135.1**	131.9	133.2
Other payables	**32.8**	30.4	33.0
	167.9	162.3	166.2
Net Assets	**26.3**	27.9	27.2
Shareholders' equity			
Share capital and reserves	**26.3**	27.9	27.2

Deferred origination costs

The deferral of origination costs ("DOC") reflects that the Group will earn fees over the long-term from contracts issued in a given financial year. These costs are recoverable out of future net income from the relevant contract and are charged to the consolidated statement of comprehensive income on a straight-line basis over the life of each contract.

The tables below show an increase in total deferred origination costs since the comparative periods. This reflects the greater volume and proportion of regular premium business being sold.

	Six months ended 31 December		Year ended 30 June
	2019	**2018**	**2019**
	£m	**£m**	**£m**
At beginning of financial year	**118.0**	113.8	113.8
Origination costs deferred during the period	**10.2**	8.7	18.0
Origination costs amortised during the period	**(7.4)**	(7.1)	(13.8)
	120.8	115.4	118.0

Deferred income

The treatment of deferred income ensures that initial fees are taken to the consolidated statement of comprehensive income in equal instalments over the longer-term, reflecting the services to be provided over the period of the contract. This is consistent with the treatment of deferred origination costs. Deferred income at the balance sheet date is the unamortised balance of accumulated initial amounts received on new business.

The proportion of income deferred in any one year is dependent upon the mix and volume of new business flows in previous years. The Group's focus on regular premium business means that these fees are received over the initial period of the contract, rather than being received up front, as is often the case with single premium contracts.

The majority of initial fees collected during the period relate to charges taken from contracts issued in prior financial years demonstrating the cash generative nature of the business. Regular premium contracts issued in this financial year will generate the majority of their initial fees over the next 18 months on average.

The movement in value of deferred income over the period is summarised below.

	Six months ended 31 December		Year ended 30 June
	2019	**2018**	**2019**
	£m	**£m**	**£m**
At beginning of financial year	**133.2**	130.3	130.3
Initial fees collected in the period and deferred	**10.6**	9.9	19.8
Income amortised during the period to fee income	**(8.7)**	(8.3)	(16.9)
	135.1	131.9	133.2

8. Assets Under Administration

In the following paragraphs, AuA refers to net assets held to cover financial liabilities as analysed in note 13 to the condensed consolidated financial statements presented under IFRS.

The Group enjoys a stream of cash flows from its regular premium contracts administered on behalf of clients around the world. The majority of premium contributions are designated in currencies other than sterling, reflecting the wide geographical spread of those contract holders.

These flows are offset by charges and withdrawals, by premium holidays affecting regular premium policies and by market valuation movements. Certain collective investment schemes linked to customers' contracts can from time to time become illiquid, suspended or be put into liquidation. In such cases, the Directors are required to exercise their judgement in relation to the fair value of these assets. The cumulative impact on the balance sheet is not material.

The following table summarises Group AuA performance for H1 2020:

	Six months ended 31 December		Year ended 30 June
	2019	**2018**	**2019**
	£m	**£m**	**£m**
Deposits to investment contracts – regular premiums	**42.0**	39.7	80.3
Deposits to investment contracts – single premiums	**29.6**	37.0	70.4
Withdrawals from contracts and charges	**(77.9)**	(77.7)	(154.2)
Effect of market and currency movements	**7.0**	(59.5)	47.2
Movement in period	**0.7**	(60.5)	43.7
Opening balance	**1,079.7**	1,036.0	1,036.0
Closing balance	**1,080.4**	975.5	1,079.7

Group AuA increased to £1,080.4m during H1 2020, an increase of £0.7m from the position at 30 June 2019.

The value of AuA is based upon the assets selected by or on behalf of contract holders to meet their needs from time to time. Reflecting the wide geographical spread of the Group's contract holders, the majority of AuA are designated in currencies other than sterling. The currency denomination of AuA is similar to that of H1 2019. At the balance sheet date approximately 65% of AuA is denominated in US dollars, with a further 22% in sterling and 12% denominated in euro, as reflected in note 4 to the condensed consolidated financial statements.

Since it closed to new business in 2013, Hansard Europe's AuA has been declining broadly in line with expectations as contracts are surrendered or mature.

	Six months ended 31 December		Year ended 30 June
	2019	**2018**	**2019**
	£m	**£m**	**£m**
Hansard International	**975.8**	865.8	965.4
Hansard Europe	**104.6**	109.7	114.3
	1,080.4	975.5	1,079.7

9. Capitalisation and Solvency

The Group's authorised life insurance subsidiaries continue to be well capitalised with free assets well in excess of the regulatory requirements in each relevant jurisdiction. There has been no material change in the Group's management of capital during the period.

Solvency capital is a combination of future margins, where permitted by regulation, and capital. Where future margins are denominated in non-sterling currencies, it is vulnerable to the weakening of those currencies relative to sterling. All of the Group's excess capital is invested in a wide range of deposit institutions and highly-rated money market liquidity funds, predominantly in sterling. This approach immunises the Group's capital base from stock market falls.

The in-force portfolio has no material investment options or guarantees that could cause capital strain and retains very little of the mortality risk that it has accepted (the balance being reinsured with premium reinsurers). There is no longevity risk exposure.

Policy on capital maintenance

It is the Group's policy to maintain a strong capital base in order to:

- satisfy the requirements of its contract holders, creditors and regulators;
- maintain financial strength to support new business growth and create shareholder value;
- match the profile of its assets and liabilities, taking account of the risks inherent in the business;
- generate operating cash flows; and
- fund dividend requirements.

Within the Group each subsidiary company manages its own capital. Capital generated in excess of planned requirements is returned to the Company by way of dividends. Group capital requirements are monitored by the Board. The capital held within Hansard Europe is considered not to be available for dividend to Hansard Global plc until such time as the legal cases referred to in note 18 to the condensed consolidated financial statements are substantially resolved.

10. Dividends

A final dividend of 2.65p per share in relation to the previous financial year was paid in November 2019. This amounted to £3.6m.

The Board has considered the results for H1 2020, the Group's continued cash flow generation and its future expectations and has resolved to pay an interim dividend of 1.8p per share (H1 2019: 1.8p). This dividend will be paid on 21 April 2020.

11. Complaints and potential litigation

The Group continues to deal with policyholder complaints, principally in relation to asset performance issues arising from policyholders resident in Europe. Even though the Group does not give any investment advice, as this is left to the contract holder directly or through an agent, advisor or an entity appointed at their request or preference, the Group has been subject to a number of complaints in relation to the performance of assets linked to contracts.

Some of these complaints escalate into litigation. As at the date of the 2019 Annual Report, the Group faced litigation based on writs totalling €21.7m or £19.4m. The corresponding figure as at 31 December 2019 was €24.6m or £20.8m (31 December 2018: €19.9m or £17.9m). Between 31 December 2019 and the date of this report, there have been no material changes.

We expect that a significant amount of the £20.8m of contingent liabilities referred to above would be covered by insurance should those cases be ruled against us. As of 31 December 2019, we estimate coverage to be in the range of £6m to £13m.

While it is not possible to forecast or determine the final results of such litigation, based on the pleadings and advice received from the Group's legal representatives and experience with cases previously successfully defended, we believe we have a strong chance of success in defending these claims. The writs have therefore been treated as contingent liabilities and are disclosed in note 18 to the condensed consolidated financial statements.

12. Net asset value per share

The net asset value per share on an IFRS basis at 31 December 2019 is 19.1p (H1 2019: 20.3p) based on the net assets in the consolidated balance sheet divided by the number of shares in issue, being 137,557,079 ordinary shares (31 December 2018: 137,557,079).

13. Risk management

As with all businesses, the Group is exposed to risk in pursuit of its objectives. The Board has overall responsibility for the Group's system of risk management and internal control and for reviewing its effectiveness. The schedule of powers reserved to the Board ensures that the Directors are responsible for determining, evaluating and controlling the nature and extent of the principal risks which the Board is willing to take in achieving its strategic objectives and the Board oversees the strategies for principal risks that have been identified.

The Executive Management Team works within the risk appetite established by the Board and the governance, risk management and internal control arrangements which constitute the Group Enterprise Risk Management ("ERM") Programme. The ERM Programme directs the Group, including setting the cultural tone and expectations from the top, delegating authorities and monitoring compliance.

Having regard to the Financial Reporting Council's 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting', the ERM Programme encompasses the policies, processes, tasks, behaviours and other aspects of the Group's environment, which cumulatively:

- facilitate the effective and efficient operation of the Group and its subsidiaries by enabling appropriate responses to be made to significant business, operational, financial, compliance and other risks to business objectives, so safeguarding the assets of the Group;
- help to ensure the quality of internal and external reporting. This requires the maintenance of proper records and processes that generate a flow of timely, relevant and reliable information from within and outside the Group; and
- seek to ensure compliance with applicable laws and regulations and also with internal policies with respect to the conduct of business.

Risk management processes are undertaken on both a bottom-up and top-down basis. The top-down aspect involves the Board assessing, analysing and evaluating what it believes to be the principal risks facing the Group. The bottom-up approach involves the identification, review and monitoring of current and forward-looking risks on a continuous basis at functional and divisional levels, with analysis and formal reporting to the Executive Risk Committee, established by the Board, on a quarterly basis and onward analytical reporting to the Board. The terms of reference of the Committee are published on the Company's website.

The system of internal control is designed to manage rather than eliminate risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Risks relating to the Group's financial and other exposures

Hansard's business model involves the controlled acceptance and management of risk exposures. Under the terms of the unit-linked investment contracts issued by the Group, the contract holder bears the investment risk on the assets in the unit-linked funds, as the contract benefits are directly linked to the value of the assets in the funds. These assets are administered in a manner consistent with the expectations of the contract holders. By definition, there is a precise match between the investment assets and the contract holder liabilities, and so the market risk and credit risk lie with contract holders.

The Group's exposure on this unit-linked business is limited to the extent that income arising from asset management charges and commissions is generally based on the value of assets in the funds, and any sustained falls in value will reduce earnings. In addition, there are certain financial risks (credit, market and liquidity risks) in relation to the investment of shareholders' funds. The Group's exposure to financial risks is explained in note 4 to the condensed consolidated financial statements.

A comprehensive review of the principal risks and uncertainties facing the business, and the Group's approach to managing these risks and uncertainties, is outlined on pages 22 to 27 of the 2019 Annual Report. These principal risks and uncertainties have not changed materially since the 2019 Annual Report was published.

The Board believes that the principal risks facing the Group's earnings and financial position are those risks which are inherent to the Group's business model and to the environment within which the Group operates. Whilst the Group's business model has historically served to minimise the principal risks facing the Group, the regulatory environment continues to evolve at both a local and international level and the risk management and internal control frameworks of the Group will need to remain responsive to a number of developments. This includes the Isle of Man Financial Services Authority's 'Roadmap for Updating the Regulatory Framework for Insurance Business' which has come into force over the course of 2018-19. The Roadmap includes new conduct of business and policyholder disclosure requirements, a more sophisticated risk based capital and solvency regime, a group supervision framework and enhanced governance and enterprise risk management requirements.

Principal Risks

The following table sets out the principal inherent risks that may impact on the Group's strategic objectives, profitability or capital and how such risks are managed or mitigated. The Board robustly reviews and considers its principal risks on at least an annual basis.

Risk	Risk factors and management
Legal and regulatory risk attaching to the Group's business model	The scale and pace of change in regulatory and supervisory standards at an international level continue to drive developments at a jurisdictional level. The interpretation or application of regulation over time may impact market accessibility, broker relationships and / or competitive viability. If the Group fails to monitor the regulatory environment or adequately integrate the management of associated obligations within strategic, business model or business planning processes there may be material risk to the achievement of strategic objectives both in the short and longer term. **How we manage the risk** • Robust strategic planning processes informed by analytical review of the external environment and consideration of associated risk in the short and longer term. • Continuous monitoring and review of developments in international law and regulation and proactive management of how such developments might shape jurisdictional specific reaction. • Active and transparent engagement with regulatory authorities and industry bodies on a multi-jurisdictional basis, including active engagement in and responding to regulatory consultation exercises. • Maintenance of robust governance, risk management and internal control arrangements to ensure that legal and regulatory obligations are substantively met on an on-going basis.
Production and intermediary risk arising from market changes, technological advancement, or competitor activity	The business environment in which the international insurance industry operates is subject to continuous change as new market and competitor forces come into effect and as technology continues to evolve. Hansard may fail to sufficiently differentiate itself from its competitors and global brands and as a result be unable to build and sustain successful distribution relationships. **How we manage the risk** • Close monitoring of marketplaces and competitor activity for signs of threats to forecast new business levels. • Revised strategies designed to add additional scale to the business, on a more diversified basis, through organic growth at acceptable levels of risk and profitability. • Continuous investment in and development of technology.
Conduct risk arising from any failure of the Group's governance, risk management and internal control arrangements	Any failure to adequately assess, monitor, manage and mitigate risks to the delivery of fair customer outcomes, or to market integrity, can be expected to result in material detriment to the achievement of strategic objectives and could incur regulatory censure, financial penalty, contract holder litigation and / or reputational damage. **How we manage the risk** • Developments in the Group's ERM framework will continue to drive and deliver the integration of conduct risk management at both a cultural and practical level. • Business activities designed to manage the volume and velocity of regulatory change are fundamentally concerned with ensuring compliance with conduct risk obligations, managing conflicts of interest, preventing market abuse and building robust governance arrangements around new product development and product suitability processes. • The Group maintains regular dialogue with its regulatory authorities and with its advisors in relation to developments in the regulatory environment in which we operate.

Information Systems and cyber risk arising from the increased digitalisation of business activities and reliance upon technology	The increasing digitalisation of business activities incurs an inherent exposure to the risk of cybercrime together with the risk of significant, costly interruptions, customer dissatisfaction and regulatory censure in the event of any material failure in our core business systems, or business processes. If the Group fails to take adequate and appropriate measures to protect its systems and data from the inherent risk of attack, disruption and/or unauthorised access by internal or external parties could arise, resulting in confidential data being exposed and/or systems interruption. A significant cybercrime event could result in reputational damage, regulatory censure and financial loss. **How we manage the risk** • Continuous focus on the maintenance of a robust, secure and resilient IT environment that protects customer and corporate data. • Control techniques deployed to evaluate the security of systems and proactively address emerging threats both internally within the organisation and externally, through regular engagement with internet and technology providers and through industry forums. • Maintenance of detailed and robust Business Continuity Plans, including full data replication at an independent recovery centre, which can be invoked when required. • Frequent and robust testing of business continuity and disaster recovery arrangements.
Employee engagement and cultural risk arising from any failure to drive the right corporate culture and attract, develop, engage and retain key personnel	Delivery of the Group's strategy is dependent on attracting and retaining experienced and high-performing management and staff. The knowledge, skills, attitudes and behaviours of our employees are central to our success. We must attract, integrate, engage and retain the talent required to deliver our strategy and have the appropriate processes and culture in place. The inability to retain key people, and adequately plan for succession can be expected to negatively impact the performance of the Group. **How we manage the risk** • Significant resources focussed on communicating strategy and desired cultural behaviours to all employees. • Forums established for employees to provide feedback for continuous improvement. • Employee engagement monitored and measured through periodic employee surveys. • Group performance management system in place, which measures both hard and soft skills. • Training and development strategy in place to manage talent, provide development opportunities and address any skill gaps. • Remuneration models and trends monitored closely by the Group's Human Resources Department and the Remuneration Committee. • Succession planning strategy in place, to manage and mitigate 'key person' risk.

Other Key Risks

In addition to the principal risks identified above, there are other key risks that the Group is subject to that derive from the nature of the business it operates. These are outlined below, together with how they are managed.

Risk	Risk factors and management
Market risk	While the Group does not invest shareholder funds in assets subject to any significant market risk, the Group's earnings and profitability are influenced by the performance of contract holder assets and the fees derived from their value. Significant changes in equity markets and interest rates can adversely affect fee income earned. Extreme market conditions can influence the purchase of financial services products and the period over which business is retained. **How we manage the risk ---** These risks are inherent in the provision of investment-linked products. We model our business plans across a broad range of market and economic scenarios and take account of alternative economic outlooks within our overall business strategy.
Credit risk	In dealing with financial institutions, banking, money market and settlement, custody and other counterparties the Group is exposed to the risk of financial loss and operational disruption of our business processes. **How we manage the risk ---** The Group seeks to limit exposure to loss from counterparty and third party failure through selection criteria, minimum rating agency limits, pre-defined risk based limits on concentrations of exposures and monitoring positions.
Liquidity risk	If the Group does not have sufficient liquid assets available to pay its creditors, the Group may fail to honour its obligations as they fall due, or may have to incur significant loss or cost to do so. **How we manage the risk ---** The Group maintains highly prudent positions in accordance with its risk appetite and investment policies which ensures a high level of liquidity is available in the short term at all times. Generally, shareholder assets are invested in cash or money market instruments with highly rated counterparties.
Currency risk	The Group operates internationally and earns income in a range of different currencies. The vast majority of its operational cost base is denominated in sterling. The strengthening of sterling against US dollars is the most significant exposure to reported income levels. **How we manage the risk ---** We seek to match currency assets and liabilities to mitigate against currency movements to the extent possible. As the Group's products are long term products, over time currency movements tend to even out, reducing the need for active hedging policies. Long term trends are monitored however and considered in pricing models.

Further detail around financial risks is outlined in note 4 (Financial Risk Management) to the condensed consolidated financial statements.

Statement of Directors' responsibilities

The Directors, whose names are reflected on the Company's website, www.hansard.com, confirm that, to the best of their knowledge, this condensed set of consolidated interim financial statements has been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- An indication of important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year and;
- Material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Isle of Man governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

P P C Gregory
Non-executive Chairman

G S Marr
Chief Executive Officer

4th March 2020

Condensed Consolidated Statement of Comprehensive Income

	Notes	Six months ended 31 December 2019 £m	2018 £m	Year ended 30 June 2019 £m
Fees and commissions	**6**	**25.5**	25.0	48.5
Investment and other income		**7.5**	(58.1)	49.5
		33.0	(33.1)	98.0
Change in provisions for investment contract liabilities		**(7.0)**	59.5	(47.2)
Origination costs		**(9.1)**	(8.4)	(16.7)
Administrative and other expenses	**7**	**(14.3)**	(15.0)	(29.5)
		(30.4)	(36.1)	(93.4)
Profit on ordinary activities before taxation		**2.6**	3.0	4.6
Taxation on profit on ordinary activities	**8**	**-**	-	-
Profit and total comprehensive income for the period after taxation		**2.6**	3.0	4.6

Earnings Per Share

	Notes	Six months ended 31 December 2019 (p)	2018 (p)	Year ended 30 June 2019 (p)
Basic	**9**	**1.9**	2.2	3.3
Diluted	**9**	**1.9**	2.2	3.3

The notes on pages 26 to 40 form an integral part of these condensed financial statements.

Condensed Consolidated Statement of Changes in Equity

	Note	Share Capital £m	Other reserves £m	Retained earnings £m	Total £m
Shareholders' equity at 1 July 2018		68.8	(48.6)	8.3	28.5
Profit and total comprehensive income for the period after taxation		-	-	3.0	3.0
Transactions with owners					
Dividends	**10**	-	-	(3.6)	(3.6)
Shareholders' equity at 31 December 2018		**68.8**	**(48.6)**	**7.7**	**27.9**

	Note	Share Capital £m	Other reserves £m	Retained earnings £m	Total £m
Shareholders' equity at 1 July 2019		68.8	(48.5)	6.9	27.2
Profit and total comprehensive income for the period after taxation		-	-	2.6	2.6
Share based payments reserve		-	0.1	-	0.1
Transactions with owners					
Dividends	**10**	-	-	(3.6)	(3.6)
Shareholders' equity at 31 December 2019		**68.8**	**(48.4)**	**5.9**	**26.3**

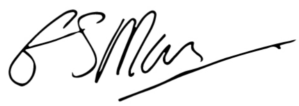
The notes on pages 26 to 40 form an integral part of these condensed financial statements.

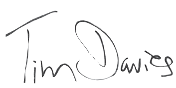
Condensed Consolidated Balance Sheet

	Notes	31 December 2019 £m	31 December 2018 £m	30 June 2019 £m
Assets				
Intangible assets	11	4.4	1.7	3.0
Property, plant and equipment	11	1.8	0.9	0.7
Deferred origination costs	12	120.8	115.4	118.0
Financial investments				
Equity securities		34.4	25.8	30.4
Collective investment schemes		923.8	835.7	928.4
Fixed income securities		47.1	27.6	37.5
Deposits and money market funds		95.7	111.7	110.2
Other receivables		5.8	6.9	4.7
Cash and cash equivalents		40.8	40.1	40.2
Total assets		1,274.6	1,165.8	1,273.1
Liabilities				
Financial liabilities under investment contracts	13	1,080.4	975.5	1,079.7
Deferred income	14	135.1	131.9	133.2
Amounts due to investment contract holders		23.4	21.7	24.2
Other payables	15	9.4	8.8	8.8
Total liabilities		1,248.3	1,137.9	1,245.9
Net assets		26.3	27.9	27.2
Shareholders' equity				
Called up share capital	16	68.8	68.8	68.8
Other reserves		(48.4)	(48.6)	(48.5)
Retained earnings		5.9	7.7	6.9
Total shareholders' equity		26.3	27.9	27.2

The notes on pages 26 to 40 form an integral part of these condensed financial statements.

The condensed financial statements on pages 22 to 40 were approved by the Board on 4 March 2020 and signed on its behalf by:





G. S. Marr
Director

T. N. Davies
Director

Condensed Consolidated Cash Flow Statement

	Six months ended 31 December 2019 £m	Six months ended 31 December 2018 £m	Year ended 30 June 2019 £m
Cash flow from operating activities			
Profit before tax for the period	**2.6**	3.0	4.6
Adjustments for:			
Depreciation	**0.4**	0.2	0.4
Dividends receivable	**(2.6)**	(2.1)	(3.8)
Interest receivable	**(0.6)**	(0.7)	(1.4)
Movement in share based payments reserve	**0.1**	-	0.1
Foreign exchange losses	**0.9**	0.7	0.7
Changes in operating assets and liabilities			
Increase in other receivables	**(1.1)**	(2.1)	(0.1)
Dividends received	**2.6**	2.1	3.8
Interest received	**0.6**	0.7	1.4
Increase in deferred origination costs	**(2.8)**	(1.6)	(4.2)
Increase in deferred income	**1.9**	1.6	2.9
(Decrease)/increase in creditors	**(1.5)**	(2.0)	0.6
Decrease/(increase) in financial investments	**5.5**	52.6	(53.0)
Increase/(decrease) in financial liabilities	**0.7**	(60.5)	43.7
Cash flow from (used in) operations	**6.7**	(8.1)	(4.3)
Corporation tax paid	**-**	-	-
Net cash from/(used in) operations after taxation	**6.7**	(8.1)	(4.3)
Cash flows from investing activities			
Investment in intangible assets	**(1.5)**	(1.2)	(2.5)
Proceeds from sale of investments	**0.1**	0.2	0.1
Purchase of investments	**-**	(0.1)	-
Cash flows used in investing activities	**(1.4)**	(1.1)	(2.4)
Cash flows from financing activities			
Dividends paid	**(3.6)**	(3.6)	(6.0)
Principal elements of lease liabilities	**(0.2)**	-	-
Cash flows used in financing activities	**(3.8)**	(3.6)	(6.0)
Net decrease in cash and cash equivalents	**1.5**	(12.8)	(12.7)
Cash and cash equivalents at beginning of period	**40.2**	53.6	53.6
Effect of exchange rate changes	**(0.9)**	(0.7)	(0.7)
Cash and cash equivalents at period end	**40.8**	40.1	40.2

The notes on pages 26 to 40 form an integral part of these condensed financial statements.

Notes to the Condensed Consolidated Financial Statements

1 General information

Hansard Global plc ("the Company") is a limited liability company, incorporated in the Isle of Man, who shares are publicly traded. The principal activity of the Company is to act as the holding company of the Hansard Group of companies. The activities of the principal operating subsidiaries include the transaction of life assurance business and related activities.

The Company has its primary listing on the London Stock Exchange.

These condensed consolidated interim financial statements are unaudited and do not comprise statutory financial statements. The condensed consolidated interim financial statements were approved by the Board of Directors on 4 March 2020.

The Board of Directors approved the Group's statutory financial statements for the year ended 30 June 2019 on 25 September 2019. The report of the independent auditor on those financial statements was unqualified and did not contain an emphasis of matter paragraph.

2 Basis of presentation

These condensed consolidated interim financial statements for the half-year ended 31 December 2019 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority ("DTR") and with IAS 34 "Interim Financial Reporting" as adopted by the European Union ("EU"). The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 30 June 2019, which were prepared in accordance with International Financial Reporting Standards as adopted by the EU.

The condensed consolidated interim financial statements have been prepared under the historical cost convention as modified by the revaluation of financial investments and financial liabilities at fair value through profit or loss.

Except where otherwise stated, all figures included in the condensed consolidated interim financial statements are stated in pounds sterling, which is also the functional currency of the Company, rounded to the nearest hundred thousand pounds.

The following amended standards, which the Group has adopted as of 1 July 2019, have not had any material impact on the Group's reported results:

- Amendments to IFRS 9 Financial Instruments - prepayment features with negative compensation and modification of financial liabilities
- Amendments to IAS 28 – long term interests in associates and joint ventures
- Amendments to IAS 19 – plan amendment, curtailment or settlement
- IFRIC 23 – Uncertainty over income tax treatments
- Annual Improvements 2015-2017 cycle

The Group has changed its accounting policies as a result of adopting IFRS 16 "Leases" but has not made any retrospective adjustments as a result of this change. The impact of the adoption of IFRS 16 and the new accounting policies are disclosed in notes 3 and 11 below.

Going Concern

As shown within the Business and Financial Review, the Group's capital position is strong and well in excess of regulatory requirements. The long-term nature of the Group's business results in considerable recurring cash inflows arising from existing business. The Directors believe that the Group is well placed to manage its business risks successfully.

The Directors are satisfied that the Company and the Group have adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the condensed consolidated financial statements on that basis.

3 Principal accounting policies

As required by the Disclosure and Transparency Rules of the Financial Conduct Authority, this condensed set of consolidated financial statements has been prepared applying the accounting policies and standards that were applied, and the critical accounting estimates and judgements in applying them, in the preparation of the Group's published consolidated financial statements for the year ended 30 June 2019, except for the policies which were amended following the adoption of IFRS 16 "Leases" on 1 July 2019 and as noted below. The published consolidated financial statements for the year ended 30 June 2019 can be accessed on the Company's website: www.hansard.com.

IFRS 16

The group has adopted IFRS 16 retrospectively from 1 July 2019, but has not restated comparatives for the reporting period ending 31 December 2018, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 July 2019.

IFRS 16 has not had a material impact on the Group's Statement of Comprehensive Income or the Group's Net Assets, however it has resulted in the recognition of both additional assets and liabilities of £1.1m on the Group's Consolidated Balance Sheet as at 31 December 2019, based on current contractual arrangements. The full impact of the adoption of the leasing standard is disclosed in note 11.

4 Financial risk management

Risk management objectives and risk policies

The Group's operations expose it to a variety of financial risks. The Group's objective in the management of financial risk is to minimise, where practicable, its exposure to such risk, except when necessary to support other objectives. The Group seeks to manage risk through the operation of unit-linked business whereby the contract holder bears the financial risk. The Group's exposure is limited to the extent that certain fees and commission income are based on the value of assets in the unit-linked funds. In addition, shareholder assets are invested in highly rated investments.

Overall responsibility for the management of the Group's exposure to risk is vested in the Board. To support it in this role, an ERM framework is in place comprising risk identification, risk assessment, control and reporting processes. Information concerning the operation of the Enterprise Risk Management framework to manage financial and other risks is contained within the Report and Accounts for the year ended 30 June 2019, and particularly in note 3 thereto, "Financial risk management".

The more significant financial risks to which the Group is exposed, and an estimate of the potential financial impact of each on the Group's IFRS earnings, are set out below. For each category of risk, the Group determines its risk appetite and sets its investment, treasury and associated policies accordingly.

4.1 Market risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, analysed between price, interest rate and currency risk. The Group adopts a risk averse approach to market risk, with a stated policy of not actively pursuing or accepting market risk except where necessary to support other objectives. However, the Group accepts the risk that the fall in equity or other asset values, whether as a result of price falls or strengthening of sterling against the currencies in which contract holder assets are denominated, will reduce the level of annual management charge income derived from such contract holder assets and the risk of lower future profits.

Sensitivity analysis to market risk

The Group's business is unit-linked and the direct associated market risk is therefore borne by contract holders (although there is a secondary impact as shareholder income is dependent upon the markets, as mentioned above). Financial assets and liabilities to support Group capital resources held outside unitised funds primarily consist of units in money market funds, cash and cash equivalents, and other assets and liabilities. Cash held in unitised money market funds and at bank is valued at par and is unaffected by movement in interest rates. Other assets and liabilities are similarly unaffected by market movements.

As a result of these combined factors, the Group's financial assets and liabilities held outside unitised funds are not materially subject to market risk, and movements at the reporting date in interest rates and equity values have an immaterial impact on the Group's profit after tax and equity. Future revenues from annual management charges may be affected by movements in interest rates, foreign currencies and equity values.

(a) Price risk

Unit linked funds are exposed to securities price risk as the investments held are subject to prices in the future which are uncertain. The fair value of financial assets (designated at fair value through profit or loss) exposed to price risk at 31 December 2019 was £1,005.3m (31 December 2018: £889.1m). In the event that investment income is affected by price risk then there will be an equal and opposite impact on the value of the changes in provisions for investment contract liabilities in the same accounting period. The impact on the profit or loss before taxation in a given financial year is negligible.

An overall change in the market value of the unit-linked funds would affect the annual management charges accruing to the Group since these charges, which are typically 1% per annum, are based on the market value of contract holder assets under administration. The approximate impact on the Group's profits and equity of a 10% change in fund values, either as a result of price, interest rate or currency fluctuations, is £1.6m (2018: £1.5m).

(b) Interest rate risk

Interest rate risk is the risk that the Group is exposed to lower returns or loss as a direct or indirect result of fluctuations in the value of, or income from, specific assets arising from changes in underlying interest rates.

The Group is primarily exposed to interest rate risk on the balances that it holds with credit institutions and in money market funds. The Group has mitigated its exposure to cash flow interest rate risk by placing a proportion of its cash holdings on longer-term, fixed-rate deposits.

Taking into account the proportion of Group funds held on longer-term, fixed-rate deposits, a change of 1% p.a. in interest rates will result in an increase or decrease of approximately £0.6m (H1 2019: £0.5m) in the Group's annual investment income and equity.

A summary of the Group's liquid assets at the balance sheet date is set out in note 4.2.

(c) Currency risk

Currency risk is the risk that the Group is exposed to higher or lower returns as a direct or indirect result of fluctuations in the value of, or income from, specific assets and liabilities arising from changes in underlying exchange rates.

(c) (i) Group foreign currency exposures

The Group is exposed to currency risk on the foreign currency denominated bank balances, contract fees receivable and other liquid assets that it holds to the extent that they do not match liabilities in those currencies. The impact of currency risk is minimised by frequent repatriation of excess foreign currency funds to sterling. The Group does not hedge foreign currency cash flows.

At the balance sheet date the Group had exposures in the following currencies:

	31 December					
	2019 US$m	**2019 €m**	**2019 ¥m**	**2018 US$m**	**2018 €m**	**2018 ¥m**
Gross assets	**14.4**	**4.5**	**172.6**	13.1	3.1	140.2
Matching currency liabilities	**(10.7)**	**(3.5)**	**(160.1)**	(9.4)	(3.7)	(167.2)
Uncovered currency exposures	**3.7**	**1.0**	**12.5**	3.7	(0.6)	(27.0)
Sterling equivalent of exposures (£)	**2.8**	**0.9**	**0.1**	2.9	(0.5)	(0.2)

The approximate effect of a 5% change in the value of US dollars to sterling is £0.1m (H1 2019: £0.1m); in the value of the euro to sterling is less than £0.1m (H1 2019: less than £0.1m); and in the value of the yen to sterling is less than £0.1m (H1 2019: less than £0.1m).

(c) (ii) Financial investments by currency

Certain fees and commissions are earned in currencies other than sterling, based on the value of financial investments held in those currencies from time to time. The sensitivity of the Group to the currency risk inherent in investments held to cover financial liabilities under investment contracts is incorporated within the analysis set out in (a) above.

At the balance sheet date the analysis of financial investments by currency denomination is as follows; US dollars: 65% (H1 2019: 63%); sterling: 22% (H1 2019: 21%); euro: 12% (H1 2019: 14%); other: 1% (H1 2019: 2%).

4.2 Credit risk

Credit risk is the risk that the Group is exposed to lower returns or loss if another party fails to perform its financial obligations to the Group. The Group has adopted a risk averse approach to such risk and has a stated policy of not actively pursuing or accepting credit risk except when necessary to support other objectives.

The clearing and custody operations for the Group's security transactions are mainly concentrated with one broker, namely Capital International Limited, a member of the London Stock Exchange. At the balance sheet date, substantially all contract holder cash and cash equivalents, balances due from broker and financial investments are placed in custody with Capital International Limited. These operations are detailed in a formal contract that incorporates notice periods and a full exit management plan. Delivery of services under the contract is monitored by a dedicated relationship manager against a documented Service Level Agreement and Key Performance Indicators.

The Group has an exposure to credit risk in relation to its deposits with credit institutions and its investments in unitised money market funds. To manage these risks; deposits are made, in accordance with established policy, with credit institutions having a short-term rating of at least F1 or P1 from Fitch IBCA and Moody's respectively and a long term rating of at least A or A3 respectively. Investments in unitised money market funds are made only where such fund is AAA rated. Additionally maximum counterparty exposure limits are set both at an individual subsidiary company level and on a Group-wide basis.

These assets are considered to have a high degree of credit worthiness and no assets of a lower credit worthiness are held.

There have been no changes in the assets in the period ended 31 December 2019 attributable to changes in credit risk (31 December 2018: nil).

At the balance sheet date, an analysis of the Group's own cash and cash equivalent balances and liquid investments was as follows. In the table below investments in money market funds includes all immediately available cash, other than specific short term deposits:

	Six months ended 31 December 2019 £m	Six months ended 31 December 2018 £m	Year ended 30 June 2019 £m
Deposits with credit institutions	**20.6**	27.4	25.1
Money market funds	**39.3**	36.1	40.2
	59.9	63.5	65.3

4.3 Liquidity risk

Liquidity risk is the risk that the Group, though solvent, does not have sufficient financial resources to enable it to meet its obligations as they fall due, or can only secure them at excessive cost.

The Group's objective is to ensure that it has sufficient liquidity over short (up to one year) and medium-term time horizons to meet the needs of the business. This includes liquidity to cover, amongst other things, new business costs, planned strategic activities, servicing of equity capital as well as working capital to fund day-to-day cash flow requirements.

Liquidity risk is principally managed in the following ways:

- Assets of a suitable marketability are held to meet contract holder liabilities as they fall due.
- Forecasts are prepared regularly to predict required liquidity levels over both the short and medium term.

The Group's exposure to liquidity risk is considered to be low since it maintains a high level of liquid assets to meet its liabilities and estimates of new business investment requirements.

4.4 Fair value of financial assets and liabilities

The Group closely monitors the valuation of assets in markets that have become less liquid. Determining whether a market is active requires the exercise of judgement and is determined based upon the facts and circumstances of the market for the instrument being measured. Where the Directors determine that there is no active market for a particular financial instrument, for example where a particular collective investment scheme is suspended from trading, fair value is assessed using valuation techniques based on available, relevant, information and an appraisal of all associated risks. When a collective investment scheme recommences regular trading, the value would be transferred back to Level 1. This process requires the exercise of significant judgement on the part of the Directors.

Due to the linked nature of the contracts administered by the Group's undertakings, any change in the value of financial assets held to cover financial liabilities under those contracts will result in an equal and opposite change in the value of contract liabilities. The separate effect on financial assets and financial liabilities is included in investment income and investment contract benefits, respectively, in the condensed consolidated statement of comprehensive income.

IFRS 13 requires the Group to classify fair value measurements into a fair value hierarchy by reference to the observability and significance of the inputs used in measuring that fair value. The hierarchy is as follows:

- Level 1: fair value is determined as the unadjusted quoted price for an identical instrument in an active market.
- Level 2: fair value is determined using observable inputs other than unadjusted quoted prices for an identical instrument and that does not use significant unobservable inputs.
- Level 3: fair value is determined using significant unobservable inputs.

The following tables analyse the Group's financial assets and liabilities at fair value through profit or loss, at 31 December 2019:

Financial assets at fair value through profit or loss	**Level 1 £m**	**Level 2 £m**	**Level 3 £m**	**Total £m**
Equity securities	**34.4**	**-**	**-**	**34.4**
Collective investment schemes	**905.0**	**-**	**18.8**	**923.8**
Fixed income securities	**47.1**	**-**	**-**	**47.1**
Deposits and money market funds	**95.7**	**-**	**-**	**95.7**
	1,082.2	**-**	**18.8**	**1,101.0**

During the period under review no assets were transferred from Level 1 to Level 2. Assets with a value of £0.2m were transferred from Level 1 to Level 3 as the Directors believe that valuations can no longer be obtained for these assets from an observable market price due to suspension in trading or the asset becoming illiquid. There were no other reclassifications of assets between the different Levels in the fair value hierarchy in the period. No assets were transferred from Level 3 to Level 1 or Level 2 during the period. The fair value in Level 3 assets has reduced since 30 June 2019 due to a combination of payments made to contract holders and revised valuations, including a reduction of £5.0m on a specific illiquid asset based on updated underlying fair value information being available.

	Level 1 £m	**Level 2 £m**	**Level 3 £m**	**Total £m**
Financial liabilities at fair value through profit or loss	**-**	**1,080.4**	**-**	**1,080.4**

The following tables analyse the Group's financial assets and liabilities at fair value through profit or loss, at 31 December 2018:

Financial assets at fair value through profit or loss	**Level 1 £m**	**Level 2 £m**	**Level 3 £m**	**Total £m**
Equity securities	25.8	-	-	25.8
Collective investment schemes	807.5	-	28.2	835.7
Fixed income securities	27.6	-	-	27.6
Deposits and money market funds	111.7	-	-	111.7
	972.6	-	28.2	1,000.8

During the period-ended 31 December 2018, no assets were transferred from Level 1 to Level 2. Assets with a value of £2.6m were transferred from Level 1 to Level 3 as the Directors believed that valuations could no longer be obtained for those assets from an observable market price due to suspension in trading or the asset becoming illiquid. There were no other reclassifications of assets between the different Levels in the fair value hierarchy in the period. No assets were transferred from Level 3 to Level 1 or Level 2 during the period.

	Level 1 £m	**Level 2 £m**	**Level 3 £m**	**Total £m**
Financial liabilities at fair value through profit or loss	-	975.5	-	975.5

5 Segmental information

Disclosure of operating segments in these condensed consolidated financial statements is consistent with reports provided to the Chief Operating Decision Maker ("CODM") which, in the case of the Group, has been identified as the Executive Committee of Hansard Global plc.

In the opinion of the CODM, the Group operates in a single reportable segment, that of the distribution and servicing of long-term investment products. New business development, distribution and associated activities in relation to the Republic of Ireland ceased with effect from 30 June 2013. All other activities of the Group are continuing.

The Group's Executive Committee uses two principal measures when appraising the performance of the business: net issued compensation credit ("NICC") (weighted where appropriate by product line) and expenses. NICC is a measure of the value of new in-force business and top-ups on existing single premium contracts. NICC is the total amount of basic initial commission payable to intermediaries for business sold in a period and is calculated on each piece of new business. It excludes override commission paid to intermediaries over and above the basic level of commission.

The following table analyses NICC geographically and reconciles NICC to direct origination costs during the period as set out in section 5 of the Business and Financial Review.

	Six months ended 31 December 2019 £m	Six months ended 31 December 2018 £m	Year ended 30 June 2019 £m
Middle East and Africa	**2.6**	1.9	4.5
Latin America	**2.3**	1.3	2.4
Rest of World	**0.9**	1.6	2.7
Far East	**0.5**	0.9	1.7
Net issued compensation credit	**6.3**	5.7	11.3
Other commission costs paid to third parties	**3.6**	2.5	5.0
Enhanced unit allocations	**0.8**	0.5	1.1
Direct origination costs during the period	**10.7**	8.7	17.4

Revenues and expenses allocated to geographical locations contained in sections 5.1 to 5.4 below, reflect the revenues and expenses generated in or incurred by the legal entities in those locations.

5.1 Geographical analysis of fees and commissions by origin

	Six months ended 31 December 2019 £m	Six months ended 31 December 2018 £m	Year ended 30 June 2019 £m
Isle of Man	**23.7**	23.0	44.6
Republic of Ireland	**1.8**	2.0	3.9
The Bahamas	**-**	-	-
	25.5	25.0	48.5

5.2 Geographical analysis of profit/(loss) before taxation

	Six months ended 31 December		Year ended 30 June
	2019	2018	2019
	£m	£m	£m
Isle of Man	**2.6**	3.3	5.1
Republic of Ireland	**(0.3)**	(0.3)	(0.5)
The Bahamas	**0.3**	-	-
	2.6	3.0	4.6

5.3 Geographical analysis of gross assets

	Six months ended 31 December		Year ended 30 June
	2019	2018	2019
	£m	£m	£m
Isle of Man*	**1,142.3**	1,028.3	1,131.5
Republic of Ireland	**131.1**	137.5	140.9
The Bahamas	**1.2**	-	0.7
	1,274.6	1,165.8	1,273.1

* Includes assets held in the Isle of Man in connection with policies written in The Bahamas.

5.4 Geographical analysis of gross liabilities

	Six months ended 31 December		Year ended 30 June
	2019	2018	2019
	£m	£m	£m
Isle of Man	**1,109.0**	1,018.9	1,117.1
Republic of Ireland	**113.0**	119.0	122.7
The Bahamas	**26.3**	-	6.1
	1,248.3	1,137.9	1,245.9

6 Fees and commissions

	Six months ended 31 December		Year ended 30 June
	2019	2018	2019
	£m	£m	£m
Contract fee income	**16.5**	16.1	31.3
Fund management fees	**6.7**	6.6	12.5
Commission receivable	**2.3**	2.3	4.7
	25.5	25.0	48.5

7 Administrative and other expenses

Included in Administrative and other expenses are the following:

	Six months ended 31 December		Year ended 30 June
	2019	2018	2019
	£m	£m	£m
Auditors' remuneration			
- Fees payable to the Company's auditor for the audit of the Company's annual accounts	**0.1**	-	0.1
- Fees payable for the audit of the Company's subsidiaries pursuant to legislation	**0.2**	0.2	0.4
- Other services provided to the Group	**0.1**	0.1	0.1
Employee costs	**5.7**	5.7	11.0
Directors' fees	**0.2**	0.1	0.3
Fund management fees	**2.5**	2.3	4.7
Renewal and other commission	**0.3**	0.6	1.2
Professional and other fees	**1.4**	1.4	3.2
Provision for doubtful debts	**-**	0.4	0.5
Litigation defence and settlement costs	**0.7**	1.1	1.4
Operating lease rentals	**-**	0.4	0.7
Licences and maintenance fees	**0.8**	0.7	1.4
Insurance costs	**0.7**	0.7	1.3
Depreciation of property, plant and equipment	**0.4**	0.2	0.4
Communications	**0.2**	0.2	0.4

8 Taxation

The corporation tax expense for the Group for H1 2019 was nil. Corporation tax is charged on any profits arising at the following rates depending on location of the company or branch:

Isle of Man	0% (2019: 0%)
Republic of Ireland	12.5% (2019: 12.5%)
Japan branch	23.4% (2019: 23.4%)
Labuan	24% (2019: 3% or MYR 20,000)
The Bahamas	0% (2019: n/a)

No deferred tax asset is currently being recorded in relation to losses arising in Hansard Europe.

9 Earnings per share

	Six months ended 31 December		Year ended 30 June
	2019	2018	2019
Profit after tax (£m)	**2.6**	3.0	4.6
Weighted average number of shares in issue (millions)	**137.6**	137.6	137.6
Earnings per share in pence	**1.9p**	2.2p	3.3p

The Directors believe that there is no material difference between the weighted average number of shares in issue for the purposes of calculating either basic or diluted earnings per share. Earnings under either measure is 1.9 pence per share.

10 Dividends

Interim dividends payable to shareholders are recognised in the year in which the dividends are paid. Final dividends payable are recognised as liabilities when approved by the shareholders at the annual general meeting.

The following dividends have been paid by the Group during the period:

	Six months ended 31 December				Year ended	
	2019		2018		30 June 2019	
	Pence Per Share	Total £m	Pence Per Share	Total £m	Pence Per Share	Total £m
Final dividend paid	**2.65**	**3.6**	2.65	3.6	2.65	3.6
Interim dividend paid	-	-	-	-	1.80	2.4
	2.65	**3.6**	2.65	3.6	4.45	6.0

The Board have resolved to pay an interim dividend of 1.8p per share. This amounts to £2.5m and will be paid on 21 April 2020 to shareholders on the register at 13 March 2020.

11 Intangible assets and property, plant and equipment

Intangible assets

The historical cost of computer software is the purchase cost and the direct cost of internal development. Computer software is recognised as an intangible asset.

	31 December		30 June
	2019 £m	2018 £m	2019 £m
Intangible assets	**4.4**	1.7	3.0

The increase in computer software relates to capitalised costs associated with the development of a replacement policy administration system. This development is expected to be put into use in 2020 at which point depreciation will commence over an expected life of 10 years.

Property, plant and equipment

Property, plant and equipment includes both tangible fixed assets and 'right of use assets' recognised in accordance with IFRS 16.

	31 December		30 June
Carrying value	2019 £m	2018 £m	2019 £m
Property, plant and equipment	**0.7**	0.9	0.7
Right of use assets	**1.1**	-	-
	1.8	0.9	0.7

IFRS 16 – Leases

On adoption of IFRS 16, the Group recognised right-of-use assets and associated lease liabilities in relation to property rental leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. The right-of-use assets for property leases were measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments recognised immediately before the date of initial application, being the latter of the date of transition or commencement date. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application. The liabilities were measured at the present value of the remaining lease payments, discounted using an incremental borrowing rate as of 1 July 2019. The weighted average incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 3%.

The Group leases various offices around the world to service its clients and operations globally. Rental contracts are typically made for fixed periods of 1 to 5 years, incorporating break clauses where applicable. Lease terms are negotiated on an individual basis and contain differing terms and conditions. The lease agreements do not impose any covenants.

In determining the lease terms utilised in assessing the position under IFRS 16, management considers break clauses in leases, where appropriate. Potential future outflows exist beyond break clauses of £1.6m, which have not been included in the lease liability but which would be payable in the event that the relevant lease clauses were not exercised.

Until the current financial year, beginning on 1 July 2019, leases of property were classified as operating leases. Payments made under operating leases were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 July 2019, leases (other than those classified as short-term leases or leases of low-value assets) are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and a finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Short-term leases (those with a lease term or useful life of less than 12 months at inception) and leases of low value assets (comprising IT-equipment and small items of office furniture) are recognised on a straight-line basis as an expense in profit or loss.

The recognition of the right-of-use asset represents an increase in the property, plant and equipment figure of £1.1m (1 July 2019: £0.9m).

	£m
Right of use asset recognised at 1 July 2019	**0.9**
Additions during the period	**0.4**
Depreciation	**(0.2)**
Net book value of right of use asset as at 31 December 2019	**1.1**

	£m
Operating lease commitments disclosed as at 30 June 2019	**1.4**
Less leases signed after 1 July 2019 and short-term leases	**(0.4)**
Discounted amount using incremental borrowing rate of 3% at the date of initial application	**0.9**
Lease liability recognised as at 1 July 2019	**0.9**
Of which are:	
Current lease liabilities	**0.3**
Non-current lease liabilities	**0.6**
Additions during the period	**0.4**
Lease payments made during the period	**(0.2)**
Lease liability recognised as at 31 December 2019	**1.1**
Of which are:	
Current lease liabilities	**0.5**
Non-current lease liabilities	**0.6**

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases.

The effect on the brought forward retained earnings of the Group was nil.

12 Deferred origination costs

	31 December 2019 £m	31 December 2018 £m	30 June 2019 £m
At beginning of financial year	**118.0**	113.8	113.8
Origination costs incurred during the period	**10.2**	8.7	18.0
Origination costs amortised during the period	**(7.4)**	(7.1)	(13.8)
	120.8	115.4	118.0

	31 December 2019 £m	31 December 2018 £m	30 June 2019 £m
Expected to be amortised within one year	**11.4**	11.3	12.2
Expected to be amortised after one year	**109.4**	104.1	105.8
	120.8	115.4	118.0

13 Financial investments held to cover liabilities under investment contracts

The following investments, other assets and liabilities are held to cover financial liabilities under investment contracts. They are included within the relevant headings on the condensed consolidated balance sheet.

	31 December 2019 £m	31 December 2018 £m	30 June 2019 £m
Equity securities	**34.4**	25.8	30.4
Investment in collective investment schemes	**923.6**	835.1	927.8
Fixed income securities	**47.1**	27.6	37.5
Deposits and money market funds	**76.6**	88.3	85.1
Total assets	**1,081.7**	976.8	1,080.8
Other payables	**(1.3)**	(1.3)	(1.1)
Financial investments held to cover liabilities	**1,080.4**	975.5	1,079.7

The other receivables and other payables fair value approximates amortised cost.

14 Deferred income

The following investments, other assets and liabilities are held to cover financial liabilities under investment contracts. They are included within the relevant headings on the condensed consolidated balance sheet.

	31 December		30 June
	2019	**2018**	**2019**
	£m	**£m**	**£m**
At beginning of financial year	**133.2**	130.3	130.3
Income received and deferred in period	**10.6**	9.9	19.8
Income recognised in contract fees in the period	**(8.7)**	(8.3)	(16.9)
	135.1	131.9	133.2

	31 December		30 June
	2019	**2018**	**2019**
Carrying value	**£m**	**£m**	**£m**
Expected to be amortised within one year	**13.0**	13.0	13.0
Expected to be amortised after one year	**122.1**	118.9	120.2
	135.1	131.9	133.2

15 Other payables

	31 December		30 June
	2019	**2018**	**2019**
	£m	**£m**	**£m**
Commission payable	**1.9**	1.3	1.9
Other creditors and accruals	**6.4**	7.5	6.9
Lease liabilities of which:			
Current lease liabilities	**0.5**	-	-
Non-current lease liabilities	**0.6**	-	-
	9.4	8.8	8.8

16 Called up share capital

	31 December		30 June
	2019	**2018**	**2019**
	£m	**£m**	**£m**
Authorised:			
200,000,000 ordinary shares of 50p	**100.0**	100.0	100.0
Issued and fully paid:			
137,557,079 ordinary shares of 50p (30 June 2019: 137,557,079 ordinary shares)	**68.8**	68.8	68.8

17 Related party transactions

Intra-group transactions are eliminated on consolidation and are not disclosed separately here.

There have been no significant related party transactions in the period other than noted in 17.1 below, nor changes to related parties. Related party transactions affecting the results of previous periods and an understanding of the Group's financial position at previous balance sheet dates are as disclosed in the Annual Report & Accounts for the year ended 30 June 2019.

There have been no awards during the period under the Save As You Earn (SAYE) share-save programme for employees. The estimated fair value of the schemes and the imputed cost for the period under review is not material to these financial statements.

17.1 Transactions with controlling shareholder

Dr L S Polonsky is regarded as the controlling shareholder of the Group, as defined by the Listing Rules of the Financial Conduct Authority.

- Dr Polonsky has an investment contract issued by the Group on terms available to employees in general. As at 31 December 2019 Dr Polonsky's contract had a fair value of £0.9m (30 June 2019: £0.9m).

18 Contingent liabilities

The Group does not give any investment advice. Investment decisions are taken either by the contract holder directly or more typically through a professional intermediary appointed by the contract holder. Contract holders bear the financial risk relating to the investments underpinning their contracts, as the contract benefits are linked to the value of the assets. Notwithstanding the above, financial services institutions are frequently drawn into disputes in cases where the value and performance of assets selected by or on behalf of contract holders fails to meet their expectations. At the balance sheet date a number of those fund structures remain affected by liquidity or other issues that hinder their sales or redemptions on normal terms with a consequent adverse impact on transactions.

As reported previously, the Group has been subject to a number of complaints in relation to the selection and performance of assets linked to contracts. Hansard Europe has been served with a number of writs arising from such complaints and other asset-related issues.

As at the date of the 2019 Annual Report and Accounts, the Group faced litigation based on writs totalling €21.7m or £19.4m. The corresponding figure as at 31 December 2019 was €24.6m or £20.8m (31 December 2018: €19.9m or £17.9m). This increase was driven by a combination of additional cases brought in Italy and a reduction in the fair value of investment assets backing the claims. Between 31 December 2019 and the date of this report, there have been no material developments.

We have previously noted that we expect a number of our larger claims to ultimately be covered by our Group insurance cover. During H1 2020 we received our first insurance payment on account for legal expenditure in Italy of £0.2m and have booked additional recoverables totalling £0.3m in the period. We expect such reimbursement to continue during the course of that litigation.

As a result, we also expect that a significant amount of the £20.8m of contingent liabilities referred to above would be covered by insurance should those cases be ruled against us. As of 31 December 2019, we estimate coverage to be in the range of £6m to £13m.

While it is not possible to forecast or determine the final results of pending or threatened legal proceedings, based on the pleadings and advice received from the Group's legal representatives, the Directors believe that the Group has strong defences to such claims. Notwithstanding this, there may be circumstances where in order to avoid the expense and distraction of extended litigation, the Group may consider it to be in the best interests of the Group and its shareholders to reach a resolution with regard to certain of these claims. There were two such settlements made or provided for during the period at a cost of less than £25,000 (H1 2019: nil). It is not possible at this time to make any further estimates of liability.

19 Foreign exchange rates

The closing exchange rates used by the Group for the translation of balance sheet items to sterling were as follows:

	31 December		30 June
	2019	**2018**	**2019**
US Dollar	**1.33**	1.27	1.27
Japanese Yen	**144**	140	137
Euro	**1.18**	1.11	1.12

Independent review report to Hansard Global plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Hansard Global plc's condensed consolidated interim financial statements (the "interim financial statements") in the half-year report of Hansard Global plc for the 6 month period ended 31 December 2019. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the condensed consolidated balance sheet as at 31 December 2019;
- the condensed consolidated statement of comprehensive income for the period then ended;
- the condensed consolidated cash flow statement for the period then ended;
- the condensed consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the half-year report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The half-year report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-year report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the half-year report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the half-year report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLC
Chartered Accountants
Douglas, Isle of Man

4th March 2020

Other Information

Risk Based Solvency Capital

A) Risk Based Solvency capital position at 31 December 2019

The Group shareholder Risk Based Solvency surplus at 31 December 2019 was £79.2m (31 December 2018: £86.9m), before allowing for payment of the 2020 interim dividend. All Risk Based Solvency and related data presented in this section is subject to change prior to submission to regulatory authorities.

Group Risk Based Solvency capital position	31 December 2019 Life subsidiaries £m	Other Group Companies £m	Total £m	31 Dec 2018 Total £m	30 June 2019 Total
Own Funds	**131.2**	**10.3**	**141.5**	149.6	152.2
Solvency Capital Requirement*	**62.3**	**-**	**62.3**	62.7	65.4
Surplus	**68.9**	**10.3**	**79.2**	86.9	86.8
Solvency ratio (%)	**211%**	**-**	**227%**	238%	233%

* SCR currently only calculated for life subsidiaries. A Group SCR will be introduced on 30 June 2020 in accordance with the Group supervision regime in the Isle of Man.

All Own Funds are considered Tier 1 capital.

Own Funds include Value of In-Force ("VIF") of £135.7m at 31 December 2019. Own Funds exclude intangible (software) assets of £4.4m.

The following table analyses the components of Own Funds:

	31 Dec 2019 Own Funds £m	30 June 2018 Own Funds £m	30 June 2019 Own Funds £m
Value of In-Force	**135.7**	134.5	139.9
Risk Margin	**(22.2)**	(21.0)	(22.8)
Net Worth	**28.0**	36.1	35.1
Total	**141.5**	149.6	152.2

Own Funds have reduced primarily due to the decrease in Net Worth. Net Worth has decreased due to the payment of dividends and investment in a new policy administration system.

B) Analysis of movement in Group capital position

A summary of the movement in Group Risk Based Solvency surplus from £86.8m at 30 June 2019 to £79.2m at 31 December 2019 is set out in the table below.

Analysis of movement in Group shareholder surplus	£m
Risk Based Solvency surplus at 30 June 2019	**86.8**
Operating experience	**1.0**
Investment performance	**4.1**
Changes in assumptions	**(1.0)**
Dividends paid	**(3.6)**
Foreign exchange	**(3.7)**
Foreign exchange	**(4.4)**
Risk Based Solvency surplus at 31 December 2019	**79.2**

The adjustment for intangible assets represents the removal of the capitalised costs of software development which are not permitted within Own Funds. The other movements in Group Risk Based Solvency surplus in the first half of the 2020 financial year was the result of dividends paid and adverse exchange rate movements, partly offset by positive market performance.

New business written added £0.3m to Own Funds for the period.

C) Analysis of Group Solvency Capital Requirements

The analysis of the Group's Solvency Capital Requirement by risk type is as follows:

Split of the Group's Solvency Capital Requirements Risks	31 Dec 2019 % of SCR	31 Dec 2018 % of SCR	30 June 2019 % of SCR
Market			
Equity	**49%**	48%	47%
Currency	**22%**	19%	25%
Insurance			
Lapse	**47%**	49%	46%
Expense	**13%**	12%	12%
Default	**1%**	2%	1%
Operational	**14%**	14%	13%

The figures in the table above are the capital requirements prior to diversification benefits expressed as a percentage of the final diversified SCR.

D) Reconciliation of IFRS equity to Group Risk Based Solvency Shareholder Own Funds

	31 Dec 2019 £m	31 Dec 2018 £m	30 June 2019 £m
IFRS shareholders' equity	**26.3**	27.9	27.2
Elimination of DOC	**(120.8)**	(115.4)	(118.0)
Elimination of DIR	**135.1**	131.9	133.2
Value of In-Force	**135.7**	134.5	139.9
Liability valuation differences	**(8.2)**	(7.6)	(7.5)
Impact of risk margin	**(22.2)**	(21.0)	(22.8)
Intangible assets	**(4.4)**	-	-
Other	**-**	(0.7)	0.2
Risk Based Solvency Shareholder Own Funds	**141.5**	149.6	152.2

Liability valuation differences relate to additional provisions made for risk based capital purposes, notably for contingent liabilities and non-linked reserves.

E) Sensitivity analysis

The sensitivity of the Own Funds related to the Group's life insurance subsidiaries to significant changes in market conditions is as follows:

	31 Dec 2019 £m	31 Dec 2018 £m	31 June 2019 £m
Life subsidiary Own Funds	**131.2**	136.5	137.4
Impact of:			
10% instantaneous fall in equity markets	**(6.8)**	(6.5)	(6.8)
100 basis points increase in interest rates	**(0.7)**	(1.0)	(0.9)
10% increase in expenses	**(5.0)**	(4.6)	(4.9)
1% increase in expense inflation	**(3.5)**	(3.0)	(3.2)
10% strengthening of sterling	**(6.0)**	-	(5.5)

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Financial Calendar

Ex-dividend date for interim dividend	12 March 2020
Record date for interim dividend	13 March 2020
Payment date for interim dividend	21 April 2020
Third quarter trading update	7 May 2020
Announcement of fourth quarter new business results	23 July 2020
Announcement of full year results	24 September 2020

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