NAHL
GROUP PLC

2024

Annual Report and Financial Statements

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Chair's Report

I am pleased to report that the Group closed out the year in line with revised market expectations with another strong performance from Bush & Co and National Accident Law (NAL). Disappointingly, though, a difficult marketing environment during the year had an adverse impact on the number of personal injury enquiries generated in the Consumer Legal Services division that coincided with reduced demand from panel firms.

As a result of actions taken in response to all this, the Group has started 2025 well, reducing personal injury acquisition cost, generating further efficiencies and reducing net debt.

Financial results

Group revenues were £38.8m (2023: £42.2m) and underlying operating profit, before exceptional costs, was £3.9m (2023: £4.1m). An exceptional, non-cash, impairment charge of £39.9m was made on Personal Injury goodwill as a result of the reduction in personal injury enquiries and panel demand, which is discussed further in the CEO and CFO reports. There were also £0.6m of other exceptional costs mainly related to the potential disposal of Bush & Co. After exceptionals, therefore, the Group's operating loss was £36.5m (2023: £4.1m profit) and its loss after tax was £39.3m (2023: £0.6m profit) of which £43.8m related to continuing operations and a profit of £4.5m to discontinued operations. The discontinued operations relate to the results of Critical Care given its designation as Held for Sale as at the year end.

The Group maintained its focus on delivering strong cash generation and as a result, net debt reduced to £7.1m (2023: £9.7m), down from a high of £21m in 2019.

Consumer Legal Services

Within the Group's Consumer Legal Services division, our personal injury business experienced a challenging trading environment in 2024.

The Government's whiplash reforms (introduced in 2021) continued to have had a detrimental effect on the number of claims in the market and the number of firms practicing personal injury either through consolidation or exiting the market. At the same time, a series of major changes to Google's search algorithms that resulted in increased competition for enquiry generation, with some competitors ramping up spend aggressively.

This resulted in increased competition leading to an unusually high average cost per enquiry (CPE) and lower volume whilst demand from panel firms fell. This is a continuation of a trend experienced in recent years.

The Group had anticipated falling panel demand and created NAL in 2019 so we could process claims ourselves. Since then, NAL has grown and matured. It produces more profit per enquiry than a placement with a panel firm or an enquiry placed into our joint venture law firm, Law Together, and it continued to perform successfully in 2024.

We placed 30% of enquiries into NAL during 2024 (2023: 24%) which, although a greater percentage, was fewer in number than the previous year due to the overall reduction in enquiry numbers.

NAL settled broadly the same number of claims as it did in 2023, but revenue per settled case increased as more complex, longer duration cases concluded. Cash generated from these settlements was £8.5m compared with £6.0m in 2023 and £3.5m in 2022.

NAL is now a proven success, and it has shown it delivers the best returns on enquiries invested in it. It remains central to our future success and will become an increasingly important part of the business in future.

Towards the end of last year we concluded that the lower personal injury enquiry volumes we experienced in 2024 will persist. Consequently, we began implementing £1.2m of annualised savings towards the end of 2024 to "right size" the National Accident Helpline (NAH) area of the business in 2025. NAL remains largely unaffected by these savings although it has been working on improving its processes to deliver further efficiencies and capacity.

We have reset the target for personal injury enquiry numbers in 2025 to a lower level reflecting the changed market. We have also strengthened our in-house marketing team to improve our search performance and reduce CPE back to 2023 averages, and we have changed our external marketing agency. These changes are already having a positive impact on CPE in 2025 and have created a platform for future growth in the new environment.

Critical Care

Bush & Co had another strong year growing revenues and profit.

Revenues were up 9% and operating profit was up 10%. Growth was driven mainly by Expert Witness which now accounts for 49% (2023:45%) of Bush & Co revenues. Demand for our services remains strong so we expect to see further growth in future and continue to recruit new experts to meet it.

Case Management revenues were broadly flat and continue to provide a high proportion of recurring revenues. The business enjoys a strong reputation amongst all the leading law firms in the catastrophic and serious injury market.

Bush & Co Care Solutions, created towards the end of 2021, has already established its reputation in the market and with a high proportion of recurring revenues shows excellent potential for the future.

Our investment in improving the infrastructure at Bush & Co over the last few years to drive efficiencies, and in developing our expert witness and care solutions offerings, has created a highly profitable business, with a strong record of growth and a platform for future success.

Summary

In summary, although NAL performed strongly, it hasn't been an easy year for the personal injury business as enquiry numbers fell and panel demand reduced. We have right sized the business and changed our approach given the new landscape to focus on winning a smaller (but growing) base of enquiries, with a lower CPE.

NAL has demonstrated its success in processing claims effectively and profitably and remains cash generative. It will continue to become an increasingly important part of our business in future, as panel firms continue to exit the market, and take an increasing number of enquires. So will maintaining the flexibility that our joint venture law firm, Law Together, provides.

Bush & Co continues to perform well with consistent revenue growth and a strong margin. The investments we've made over the past few years have positioned the business for further growth.

As we have previously announced we are currently engaged in talks to dispose of Bush & Co but there is no certainty that there will be any transaction nor as to the timing or terms of any such sale.

Finally, I'd like to thank all our people for their continuing contribution to the Group.

Tim Aspinall
Chair

Throughout this document, references to 'joint venture' law firm relate to our law firms Your Law LLP and Law Together LLP which we operate in partnership with a minority member. The term 'joint venture' does not relate to the UK-adopted International Accounting Standards (IFRS) definition. These law firms are accounted for as subsidiary undertakings, see note 1 to the financial statements for further details.

CEO Report

Overview

2024 was a challenging year for NAHL, with a difficult marketing environment hampering lead generation from our National Accident Helpline brand; a lack of demand for work from panel firms in the personal injury business; and the distraction of a potential sale process for our people in Bush & Co. to deal with. Despite these challenges, and thanks to the hard work of our people and resilience in our business model, the Group still delivered growth in underlying profit before tax and another significant reduction in net debt.

Throughout the year, the Board remained focused on exploring options to accelerate growth in value for shareholders and we continue to progress a sale of our Critical Care division. The Board is also developing its future strategy for the remainder of the Group and has been encouraged by trading in the first quarter of 2025.

Financial performance

Group revenue reduced by 8% in the year, to £38.8m (2023: £42.2m), reflecting the challenging conditions faced by our Consumer Legal Services division. Revenues in this division fell by 17%, while those in Critical Care grew by 9%.

The Group achieved an underlying operating profit of £3.9m (2023: £4.1m) and a statutory operating loss for the year of £36.5m (2023: profit of £4.1m), largely due to a £39.9m exceptional non-cash impairment charge on goodwill relating to its Personal Injury business, and after recognising £0.6m of exceptional costs relating to the potential disposal of Critical Care and the associated restructure of Consumer Legal Services. The resulting loss after tax for the year was £39.3m (2023: £0.4m profit) of which a loss of £43.8m was in relation to continuing operations and a profit of £4.5m was in relation to discontinued operations. The discontinued operations in 2024 relate solely to Critical Care which was designated as held for sale as at 31 December 2024. The decision to present the division in this way was made in conjunction with the Group's auditors, but should not be taken as a sign of certainty of a future transaction.

The impairment charge reflects the impact of the changing dynamics in the personal injury market, which were heightened in 2024 and further detail is provided in the CFO Report and in note 12 to the financial statements.

Throughout the year, the Group experienced a further reduction in demand for work from its panel of third-party law firms. This is the continuation of a trend due to lower claim numbers, largely caused by the introduction of the Government's whiplash reforms in 2021 but also exacerbated by recent market consolidation.

The Group also experienced increased competition in enquiry generation, and a changing digital search environment, which resulted in fewer enquiries being generated at a significantly increased average enquiry acquisition cost.

The consequence of placing less work in our panel was that the Group generated lower levels of short-term profit and cash generation. Back in 2019, the Group responded to this trend by launching its own integrated law firm, National Accident Law (NAL). I am pleased to report that this business is trading well and is now mature based on current enquiry levels. The Board intends to grow the level of work processed in NAL, which is more profitable than work placed in the panel.

The Board has concluded that it is prudent to plan for a lower level of enquiries placed into the panel in future years, and for the current level of high competition in enquiry generation to persist. As a result, the Group has impaired its goodwill relating to the Personal Injury business from £39.9m to nil.

Excluding these exceptional costs, underlying operating profit was in line with revised market expectations at £3.9m, and only 4% lower than last year.

Profit attributable to members' non-controlling interests in LLPs was 26% lower than last year at £1.9m (2023: £2.5m). This reflects the shift of the past few years away from processing our own work in joint venture partnerships in favour of investing in our own integrated law firm, National Accident Law.

Borrowing costs on the Group's revolving credit facility fell by 18% to £0.9m, reflecting the significant reduction in borrowings as a result of the Group's continued strong cash generation. In February 2024, the Group reduced the size of its revolving credit facility from £20m to £15m and we aim to continue reducing our net debt and borrowing costs.

Underlying profit before tax was £1.4m, which was 113% higher than last year (2023: £0.6m). It is worth noting that underlying profit before tax was net of £0.8m of amortisation of intangible assets previously acquired on business combinations which have now been fully amortised and there will be no such charges against future profits. Basic underlying loss per share on continuing operations (EPS) decreased to (7.0)p from (7.6)p last year.

The Group generated £2.6m of free cash flow (FCF) in the year (2023: £3.6m), with underlying operating cash conversion over 170%. As a result, we have reduced net debt by 27%, from £9.7m at 31 December 2023 to £7.1m at 31 December 2024.

Divisional performance

Consumer Legal Services

In our Consumer Legal Services division, revenue decreased by 17% to £22.9m in the year. This reduction was primarily driven by our personal injury business, which reduced by 21% year-on-year due to a 70% reduction in enquiries placed into our panel of third-party law firms. Our residential property business, Searches UK, did well in the year and grew revenues by 29%. The 2023 results also include £0.3m of revenue from our Homeward Legal residential property business, which was disposed of in April 2023.

Underlying operating profit for the division decreased by 29%, from £2.8m to £2.0m. Again, this was driven by our Personal Injury business which suffered from a lack of panel demand and an unusually high acquisition cost for new enquiries, resulting in underlying operating profit reducing by 40% to £1.6m. Searches UK increased operating profit from £0.2m to £0.4m in the year.

The division generated £1.1m of cash from operations in the year (2023: £2.1m). After deducting drawings paid to LLP members, both the Personal Injury (2024: £0.7m; 2023: £1.6m) and Residential Property (2024: £0.4m; 2023: £0.5m) businesses were cash generative.

Personal Injury

Our strategy to create a more profitable PI business is clear. We aim to grow the number of accident victims that we support by growing enquiry numbers. We then want to grow the value of enquiries that we process ourselves, in our consumer-focused law firm, NAL. By doing so, we will create a more sustainable firm in the medium term and generate more profit per enquiry. By developing best-in-class processes and workflows, and using technology appropriately, we can generate operational leverage and provide a great service to our customers. To support our investment in NAL, we place a proportion of our enquiries with a panel of third-party law firms and joint venture partners for in-year profit and cash, as opposed to the enquiries we place in NAL for greater, but deferred, profit and cash.

1) Grow the number of accident victims that we support by growing enquiry numbers

Since 2018/19, the total number of PI claims registered with the Claims Compensation Recovery Unit of the Ministry of Justice (CRU) has fallen year-on-year[1]. Motor-related claims dominate the market, representing 73% of all PI claims in 2023/24. However, this was 5% lower than the previous year, which was 5% lower than the year before that. Whilst significantly smaller, employer liability and public liability claims actually increased by 2% and 10% respectively. Over the past five years, claim numbers for clinical negligence have fluctuated around the 14k–16k level.

Road traffic accidents (RTA) and employer liability claims continue to track well below pre-pandemic levels. In 2023/24, RTA was 53% below pre-pandemic levels, whilst employer liability was 56% below.

For some time, we have believed that there is a significant untapped market for PI claims. In Q4 2023, we commissioned research that indicated that at least £1.6bn[2] of personal injury settlements were unclaimed in 2023 because of accident victim's reluctance to make a claim. More recent research by the Association of Personal Injury Lawyers (APIL) shows that one in five UK adults[3] said they had been injured or become ill because of others' negligence, but that 41%[3] of these had not claimed compensation. This suggests that there are around 4.3 million potential victims of negligence who have not gone on to make a claim.

We believe that this reluctance to make a claim, and the lack of understanding surrounding the claim process, is a result of a reduction in advertising by firms since the start of the pandemic. There is clearly a significant latent demand that could be unlocked by a firm who can stimulate the market, educate accident victims on their rights and change the perception of claiming.

National Accident Helpline generated 19,744 enquiries in 2024 (2023: 35,643). These results were disappointing. The mix of work changed slightly in the year, with a higher proportion of RTA work being generated. In total RTA made up 27% of the total enquiries (2023: 25%), non-RTA 45% (2023: 47%) and other claim types unchanged at 28%.

In the first quarter of the year, a conscious decision was taken to reduce the volume of enquiries generated to reflect a lower demand for work from the panel. This coincided with the first of a series of major changes to Google's search algorithms, predominantly related to the launch of AI Overviews, which had a significant impact on the organic search results for firms across the sector. NAH fared well through these changes and held its search ranking positions, however, several competitors responded by aggressively investing in paid search. This led to an extremely competitive paid search environment, allied to inflation acquisition costs with a number of lead provider partners, which made lead acquisition disproportionally expensive. As a result, NAH acquired fewer enquiries and experienced significantly elevated enquiry acquisition costs.

In response to these challenges, we have invested in our internal marketing team and recruited a Senior PPC Manager, who started in July 2024, and an Interim Marketing Director who started in January 2025. These individuals are already having a positive impact on our lead generation. We have also changed the marketing agency that supports our internal team with paid advertising, invested in data enhancements and conversion rate optimisation, and are working to broaden our channel mix.

Whilst there is no silver bullet, the changes made appear to have had a positive effect and, by the end of the year, the average cost of acquisition of new enquiries fell by c. 30% compared to the peak in September 2024.

2) Grow the value of enquiries that we process ourselves in NAL

NAL performed well during the year increasing processing revenues by 20% to £8.4m (2023: £7.0m). We can now say with confidence that we have grown NAL to be a mature, efficient law firm, that is delivering on its goals based on current enquiry levels.

In 2024, 5,892 new enquiries were placed into NAL (2023: 8,518). This was lower than last year because of the reduction in total enquiries generated, but this placement into NAL represented a higher proportion of the total enquiries (2024: 30%; 2023: 24%). These claims cost £3.0m in marketing costs, in line with 2023 (2023: £3.0m). Our proven model estimates that these new enquiries will be worth £6.2m (2023: £6.6m) in future revenue and cash by the time they mature.

NAL settled 3,558 claims in the year. This was 2% lower than the previous year (2023: 3,633) but the average revenue per claim was higher, demonstrating the maturity of the law firm. These claims generated £8.5m of cash from settlements for NAL, 43% higher than the previous year (2023: £6.0m).

At 31 December 2024, NAL was processing 8,457 ongoing claims (31 December 2023: 9,983 ongoing claims). These claims represent an embedded value to the business, being the future profits and cash to be generated by processing them to settlement. We continue to review the assumptions that drive the valuation of the claims book and this year this resulted in an increase in the value of the book by £2.8m. This includes uplifts relating to Hassam vs Rabot, a long running case which concluded in the Supreme Court in March 2024, providing clarity on valuations where claimants in the small claims track have multiple injuries, meaning those injuries should be valued separately. Separately, a multi-year inflationary increase to damages was confirmed in March 2024 benefitting most of the open cases that we are processing. This is the first year since the inception of the law firm that the cash generated from settlements has exceeded the value of new enquiries placed into NAL. Despite this, due to the revaluation of the underlying assumptions, the value of the book has increased slightly in the year.

We estimate that after expensing the marketing costs to generate these claims and processing costs to date, our book of ongoing claims will generate future revenues of £10.5m, future gross profits of £8.5m, and future cash of £14.4m.

3) Continuously review and improve processes to realise efficiencies gains and a better customer experience

Throughout the year, the management team developed its processes to create further efficiencies in both NAH and NAL. We delivered improvements in processing performance and productivity, including improving the litigation processes within NAL which resulted in an 34% increase in the number of cases issued in 2024 compared to 2023; developed incentivisation schemes for fee earners to further accelerate case progression; and created a dedicated client support team which has improved client communications. Further improvements were made to our claims submissions process, which resulted in a 31% improvement in client sign up rates for non-RTA sign up and, importantly, 51% for high value cases, which will ultimately lead to improved average win rates. Restructuring our management information and web development teams has also led to further efficiencies.

Furthermore, in light of the challenging market conditions which resulted in NAH operating at a lower level of enquiries, we implemented certain cost saving measures including a restructure of the management team. This resulted in £1.2m of annualised cost savings of which £0.3m benefited 2024 (net of £0.1m implementation costs presented in exceptional costs). These savings are primarily in the NAH business and we continue to explore further cost saving opportunities that will lead to further operating efficiencies.

As previously announced, we experienced weak demand for new enquiries from our panel of third-party law firms throughout 2024. The panel provide a good service for our customers and have the benefit of generating in year profit and cash flow for the Group. In total, 4,426 RTA and non-RTA enquiries were placed into the panel in 2024. This represented a reduction of 70% on the 14,629 placed into the panel in the previous year.

Several factors, including market consolidation, increased regulation and a requirement for increased investment in technology, have contributed to a significant decline in the number of firms operating in the PI sector. The number of SRA regulated law firms which generated 50% or more of their turnover from PI fell to 467[3] in 2023–24. This is down 9% in the year and has fallen from 723[3] in 2018–19.

Law Together LLP, our joint venture law firm which is operated in partnership with HCC Solicitors, performed well in the year. Given the reduction in panel demand, we increased placement by 55% in the year to 3,903 new enquiries. Revenues from admissions and settlements increased by 14% in 2024 and it generated £1.7m of cash (net of member drawings) in the year.

Residential Property

The division's Residential Property business, Searches UK, generated revenues of £3.4m (2023: £2.7m) and operating profit of £0.4m (2023: £0.2m). The business generated £0.4m of cash from operations in the year (2023: £0.5m).

The UK residential property market was buoyant in 2024, supported by a number of changes that encouraged buyer confidence. The General Election in July provided some stability for buyers and this was followed by the Bank of England cutting interest rates in August 2024 for the first time since December 2021, leading to lower mortgage rates. Then, the Autumn budget signalled a reduction in stamp duty thresholds which provided a further incentive for buyers to complete purchases.

This translated into a 21% growth in the number of search packs ordered by our customers which, combined with a stronger mix of search types, resulted in a 29% increase in revenue.

Management continued to control costs carefully and increased operating profit margin from 7% to 11%.

Critical Care

The Group's Critical Care business had another strong year. Revenues increased by 9% to £15.9m (2023: £14.6m), of which 45% was recurring. Operating profit increased by 10% to £4.9m (2023: £4.4m) and operating profit margins increased by 30 bps to 30.6%. The business generated £5.4m of cash from operations, an increase of 10% on the prior year (2023: £4.9m).

Bush & Co. operates in the catastrophic injury and care markets, where claims are typically valued at over £500,000. Management estimate that over 80% of case management revenue is linked to the RTA injury claims market and the c.24–30k killed or seriously injured (KSI) casualties that arise each year. Whilst RTA claims have fallen by almost half since 2019, the number of KSI injuries is growing back in line with pre-pandemic data.

The business also works in the high value clinical negligence claims market which cost the NHS £2.8bn[4] in compensation and associated costs in 2023/4. Bush & Co. works on a wide variety of high value clinical negligence claims and this data from NHS Resolution shows that the volume of such claims has increased by an average of 29% over the past five years.

In Bush & Co, our low-risk, low-cost strategy for growth has been to deliver further growth in expert witness and case management and accelerated growth from care solutions reflecting the relatively small size of the business and the scale of the market opportunity. We have sought to expand profit margins through the use of technology and the utilisation of employed case managers which reduces delivery costs. We have also been working to expand the associate network of expert witnesses to broaden our geographical reach and expand specialisms and capabilities to meet the expected increase in demand.

In 2024, we successfully delivered against the majority of those objectives.

Expert witness services had another strong year, growing revenues by 19%. The team delivered 1,335 reports to customers, an increase of 18% on the prior year (2023: 1,136), and the number of instructions for new reports also increased by 18%, demonstrating a strong pipeline of future work.

In case management services, revenues were 1% lower year-on-year. The business delivered 490 initial needs assessment (INA) reports, which was 9% lower than last year. This service line saw a reduction of 13% in the number of new instructions received in the year. Bush & Co. is servicing 1,335 ongoing case management clients (2023: 1,406) that generate recurring revenue for the Group through our claimant, defendant and insurer relationships. These services are billed on a regular basis depending on the level of support required.

Our investment in the recruitment of new associates has proven key to the growth in revenue in this division. We onboarded 75 new associates in the year and grew expert witness and case management associate numbers by 24% and 13% respectively. We ended the year with 196 expert witness associates and 132 case management associates.

We also continued to grow our team of employed case managers, which enables us to process less complex work at a higher utilisation rate, thereby increasing margins. The team increased from nine employees at the start of the year to 11 by the end of 2024.

Our Bush & Co. Care Solutions service is now well established and had another strong year. Revenues increased by 37% to £0.7m (2023: £0.5m), all of which is recurring revenue. This service line complements our case management proposition and allows us to expand into the adjacent care market, and this is the second consecutive year of over 35% growth. The team are building a great reputation in the marketplace and in 2024 received industry recognition by winning the Supporting the Industry Award at the PI Awards.

Our people and culture

At NAHL, we are building a sustainable business for the long-term gain of all our stakeholders. To us, this starts with a focus on maintaining a progressive, inclusive culture so that we can attract and retain the very best people, whilst also being mindful of our impact on the planet and our local communities. This enables us to provide a great service to our customers, in addition to creating long-term value for our shareholders. The Group's values of Driven, Curious, Passionate and Unified continue to guide how we do things at NAHL.

The Group employed 279 people at 31 December 2024, which was consistent with the prior year (31 December 2023: 280).

We have embraced the benefits of remote working at NAHL, which provide us with greater access to highly skilled colleagues from across the UK. Approximately 23% of our colleagues operate permanently from one of our offices, 43% on a hybrid basis, and 34% are fully remote. We are mindful of the challenges that working from home can present, and so we provide training, and regular in-person meetings and events aimed at improving working relationships, productivity and promoting collaboration between our people. Our employees value the support and flexibility that we offer and this helped to reduce our staff turnover by 7 percentage points in the year.

Our people come from a diverse range of backgrounds and experience as we believe that makes us better able to serve our customers; and we expect our leaders to engender trust with all our stakeholders by demonstrating their ability, integrity and benevolence. When we surveyed our people during the year, 94% said that they believed that everyone in our business is treated fairly regardless of race, gender, ethnicity, disability, sexual orientation or other differences.

The gender split across the Group remained broadly consistent with 2023 with 70% female and 30% male, and on the Board it was 20% female and 80% male.

Developing our people is also an important part of our culture, and we invested in almost 1,500 hours of training and development across the Group in 2024. This included our very successful Pathway to Leadership programme for aspiring managers, and our Commercial Leadership Academy which is designed to expose our senior managers to commercial opportunities and growth initiatives.

Our employees are also passionate about the communities in which we operate and in 2024, the Group and its employees raised over £10,000 for a variety of charities and volunteered 105 hours of their time to working in our local communities.

Every year we measure the engagement levels of our people through a survey which is based on the Gallup[5] Q12 Survey. I'm proud to report that in 2024, we achieved our highest ever score and fourth consecutive year of growth, with 82% engagement (2023: 81%). This is an outstanding result that sets us apart from other employers. To put this in context, according to Gallup, the average engagement score of other UK companies is just 10%; and in Gallup's best performing cohort of companies globally, who are awarded Exceptional Workplaces status, the average is 70%.

This is all summarised in the statistic that 86% of our people said that they would recommend the Group as a good place to work. As a leadership team, we are very proud of our employee culture, and we remain committed to ensuring that NAHL remains a good place to work and develop a career.

Extended banking facilities

In February 2024, the Group successfully extended its banking facility with Clydesdale Bank/Virgin Money. Our existing £20m revolving credit facility, which was due to expire on 31 December 2024, was reduced to a £15m facility which runs to 31 December 2025. Following the year-end, in April 2025 the Group further extended its facility to 31 December 2026 and took the opportunity to reduce its size further, to £11m.

The Board determined that this lower facility is adequate for the Group's needs as it continues to deleverage, and it will enable us to save on finance costs.

Current trading and outlook

To summarise, 2024 was a challenging year for the Group as it adapted to a difficult marketing environment in its Personal Injury business. However, we finished the year strongly, reducing acquisition cost and NAL really came of age in the year. Our Critical Care business delivered strong growth, despite the uncertainty that the potential sale of Bush & Co. created for our people. We hope to resolve this uncertainty this year.

The Group has started 2025 well, reducing personal injury acquisition cost, generating further efficiencies and reducing net debt. Pleasingly, the investments we have made in case processing in NAL and in our Expert Witness proposition in Critical Care continue to deliver strong results for us and give us cause for optimism in 2025.

In Consumer Legal Services, the first quarter of 2025, saw the Group generate 3,513 personal injury enquiries, which was in line with the previous quarter. The actions that our marketing team have been taking to restructure our paid search account, improve our website, and develop other lead sources have had a positive effect, and the average cost of acquiring new enquiries reduced by 22% compared to the previous quarter, and by 34% compared to the peak in September 2024.

I'm excited to announce that we are preparing to re-launch our Underdog brand in the coming weeks. Underdog was an animated character that National Accident Helpline used between 2010 and 2016 to advertise the brand online and on TV. We believe that with a modest initial investment, Underdog could generate incremental enquiry volume for us through our digital channels and help to unlock the latent demand that we believe exists in our market.

Whilst the business continued to experience weak demand from its panel, management have been investing in business development activity and is planning to onboard a number of new panel firms for small scale trials in 2025.

NAL continued to perform well in 2025. 37% of the new enquiries generated were placed into NAL (Q1 2024: 26%) and 950 existing cases were settled which was 8% fewer than the equivalent period last year but a 10% improvement on the previous quarter. In total, these settlements generated £2.8m of cash, which was 34% higher than Q1 2024, demonstrating the maturity of the law firm and the benefit of inflationary increases in settlement values.

In Critical Care, Bush & Co. has experienced lower growth in Q1 2025 but the trends within the business persist. Demand for our Expert Witness proposition remains very strong, and the team have delivered 10% growth in the number of reports issued in Q1 2025 compared to the prior year. Encouragingly, levels of recruitment of new Expert Witness associates has been particularly strong, which should support further growth later in the year.

Case Management remains more challenging and the number of INAs issued in Q1 2025 was 9% lower than prior year, although this was 7% more than the preceding quarter. Pleasingly, the Care proposition continues to grow strongly. The business continues to receive excellent feedback from customers and total instruction numbers increased from the preceding quarter.

The Group continued its strong cash collection profile and reduced net debt further to £6.0m at 31 March 2025, 15% lower than year-end and 38% lower than 12 months prior.

Finally, I'd like to thank all of our people for their hard work and dedication over the past year. Whilst challenges remain in some of our markets, we are making progress and seeing sustained growth in several areas of the Group, which is encouraging for the year ahead.

James Saralis
Chief Executive Officer

1. Compensation Recovery Unit performance data – Gov.UK, number of cases registered to CRU 2019/2020 – 2023/2024.
2. Independent research produced by Censuswide Limited, December 2022, sample size 2,500 adults
3. APIL UK Personal Injury Market Briefing, January 2025
4. NHS Resolution Annual report and accounts 2023/24
5. State of the Global Workplace Report 2024 - Gallup

CFO Report

Overview

The year saw the Group reduce its net debt further, the Critical Care division continued to grow, despite the distraction of a potential sale process, and enquiry processing in National Accident Law (NAL) reached maturity. The Personal Injury business had a challenging year overall, where a difficult marketing environment restricted the generation of new enquiry volumes.

Revenue reduced by 8% to £38.8m (2023: £42.2m). The Group made an operating loss of £36.5m (2023: profit of £4.1m) owing to a £39.9m non-cash exceptional goodwill impairment charge (2023: nil) relating to the personal injury business, further details of which are set out below, and £0.6m of exceptional costs related to the potential disposal of the Critical Care business and management restructuring costs within Personal Injury. Underlying operating profit fell by 4% to £3.9m (2023: £4.1m). Underlying operating profit also included a £0.8m (2023: £0.8m) amortisation charge on business combinations. This has now been fully amortised in the year. The reduction in underlying operating profit was offset by lower profits attributable to non-controlling interests which reduced to £1.9m (2023: £2.5m). The resulting loss after tax was £39.3m of which a loss of £43.8m was attributed to continuing operations and a profit of £4.5m to discontinued operations. The discontinued operations relate solely to the results of Critical Care in 2024 which was designated as held for sale as at 31 December 2024 and to Critical Care and Homeward Legal combined in 2023.

Review of income statement

	2024 £m	2023 £m	Change £m	Change %
Consumer Legal Services	22.9	27.6	(4.7)	(16.9)
Critical Care	15.9	14.6	1.3	8.7
Revenue	**38.8**	**42.2**	**(3.4)**	**(8.0)**
Consumer Legal Services	2.0	2.8	(0.8)	(28.6)
Critical Care	4.9	4.4	0.4	10.0
Shared Services	(1.7)	(1.9)	0.3	(13.8)
Other items	(1.3)	(1.2)	(0.1)	6.9
Underlying Operating Profit	**3.9**	**4.1**	**(0.2)**	**(4.3)**
Exceptional items				
Exceptional costs	(0.6)	0.0	(0.6)	
Impairment of goodwill	(39.9)	0.0	(39.9)	
Operating Loss/Profit	**(36.5)**	**4.1**	**(40.7)**	**(987.5)**
Profit attributable to non controlling interest in LLP	(1.9)	(2.5)	0.7	(26.2)
Financial income	0.3	0.2	0.1	58.2
Financial expense	(1.0)	(1.1)	0.2	(14.5)
Loss/Profit before tax	**(39.1)**	**0.6**	**(39.7)**	**(6123.9)**
Taxation	**(0.2)**	**(0.3)**	**0.1**	**(26.7)**
Loss/Profit and total comprehensive income for the year	**(39.3)**	**0.4**	**(39.7)**	**(10356.0)**
(Loss)/Profit from continuing operations for the period	(43.8)	(3.5)	(40.3)	1137.7
Profit/(Loss) from discontinued operations for the period	4.5	3.9	0.6	14.8

Consumer Legal Services

Revenue in the Consumer Legal Services division fell by 17% to £22.9m (2023: £27.6m). Operating profit fell by 29% to £2.0m (2023: £2.8m). The division was adversely impacted by challenges within enquiry generation which impact volume and advertising costs whilst also seeing lower demand from solicitor firms on the panel. The division made a profit of £0.2m (2023: £0.3m) after deducting non-controlling interests.

As a result of the enquiry generation challenges, enquiry volumes were 45% lower than last year at 19,744 (2023:35,643), and a total of 5,892 enquiries were placed into NAL, which although an increase in percentage terms to 30% of total enquiries (2023: 24%), was a reduction compared to the 8,518 placed in 2023. These new cases were originally expected to generate future revenue and cash of £5.2m (2023: £6.6m) across the life cycle but was this was later uplifted to £6.2m following a review of historical case performance.

Case processing within NAL has now reached maturity. By the end of the period, NAL was processing 8,457 open cases (2023: 9,983). The overall value of the book of open cases has increased slightly on last year to £10.5m of future revenue (2023: £9.9m) and £14.4m of future cash (2023: £13.9m) despite fewer enquiries being placed into NAL against those settling. The increase is due to a £2.8m positive revaluation primarily relating to the Hassam vs Rabot Supreme Court ruling from March 2024, which underpinned an increase to the damages value for small claims cases with multiple injuries, meaning those injuries should be valued separately, and a multi-year inflationary increase to damages values positively impacting most cases settling from March 2024 onwards.

Profit attributable to non-controlling interests fell by 26% in the year to £1.9m (2023: £2.5m). This was expected as an increasing percentage of enquiries has been placed with NAL compared to the joint ventures in recent years.

The Residential Property business generated a positive contribution to profit of £0.4m (2023: £0.1m) after allocation of shared costs.

Critical Care

The Critical Care division had another strong year, growing revenues by 9% to £15.9m (2023: £14.6m) with operating profit increasing by 10% to £4.9m (2023: £4.4m) and operating margins grew slightly to 30.6% (2023: 30.3%).

The business continues to benefit from previous investment into business development, contributing to an 18% increase in expert witness reports in the year.

Bush & Co. Care Solutions continued to show growth, delivering revenues of £0.7m in the year (2023: £0.5m) following its launch towards the end of 2021.

Shared Services and other items

The costs for the Group's Shared Services functions fell by £0.2m to £1.7m (2023: £1.9m) largely due to no bonus payments in the year reducing staff costs. Other items which include share-based payments and amortisation increased by £0.1m to £1.3m (2023: £1.2m). Amortisation of £0.8m was recognised on business combinations (2023: £0.8m). This balance has now been fully amortised.

Financial expense

Costs relating to the financing of debt reduced to £1.0m in the year (2023: £1.1m) with net debt falling by £2.6m. Average interest rates were higher due to the full year impact of Bank of England base rate rises in 2023. In 2024, the facility was linked to the Sterling Overnight Index Average (SONIA) plus a margin of 2.25%.

Exceptional and non-underlying items

The Group's policy, set out in note 1 to the financial statements, is to separately identify exceptional and non-underlying items and exclude them from underlying performance measures, providing readers with a consistent basis on which to assess the core trading performance.

The Group incurred £0.6m (2023: nil) in exceptional costs during the year. £0.4m of this related to costs linked to the potential disposal of the Critical Care business whilst £0.2m related to management restructuring costs within the Personal Injury business.

Goodwill impairment charge

Goodwill is tested annually for impairment. In undertaking the review in the current year, the Directors have given careful consideration to the performance of the Group's Personal Injury business and the ongoing impact of structural changes in the personal injury market over the past few years. The Government's whiplash reforms (introduced in 2021) and the COVID-19 pandemic have had a detrimental effect on the number of claims in the market, which has not recovered to pre-pandemic levels. Indeed, the Directors now believe the current market levels appear to be the new base.

These challenges exacerbated throughout 2024 as further market consolidation was witnessed towards the end of the year and manifested themselves in our business as lower demand from panel firms, lower enquiry volumes overall and increased competition leading to higher marketing costs.

Whilst management had success in addressing some of these challenges, such as driving a reduction in average enquiry costs, the Directors anticipate supply of enquiries recovering more slowly and that no meaningful recovery in panel demand will be seen. This will require a greater proportion of enquiries being placed into NAL and further investment in the medium term due to the longer case cycle, however, enquiries processed in NAL generate higher margins.

The Directors have considered a number of scenarios but in light of the volatility experienced in recent years, have adopted a prudent approach resulting in a non-cash impairment charge of £39.9m to write down the carrying value of the goodwill in the Personal Injury cash generating unit from £39.9m to nil. This goodwill arose from the acquisition of the Personal Injury business in 2014, prior to the announcement of the whiplash reforms. Further details are provided in note 12 to the financial statements.

An impairment review was also conducted on the Critical Care business. No impairment was required.

Taxation

The Group's tax charge of £0.2m (2023: £0.3m) represents an effective tax charge of 14.1% of underlying profit before tax (2023: 40.9%). This is lower than the standard corporation tax rate of 25%, due to the reasons set out in note 9. The deferred tax credit originates from temporary differences in intangible assets acquired on business combinations.

Earnings per share (EPS) and dividend

Basic EPS for the year was -83.1p (2023: 0.8p) and Basic EPS for continuing operations was -92.6p (2023: -7.6p). On an underlying basis, Basic underlying EPS for continuing operations was -7.0p (2023: -7.6p).

The Board does not believe it is appropriate to re-instate dividends at this time and the Directors have recommended that no final dividend be paid in respect of 2024 (2023: nil).

Review of the statement of financial position

In reviewing the statement of financial position, I consider the significant items to be working capital, defined as trade and other receivables less trade and other payables, net debt and goodwill.

Working Capital

Trade and other receivables less trade and other payables totalled £13.1m at year end (2023: £14.3m). The reduction is primarily due to collection of deferred receipts due under the arrangements with joint venture partners which moved from £3.4m to £1.1m.

Also, within trade receivables and accrued income, balances related to the processing of personal injury claims fell to £6.5m (2023: £7.4m), due to the continued winding down of Your Law LLP.

There remains a significant element of uncertainty in estimating this accrued income, as discussed further in note 1 to the financial statements. Management review historical case performance to inform the assumptions adopted. The Directors believe that the assumptions adopted are appropriate. In practice, it is rare for accrued income to be downgraded once an admission of liability has been received. These assumptions are updated with actual results as claims settle.

Disbursement receivables increased to £9.9m (2023: £9.0m). This is driven by an increase in the number of litigated cases which take longer to settle.

Payables fell from £16.2m on 31 December 2023 to £14.8m at the balance sheet date partly due to lower accrued management bonuses as well as lower payables in Personal Injury due to reduced volume.

Net debt and bank facilities

Despite the enquiry generation challenges in the personal injury business and increased exceptional costs relating to the potential disposal of the Critical Care business, reducing net debt has remained a key focus particularly given that high interest costs persist. We managed our cash resources well during the year, helped by the maturity of the existing book of work in NAL. As a result, net debt fell from £9.7m on 31 December 2023 to £7.1m at year-end. Net debt is defined below and is comprised of £1.9m of cash (2023: £2.0m) offset by borrowings of £9.0m (2023: £11.7m).

The borrowings represent a balance on the Group's Revolving Credit Facility with its lender, Clydesdale Bank/Virgin Money. On 30th April 2025, the group further extended the facility through to 31st December 2026 and reduced the size of the facility to £11m.

Review of the cash flow statement

	2024 £m	2023 £m	Change £m	Change %
Net cash generated from operating activities	**5.1**	**7.5**	**(2.4)**	**(32.4)**
Net cash used in investing activities (excl disposals of subsidiaries)	**(0.2)**	**(0.3)**	**0.1**	**(40.0)**
Disposal of subsidiary	0.1	(0.0)	0.1	(294.8)
Facility arrangement fees	(0.1)	0.0	(0.1)	–
Principal element on lease payments	(0.2)	(0.3)	0.0	(7.8)
Drawings paid to LLP members	(2.1)	(3.3)	1.3	37.9
Net cash using in financing activities (before borrowings)	**(2.3)**	**(3.6)**	**1.3**	**36.0**
Free cash flow	**2.6**	**3.6**	**(1.0)**	**(28.1)**
Repayment of borrowings	(2.8)	(4.3)	1.5	(35.3)
Net (decrease)/increase in cash and cash equivalents	**(0.2)**	**(0.6)**	**0.5**	**75.6**

The Group's cash and cash equivalents reduced by £0.2m in the year (2023: decrease of £0.6m). The significant items in the consolidated cash flow statement are net cash from operating activities, drawings paid to LLP members and the repayment of borrowings.

Net cash from operating activities reduced from £7.5m to £5.1m. This was partly due to lower enquiry activity in the Personal Injury business whilst marketing costs remained higher than expected. This was partially offset by strong cash collection from 3,558 settled cases in NAL (2023: 3,633), which generated £8.5m in receipts (2023: £6.0m). A further £2.1m of cash was received from joint venture relationships (2023: £4.4m). This reduction was expected as the Group has placed more work into NAL in recent years while one of the joint venture relationships has been in run off.

In addition to this, the Critical Care division generated £5.4m of cash before payments for capital expenditure and taxation (2023: £4.9m).

Net Bank interest payments totalled £0.7m (2023: £1.0m).

The Group paid £2.1m (2023: £3.3m) of drawings to its partners in the joint venture law firms during the year, under the terms of our agreements. This reflects the continuing closure of claims won and settled during the year. The Group also acquired £0.1m (2023: £0.2m) of intangible assets in the year as it completed technology upgrades in Critical Care.

The Group repaid £2.8m (2023: £4.3m) of borrowings in the year on its Revolving Credit Facility.

Free Cash Flow (FCF) is the Group's KPI with regards to cash flow. FCF in 2024 was £2.6m compared to £3.6m in 2023.

The Group also monitors underlying operating cash conversion. This was 173% in the year (2023: 217%), a direct reflection of the movements outlined above.

Summary

In summary, despite a challenging trading environment within the Personal Injury business, the Group has delivered underlying operating profits in line with the revised market expectations set during the year, whilst a strong cash performance which has enabled net debt to reduce further.

Chris Higham
Chief Financial Officer

Alternative performance measures

Management monitors a number of non-statutory, alternative performance measures (APMs) as part of its internal performance monitoring and when assessing the future impact of operating decisions. The APMs allow a year-on-year comparison of the underlying performance of the business by removing the impact of items occurring either outside the normal course of operations or as a result of intermittent activities, such as acquisitions or strategic projects. The Directors have presented these APMs in the Strategic Report because they believe they provide additional useful information for shareholders on underlying business trends and performance. As these APMs are not defined by UK-adopted International Accounting Standards (IFRS), they may not be directly comparable to other companies' APMs. They are not intended to be a substitute for, or superior to, UK-adopted International Accounting Standards (IFRS) measurements and the Directors recommend that the UK-adopted International Accounting Standards (IFRS) measures should also be used when users of this document assess the performance of the Group. The APMs used in the Strategic Report are defined below.

Underlying operating profit

Allows management and users of the financial statements to assess the underlying trading results after removing material, non-recurring items that are not reflective of the core trading activities and allows comparability of core trading performance year-on-year.

	2024 £m	2023 £m
Statutory measure – operating (loss)/profit	**(36.5)**	4.1
Exceptional costs	0.6	0.0
Goodwill impairment	39.9	0.0
Total exceptional and non-underlying items	**40.5**	0.0
Underlying operating profit	**3.9**	4.1

Underlying profit before tax and underlying EPS – total, continuing and discontinued operations

As above, these measures allows management and users of the financial statements to assess the final trading results prior to tax charges and after removing material, non-recurring items that are not reflective of the core trading activities and allows comparability of core trading performance year-on-year. The current year figures have been split into continuing and discontinued operations to allow for transparency into the ongoing underlying trading performance.

	2024 Continuing £m	**2024 Discontinued £m**	**2024 Total £m**	2023 Continuing £m	2023 Discontinued £m	2023 Total £m
Statutory measure – Profit before tax	**(44.0)**	**4.9**	**(39.1)**	(3.7)	4.4	0.6
Exceptional costs	0.6	0.0	0.6	0.0	0.0	0.0
Goodwill impairment	39.9	0.0	39.9	0.0	0.0	0.0
Total exceptional and non-underlying items	**40.5**	**0.0**	**40.5**	0.0	0.0	0.0
Underlying Profit before tax	**(3.5)**	**4.9**	**1.4**	(3.7)	4.4	0.6
Taxation	**0.2**	**(0.4)**	**(0.2)**	0.2	(0.5)	(0.3)
Underlying Profit after tax	**(3.3)**	**4.5**	**1.2**	(3.5)	3.9	0.4
Basic underlying EPS	**(7.0)**	**9.5**	**2.5**	(7.6)	8.4	0.8

Free Cash Flow

Calculated as net cash generated from operating activities less net cash used in investing activities less payments made to partner LLP members and less principal element of lease payments. This measure provides management with an indication of the amount of cash available for discretionary investing or financing after removing material non-recurring expenditure that does not reflect the underlying trading operations.

	2024 £m	2023 £m
Statutory measure – net cash generated from operating activities	**5.1**	7.5
Net cash used in investing activities (excl disposals of subsidiaries)	**(0.2)**	(0.3)
Disposal of subsidiary	0.1	(0.0)
Facility arrangement fees	(0.1)	0.0
Principal element of lease payments	(0.2)	(0.3)
Drawings paid to LLP members	(2.1)	(3.3)
Net cash used in financing activities (before borrowings)	**(2.3)**	(3.6)
Free cash flow	**2.6**	3.6

Underlying operating cash conversion

Calculated as cash generated from operations excluding cash flows relating to exceptional items divided by underlying operating profit. This measure allows management to monitor the conversion of underlying operating profit into operating cash. From 2023, there were no exceptional cash flows.

	2024 £m	2023 £m
Statutory measure – cash generated from operations	**6.6**	8.9
Cash flow relating to exceptional items	0.2	0.0
Underlying operating cash flow	**6.8**	8.9
Underlying operating profit	3.9	4.1
Underlying operating cash conversion	**173.2%**	216.7%

Net debt

Net debt is defined as cash and cash equivalents less interest-bearing borrowings net of loan arrangement fees. Net debt allows management to monitor the overall level of debt in the business. As stated in the strategic report, managing the level of net debt is a key strategic objective for the Group.

	2024 £m	2023 £m
Statutory measure – cash and cash equivalents	**1.9**	2.0
Statutory measure – interest bearing borrowings	**(9.0)**	(11.7)
Net debt	**(7.1)**	(9.7)

Working capital

Working capital is defined by management as being trade and other receivables less trade and other payables. It allows management to assess the short-term cash flows from movements in the more liquid assets.

	2024 continuing £m	2024 included in HFS £m	Total £m	2023 £m
Statutory measure – trade and other receivables	**21.8**	**6.1**	**27.9**	30.5
Statutory measure – trade and other payables	**(13.0)**	**(1.8)**	**(14.8)**	(16.2)
Working Capital	**8.8**	**4.3**	**13.1**	14.3

OUR BUSINESS

Our Group

NAHL Group plc is a leader in the consumer legal services and catastrophic injury markets, delivering products and services to consumers and businesses through its two divisions.

Consumer Legal Services

WHAT WE DO
Consumer Legal Services provides outsourced marketing services to law firms through the National Accident Helpline brand and claims processing to individuals through National Accident Law and its joint venture partnership, Law Together. It also provides property searches through Searches UK.

Strategy
Our strategy is to create a higher margin, integrated law firm, underpinned by our flexible business model. We will do this by continuing to generate our own work, using our National Accident Helpline brand, by growing the value of claims we process through our own consumer-focused law firm, National Accident Law, and by leveraging our agile and scalable placement model to manage our growth.

Revenues of
£22.9m

Underlying operating profit of
£2.0m

169
employees as at 31 December 2024

National Accident Law
National Accident Helpline
Law Together
Searches UK

Critical Care

Bush & Co.

What We Do
Critical Care provides a range of specialist services in the catastrophic and serious injury market to both claimants and defendants through Bush & Co.

Strategy
Our strategy is to grow share in the catastrophic, serious injury and care markets by appealing to a broader customer base, extending our competencies and specialisms and to be more efficient at what we do.

The Group is currently exploring the sale of Bush and Co to accelerate value for shareholders.

Revenues of
£15.9m

Underlying operating profit of
£4.9m

As at 31 December 2024
94 **employees and** 328 **associates**

Shared Services

What We Do

Operating as a centralised function, Shared Services provides strategic leadership, funding and governance to support our two divisions.

Cost base

£1.7m

Employees

16

Provides Board, finance, legal and people services

Core Competencies

- Marketing capability
- Technologically enabled
- Trusted brands
- Highly skilled, empathic people
- Customer centric approach
- Strong employee culture

Consumer Legal Services

The Consumer Legal Services division serves the personal injury and residential conveyancing sectors of the legal services market. The division provides outsourced marketing services to law firms through the National Accident Helpline brand and claims processing to individuals through National Accident Law (NAL), and its joint venture LLP, Law Together. It also provides property searches through Searches UK.

The personal injury market has undergone radical change in recent years. Consumer habit changes following the COVID-19 pandemic, coupled with the introduction of reforms related to whiplash and soft tissue injuries from road traffic accidents, have led to a significant reduction in the number of claims made. Data provided by the Claims Recovery Unit of the Ministry of Justice (CRU) and the Official Injury Claim portal for small claims (OIC) showed that the number of new claims registered in 2024 for road traffic accidents in England and Wales (RTA) was down 5% compared to 2023 (which was down 5% on 2022), and down 53% compared to 2019, prior to the pandemic and small claims reforms. Within non-RTA claims, employer's liability claims grew by 2% and public liability by 10%. Despite this year-on-year improvement, claim volumes remain 58% lower than 2019.

Our strategy for personal injury is to grow the number of accident victims we can support via our National Accident Helpline brand and to process an increasing number of these claims through NAL to develop a sustainable, higher margin business.

While consumer behaviour changes following the COVID-19 pandemic, and the implementation of Civil Liability Act 2018 (Whiplash Reforms) – which reduced compensation payable to claimants for most RTA claims worth less than £5,000 – have both had a significant impact on overall claim volumes, there is nevertheless a large opportunity for claimant law firms amongst people who have not yet pursued a valid claim. Research commissioned by National Accident Helpline (NAH) in Q4 2023 showed that at least £1.6bn of personal injury settlements were unclaimed in 2023 (up from £1.4bn in 2022) as a result of people's reluctance to make a claim. Of these, around 25% had no idea they could make a claim while a similar number thought the process may be too complicated. We believe this is linked to a reduction in awareness amongst consumers as the industry has lowered investment into expensive broadcast media channels such as TV and radio.

The personal injury business operates a flexible model whereby personal injury enquiries can be placed into our own wholly owned law firm, NAL, our joint venture law firm or our panel of solicitors. Placing enquiries with the panel generates quick profit and cash but at lower overall levels than processing through NAL.

Since the small claims reforms came into effect in June 2021, NAL has been processing the majority of the RTA enquiries generated by the National Accident Helpline brand.

Our strategy of placing an increasing number of claims into NAL since launch in 2019 is now translating into a rapid growth in case settlements and cash generation now the business has reached maturity in the cycle at current volumes. Furthermore, as the business scales, NAL is able to benefit from operational leverage to increase its profitability, whilst still utilising its flexible placement model to balance short-term profit and cash with higher long-term returns. Over time, we are realising our ambitions to grow NAL by processing a higher proportion of our enquiries ourselves, whilst also mitigating reduced panel demand arising from an increasingly consolidated market.

Critical Care

Our Critical Care business, Bush & Co., holds a leading position in the medical reporting and rehabilitation market, a subset of the catastrophic injury market and provides vital support services for individuals who have suffered severe and life changing injuries whilst they pursue a compensation claim.

The catastrophic injury market is defined as those cases involving the most severe and life-changing injuries, with settlement values of £500,000 and above. Catastrophic injuries are usually complex, resulting in long case lifecycles. The majority of cases will require the services of an expert witness and around half will use a case management service to support clients with their rehabilitation. These long lifecycles make the market more resilient and predictable.

Our strategy for growth is to continue to attract experts and case managers with the right level of expertise, and geographical coverage to deliver our services. Bush & Co. has successfully grown its capacity in recent years, aided by offering additional training, mentoring and Continuing Professional Development (CPD) to attract new associates as well as directly employing case managers.

Expert Witness

Bush & Co's Expert Witness service was established in 1986 and supports the medico-legal process, on average, around three years from the date of an accident by providing objective, independent opinion on quantum and liability. The service has seen continued growth within its network of associate expert witnesses across the UK with over 120 independent clinical professionals on its panel following successful organic efforts targeting key professions and experience.

This growth has also led to the ability to offer additional report types within the market including new areas such as Mental Health law, Psychiatry, Continuing Healthcare and Inquest reports. Growth of associate expert witnesses is driven by customer need as well as Bush & Co's reputation for providing high-quality, renowned reports to some of the UKs largest personal injury and clinical negligence firms.

Due to the experience within the service and the knowledge and expertise of its panel of expert witnesses, Bush & Co is regularly asked to speak at external, industry conferences as well as deliver in-house training to firms which has proven to be an effective source of business and relationship building.

In 2024, expert witness services continued its strong growth, with new instructions growing by 18% compared to the previous year and achieving its highest ever number of new enquiries (+12% compared to 2023).

The service continued to receive excellent feedback from solicitors on the standard of expert witness reports, the credibility and knowledge amongst the associate network and the reliability of the service. Customers rated the service 98% for overall satisfaction and 96% said that they would work with Bush & Co again.

Care

Now in its fourth year, Bush & Co Care Solutions is focused on the direct employment of support workers and nurses in the home; overseeing cost-effective, safe and well-led care and working closely with professional deputies and the Court of Protection. With high levels of governance and clinical care the service saw continued growth and expansion in 2024.

The now-established reputation of Bush & Co Care Solutions has seen key customers approach the service to develop bespoke solutions to meet their direct employment needs and assure compliance and quality. This has resulted in service developments in support worker onboarding which has realised a positive impact on revenue. Dedicated business development resource and continuing to deliver on its promises has been an influencing factor in the positive growth seen within the service.

In 2024, Bush & Co Care Solutions grew the geographical reach of its care management provision and now employs six care managers to meet customer demand. The average number of directly recruited care packages managed within the service from December 2023 to December 2024 grew by 36%.

The year ended with industry recognition for the service when Bush & Co picked up the 'Supporting the Industry' award at the PI Awards. The entry focused on the assurances for deputies requiring oversight and effective solutions and the support for clients when they find themselves needing complex care in the home at a daunting time. With the care sector continuing to battle challenges with recruitment and staff shortages the service was recognised for its ability to provide innovative solutions that ensure vulnerable clients receive appropriate and timely care and support.

Case management

Case management services typically commence when a client's solicitor instructs Bush & Co to carry out an Initial Needs Assessment, usually conducted three to four months after an injury. The findings are detailed in a report, which may lead to ongoing case management support for the client's rehabilitation. On average, this process spans over two years, meaning that in any given year, more than half of the cases under management stem from accidents in previous years. For more complex cases and those involving children and young people (CYP), this timeframe can extend significantly.

In 2024 the Case Management service continued to focus on recruitment within under-resourced areas as well as strengthening the number of Children and Young People's case managers. Regional marketing campaigns and bespoke targeting of key professions and experience helped increase case manager availability in both the North West and the North East of the UK. Bush & Co's Associate Case Manager network now stands at over 70 clinical professionals, with 56% of these taking on Children and Young People's cases.

In Q4, further development of Bush & Co's Children and Young People proposition was carried out with the development of Bush & Co Kids which will be formally rolled out in 2025. The service aims to deliver outstanding child-centred support that is safe and effective and gives the child or young person a greater voice throughout their rehabilitation.

Through a new account management approach to enquiry responses and improved processes for the matching of CVs to enquiries, enquiry to INA conversions rates increased by 3%. In addition, during 2024 INA to case management conversion rates improved by 7% due to improvements in the quality of INA reports.

In a changing market where the sector has seen a move towards a greater number of independent case managers in operation, Bush & Co continues to pride itself on providing an independent, high-quality service for its customers. This quality remained strong in 2024, with 94% customers who rated the service stating they were satisfied and 96% indicating they would instruct again.

Clinical Governance

At Bush & Co, safeguarding vulnerable clients is a fundamental priority embedded in all services. Driving this commitment is a dedicated Safeguarding Team who are experts in risk management and the implementation of safe and effective practices.

During 2024 Bush & Co's established Safeguarding Team of 16 was further bolstered with additional training including two senior leadership positions now trained to Level 5.

Overseen by a Clinical Board, Bush & Co's clinical governance includes robust procedures around the management of cases and identifying and reporting complex risk and safeguarding situations.

Business Development and Customer Relationships

Given the nature of litigation and the demand for Bush & Co's services, maintaining strong brand awareness, reinforcing our expertise, and engaging with customers regularly are essential to ensuring the company remains top of mind when the need arises. Customer relationships continued to be a main source of business for Bush & Co with a complementary marketing mix underpinning core business development activities.

Throughout 2024, Bush & Co added an account management tier to its established business development approach to strengthen relationships. The team continued to focus on a mix of high value, high volume customers coupled with strengthening relationships where the opportunity to grow enquiry and instruction levels existed.

STRATEGIC PRIORITIES

Consumer Legal Services

Strategic Priority	Progress made in 2024	Our focus in 2025
Grow the number of personal injury accident victims we support by increasing enquiry numbers Cost-efficiently generate the enquiries needed to fuel the business model and deliver growth.	• Generated 19,744 enquiries in the year (2023: 35,643), as challenges linked to Google advertising and the resulting increased competition which restricted supply and increased enquiry generation costs.	• Leverage changes made to Google campaigns to bring enquiry costs back in line with historical averages. • Further expand marketing reach into other channels e.g. social to reduce reliance on Google. • Utilise claims performance data to deliver a more targeted approach to generating higher demand, higher margin claim types. • Re-launch the Group's Underdog brand to generate incremental enquiry volume through digital channels, and unlock latent demand in our market. • Invest in the technical and data skills in the internal marketing team in order to better respond to the rapidly evolving environment.
Grow the value of personal injury enquiries we process in our own consumer-focused law firm, National Accident Law Scale NAL in order to deliver a sustainable business, with more profit per enquiry.	• 8,457 ongoing claims in NAL at 31 December 2024 (2023: 9,983) worth £14.4m in future cash receipts (2023: £13.9m) including a further £2.8m upward revaluation estimate related to enhanced processing performance, higher damages as a result of the Hassam vs Rabot ruling and multi-year inflationary increases applied to damages. • 3,558 claims settled in the year, broadly in line with 2023 (2023: 3,633), but cash collection from settled cases increased to £8.5m (2023: £6.0m) as a result of higher value cases reaching maturity. • 30% of total enquiries generated were placed into NAL (2023: 24%). This amounted to 5,892 enquiries allocated to NAL in the year (2023: 8,518) which are expected to generate revenues of £6.2m (2023: £6.6m) once the cases settle.	• Drive further efficiencies in case processing to accelerate revenue and cash. • Increase the percentage of overall enquiries placed into NAL to maximise future returns.

Strategic Priority	Progress made in 2024	Our focus in 2025
Continuously review and improve processes to realise efficiencies gains and a better customer experience Ensure our workflows, technology and marketing evolves, in order to deliver for our customers and maximise our efficiency, thereby increasing margins.	• Maintained the percentage of cases signed up and submitted compared to 2023 despite taking on a richer mix of more complex, higher value claims. • An increase in the Trustpilot rating for National Accident Helpline to 4.7 (2023: 4.6) • We commenced litigation on 34% more claims in 2024 compared to 2023 • Whilst there is still work to do, the Trustpilot score in NAL has improved to 2.9 "average" (2023: 2.6 "poor") and we have seen the number of formal complaints reduce by 16% compared to 2023. We continued to develop our communication protocols during 2024 assisted by our dedicated client liaison function to better serve our customers. • Although the 'Rabot' ruling has provided clarity around valuations, insurers continue to offer below the true value for these cases meaning an increasing number are being litigated. Once the case reaches trial, almost all have been ruled in favour of our expected offer.	• Improve NAL Trustpilot score by i) proactively managing the expectations of new customers; ii) improving speed of response to customer questions; iii) further improving our complaints resolution processes to resolve issues quickly and effectively; and iv) improving our processes for capturing positive reviews. • Continue to challenge ways of working across the Personal Injury business to realise cost efficiencies.

Critical Care

Our primary strategy for Critical Care in 2025 is to conclude a sale of this division within the next 12 months and realise a return on our investment. Until the point of sale, we continue to focus on our operational strategic priorities as set out below to ensure a sound basis for future growth for any potential buyer:

Strategic Priority	Progress made in 2024	Our focus in 2025
Increase numbers of case managers and expert witnesses to reflect growth in customer demand	• Appointed dedicated recruiter into case management • Regional focused recruitment campaigns targeting under-resourced areas • Face-to-face recruitment events to enhance recruitment marketing and help explain the role of a case manager and expert witness	• Continue regional/ bespoke recruitment marketing campaigns and face-to-face events • Expand onboarding resource
Maximise conversion of enquiries	• Delivered clinical training for enquiry team • Dedicated conversion meeting to discuss ways to improve rates and monitor effectiveness. • Restructured enquiry allocation process	• Increase case study usage to demonstrate skills and experience of case managers and expert witnesses • Expand insurer contracts with additional firm coming on board
Leveraging previous investments in technology to facilitate growth Ensure Bush & Co is supported with the right technology to enable and underpin growth.	• Enhanced cost calculation tool to support expert witness service and reports production • Commenced Portal roll-out to Associates	• Finalise roll-out of customer and client portal to improve customer experience and processing efficiency
Grow our Children and Young People service	• Rebrand of the service to un-couple from adult services and provide greater clarity • Recruitment of CYP case managers in under-resourced areas • Planning for service developments through gathering of customer insight • Launched bespoke client resources	• Continue to grow client resources • Establish gold standard proposition • Continue to work closely with CBIT as the sole joint venture partner • Expand case manager population

KEY PERFORMANCE INDICATORS

Key Performance Indicators 2024

The Board monitors a number of Key Performance Indicators (KPIs) to assess the Group's performance against its strategic objectives. These KPIs include alternative performance measures that provide additional insight into performance of the business in areas that are critical for the long-term success of the Group. These comprise non-financial, as well as financial, metrics which are not all directly reflected in the Group's financial statements but are assessed on a monthly basis and managed by divisional management.

Group KPIs

1. Revenue

Group revenue comprises amounts receivable from customers for the provision of the Group's services. The Group's key revenue streams are detailed in Note 1 to the financial statements on pages 92–93.

The Group seeks to strike a balance between in-year revenues which it can generate from its panel law firms, and revenues from its self-processing law firm where revenues are deferred until liability admission and settlement. An increasing proportion of revenue is now generated by the self-processing operations and an increased proportion of enquiries were placed into National Accident Law (NAL) in the year which will generate future profits and cash. Monitoring and generating growth in revenues is key to the Group building a sustainable business model.

Revenue (£'000)

2024	38,805
2023	42,193
2022	41,421

2. Cash generation – free cash flow

Free cash flow comprises the cash that the Group has generated from operations less amounts invested in capital items, lease payments and payments to and from members' non-controlling interests in our LLPs. A reconciliation of this figure to statutory measures is provided in the CFO's report on page 19.

The growing maturity of NAL and the Group's joint venture law firms continues to contribute to an increase in free cash flow which has been offset in the year by lower panel demand and higher cost per enquiry. The Group continues to utilise its free cash flow to reduce its debt.

Free Cash Flow (£'000)

2024	2,593
2023	3,605
2022	2,199

3. Profitability – Operating Profit

Operating profit is the KPI that the Board believe reflects the overall performance of the business, and this should drive the profit attributable to shareholders, earnings per share and free cash flow. Operating profit has been impacted in the year by £40.5m of exceptional, one-off items as detailed in Note 4 to the financial statements.

Operating profit (£'000)

2024	(36,537)
2023	4,118
2022	4,756

Consumer Legal Services KPIs

Our strategy to succeed in our Consumer Legal Services division is to grow the number of personal accident enquiries we generate and to process an increasing number of those enquiries in NAL, to create a more profitable and sustainable business.

Increased cost per enquiry (CPE) and lower panel demand during the year led to the decision to scale back enquiry generation during 2024 in order to ensure long-term sustainability. This has led to a depression in enquiry numbers, enquiries allocated to NAL and ongoing claims in NAL.

4. Personal injury enquiry generation

Our ability to generate personal injury enquiries and balance these against market demand and available working capital, are a core element of our business model and a leading indicator of revenue.

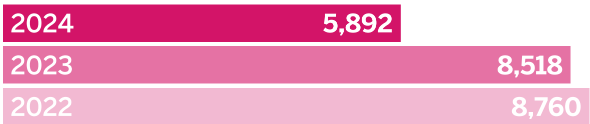
Enquiries (no.)

2024	19,744
2023	35,643
2022	34,905

5. New enquiries allocated to NAL

Our placement decisions influence profit and cash flow in the current year, as well as in future years. Enquiries processed by NAL generate higher levels of profit compared to those processed by our joint venture law firms or the panel, but cash is delayed until the claim is settled. Monthly placement levels are planned as part of our annual budgetary process, but these can be flexed throughout the year depending on the volume of enquiries generated, capacity within NAL and levels of capital available. Enquiry numbers overall for 2024 were lower than 2023 and so fewer enquiries were placed into NAL although these enquiries did represent a higher % of overall enquiries than in prior years highlighting the benefit of our flexible placement model.

■ **NAL placement (no.)**



6. Cash generated from settlements in NAL

NAL generates cash at the point of settlement, which occurs at the very end of the claim cycle. The length of time a claim takes to settle depends on the nature of the claim but the cycle from enquiry to settlement can typically take up to two to three years. Increases in cash from settlements is an indicator of growing maturity in NAL, which leads to increased free cash flow. This free cash flow can then be reinvested in marketing and the working capital required to process claims.

■ **Cash generated from settlements (£m)**

7. Number of ongoing claims in NAL

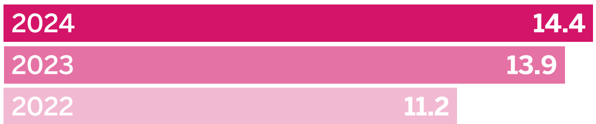
At any point in time, our teams in NAL will be managing a book of ongoing claims at varying stages of progression. These claims will ultimately result in future revenue and cash and so provide visibility of future earnings (see KPI 8). The number of ongoing claims has fallen year on year as claims started in previous years have begun to settle and fewer new enquiries have been allocated during the year (see KPI 5).

■ **Ongoing claims (no.)**

8. Value of ongoing claims in NAL

The book of ongoing claims in NAL has an embedded value, being the future cash expected to be generated by processing those claims through to settlement. We can estimate the future cash from settlements, using our financial model and assumptions, based on our experience of previous settled claims.

■ **Value of ongoing claims (£m)**

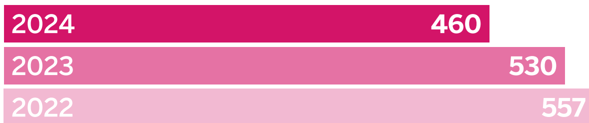


Critical Care KPIs

9. Number of initial needs assessment reports (INA) instructions

Customers instruct Bush & Co. to conduct face-to-face initial needs assessments to better understand their clients' rehabilitation needs. These instructions represent our pipeline of future work.

■ **No. INA instructions**



10. Number of INAs issued

Our case managers will document their INA assessments and recommendations for the most suitable interventions for their clients in reports. These reports are issued to our customers, who are charged a fee, resulting in revenue. This can lead to the client being signed up for ongoing case management work, which results in recurring revenue.

■ **No. INA reports issued**

11. Number of ongoing case management clients

Through our claimant, defendant and insurer relationships, we provide a first-class case management service to enhance a client's rehabilitation. Our services are billed on a regular basis, depending on the level of support required in any given period. Given that our clients have complex needs, this support can often last years and so this revenue can be recurring, albeit the value of revenue will often be front loaded through the engagement.

■ No. ongoing case management clients

2024	1,335
2023	1,406
2022	1,354

12. Number of expert witness report instructions

Our Expert Witness service provides medico-legal reports for both quantum and liability to claimant and defendant solicitor and insurers. These instructions represent our pipeline of future work.

■ No. expert witness instructions

2024	1,351
2023	1,142
2022	1,044

13. Number of expert witness reports issued

Our expert witness reports are written by experienced and credible associate expert witnesses who deliver objective opinion and high-quality liability and quantum reports. These reports are issued to our customers, who are charged a fee, resulting in revenue. Often, our customers will request additional follow up work, which can lead to further revenue.

■ No. expert witness reports issued

2024	1,335
2023	1,136
2022	974

PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks and uncertainties

The Board is mindful of the detrimental impact that the Group's principal risks and uncertainties could have on its ability to deliver on its strategic priorities. It seeks to identify, assess, and manage these risks through its risk management framework, regular reporting and, where necessary, additional assurance work. Whilst the Board has ultimate responsibility for risk, it is supported by the Audit and Risk Committee, Executive Directors, and management.

Our risk management framework

The Board maintains a risk management framework (figure 1, page 37) that combines a top- down strategic assessment of risk with a bottom-up operational identification and reporting process.

The regular review of existing risks and identification of emerging risks is managed through quarterly risk reviews held by divisional management and the Executive Directors. Once risks are identified and the Group's appetite for each risk determined, risks are prioritised, and mitigating actions implemented.

Risk appetite

Every year, the Board reviews and sets the Group's appetite for risk. This is done by attributing a score to each one of six separate risk categories that the Board has identified. The categories are scored on a scale of 1 (lowest risk) to 12 (highest risk) and a score of 1–3 is described as an averse appetite, 4–6 is a cautious appetite, 7–9 is balanced appetite, and 10–12 is an entrepreneurial appetite. Individual risks are allocated a category and the associated risk appetite then informs management's approach to mitigating that risk. The outcome of the scoring is as follows.

Description	2024	2023
1. Strategic and Transformation	Balanced (9/12)	Balanced (9/12)
2. Operational	Balanced (8/12)	Balanced (8/12)
3. Financial	Cautious (6/12)	Balanced (7/12)
4. Regulatory	Cautious (4/12)	Cautious (4/12)
5. IT, Systems, and Data Security	Cautious (5/12)	Cautious (5/12)
6. People and culture	Balanced (7/12)	Balanced (8/12)

Risk identification and reporting

Divisional management conducts an ongoing process of identification and assessment of key risks (both financial and non-financial) faced by their division. This includes the identification of emerging risks, whether from structural changes in their markets or transformation activity within the business.

Risks are collated on a risk register along with mitigating actions that reduce the residual risk to an acceptable level, with reference to the Board's appetite. Residual risks are assessed according to their likelihood of occurrence and potential impact on the profitability and cash flow of the Group.

Divisional risk registers are reviewed quarterly by the Executive Directors and risks are prioritised across the Group. The highest rated risks are denoted principal risks and are reported by the Executive Directors to the Audit and Risk Committee and the Board.

Figure 1 – Risk management framework

Strategic assessment of risk and prioritisation

Board

Ultimate responsibility for risk management

- Sets strategic priorities
- Agrees the Group's appetite for each risk category
- Top-down risk identification
- Delegates authority

Audit & Risk Committee

Monitors effectiveness of risk management through reporting and assurance

- Sets scope of external audit
- Monitors internal controls through internal reviews
- Reviews critical accounting judgements and estimates

Executive Directors

Monitor performance and changes in key risk

- Provide regular reports and updates to the Board
- Report to the Board and Audit & Risk Committee on key risks
- Provide guidance and advice to divisional management through quarterly risk reviews

Divisional management

Identifies, manages and reports local risks

- Maintains local risk registers and mitigation plans
- Regular assessments of emerging risks
- Implements mitigation plans
- Reports quarterly to Executive Directors on risk

Risk identification and reporting

The principal risks identified are detailed below:

Description	Category	Risk Appetite	Mitigation
Credit exposure The Group offers credit terms to the majority of its external customers which can range from 30 days to 36 months. These terms create a credit risk in the event of their insolvency or a dispute.	Financial	Cautious (6/12)	The Group has processes to approve credit limits and monitors the overall concentration and exposures to law firm customers and partners that are consistent with its cautious appetite for risk. In Consumer Legal Services, extended credit terms have not been offered to new customers since 2020 and contractual provisions, such as set-off clauses and parental guarantees, are in place to mitigate the risk for material debts with joint venture partners. In Critical Care, the business offers extended credit terms on certain services and the risk is diluted by having a diverse range of customers. Material debts are monitored more closely by the credit control team and reported on the risk register.
Accuracy of business model assumptions The Group's business model relies on several key assumptions which, if not delivered, could have a material impact on financial performance. These key assumptions include: • Enquiry generation costs and volumes • Placement of personal injury enquiries to panel firms • Claim processing performance • Volume of instructions in Critical Care • Average revenues for services in Critical Care	Financial	Cautious (6/12)	Model assumptions are determined by management with oversight from the Executive Directors and the Board, and sensitivities are then performed on the key assumptions. The model assumptions are scrutinised and regularly compared to actual results and updated where necessary. Additional measures have been taken to de- risk certain assumptions by securing contractualguarantees from key partners. Assumptions relating to the expected value of open cases and the average value of future cases within NAL are monitored regularly to ensure that these remain appropriate.

Description	Category	Risk Appetite	Mitigation
Regulatory Breaches The Consumer Legal Services division operates in a highly regulated environment and handles high volumes of sensitive customer data, including credit card information and medical data, as well as client money. The Group's law firms are regulated by the Solicitors Regulation Authority. Breaches of regulations could result in regulatory action against those businesses, directors, and compliance officers. Critical care is audited by the Care Quality Commission (CQC), and any failings could create reputational damage and loss of customers.	Regulatory	Cautious (4/12)	Both divisions employ dedicated compliance resources responsible for managing regulatory issues and reporting directly to the Board. External legal advice is taken, including from leading counsel, where appropriate, in particular when faced with changes to the law and regulation, internal processes, or structure. In Critical Care, the divisional management have created a Clinical Governance Board to report to Executive Directors on risks arising from clinical decisions and regulation. This group comprises senior management and a Chief Medical Officer who is a consultant surgeon, at the Royal National Orthopaedic Hospital, Stanmore.
Critical Care self-employed associate model IR35 legislation requires careful interpretation to ensure arrangements do not breach tax laws, resulting in unexpected tax charges and fines.	Financial	Cautious (6/12)	To comply with IR35 rules, the Board took external advice from a leading accountancy and tax firm in prior years and made the necessary status determinations for each associate. These determinations are supported by contractual terms, operational processes and working practices currently in place. Bush & Co regularly monitors compliance with these processes and has controls in place to ensure the risk of a breach of the legislation is low.

Description	Category	Risk Appetite	Mitigation
Key Person Dependency and Recruitment Unavailability or loss of key individuals could have a detrimental impact on business performance. Significant intellectual property, relationships and experience is held by certain members of management. If they became unavailable there could be a short-term impact on operational performance and the progress of key projects.	People and Culture	Balanced (7/12)	There is a succession plan in place covering all key individuals and no one person is responsible for any key relationship. Bonus schemes and share options are put in place to support retention of key employees and are regularly reviewed by the Remuneration Committee. Remote and hybrid working has continued to be a significant enabler in attracting and training new people, particularly experienced legal staff.
Working capital management and funding The Group manages its working capital by striking a balance between generating immediate cash to meet its current liabilities and pay down debt and investing in future enquiries in NAL where the working capital cycle is much longer. The Group's working capital is funded through its £11m revolving credit facility (RCF), which runs to December 2026. This facility includes several financial covenants, which have been aligned with the Group's strategy and medium-term forecasts. If performance falls outside of expectations, the Group could be required to depart from its growth strategy in order to meet covenant requirements (e.g. by reducing investment in NAL).	Financial	Cautious (6/12)	The Board closely monitors the use of capital and uses short and medium-term forecasts to plan future requirements. Compliance with the debt covenants is reviewed on a monthly basis by the Executive Directors and reported to the Board.

Description	Category	Risk Appetite	Mitigation
IT infrastructure and security Many of the Group's interactions with its customers are online and systems are increasingly automated, creating an increased exposure to systems error. Both divisions are reliant on their IT systems to capture and protect valuable customer data obtained in the normal course of business. Theft, loss, and misappropriation of digital assets and data could result in reputational damage and/or regulatory fines. The Group relies on a number of key IT suppliers and its systems are increasingly automated, creating an increased exposure to systems error.	IT Systems & Data Security	Cautious (5/12)	The Group takes data security very seriously and has robust policies and procedures to ensure it is compliant with the Data Protection Act 2018 and the General Data Protection Regulations (GDPR). Business Continuity plans are in place and have been tested, the Group's employees are provided with regular training, and the cyber security controls are regularly stress tested. External suppliers are used to conduct regular penetration and phishing testing and the Consumer Legal Services division has secured the Cyber Essentials accreditation. A Cyber security steering group meets quarterly to assess risk.
Interest rate risk The Group is exposed to interest rate risk through its £11m RCF, of which £9.0m was drawn at the year end. Interest accrues at 2.45% above the Sterling Overnight Index Average (SONIA), which closely tracks the Bank of England (BoE) base rate. Given the elevated levels of inflation in the UK, and the higher base rate set by the BoE in response, this risk is likely to remain elevated this year leading to higher borrowing costs for the Group.	Financial	Cautious (6/12)	The Group will continue to leverage its flexible placement model to drive short-term cash flow in addition to increasing levels of cash generated from NAL which is now mature on current enquiry levels. This, along with strong cash generation from the Critical Care division helped reduce net debt by £2.6m in 2024 and will underpin free cash flow in 2025, leading to a further reduction in drawn debt.

OUR CULTURE

Our sustainable culture

At NAHL, we aim to build a sustainable business for the long-term gain of all our stakeholders.

Our goal is underpinned by our four values:

Passionate

about our people and our business, delivering to the best of our abilities for our customers by providing exceptional client service

Driven

to deliver excellent operational performance for our customers to deliver and exceed on their expectations and deliver on our financial goals to ensure sustainability for our people and returns for our investors

Unified

to work together with our people and our suppliers to provide our services, treating each other with compassion and empathy

Curious

about how we can work effectively, make improvements and do things differently to create the best outcomes for all of our stakeholders

The Group is aware that its activities have a far-reaching impact across a number of different stakeholders. The Group has identified its key stakeholders as:

Our People

NAHL's people are the heart of its operations, and we invest in our people's training, development and well-being in order to provide them with the tools to provide the best service for our customers in their time of need and support us with our overall strategic goals.

2024 People highlights

OwnIt! Results

Our annual OwnIt! survey provides our colleagues with the opportunity to provide feedback in a number of different areas and have their say on the way things are done. The data is captured by our dedicated People Team and the results shared with teams across the business who then have the opportunity to discuss the results and feedback any further comments. The findings are presented by the Group People Director to the Group Executive Team and the Board of directors.

In 2024, the Group once again received its highest ever engagement score of 82% (2023: 81%) with 5 of our categories scoring 90% and above:

Everyone in our business is treated fairly

94%

I am clear about what the company is trying to achieve

92%

I trust the colleagues in my team to support me in challenging times

91%

My manager cares about me

91%

My Manager explains clearly what is expected of me in my role

90%

CCMA awards

One of our top achievements for 2024 was our National Accident Helpline legal support centre becoming finalists at the Contact Centre Management Association (CCMA) awards. 2024 was the 29th year of the awards and the biggest so far with the most nominations ever received for their 34 award categories. National Accident Helpline were finalists in two categories, Learning Manager of the Year and Best Contact Centre Culture (Small) and despite not walking away winners on the evening, the nomination highlighted the fantastic and supportive culture within our legal support team and the amazing people who work there.

Bush & Co. Investors in People award

In 2024, Bush & Co. maintained their Investors in People Gold Standard despite growing employee numbers by c. 50% since the last assessment date in 2021. The assessment reported that people feel supported and appreciate the lengths Bush & Co. have gone to in order to maintain connections and build relationships in a hybrid working model. People feel supported and trusted to do their jobs as well as trust the leaders of the business to do the right thing for Bush & Co and the people they support.

Engagement and wellbeing

The OwnIt! results reflect our continued commitment to engagement and wellbeing with some of our key initiatives in the year being:

- The launch of Social Groups across Consumer Legal Services (CLS). The aim of these groups is to connect like-minded individuals throughout the organisation who share a common interest or passion. We launched 4 groups which included 'The Write Way', 'The Grow Getters', 'The LBGTQ + & Allies Group' and 'The Empowerment network'. The Groups act as a way to foster connections, share ideas and start discussions and create a sense of unity in a safe environment.
- The creation of CLS's new internal website The Grapevine. This site acts as a space to share business news and updates, view and share recognition, access training resources and access the Wellbeing Hub which includes a number of helpful tools and resources. In both CLS and Bush & Co. we launched Viva Engage to improve two-way communication, encourage praise and recognition and share news and information.
- CLS continued to emphasise the importance of recognition through our regular 'employee of the month' awards with over 247 nominations during the year and a total of 44 individual winners across our operational and support teams.

- In Bush & Co. a number of initiatives were introduced to place growth and development in the hands of employees and encourage ownership including a new personal development tool 'Intentions and Reflections' and People Meeting, giving each department a voice in a larger forum and designed to work through initiatives and ideas as a whole.

This is a fabulous group of caring, understanding people who will listen, share and inspire. It's been great getting to know people on a deeper level, building relationships, having support, and getting inspiration to go out there and smash your goals. There's a wide range of diverse backgrounds but we have all become united to **make a positive difference to each other's lives**, and this has been a great experience.

I feel so lucky to work in a company that expresses such value in its employees and the importance of a positive relationship with work.

Training and development

To effectively implement our strategy and to provide the best service for our customers, we need to ensure that we have a diverse network of experienced people that are curious to challenge the status quo and driven to develop their own skills and strengths. Our training programs are designed to balance the need for industry specific knowledge and expertise with softer skills to ensure we have well-rounded teams.

Consumer Legal Services has a dedicated Learning & Development team who are responsible for ensuring the continual development and improvement of our legal operational teams. These teams are key to our strategy of becoming a fully integrated law firm and therefore retention and development of talent within these teams is crucial to our goals. We continue to support our colleagues with the completion of their legal apprenticeship programmes to ensure we have a wealth of expertise.

The Group People Team offer a range of training and development opportunities for our wider teams including strengths training, time management, communication and imposter syndrome training. We also continued with our Pathway to Leadership (P2L) and Commercial Leadership Academy (CLA) Programs.

One of the highlights coming from the CLA during 2024 was the adoption of a new business case arising from the assignments given to our trainees. The trainees were tasked with identifying ways to maximise profitability and present these to the executive leadership team. These ideas were ultimately given approval with the first trials taking place in early 2025, demonstrating the importance of being curious.

> My team has played an integral role in shaping how things are done at NAL, particularly over this past year. Through **creativity, dedication, and collaborative spirit**, we have actively contributed to our processes and initiatives, making my team invaluable contributors to NALs success.

CASE STUDY

Jen's story

Through her role, Jen has developed a passion for the legal sector, and in April 2024, she took the next step by enrolling in a two-year Paralegal Apprenticeship. Here's how her journey is shaping up so far.

Finding the Right Opportunity

For Jen, the appeal of the apprenticeship programme was clear: "Being able to improve my knowledge of the legal system was a huge draw for me. I've always been a learner, and this opportunity allows me to build on the skills I already have."

While Jen had no prior experience in the legal field before joining NAL, working closely with the litigators in her role as a Legal Administrative Assistant gave her valuable insights. "Having a basic knowledge of litigation has helped me understand some of the legal research needed to complete specific sections of the course. It's also made me comfortable approaching colleagues with any queries I may have."

A Career Built on Adaptability and Resilience

Jen brings a wealth of experience from previous roles, and she believes this background has given her an edge in tackling the challenges of an apprenticeship. "Being able to adapt to new tasks and being resilient has certainly been a positive. Retraining in a completely new sector has given me confidence in myself and my ability."

This determination and eagerness to learn have already proven invaluable as she balances her role with study.

Support from Colleagues and Managers

A key factor in Jen's success so far has been the encouragement from her team. "My line manager was the first to encourage me to apply – I think she believed in me more than I believed in myself! My immediate team have been incredibly supportive too, covering my workload when I attend webinars and making me feel like this is a positive move forward."

Looking Ahead

Taking on an apprenticeship has reinforced Jen's passion for the legal sector, and she's excited about the opportunities ahead.

> This was not a career I ever saw myself pursuing, purely due to my age and having no background in this sector. However, **I've found a real passion for it** and want to learn as much as I can!

Equal Opportunities and Diversity

We want our people to feel comfortable in being their true selves and strive to create an environment where everyone feels respected and heard. Our OwnIt! scores were particularly strong in this area again this year with 87% of our people agreeing with the statement 'Based on who I am, I feel valued and respected'.

We utilised our Engage platforms and The Grapevine to invite our colleagues across all backgrounds to share their stories and experiences for Pride month, Black History month and Diwali to raise awareness and invite conversations. We also launched our LBGTQ + Social Group to provide our people with a safe space to talk and connect.

The Group is committed to providing equal opportunities for all and has an equal opportunities policy which employees are able to access.

Our customers

Our customers are ultimately who provide us with the means to continue in operation and so delivering an exceptional service is key to our strategy. Whether that be helping someone who has suffered a no-fault personal injury accident to 'make it right' or supporting individuals who have suffered a catastrophic injury with a first class service to support their rehabilitation, we provide empathy and support every step of the way.

Our customers fall into two distinct categories covering both business-to-business (B2B) and business-to-consumer (B2C).

Our B2B customers across both Consumer Legal Services and Critical Care are primarily law firms and are supported by dedicated partnership and business development teams who work to ensure that all parties are satisfied with the management of the relationship and its results.

In Consumer Legal Services, National Accident Helpline remains one of the most trusted brands in our market, a result of which we are extremely proud. Our B2C customers benefit from the expertise of our dedicated legal support teams and National Accident Law has a dedicated Client Resolution Team whose focus for 2024 included:

- Creating a process for existing NAL clients calling through to NAH Helpline, ensuring they receive timely contact from their file handler.
- Created comprehensive complaints/client service training and rolled out to all file handling teams and creation of weekly reports, focusing on complaints and meeting with team managers weekly to discuss any themes/concerns.
- Reviewed all client communications to better manage client expectations in respect of claim time frames and response times.
- Continuation of client focused MyAccount videos to improve client understanding and better manage expectations.
- Focus on improved communication from all file handling teams.

I was involved in a car accident, and injured my lower back and right shoulder, which meant I had to be off work for about four weeks. When I first called National Accident Helpline, the person who took my call was really helpful and sympathetic, and I was able to be put straight through to my solicitor – the whole transfer went smoothly. My solicitor was great, and she kept me informed throughout the whole process. If I had any questions they didn't hesitate to answer them. I felt safe claiming through National Accident Helpline and I've already recommended you to a friend.

Keiran Lang, Nottingham

In Critical Care, Bush & Co. were proud to have won the Supporting the Industry Award at the 2024 Personal Injury Awards for Bush & Co. Care Solutions demonstrating the high standard of quality that Bush & Co provides to its clients. Our client satisfaction survey results were once again exceptional with customers rating our service 98% for overall satisfaction in expert witness.

Our suppliers

The Group works with a number of key suppliers, primarily providers of marketing support services, technology providers, self-employed associates and property search agents. Each business has dedicated marketing and operations teams who work in partnership with these suppliers to ensure the successful delivery of these services for both parties. In Critical Care, we operate a number of initiatives for our case manager and expert witness associates including hosting regional and national meetings to provide peer support and networking.

Our investors

The Group aims to maintain an ongoing dialogue with shareholders and potential investors throughout the year, to update them on business performance, receive feedback and understand shareholder voting decisions. Our Investors section of our website (www.nahlgroupplc.co.uk/investors) explains how we have sought to do this, including:

- Engaging with investors through our Annual General Meeting where all investors are invited to attend in person and are given opportunities to either ask questions in advance or on the day;
- Meeting larger shareholders during our twice-yearly roadshows, following the announcement of the full year and interim results;
- Meeting with retail shareholders using the InvestorMeetCompany platform enabling us to review the results of the Group, host live Q&A sessions, and engage with a wider audience; and
- The Chair of the Board has made himself available to meet investors, as required.

The Board seeks to manage investor expectations whilst striving to make the right decisions as it navigates the ever-changing markets in which it operates; aiming to strike a balance between long-term shareholder value and short-term business needs.

The Environment

NAHL Group plc continues to be conscious of its environmental impact and the need for all businesses to play their part in minimising their impact on the environment and creating sustainable business practices. Being a people-based business means that the Group's initiatives are largely focused on its offices and travel requirements for its people. We continued to use green energy suppliers at our Kettering and Daventry head offices and continued our hybrid business model. The Group seeks to maintain a balance between the need for personal connection and face to face contact with minimising the travel impact of employees coming into the office. A hybrid model is considered to best meet these needs with the majority of local teams aiming to meet in the office once a week with remote teams meeting less frequently at external sites closer to their teams.

The Group also continued with its commitment to grow its forest as part of its 'Grow 25' campaign by partnering with More Trees to plant trees across the globe. The Group has now planted 1,273 trees that are expected to capture over 2,000 tons of future C02.

Our Communities

The Green Patch and community days

14 of our people took their community day in 2024 with one of our P2L fundraising groups choosing to spend the day doing a beach clean.

We also continued to support The Green Patch, a community garden project in Kettering by hosting a group community day over the summer where our people could attend and take part in activities such as general gardening and maintenance, litter picking or clearing out animal hutches/coops. The Green Patch also hosted our first ever 'NALympics' which gave people across the business a chance to meet up in person for an afternoon of friendly competition with teams competing in a series of fun challenges. The afternoon was a great success and helped to raise funds for the Green Patch.

P2L fundraising challenge

Our 2024 P2L intake were once again tasked with a charity fund raising challenge whereby, they were split into teams with each team being tasked with raising money for a charity of their choice. A total of £5,045 was raised which was matched by the business and given to causes including the Child Brain Injury Trust and the Air Ambulance Service.

SECTION 172 STATEMENT

Section 172 Statement and Stakeholder Engagement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing this, Section 172 requires a Director to have regard, among other matters, to:

- the likely consequences of any decision in the long-term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly with members of the company.

The Directors give careful consideration to the factors set out above in discharging their duties under Section 172.

The likely consequences of any decision in the long-term

The key decisions made by the Board during the year were:

- To explore the sale of Bush & Co. Taking into account feedback from investors, the overall long-term strategy of the Group and considerations of how best to maximise shareholder value in the shorter term, the decision was made to engage advisors and progress with a sale of Bush & Co. in the second half of 2024. The sale is currently in the advanced stages of due diligence. The longer-term impact of this decision will be to realise cash for the Group and the Board will then consider the strategic options available for the remainder of the Group (Consumer Legal Services) and how best to utilise these funds to secure further shareholder value.
- Enquiry placement decisions in Personal Injury. As mentioned in the CEO report, the Personal Injury business continued to face market challenges during the year with Google algorithm changes and increased competitor activity driving up the cost per enquiry (CPE) to a level that was ultimately unsustainable. Low panel demand from a consolidating marketing also reduced the available placement options for the enquiries that were generated. The decision was therefore made to pull back on marketing activity and reduce the number of enquiries generated in order to balance the cash requirements of the business with the strategy to scale National Accident Law. This decision has meant that enquiries and ongoing claims in NAL have been reduced which will impact profitability in future years with a more gradual recovery now factored into future forecasts. This has in turn led to an impairment of £39.9m being recognised in respect of Personal Injury goodwill during the year.

The Board continued to focus on the Group's long-term strategies for each division. Further detail on the long- term strategy and the Board's decision-making driving this can be found in the CEO's Report on pages 7–13.

The interests of the company's employees

As a service provider, the Group is a people-focussed business and it recognises the importance of its people to help deliver on its strategy. Employee training, development and engagement remain a primary focus for the leadership teams. A number of training opportunities were available during the year and the group continued to focus on a number of engagement initiatives (see page 44).

The Board liaises with employees on employee matters through a dedicated People Team, led by the People Director and supported by the CEO and CFO. The People Director attends the monthly operations meetings with the senior leadership team and attends Board meetings by invitation on a regular basis to feedback to the Board on all employee issues including pay, engagement, training and recruitment.

The Group seeks to understand the needs of its employees primarily through its annual staff survey which covers areas such as development, relationships with management and the senior leaders, work-life balance and views on the business overall. The results of this survey are presented to both the workforce as a whole through small group meetings where results and actions can be discussed in more detail and through presentation and feedback to the Board and senior leadership team where issues can be addressed. See page 44

for more details. Employees are encouraged to talk to their managers about any issues and also have 6, 12 and 18 month check-ins with the People Team where they can raise any concerns.

The Group undertakes an annual pay review, taking into account market benchmarks. A 3% increase in pay was awarded to our employees in March 2024. Pay increases above this 3% are considered on an individual basis and take into account personal performance, training and responsibility advances and skill/knowledge. The Group also undertakes a gender pay gap analysis annually.

Employees were invited to take part in our Save as you Earn (SAYE) Sharesave scheme in October 2023. The scheme was open to all employees of the Group who had been employed for 3 months prior to the enrolment window. The SAYE scheme aims to give employees a share in the success of the Group and ensure that employees and the Group are aligned in a common goal. No additional schemes were offered during the year.

The need to foster the company's business relationships with suppliers, customers and others

The Board acknowledges that in order to deliver on its strategy, it needs to ensure effective collaboration with its key stakeholders. These include its suppliers, customers, bankers and investors. Details on how the Board seeks to foster relationships with suppliers, customers and investors is given on pages 48–49. The Board ensures it keeps in regular contact with its bankers and the CEO and CFO have regular communication with the relationship manager for Clydesdale Bank/ Virgin Money.

The impact of the company's operations on the community and the environment

The Board are aware that the activities of the Group and the impact of these activities has a far- reaching impact and are mindful to take actions to limit the Group's impact on the environment and to make a positive impact on its communities. Details on how it does this can be found on page 49.

The desirability of the company maintaining a reputation for high standards of business conduct

The Board believes that its success lies with its people and ensuring we have a strong leadership team that provides exceptional oversight and governance that aligns to our values is key to this. Details of the Board and Senior Leadership team can be found on pages 54–56 and details of how the Board has complied with the QCA Corporate Governance Code (its chosen corporate governance framework) can be found on page 62.

The Group is subject to regulation from a number of sources and has a duty to operate within these regulatory guidelines. In order to ensure the Group adheres to these guidelines, the Group has a dedicated legal and compliance team that ensures business is conducted in line with these requirements. Further details can be found in the principal risks and uncertainties report on page 39. Our focus on continuous review and improvement of processes to realise a better customer experience (CEO Report page 9), our Supporting the Industry Award at the PI awards (Critical Care, page 25) and exceptional customer satisfaction scores (Critical care page 25) are all testament to how the business strives to maintain its reputation for high standards of business conduct.

The need to act fairly with members of the company

The Board seeks to balance its long-term strategy with shareholder needs. The Board continues to explore the options for the Group and consideration is given as to how best to generate value for shareholders. The Board believes that the potential sale of Critical Care provides the best shareholder value in the short-term and will then consider the future strategy for the remainder of the Group. The Board seeks to maintain regular dialogue with shareholders throughout the year as detailed on page 57.

The strategic report on pages 5 to 52 was approved by the Board on 6 May 2025 and is signed on its behalf by

James Saralis
Director, NAHL Group plc

LEADERSHIP AND GOVERNANCE

Board of Directors

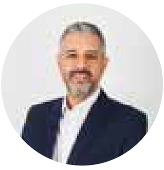
Tim Aspinall

Non-Executive Chair

Tim Aspinall became Chair in October 2020, having been a Non-Executive Director since June 2016. He sits on the Group's Remuneration and Nomination Committees and attends the Audit and Risk Committee by invitation.

Tim runs Aspinall Consultants Limited, a management consultancy business advising professional services firms on strategy, performance management and mergers and acquisitions.

Tim is also a Non-Executive Director of Kuro Health Limited which is one of the leading providers of medical reports in the UK. Tim is a qualified solicitor and his senior leadership career in the legal sector includes Managing Partner of DMH Stallard LLP where he led its transformation into an award winning and highly respected mid-market law firm.



James Saralis

Chief Executive Officer

James Saralis is Chief Executive Officer of the Group, which he joined in January 2018.

As Chief Executive Officer, James' responsibilities include managing the day-to-day operations of the business, developing and implementing the Group's strategy, ensuring delivery of budgeted financial performance and promoting the values of the Group. In January 2025, James took over the day-to-day responsibility for leading the operations of the Personal Injury business.

Between 1 January 2018 and 16 August 2021, James served in the role of Group Chief Financial Officer and was instrumental in the strategic and operational development of NAHL, playing a key role in navigating the challenges presented by the coronavirus pandemic and in transforming the Personal Injury business into a modern, technologically-enabled law firm.

James has a wealth of experience both operationally and in the AIM market, having spent over 15 years in the legal, general insurance and financial services sectors. James is also a Non-Executive Director of Skillcast Group plc, the AIM listed provider of content and technology for digital compliance transformation. Previously, he was CFO of the Direct & Partnerships and Employee Benefits divisions of Jelf, part of Marsh & McLennan Companies. He held various finance roles in Clearspeed Technology, HBOS, and RAC plc. James is a Chartered Accountant, a fellow of the ICAEW, and holds a BSc in Physics from the University of Bristol.

Chris Higham

Chief Financial Officer

Chris Higham is Chief Financial Officer of the Group, which he joined in 2006. As Group Chief Financial Officer, Chris' responsibilities include management of the finance function and liaising with the Group's investors and the banks. Chris has an in-depth understanding of the Group's operations, having helped implement the Personal Injury business' transformation and developed the finance function during a period of significant change.

Chris joined the Group in 2006 as the Financial Controller of National Accident Helpline Limited. He has worked in numerous roles at NAHL, including CFO of the Personal Injury business, Commercial Director at Homeward Legal Limited and most recently Group Finance Director.

Chris is a fellow of the Association of Chartered Certified Accountants (ACCA) and prior to joining NAHL he spent 5 years at Thomson Reuters.

Sally Tilleray

Non-Executive Director

Sally joined the board on 19 July 2019 and is Chair of the Group's Audit and Risk Committee, as well as sitting on the Remuneration and Nominations Committees.

Sally is Senior Independent Non-Executive Director of Mind Gym plc, the AIM quoted behavioural science training and business improvement group, Non-Executive Director of AIM quoted Skillcast plc, the leading provider of corporate compliance e-learning in the UK and Senior Independent Non-Executive of Fadel plc the AIM – listed brand compliance, rights management and royalty billing software provider. She is Chair of UNRVLD, a digital experience agency and Senior Independent Non-Executive Director of Nominet the official registry for all .UK domain names.

In her executive career, Sally was previously Group Chief Operating Officer and Group Chief Financial Officer at Huntsworth plc, the fully listed international healthcare and communications firm, where she was responsible for the Group's worldwide financial functions and day to day operations. Prior to this, she served as CFO Europe for Predictive Inc., a technology consulting business which listed on Nasdaq in 2000. She is a member of the Chartered Institute of Management Accountants.

Brian Phillips

Non-Executive Director

Brian joined the Board on 25 June 2020 as a Non-Executive Director.

He has had a long and distinguished career in private equity and in 2014 stepped back from full time employment to build a portfolio of investments using his own capital. He later used this experience and extensive contacts in the field to start Ethos Partners LLP in 2017, which is a private investment office operating in the UK small cap and private equity market.

During his executive career, Brian was previously the Chief Investment Officer for Greenhill Capital Partners in London where he was recruited to set up a new private equity business for Greenhill & Co., a listed US investment bank. Previous to this he was Managing Director for L&G Ventures and a Director at various firms including Bridgepoint and Gartmore Private Capital.

Brian is a Chartered Accountant and member of the Institute of Chartered Accountants of Scotland.

Group Executive Team

Helen Jackson

Managing Director – Critical Care

Helen was appointed as Managing Director at Bush & Company in July 2016 having spent four years as Group HR Director.

Responsible for overall strategy and leadership within the division as well as business development, quality and clinical independence, Helen has driven a number of business improvements.

More recently of note, Helen led Bush in launching two industry leading ventures with the Spinal Injuries Association and Child Brain Injury Trust, both prominent charities in the sector, reinforcing the Company's market positioning as the leader in catastrophic injury in case management, building on Bush's 30 years of success within the Critical Care sector.

Previously, Helen held HR leadership roles at Everest, BUPA and Tesco.

Marcus Lamont

Group People Director/ Group Projects Director

Marcus joined the Group in 2016 as HR director and since then, Marcus has embarked on delivering improvements to talent development, embedding the Group's culture and values and enhancing recruitment processes, with significant focus on an aligned approach across all divisions.

Passionate about staff engagement and recognition, Marcus recently delivered Gold Standard Investors in People status for the Personal Injury division as well as ensured its inclusion for the first time in the Sunday Times Top 100 Best Small Companies to work for. In November 2024 Marcus transitioned into the new role of Group Projects Director, working on strategic projects across the Group as well as continuing to support employee development and providing leadership as a member of the Group Executive team.

Marcus joined from Everest where he was HR Director, taking the lead on talent management, leadership development, employee engagement and change management. Prior to that, Marcus held senior positions at UPS plc, across the globe.

Chair's Introduction to Governance

Dear Shareholder,

On behalf of the Board of Directors of NAHL Group plc (the 'Board'), I am pleased to introduce our Corporate Governance statement for the year ended 31 December 2024. The purpose of this section of the annual report is to set out our commitment to good corporate governance, which should be read in conjunction with our website which provides further detail.

The Board is committed to a high level of corporate governance, which is the way in which companies are directed and controlled. It believes that good corporate governance is vital to support long-term growth in shareholder value. To achieve this, companies require an efficient, effective and dynamic management framework that is accompanied by clear communication, promoting confidence and trust.

Compliance with the QCA Corporate Governance Code

Companies listed on AIM are required to adopt a recognised corporate governance code. The Board has adopted the Quoted Companies Alliance (QCA) Corporate Governance Code. We believe that the QCA code is a pragmatic, principles-based tool that enhances the Group's ability to explain its approach to corporate governance. It is appropriate for the needs and circumstances of small and mid-sized quoted companies on a public market and the Board consider it still to be appropriate for NAHL Group.

The code is based around a set of ten principles to which the Group must either comply or explain why it has chosen not to. The ten principles of the code are set out in the table on page 62 and I can confirm that we are in compliance with the requirements of the code and the table provides signposts to the relevant disclosures and explanations.

Throughout 2024 we began our plan to review and update our policies in light of the updates made in the QCA Corporate Governance Code 2023. The Group will be required to apply these principals for the year beginning 1 January 2025. At this time, we do not anticipate any significant changes to our policies and procedures.

Shareholder engagement

An important part of the QCA code concerns engagement and communication with our shareholders. We welcome open and regular dialogue with our shareholders and the 'Our Investors' section of our website explains how we have sought to do this.

In 2024 we were once again pleased to be able to invite shareholders to attend our Annual General Meeting in person as well as seeking to maintain engagement and dialogue with a wider base of shareholders by encouraging shareholders to listen to the meeting via a remote platform, InvestorMeetCompany, and submit questions prior to the meeting, which were subsequently answered by the Directors during the meeting.

It is our intention that this year we will adopt the same approach giving shareholders the opportunity to attend the AGM face-to-face or to follow proceedings via our remote platform and I would like to extend an invitation to all shareholders to attend our AGM and to engage with the Board and other members of our senior leadership team who will be in attendance.

Tim Aspinall
Chair

Governance Statement

Governance Structure

An important element of corporate governance is the governance structure that is in place to manage and control the activities of the Group and this is set out below. Details of the composition of the Board and their roles are set out on pages 54–55.

Board

Comprises the Non-Executive Chair, two Non-Executive Directors (NEDs) and two Executive Directors, the Group CEO and Group CFO.

Led by the Chair, the Board is collectively responsible for promoting the long-term success of the Group for the benefit of its shareholders and wider stakeholders. It provides oversight, sets the Group's strategy and risk appetite, and scrutinises investment cases. It makes decisions on matters reserved for the Board.

Group CEO

Leads the management team in the day- to-day running of the business, develops and executes the strategy agreed with the Board, actively engages with shareholders on the performance of the Group, and maintains an inclusive, progressive culture, for the benefit of the Group's people, communities and the environment.

Group Executive

Chaired by the Group CEO, also comprises the Group CFO, Group Projects Director and Managing Director of each of the Group's divisions.

Supports the Group CEO in leading the business and managing risk, implementing the strategy and developing investment cases.

Audit & Risk Committee

Comprises the NEDs. The Chair, Group CEO and Group CFO attend by invitation.

Oversees the integrity of the financial statements, monitor risk and internal controls, reviews accounting policies, appoints external auditor and approves their remuneration.

Remuneration Committee

Comprises the Chair and NEDs. The Group CEO attends by invitation.

Determines the remuneration policy of the Board and Group Executive.

Nominations Committee

Comprises the Chair and NEDs.

Reviews structure, size and composition of the Board, succession planning and makes recommendations on Board appointments.

As Company Secretary, Kirstie Cove supports the Board with compliance and governance matters. The Board will continue to review this structure as part of its Board effectiveness reviews.

Board composition and roles

There were no changes to the composition of the Board during the year.

The Board comprises the Non-Executive Chair, two independent Non-Executive Directors and two Executive Directors. Their biographies can be found on pages 54–55. The Board believes that the current Board composition provides the skills and experience necessary to meet the Group's needs, given its size and nature.

There is a clear separation of the roles of Non-Executive Chair and Executive Directors.

Role of the Chair

The Chair, Tim Aspinall, is responsible for leading the Board, ensuring it is focusing on strategic matters and setting high governance standards. The Chair adopts a leading role in determining the composition and structure of the board and promotes and oversees the highest standards of corporate governance within the Board and the Group. He plays a pivotal role in fostering the effectiveness of the Board and individual Directors, both inside and outside the board room, encouraging an open, inclusive discussion which challenges executives, where appropriate. The Chair promotes constructive relations between the Non-Executive Directors and Executive Directors, facilitating open debate, active engagement and effective contribution by all members of the Board. He sets an agenda for the Board which is forward looking and focuses on strategic matters. He is also responsible for ensuring effective communication with shareholders and representing the Group with external parties.

Role of the CEO

The Group CEO, James Saralis, is accountable, and reports to, the Board and is responsible for leading the management team in the day-to-day running of the Group's business, implementing its long and short-term plans, and executing the strategy and commercial objectives agreed by the Board. The Group CEO chairs the Group Executive, leading them to maximise the performance of the business and acts as liaison between the Executive and the Board, communicating its decisions and recommendations to the Board as well as reporting progress to the Board in the execution and delivery of strategic objectives. The CEO supports the Chair with stakeholder and shareholder management, ensuring the Board is made aware of the views of these stakeholders on business issues. He also supports the Chair in ensuring that appropriate standards of governance apply through all parts of the Group, providing clear leadership on responsible business conduct and maintaining a positive and inclusive company culture; setting an example to the Group's people and other key stakeholders.

Role of the CFO

The Group CFO, Chris Higham, is responsible for managing the financial and risk actions of the Group and supporting the Group CEO in ensuring the development and execution of strategies to grow shareholder value. He provides strong, functional leadership to the Group's finance department, including in matters of financial reporting, tax, treasury, pensions and investor relations and supports the CEO with his responsibilities for senior manager appointments and development and fostering good working relationships with the Executive team. He supports the Group CEO in ensuring that management fulfils its obligation to provide the Board with accurate, timely, balanced and clear financial information and other relevant KPIs in a form and of a quality that will enable it to discharge its duties effectively. The Group CFO also supports the Group CEO in representing the Group to its shareholders and providing regular updates on business performance and strategic developments.

Non-Executive Directors

The Non-Executive Directors, Sally Tilleray and Brian Phillips, provide positive challenge as an essential aspect of good governance and, using their wider experience outside of the Group, give constructive feedback on policies and proposals put forward by the Executive Directors. They Chair the Board Committees to provide independent oversight of these important areas of governance.

Board meetings

Board meetings were attended both virtually and in person throughout the year.

The Board met eight times during 2024 and the meetings last for approximately half a day. In addition to this, all Directors attend the Group's Annual General Meeting. Additional meetings or conference calls are convened as required. Members of the Board also chair and sit on the Board committees and these each have their own time commitments.

The following table shows the Directors' attendance at Board and Committee meetings during the year:

	Board	Audit	Remuneration	Nomination
Tim Aspinall	8/8	N/A	2/2	1/1
James Saralis	8/8	N/A	N/A	N/A
Chris Higham	8/8	N/A	N/A	N/A
Sally Tilleray	8/8	4/4	2/2	1/1
Brian Phillips	7/8	4/4	2/2	1/1

Board effectiveness

Members of the Board maintain membership of a number of professional bodies and ensure their skill sets are constantly developed. As part of our ongoing commitment to staff development, Executive Directors and senior leaders have personal development programmes which include mentoring and attendance at high level leadership programmes. In addition, they receive individual support for specific and identified development needs to ensure they are kept up to date on relevant legal developments or changes in best practice.

The Nominations Committee is responsible for considering the make-up of the Board and identifies any succession planning requirements.

No individual or group dominates the Board's decision-making processes.

The Chair annually reviews the contributions of Board members, with a focus on ensuring effectiveness and relevance. The Board periodically reviews its effectiveness and performance as a unit to ensure that it is operating collectively in an efficient, informed, productive and open manner.

As stated in the 2023 Governance Statement, the Board undertook an evaluation of its effectiveness in 2023 which was supervised by the Company Secretary and concluded that the Board operates effectively and its structures and procedures are appropriate for the current situation of the Group. This exercise is undertaken bi-annually with the next review due to take place towards the end of 2025 with the results to be reported in the 2025 Governance Statement.

Internal control

The Group has implemented policies on internal control and corporate governance. These have been prepared in order to ensure that:

- proper business records are maintained and reported on, which might reasonably affect the conduct of the business;
- monitoring procedures for the performance of the Group are presented to the Board at regular intervals;
- budget proposals are submitted to the Board no later than one month before the start of each financial year;
- accounting policies and practices suitable for the Group's activities are followed in preparing the financial statements;
- the Group is provided with general accounting, administrative and secretarial services as may reasonably be required; and
- interim and annual accounts are prepared and submitted in time to enable the Group to meet statutory filing deadlines.

The Group continues to review its system of internal control to ensure compliance with best practice, whilst also having regard to its size and the resources available. The Board considers that the introduction of an internal audit function is not appropriate at this juncture, although the Group finance team continues to undertake a series of internal control reviews and reports the outcomes of these to the Audit and Risk Committee.

Board committees

To assist in carrying out its duties the Board has set up a number of committees, including the Audit and Risk Committee, the Remuneration Committee and the Nominations Committee. Each committee has formally delegated duties and responsibilities with written terms of reference. From time-to-time separate committees may be set up by the Board to consider specific issues when the need arises. An explanation of the responsibilities and composition of the committees is set out below and the terms of reference can be downloaded from our website.

Audit and Risk Committee

The Audit and Risk Committee consists of:

Sally Tilleray (Chair)
Brian Phillips

The Audit and Risk Committee is expected to meet formally at least three times a year and otherwise as required. It has responsibility for ensuring that the financial performance of the Group is properly reported on and reviewed, and its role includes monitoring the integrity of the financial statements of the Group (including annual and interim accounts and results announcements), reviewing internal control and risk management systems, reviewing any changes to accounting policies, reviewing and monitoring the extent of the non-audit services undertaken by external auditors and advising on the appointment of external auditors.

Remuneration Committee

The Remuneration Committee consists of:

Brian Phillips (Chair)
Tim Aspinall
Sally Tilleray

The Remuneration Committee is expected to meet not less than twice a year and at such other times as required. The Remuneration Committee has responsibility for determining, within the agreed terms of reference, the Group's policy on the remuneration packages of the Company's Chair, the Executive and Non- Executive Directors, the Company Secretary and other senior executives. The Remuneration Committee also has responsibility for:

- determining the total individual remuneration package of the Chair and each Executive Director (including bonuses, incentive payments and share options or other share awards); and
- determining the total individual remuneration package of the Company Secretary and all other senior executives (including bonuses, incentive payments and share options or other share awards), in each case within the terms of the Group's policy and in consultation with the Chair of the Board and/or the Executive Directors.

No director or manager may be involved in any discussions as to their own remuneration.

Nominations Committee

The Nominations Committee consists of:

Tim Aspinall (Chair)
Sally Tilleray
Brian Phillips

The Nominations Committee is expected to meet not less than once a year and at such other times as required. It has responsibility for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board, and giving full consideration to succession planning. It also has responsibility for recommending new appointments to the Board.

Accountability and stakeholders

The Board considers that the 2024 Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy. Details of how we do this are also explained in the Audit and Risk Committee report.

How we have complied with the QCA Corporate Governance Code

Deliver Growth

Governance principles	Reference
1. Establish a strategy and business model which promote long-term value for shareholders	See Our Business, pages 22–23 and CEO's report (pages 7–13)
2. Seek to understand and meet shareholder needs and expectations	See Chair's Introduction to Governance (page 57)
3. Take into account wider stakeholder and social responsibilities and their implications for long-term success	See Our Culture (pages 43–49) and Section 172 Statement (pages 51–52)
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation	See Principal Risks and Uncertainties (pages 36–41)

Maintain a dynamic management framework

Governance principles	Reference
5. Maintain the Board as a well-functioning, balanced team led by the Chair	See Governance Statement (pages 58–61)
6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities	See Governance Statement (pages 58–61)
7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	See Governance Statement (page 58–61)
8. Promote a corporate culture that is based on ethical values and behaviours	See Our Culture (pages 43–49)
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board	See Governance Statement (pages 58–61)

Build Trust

Governance principles	Reference
10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	See Chair's Introduction to Governance (page 57) and Section 172 Statement (pages 51–52)

Audit and Risk Committee Report

Dear Shareholder,

I am pleased to present my report of the Audit and Risk Committee for the year ended 31 December 2024.

The composition and responsibilities of the Committee are set out on page 61. The Chair, Chief Executive Officer, Chief Financial Officer, Group Financial Controller and external auditors attend the Committee by invitation, if required.

The main items of business considered by the Committee during the year included:

Re-appointment of external auditor

The Committee considers a number of areas when reviewing the external auditor appointment, namely their performance in discharging the audit, the scope of the audit and terms of engagement, their independence and objectivity, and remuneration. Forvis Mazars LLP (Forvis Mazars) were first appointed as the Group's external auditor in 2020 and conducted the audit of the Group's financial statements for the financial year to 31 December 2020. At the Annual General Meeting in June 2024 Forvis Mazars were re-appointed for 2024. The Committee monitors the provision of non-audit services by the external auditor. The breakdown of fees between audit and non-audit services is provided in note 3 to the financial statements. The non-audit fees relate to a regulatory audit of compliance with the Solicitors Accounting Rules in National Accident Law and ad-hoc reviews of interim statements and subsidiary company accounts.

Following the completion of this year's audit, the Committee has confirmed it is satisfied with the independence, objectivity and effectiveness of Forvis Mazars and has recommended to the Board that the auditors be reappointed, and there will be a resolution to this effect at the forthcoming Annual General Meeting.

External audit process

On completion of the annual audit, the Committee reviews the overall audit process and engages with both management and Forvis Mazars to determine any areas of improvement for the coming year. The Committee determined that overall, the audit process is considered to be effective for both parties.

The external auditor prepared a plan for its audit of the full year financial statements, which, this year, was presented to the Committee in December 2024. The audit plan set out the scope of the audit, areas of significant risk for the external auditor to focus their work on and audit timetable. This plan was reviewed and agreed in advance by the Audit and Risk Committee. The Key Audit Matters identified by Forvis Mazars were the carrying value of goodwill and investment valuation. The committee agreed with these being significant areas of focus given the materiality of the balances and the judgements and estimates that are necessary to perform the review.

Following its review of the 2024 financial statements, the external auditor presented its findings to the Audit and Risk Committee for discussion. No major areas of concern were highlighted by the external auditor during the year however areas of significant risk and other matters of audit relevance were discussed.

Critical accounting judgements and key sources of estimation uncertainty

The critical accounting judgements considered by the Committee during the year are set out in note 1 to the financial statements on page 89. In consideration of these judgements, the Committee reviewed the recommendations of the finance function and received reports from the external auditors on their findings.

The only area of judgement deemed to warrant disclosure under IAS 1 is the decision to consolidate the results and net assets of two Limited Liability Partnership (LLP) law firms in the financial statements. There have been no changes to this judgement since the prior year and further details are given in note 1 to the financial statements.

The Committee has also considered the key sources of estimation uncertainty set out in note 1 to the financial statements on pages 89–90, which comprises:

- Estimates in relation to the revenue recognition on provision of legal services.
- Estimates concerning recoverability of trade receivables.
- Estimates concerning the assumptions used in the annual impairment review of goodwill and parent company investment.

There have been no changes to the methodology used for estimates in relation to revenue recognition or recoverability of trade receivables and no changes in circumstances that would indicate these assumptions are no longer appropriate. Further details are given in note 1 to the financial statements.

The key judgements and estimates used in the impairment reviews are discussed below.

Going Concern

The Audit and Risk Committee has reviewed the Going Concern assessment prepared by management. The assessment includes detailed financial forecasts covering the Group's adopted strategy and considers a range of sensitivities. The period considered for the going concern review is to the end of June 2026, being approximately 12 months from the date of signing of the 2024 Annual Report and financial statements. The going concern assessment focuses on two key areas, being the ability of the Group to meet its debts as they fall due and being able to operate within its banking facility. The Group refinanced its banking facilities post year end in April 2025 and has access to an £11.0m revolving credit facility (RCF) with its bankers which is due to mature on 31 December 2026.

Given the ongoing Critical Care sales process, the Going Concern review has considered two scenarios being 1. Critical Care remains in the Group for 2025 and 2026 and 2. Critical Care is sold in 2025. Sensitivities have then been considered under scenario 1. Under both scenarios modelled and considering all sensitivities, the Group will be able to operate within the RCF limits, meet its covenants and meet its debts as they fall due.

Under scenario 1, the forecasts indicate that the Group will have sufficient liquidity within the RCF to meet its liabilities as they fall due and would not need to access additional funding. The Group's RCF is subject to quarterly covenant testing and all of the scenarios modelled suggest that the Group will continue to operate within its covenants for the foreseeable future. Under scenario 2, it is assumed that any sales proceeds would be used to repay the RCF in full and therefore there would be no covenants to adhere to after the point of sale. Under this scenario, the remainder of the Group would still generate a positive cash flow over the forecast period

Further details of the going concern review are given on page 88. Based on this review, the Committee has a reasonable expectation that the Company and Group has adequate resources to continue in existence for the foreseeable future and has concluded it is appropriate to adopt the going concern basis of accounting in the preparation of the financial statements.

Impairment reviews

Management undertook the annual impairment reviews of goodwill and investments in December 2024. The review followed the same methodology as in prior years and considered the value in use of each cash generating unit (Critical Care and Personal Injury) compared to its net asset value including goodwill.

For Critical Care, there was ample headroom under all scenarios considered to conclude that no indications of impairment were noted.

For Personal Injury, management considered a range of scenarios and under all scenarios modelled, the value in use was found to be lower than the net asset value of the cash generating unit and so an impairment was identified.

The Directors have given careful consideration to the performance of the Group's Personal Injury business and the ongoing impact of structural changes in the personal injury market over the past few years. The Government's whiplash reforms (introduced in 2021) and the COVID-19 pandemic have had a detrimental effect on the number of claims in the market, which has not recovered to pre-pandemic levels and the Directors now believe the current market levels appear to be the new base.

These challenges exacerbated throughout 2024 as further market consolidation was witnessed towards the end of the year and manifested themselves in the Personal Injury CGU as lower demand from panel firms, lower enquiry volumes overall and increased competition leading to higher marketing costs.

The assumptions used in the forecasts for these two key variables have a material impact on the overall value in use calculation.

Whilst there has been some success in addressing some of these challenges, the Directors anticipate that the supply of enquiries will recover more slowly and that no meaningful recovery in panel demand will be seen. This will require a greater proportion of enquiries being placed into NAL and further investment in the medium term due to the longer case cycle. In turn, this means that profits and cash flows are deferred into the latter years of the forecast period with NAL unlikely to be fully mature on increased enquiry levels within the forecast period under review.

As a result of the above challenges, the Directors have considered a number of scenarios and in light of the volatility experienced in recent years, have adopted a prudent approach resulting in an impairment charge of £39.9m.

The Audit and Risk Committee have reviewed the scenarios presented and concur with this approach.

Following on from these Personal Injury scenarios, an impairment has been recognised in the parent company financial statements for £52.7m in relation to the investment it holds in its subsidiary undertaking.

Further details of the impairment review are for both goodwill and the investment are given in Notes 12 and 3 on pages 105–106 and page 132.

New and forthcoming accounting standards

There were no new accounting standards during the year that had a material impact on the amounts reported and disclosures included in the financial statements.

Disclosures

The Audit Committee has reviewed the disclosures in the financial statements and notes the following significant changes for the 2024 financial statements:

The classification of Critical Care as held for sale – Management has reviewed the requirements of IFRS 5, discontinued operations and non-current assets held for sale and have determined that Critical Care meets the criteria for classification as held for sale as at 31 December 2024. The Committee agrees with this assessment.

Exceptional items – The Group's accounting policy for exceptional items is given in Note 1 to the financial statements. Management have identified £0.6m of non-recurring expenditure that meets this definition in addition to the impairment of £39.9m. These items have been presented as such on the face of the statement of comprehensive income to arrive at an adjusted Underlying Operating Profit figure. The Committee considers that the Underlying Operating Profit measure is useful to the users of the financial statements for assessing the underlying trading performance of the business in comparison to prior years. A reconciliation of this figure to the statutory operating profit figure is given in the CFO's report on page 18.

Risk Management Framework and controls

The Audit and Risk Committee provides support to the Board in its oversight of the Group's risk management framework, as set out on page 37 and monitors the effectiveness of risk management through reporting and assurance. Each year, the committee commissions a review into the risk management framework and risk appetite to ensure the appetite of the senior management team is in alignment with that of the Board. This review was conducted by the Chief Financial Officer and concluded that no changes to the risk management framework were needed and that the appetite of the senior management team and Board was consistent.

Other items considered during the year

The Group finance function conducts an annual programme of review of the financial controls operating within each of the businesses, identifying areas to be improved and reporting the outcomes to the Committee. The Committee believes that in view of the current size and nature of the Group's businesses, this approach is still sufficient to enable the Committee to derive sufficient assurance as to the adequacy and effectiveness of internal controls and risk management procedures without a formal internal audit function. The internal review program for 2024 focused on divisional reviews and reviews of the financial policies and procedures with no issues noted.

Sally Tilleray
Chair of the Audit and Risk Committee

Directors Remuneration Report 2024

Dear Shareholder,

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the financial year ended 31 December 2024.

The composition and responsibilities of the Committee are set out on page 61.

The Directors' Remuneration Policy was approved at our 2024 AGM and is available in our 2023 Directors' Remuneration Report on our website.

The Committee has reviewed the current Directors' Remuneration Policy in light of the recent changes outlined in the 2023 QCA Code. Whilst the new recommendations relating to the 2023 QCA Code are not due to be implemented by the Company until January 2025, the Committee has considered these recommendations and where appropriate, these have been incorporated into the Remuneration policy for 2024. The 2023 Directors' Remuneration Report gives more detail on these considerations and can be found on our website.

Alignment with vision and strategy

Our ongoing vision is to continue to be a leader in the personal injury and catastrophic injury markets. In Critical Care, this requires us to broaden our customer base, extend our competencies and specialisms and be more efficient at what we do. In Consumer Legal Services, we are growing our integrated law firm, National Accident Law, by leveraging our agile and scalable placement model to create a more sustainable and profitable business. The Remuneration Policy and framework support this vision and strategy directly.

Shareholder engagement

We are committed to engaging with our major shareholders on all key matters. The results of the voting on the 2023 remuneration report which included the Remuneration Policy are set out on page 70 of the report.

The annual Directors' Remuneration Report provides details of the amounts earned in respect of the year ended 31 December 2024 and how the Directors' Remuneration Policy will be operated for the year ending 31 December 2025.

Review of the 2024 financial year

2024 was a challenging year for the Group and saw revenues fall from £42.2m to £38.8m and underlying operating profit fall from £4.1m to £3.9m. The Group made progress on reducing its net debt from £9.7m at 31 December 2023 to £7.1m at 31 December 2024. Overall the year was mixed for our divisions with Critical Care seeing good growth in both revenue and operating profit whilst enquiry generation challenges meant that growth in Personal Injury was suppressed.

The above context informed and shaped the decisions of the Committee during the year.

Remuneration decisions in respect of 2024

Board changes

There were no Board changes in the year ended 31 December 2024.

Salary and Fees

The CEO and CFO were awarded a 3% increase in salary with effect from 1 March 2024 in line with the percentage increase awarded to the wider workforce. Fees for Non-Executive Directors were also increased by 3% with effect from 1 March 2024. This is the first increase since 2019.

Annual bonus outcomes

The 2024 annual bonus required the Group to achieve stretching underlying operating profit targets in order to pay out. The Company's target operating profit for 2024 did not exceed the threshold target set and no bonuses were payable to the CEO or CFO. Further details on this target are given on page 69.

Long-term incentives

The second tranche of Awards made to the CEO and CFO under the Company's Share Option Plan, granted on 23 April 2021, vested on 23 April 2024.

Awards were subject to continued employment and a business performance underpin, which the Committee determined had been satisfied. As a result, the CEO was allotted 233,587 shares in the Company with a face value of £171,686 and the CFO was allotted 46,000 shares in the Company with a face value of £33,810 on exercise on 17 May 2024.

No further share awards were granted in 2024.

Implementation of Directors' Remuneration Policy for 2025

Salary/Fees

James Saralis was awarded a 3% increase in salary with effect from 1 March 2025, in line with the average salary increase awarded to the wider workforce and Chris Higham was awarded a 6% increase to reflect his additional responsibilities in relation to overseeing the residential property division following the departure of the CLS managing director. Salaries for the CEO and CFO increased to £240,000 and £168,000 respectively.

Non-Executive Directors and the Board Chair were awarded a basic fee increase of 3% with effect from 1 March 2025, in line with the average salary increase awarded to Executive Directors. There was no increase applied to the additional fees paid to Committee Chairs.

Annual bonus plan

The CEO's annual bonus opportunity for 2025 will remain at a maximum of 100% of salary and the CFO's will remain at 50% of salary. The bonuses are subject to stretching operating profit targets for 2025. The performance targets are considered commercially sensitive and will be disclosed in next years' Directors' Remuneration Report.

Long-term incentives

It is anticipated that Executive Directors will be granted a restricted share award equal to 50% of salary at grant. The award will vest on the third anniversary of the grant date subject to continued employment and a business performance underpin.

Conclusion

We are committed to a responsible and transparent approach in respect of executive pay. The Committee believes that the advisory vote provides accountability and gives shareholders a say on this important area of corporate governance.

I trust that you will find this report helpful and informative and agree that the determinations made by the committee are appropriate and in the long-term interests of both the Company and our shareholders. I would also like to take this opportunity to thank our shareholders for their ongoing support and hope that you support the Directors' remuneration report for the year at the Company's Annual General Meeting to be held in 2025. I will be available at the meeting to answer any questions that you may have regarding the work of the Committee.

Brian Phillips
Chair of the Remuneration Committee

6 May 2025

Single figure of remuneration (audited)

The table below details the elements of remuneration receivable by each Director for the financial year ended 31 December 2024 and the total remuneration receivable by each Director for that financial year and for the financial year ended 31 December 2023.

	Salary and fees £000	Benefits[1] £000	Annual Bonus £000	Pension £000	LTIP £000	**Total Remuneration 2024 £000**	Total Remuneration 2023 £000
J D Saralis	232	18	–	2	172	424	459
C Higham	158	16	–	3	34	211	238
Non-Executive Directors							
T J M Aspinall	82	–	–	–	–	82	80
S A Tilleray	51	–	–	–	–	51	50
B Phillips	51	–	–	–	–	51	50

1. Taxable benefits received during the financial year ended 31 December 2024 are principally car allowance and private medical insurance.

Individual elements of remuneration (audited)

Base salary and fees

The base salaries for 2024 and 2025 are as set out below:

	2025 base salary £000	2024 base salary £000	% increase
J D Saralis	240	233	3%
C Higham	168	159	6%

Details of Non-Executive Directors' fees for 2024 and 2025 are as set out below:

	2025 fee £000	2024 fee £000	% increase
Chair's fee	85	82	3%
Non-Executive Director's fee	48	46	3%
Chair of the Audit and Risk Committee	5	5	0%
Chair of the Remuneration Committee	5	5	0%

Annual bonus plan (audited)

The maximum annual bonus opportunity for the CEO was capped at 100% of salary and for the CFO 50% of salary in respect of the year ended 31 December 2024. 100% of the annual bonus was assessed against underlying operating profit performance with a proportion of the total bonus opportunity being awarded at 90% of target achievement. No bonus was payable at under 90% of target achievement.

The underlying operating profit target for 100% bonus payout was set at £7.6m based on an underlying operating profit before bonus provisions.

The Company delivered an actual underlying operating profit before bonus provisions of £4.0m for the year ended 31 December 2024. The 90% threshold operating profit target was therefore not achieved, resulting in no bonus payments being made to the CEO and CFO.

The following table sets out the bonus criteria for the CEO and CFO.

Director	Performance measure	Proportion of bonus determined by measure	Performance target	Bonus earned £000
James Saralis	Operating profit	100%	Operating profit threshold of 90% of £7.6m was not achieved	–
Chris Higham	Operating profit	100%	Operating profit threshold of 90% of £7.6m was not achieved	–

Long-term incentives (audited)

Awards vested during the year

The second tranche of Awards made to the CEO and CFO under the Company's Share Option Plan on 23 April 2021 vested on 23 April 2024.

Awards were subject to continued employment and a business performance underpin, which the Committee determined had been satisfied. As a result, the CEO was allotted 233,587 shares in the Company with a face value of £171,686 and the CFO was allotted 46,000 shares in the Company with a face value of £33,810.

Awards granted during the year

No share awards were granted to James Saralis or Chris Higham during the year.

Statement of Directors' shareholding and share interests

The interests of the Directors and their immediate families in the Company's Ordinary Shares as at 31 December 2024 and as at 31 December 2023 were as follows:

	31 December 2024	31 December 2023
Executive Directors		
J D Saralis	0.54%	0.29%
C Higham	0.52%	0.43%
Non-Executive Directors		
T J M Aspinall	0.02%	0.02%
B Phillips	0.00%	0.00%
S A Tilleray	0.00%	0.00%

The interests of the CEO and CFO as at 31 December 2024 in the Company's share schemes were as follows:

Director	Plan	Total as at 31 December 2023	Exercised during the year	Lapsed during the year	Unvested and subject to performance measures	Unvested and not subject to performance measures[1]	Total as at 31 December 2024
J D Saralis	Restricted share award	845,879	233,587	–	571,070	41,222	612,292
C Higham	EMI[2]	124,999	–	124,999	–	–	–
	Restricted share award	382,222	46,000	–	295,000	41,222	336,222

[1] Includes shares held in the Company's SAYE plan.

[2] C Higham's EMI awards relate to share options granted in 2014. These vested in 2017 and were exercisable until 31 December 2024 at an exercise price of £2.00.

Consideration by the Directors of matters relating to Directors' remuneration

During the year ended 31 December 2024, the Committee was composed of the Company's independent Non-Executive Directors, Brian Phillips, Tim Aspinall and Sally Tilleray.

Executive Directors only attend meetings by invitation.

The Committee's key responsibilities are:

- reviewing the ongoing appropriateness and relevance of remuneration policy and its application to the business;
- reviewing and approving the remuneration packages of the Executive Directors;
- the grant of restricted share awards for Executive Directors and senior management and the outturn of prior long-term incentive awards;
- monitoring the level and structure of remuneration of the senior management; and
- production of the Annual Report on the Directors' Remuneration.

Advisors

During the year ended 31 December 2024, the Committee did not receive any advice from external advisors.

Director Remuneration Report voting at the 2024 AGM

The table below sets out the voting outcome at the Group's AGM held on 27 June 2024 in respect of the resolution to approve the 2023 Directors' Remuneration Report.

	Votes for	% for	Votes against	% against	Totals votes cast	Votes witheld (abstentions)
Approval of Directors' Remuneration Report	26,202,967	99.9	29,929	0.1	26,232,896	0

Directors' Report

The Directors of NAHL Group plc present their Annual Report and audited consolidated financial statements for the year ended 31 December 2024.

Results and dividend

The Group's loss after tax for the year was £39.3m (2023: profit of £0.4m). The Directors do not propose a final dividend (2023: 0.0p per share).

A review of the business, including future developments, is included in the Strategic Report on pages 5–52.

Post balance sheet events

There are no significant events affecting the Company and the Group since the statement of financial position date.

Substantial shareholdings

The Group was notified of the following interests amounting to 10% or more of its issued share capital at the financial year end:

Harwood Capital 19.32%

Lombard Odier Asset Management 18.80%

Schroder Investment Management 16.23%

Directors' third-party indemnity provisions

The Company maintained during the year and to the date of approval of the financial statements, indemnity insurance for its Directors and Officers against liability in respect of proceedings brought by third parties, subject to the terms and conditions of the Companies Act 2006.

Capital structure

Details of the capital structure can be found in note 20 of the consolidated financial statements. The Group has employee share option plans in place, full details of which can be found in note 21 to the financial statements.

Financial instruments

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables, interest-bearing loans and trade and other payables. Further details on financial instruments are given in note 23 to the financial statements.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

T J M Aspinall (Chair)

J D Saralis (Chief Executive Officer)

C Higham (Chief Financial Officer)

S P Tilleray (Independent Non-Executive)

B Phillips (Independent Non-Executive)

Biographies of the present Directors of the Company are listed on pages 54–55.

Details of the remuneration of the Directors is disclosed in the Remuneration Report on pages 67–68.

Political donations

No political donations were made during the year or the previous year.

Statement on engagement with employees

For information on how the Group has engaged with employees during the year, see Our Culture on page 44.

Statement of relationships with suppliers, customers and others

For information on how the Group has maintained relationships with suppliers, customers and others, see Section 172 statement on page 52.

Group's policy concerning employment of disabled persons

NAHL Group plc is committed to providing equal opportunities for all and taking action on unlawful discrimination. We seek to recruit, train and promote based on experience, skills and performance and provide our employees with the necessary tools and equipment to allow them to perform their duties to the best of their abilities.

Auditor

Forvis Mazars LLP was appointed as Auditor during the year and have expressed their willingness to continue in office as Auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the year have been included in the Strategic Report on pages 5–52 along with information regarding employee matters. Information regarding the Group's financial risk management objectives and policies is included in note 23 to the financial statements on pages 116–120.

Going concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company and Group can continue in operational existence for the foreseeable future.

The Board have considered detailed financial forecasts of future trading, profits and cash flows covering the Group's adopted strategy and have considered separate scenarios as necessary. The going concern assessment focuses on two key areas, being the ability of the Group to meet its debts as they fall due and being able to operate within its banking facility.

The Group refinanced its banking facilities in April 2025 and has access to an £11.0m revolving credit facility (RCF) with its bankers which is due to mature on 31 December 2026. In all of the scenarios the Group has modelled, it would have sufficient liquidity within its current RCF to meet its liabilities as they fall due and would not need to access additional funding.

The Group's RCF is subject to quarterly covenant testing and all of the scenarios modelled suggest that the Group will continue to operate within its covenants for the foreseeable future.

Further details of the going concern review are given on page 88. Based on this review, the Board has a reasonable expectation that the Company and Group has adequate resources to continue in existence for the foreseeable future and has concluded it is appropriate to adopt the going concern basis of accounting in the preparation of the financial statements.

Energy and Carbon Reporting

The Group reports under the Streamline Energy and Carbon Reporting (SECR) legislation.

Methodology

The report follows the SECR guidance and the GHG Reporting Protocol – Corporate Standard as the accepted methodology to meet the mandatory requirements. No additional optional elements have been included. The UK Government's greenhouse gas conversion factors have been used to calculate the carbon emissions. The below table demonstrates the GHG Emissions and Energy Usage Data for the financial year ended 31 December 2024. Scope 2 usage from purchased electricity has been calculated using data from supplier energy bills and Scope 3 business travel has been estimated from employee fuel costs incurred during the year.

Energy consumption used to calculate emissions (electricity/mWh) 0 (2023: 28.6)

Energy consumption used to calculate emissions (gas/mWh) 0 (2023: 0)

Energy consumption used to calculate emissions (business travel/mWh) 106.0 (2023: 89.6)

Emissions from purchased gas tCO2e (scope 1) 0 (2023: 0)

Emissions from purchased electricity tCO2e (scope 2) 0 (2023: 6.44)
Emissions from business travel tC02e (scope 3) 33.7 (2023: 31.21)

Intensity measurement (tonnes CO2e per employee) 0.12 (2023: 0.13)

All energy use is in the UK. The Group used renewable energy suppliers across both its Daventry and Kettering offices during the year and hence Scope 2 electricity emissions were 0.

Intensity measurement

The Group has chosen tonnes of gross CO2e per employee as the reported SECR intensity metric. This is considered to be the most appropriate basis for an office-based operation that relies heavily on its workforce to provide services to its customers. This is a relevant and common business metric and will serve as a consistent comparative for reporting purposes going forwards.

Energy efficiency actions taken

The Group operates from three locations around the UK and its workforce is largely office and home-based.

As an office-based operation, the Group considers its largest carbon footprint to come from the use of energy used in an office environment e.g. light, heat and computer usage and therefore it has continued to focus its efficiency actions around this area.

The Group continued to use a green energy supplier for both its Kettering at Daventry head offices during the year.

Business mileage is incurred mostly in the Critical Care division and has increased year on year as a result of more employed case managers. The business aims to strike a balance between home-working and on-site visits but given the nature of the services provided, face to face contact and in-person meetings are a critical and necessary aspect of the role. This is an area the Group continued to monitor.

Further details on how the Group has sought to limit its impact on the environment are given in Our Sustainable Culture on page 49.

Group response to Modern Slavery Act 2015

Organisational structure and recruitment processes

The Group's organisational structures include the Board, Senior Management teams across two divisions, a contact centre at one of the three locations and standard support functions across all sites. Recruitment processes include the monitoring of passport documentation, with all new recruits expected to show their passport as a proof of identity. The Group also reviews shared addresses. In addition, the Group monitors the ongoing wellbeing of its employees through line management relationships and operates an Employee Assistance Programme.

Where recruitment agencies are used to employ staff, the Group ensures these agencies also have an approved statement in support of the Modern Slavery Act 2015.

As these structures and recruitment processes apply to UK-based operations, the Group considers these to be very low risk.

Services

The services NAHL Group plc provides to its customers and consumers are UK office-based, with UK field based service providers in regular contact with their operational management teams. The Group's supply chain in relation to services consists on the whole of marketing and legal services in Personal Injury and specialist associates in Critical Care and Residential Property. The Group considers these to be very low risk in relation to slavery and human trafficking so takes no specific action in relation to these relationships.

Goods

In terms of goods supplied to the Group, the majority of goods will be goods for use in an office environment such as stationery and office equipment. The Group considers these to be very low risk in relation to slavery and human trafficking so takes no specific action in relation to these relationships.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation. Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group financial statements in accordance with UK-adopted International Accounting Standards (IFRS) in conformity with the requirements of the Companies Act 2006 and Company financial statements in accordance with UK-adopted International Accounting Standards (IFRS) in conformity with the requirements of the Companies Act 2006. Under Company Law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards have been followed for the Group financial statements and whether applicable international accounting standards have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors of the ultimate parent Company are responsible for the maintenance and integrity of the ultimate parent Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group and Parent Company auditors are aware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group and Parent Company auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

On behalf of the Board

James Saralis
Chief Executive Officer 6 May 2025

FINANCIAL STATEMENTS

Independent auditor's report to the members of NAHL Group Plc

Opinion

We have audited the financial statements of NAHL Group Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Cash Flow Statements and notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2024 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, as applied to SME listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our audit procedures to evaluate the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Obtaining management's formal going concern assessment along with the supporting budgets and forecasts for the period including the forecast which assess the impact of the disposal of the Bush & Company component;
- Challenging management on assumptions made in the going concern assessment;
- Testing the accuracy and validity of the model used to prepare the forecasts;
- Assessing the historical accuracy of forecasts;
- Applying sensitivity analysis to the forecasts to assess the potential impact of changes to assumptions to available working capital;
- Obtaining and evaluating the signed agreement to extend the revolving credit facility to 31 December 2026;
- Reviewing headroom on net debt identifying points of particular pressure on the business and assessing mitigating actions that management might take;
- Reviewing forecasts in conjunction with funding covenants in place to identify any potential breaches;
- Reviewing the financing arrangements and covenants to ensure these have been adhered to during the year and are forecast to be met in the future;
- Reviewing the appropriateness of disclosures around going concern in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
Carrying Value of Goodwill (Group) The group's accounting policies in respect of goodwill and impairment are set out in the accounting policy notes on pages 94 and 96 respectively (of the Annual Report). The carrying value of goodwill is £nil (2023: £55.5m) after an impairment charge of £39.9m. The goodwill amount in the Critical Care CGU of £15.6m is no longer held in goodwill as this has been classified as held for sale and therefore in line with IFRS 5, this has been moved to current assets. In assessing the recoverability of goodwill, management prepare value in use calculations which involve forward looking assumptions. Due to the subjectivity involved in estimating future performance and the significance of the carrying value of goodwill, we identified this as a significant risk and key audit matter.	**Our audit procedures included, but were not limited to:** • Assessing the design and implementation of relevant controls; • Obtaining and reviewing management's goodwill impairment assessment; • Challenge managements allocation of CGUs; • Assessing the reasonableness of key assumptions in the value in use calculation, applying our own sensitivity analysis to assess the impact of potential changes in assumptions; • Critically assessing management forecasts and looking for disconfirming evidence in post year end data and market information. • Reviewing management's sensitivity analysis to further assess the potential for impairment; • Engaging our internal valuation expert to assess the reasonableness of the WACC rate and the model methodology used; • Engaging our internal impairment team to review the audit procedures; • Ensuring consistency between value in use calculations used for impairment assessment and forecasts used for assessment of going concern; and • Reviewing the reasonableness of the disclosures made in the financial statements in relation to the carrying value of goodwill. **Our observations** Based on the work performed, we agree with management that the goodwill in relation to the Personal Injury CGU should be fully impaired.

Valuation of investments and intercompany receivables (parent company)	Our audit procedures included, but were not limited to:
The group's accounting policies in respect of impairment of investments and intercompany receivables is set out in the accounting policy notes on page 129 (of the Annual Report). The carrying value of NAHL Group Plc's investments in subsidiaries is £Nil (2023: £52.7m) and intercompany receivables is £30.6m (2023: £31.5m) and these are the most significant items in the parent company statement of financial position and involves forward looking information in assessing the value in use. Given this, we identified it as a significant risk and key audit matter.	• Assessing the design and implementation of relevant controls; • Obtaining and reviewing management's impairment review and future forecasts; • Assessing and challenging the underlying assumptions to ensure these are reasonable; • Engaging with our internal valuation experts to assess the reasonableness of the WACC rate used; • Engaging our internal impairment team to review the audit procedures; • Performing our own sensitivity analysis to assess the impact of potential changes in the terminal value. • Reviewing the forecasts to ensure they're consistent with those used in the going concern assessment and looking for disconfirming evidence in post year end data and market information. • Reviewing the carrying value with specific reference to the year-end market capitalisation of the Group; • Testing individual investments and intercompany balances for indicators of impairment; and • Reviewing the disclosures made in the financial statements to ensure they cover the requirements of IAS 36. **Our observations** Based on the work performed, we agree with management that the investment value should be fully impaired.

Our application of materiality and an overview of the scope of our audit

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Group and Parent materiality

Overall materiality	Group financial statements	£354k
	Parent financial statements	£305k
How we determined it	Group materiality has been calculated by reference to adjusted profit before tax, of which it represents 7%. Parent company materiality has been calculated by reference to total assets, of which it represents 1%.	
Rationale for benchmark applied	Profit before tax (adjusted for net financing costs, share based payments, amortisation and other exceptional items) has been identified as the principal benchmark within the group financial statements due this being the primary focus of shareholders. Total assets has been identified as the principal benchmark within the parent company financial statements as it is considered to be the focus of shareholders due to being a holding company with no trade.	
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. This is set based on risk assessment and our past experience on the audit in relation to factors such as the size, number and nature of misstatements identified. We set performance materiality applied in our audit as:	
	Group financial statements	£266k
	Parent financial statement	£229k
	The above represents 75% of overall materiality.	
Reporting threshold	We agreed with the directors that we would report to them misstatements identified during our audit above 3% of Financial Statement materiality (£11k for the group financial statements and £9k for the parent company financial statements), as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.	

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements, such as assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of our risk assessment, our understanding of the group and the parent company, their environment, controls, and critical business processes, to consider qualitative factors to ensure that we obtained sufficient coverage across all financial statement line items.

Our group audit scope included an audit of the group and the parent company financial statements. Based on our risk assessment, the parent company and seven components of the group were subject to full scope audit, with the full-scope audits of two components being performed by component auditors. The four unaudited entities were individually and in aggregate immaterial to financial statement areas. We performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

	Number of components	Total group revenue	Total profits and losses that make up group profit before tax	Total group assets
Full scope audits	8	100%	100%	100%
Out of scope	4	0%	0%	0%
Total	12	100%	100%	100%

For two components a full scope audit was performed by component auditors. These components accounted for the following percentages of the group's results for the year ended 31 December 2024:

	Number of components	Total group revenue	Total profits and losses that make up group profit before tax	Total group assets
Performed by component auditor	2	12%	1%	14%

For entities where component auditors performed a full-scope audit, the group engagement team issued group instructions to the component auditor to direct their work. Group reporting appendices were returned by the component auditors and we reviewed their working papers to assess whether sufficient and appropriate audit procedures had been performed. Meetings were held with the component auditor at the planning and completion stage, to ensure the work was sufficiently directed by the group engagement team and the group engagement team attended the clearance meeting between the component auditor and component management. The audit work for all other components was completed by the group engagement team.

At the parent company level, the group audit team also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 73, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the group and the parent company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: Anti-Bribery, Living Wage, AIM listing rules, QCA Corporate Governance Code, Employment laws, Regulation by the Claims Management Regulation Unit or Solicitors Regulation Authority, Enterprise Act 2002, Competition Act 1998, Modern Slavery Act, GDPR, Gender-pay gap and Environmental regulations.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the group and the parent company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the Companies Act 2006 and UK tax legislation.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, significant one-off or unusual transactions, and revenue recognition in relation to cut-off and occurrence.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

The risks of material misstatement that had the greatest effect on our audit are discussed in the "Key audit matters" section of this report.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body for our audit work, for this report, or for the opinions we have formed.

Stephen Brown (Senior Statutory Auditor)
for and on behalf of Forvis Mazars LLP

Chartered Accountants and Statutory Auditor

The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date: 6 May 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £000	2023 £000
Revenue	1,2	**38,805**	42,193
Cost of sales		**(20,432)**	(23,480)
Gross profit		**18,373**	18,713
Administrative expenses before exceptionals	3	**(14,431)**	(14,595)
Underlying operating profit		**3,942**	4,118
Exceptional items			
Impairment of goodwill	4,12	**(39,897)**	–
Transaction costs	4	**(397)**	–
Restructuring costs	4	**(185)**	–
Operating (loss)/profit	2	**(36,537)**	4,118
Profit attributable to members' non-controlling interests in LLPs		**(1,850)**	(2,506)
Financial income	7	**250**	158
Financial expense	8	**(958)**	(1,121)
(Loss)/Profit before tax		**(39,095)**	649
Taxation	9	**(195)**	(265)
(Loss)/Profit and total comprehensive income for the year		**(39,290)**	384
Loss from continuing operations for the period		**(43,791)**	(3,537)
Profit from discontinued operations for the period	28	**4,501**	3,921

	Note	2024 p	2023 p
Earnings per share (p) – Continuing operations			
Basic earnings per share	22	**(92.6)**	(7.6)
Diluted earnings per share	22	**(92.6)**	(7.6)

	Note	2024 p	2023 p
Earnings per share (p) – Discontinued operations			
Basic earnings per share	22	**9.5**	8.4
Diluted earnings per share	22	**9.5**	8.4

All profits and losses and total comprehensive income are attributable to the owners of the Company.

The notes on pages 88–124 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

	Note	2024 £000	2023 £000
Non-current assets			
Goodwill	12	**–**	55,489
Other intangible assets	14	**177**	1,784
Property, plant and equipment	15	**236**	328
Right of use assets	16	**1,488**	1,751
Deferred tax asset	10	**20**	25
		1,921	59,377
Current assets			
Assets classified as held for sale	28	**22,377**	–
Trade and other receivables (including £2,443,000 (2023: £5,312,000) due in more than one year)	17	**21,750**	30,526
Cash and cash equivalents		**1,855**	2,011
		45,982	32,537
Total assets		**47,903**	91,914
Current liabilities			
Liabilities directly associated with the assets held for sale	28	**(1,813)**	–
Trade and other payables	19	**(12,975)**	(16,246)
Lease liabilities	16	**(252)**	(244)
Member capital and current accounts	13	**(3,492)**	(3,692)
Current tax liability		**–**	(210)
		(18,532)	(20,392)
Non-current liabilities			
Lease liabilities	16	**(1,225)**	(1,478)
Interest-bearing loans and borrowings	18	**(8,966)**	(11,719)
Deferred tax liability	11	**(52)**	(263)
		(10,243)	(13,460)
Total liabilities		**(28,775)**	(33,852)
Net assets		**19,128**	58,062
Equity			
Share capital	20	**119**	117
Share option reserve		**5,339**	4,985
Share premium		**14,595**	14,595
Merger reserve		**(66,928)**	(66,928)
Retained earnings		**66,003**	105,293
Capital and reserves attributable to the owners of NAHL Group plc		**19,128**	58,062

The notes on pages 88–124 form part of these financial statements.

These financial statements on pages 84–124 were approved by the Board of Directors on 6 May 2025 and were signed on its behalf by:

J D Saralis
Director
Company registered number: 08996352

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Share Capital £000	Share option reserve £000	Share premium £000	Merger reserve £000	Retained earnings £000	Capital and reserves attributable to the owners of NAHL Group plc £000
Balance at 1 January 2023		116	4,628	14,595	(66,928)	104,909	57,320
Total comprehensive income for the year							
Profit for the year		–	–	–	–	384	384
Total comprehensive income		–	–	–	–	384	384
Transactions with owners, recorded directly in equity							
Share-based payments	21	–	357	–	–	–	357
Issue of share capital	20	1	–	–	–	–	1
Total transactions with owners, recorded directly in equity		1	357	–	–	–	358
Balance at 31 December 2023		117	4,985	14,595	(66,928)	105,293	58,062
Total comprehensive income for the year							
Loss for the year		–	–	–	–	(39,290)	(39,290)
Total comprehensive income		–	–	–	–	(39,290)	(39,290)
Transactions with owners, recorded directly in equity							
Share-based payments	21	–	354	–	–	–	354
Issue of share capital	20	2	–	–	–	–	2
Total transactions with owners, recorded directly in equity		2	354	–	–	–	356
Balance at 31 December 2024		**119**	**5,339**	**14,595**	**(66,928)**	**66,003**	**19,128**

The notes on pages 88–124 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	**2024 £000**	2023 £000
Cash flows from operating activities			
(Loss)/Profit for the year		**(39,290)**	384
Adjustments for:			
Profit attributable to members' non-controlling interests in LLPs		**1,850**	2,506
Property, plant and equipment depreciation	15	**115**	126
Right of use asset depreciation	16	**264**	276
Amortisation of intangible assets	14	**1,110**	1,177
Impairment of goodwill	12	**39,897**	–
Financial income	7	**(250)**	(158)
Financial expense	8	**958**	1,121
Share-based payments		**354**	357
Taxation		**195**	265
		5,203	6,054
Decrease in trade and other receivables		**2,871**	2,297
(Decrease)/Increase in trade and other payables		**(1,460)**	569
Cash generated from operations		**6,614**	8,920
Interest paid		**(896)**	(1,090)
Interest received		**181**	84
Tax paid		**(817)**	(402)
Net cash generated from operating activities		**5,082**	7,512
Cash flows from investing activities			
Acquisition of property, plant and equipment	15	**(78)**	(62)
Acquisition of intangible assets	14	**(111)**	(247)
Disposal of subsidiary	28	**59**	(30)
Net cash used in investing activities		**(130)**	(339)
Cash flows from financing activities			
Repayment of borrowings		**(2,750)**	(4,250)
Loan arrangement fees		**(65)**	–
Issue of share capital	20	**2**	1
Lease payments		**(245)**	(266)
Drawings paid to LLP members	13	**(2,050)**	(3,301)
Net cash used in financing activities		**(5,108)**	(7,816)
Net decrease in cash and cash equivalents		**(156)**	(643)
Cash and cash equivalents at 1 January		**2,011**	2,654
Cash and cash equivalents at 31 December		**1,855**	2,011

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Basis of preparation

Consolidated Financial Statements

NAHL Group plc (the "Company") is a public company limited by shares registered, incorporated and domiciled in England and Wales. The registered number is 08996352 and the registered address is Bevan House, Kettering Parkway, Kettering, Northants, England, NN15 6XR. The financial statements are presented in Sterling (£) rounded to the nearest £'000.

The Consolidated Financial Statements for the year ended 31 December 2024 have been prepared in accordance with UK-adopted International Accounting Standards (IFRS) in conformity with the requirements of the Companies Act 2006.

The consolidated financial information has been prepared on a going concern basis and under the historical cost convention, except for held for sale assets.

The following accounting policies have been applied consistently year on year except where new policies have been adopted as stated below.

Going concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company and Group can continue in operational existence for the foreseeable future.

The assessment includes detailed financial forecasts covering the Group's adopted strategy and considers a range of sensitivities. The period considered for the going concern review is to the end of June 2026, being approximately 12 months from the date of signing of the 2024 Annual Report and financial statements. The going concern assessment focuses on two key areas, being the ability of the Group to meet its debts as they fall due and being able to operate within its banking facility. The Group refinanced its banking facilities post year end in April 2025 and has access to an £11.0m revolving credit facility (RCF) with its bankers which is due to mature on 31 December 2026 At the year end, the Group had drawn £9.0m under this facility.

Given the ongoing Critical Care sales process, the Going Concern review has considered two scenarios being 1. Critical Care remains in the Group for 2025 and 2026 and 2. Critical Care is sold in 2025. Sensitivities have then been considered as discussed below.

Under scenario 1, the forecasts indicate that the Group will have sufficient liquidity within the RCF to meet its liabilities as they fall due and would not need to access additional funding throughout the period of review. It would also be able to adhere to its financial covenants in every quarter.

Under scenario 2, it is assumed that any proceeds from the sale of Critical Care would be used to repay the RCF in full and therefore there would be no covenants to adhere to after the point of sale. Under this scenario, the remainder of the Group would generate a small cash inflow over the reminder of the forecast period, indicating that it can meet its debts as they fall due. Any sensitivities run on this scenario would lead to a negative cash flow. Whilst management have not yet determined the financing structure of the Group post any sale that may occur, the Group would have options open to it e.g. retaining some sales proceeds as a working capital safety net or taking out an overdraft facility. These options would allow it to access additional cash and meet its debts as they fall due.

The principal risks and uncertainties impacting the Going Concern assessment are the accuracy of business model assumptions and working capital management. These have been considered as part of the sensitivity review by considering the key assumptions behind the business models. Information on how these risks are managed day-to-day are given on pages 38 and 40.

The key inputs into the going concern review are the growth in both profits and cash flows in Personal Injury (scenarios 1 and 2) and cash generation in Critical Care (scenario 1). The key assumption behind the Personal Injury profit and cash growth is the stabilisation and subsequent reduction in cost per enquiry which is assumed to reduce back to normalised levels in 2025. The key assumption for Critical Care is that it can continue to generate operating cash flows in excess of 90% of profits.

Sensitivities have been considered on these inputs by modelling scenarios in which cost per enquiry is maintained at higher levels rather than reducing over the forecast period and Critical Care cash is 10% lower than the base forecasts. Under these scenarios, over the two year period, profits would be c. £2.2m lower than the base scenario and cashflows would be c. £1.9m lower but the Group would still be able to adhere to its financial covenants and meet its debts as they fall due.

Management have not considered any climate-related factors in the assessment of Going Concern as these do not present a material business risk to the Group.

Considering the above, the Directors have a reasonable expectation that the Company and Group have adequate resources to continue in existence for the foreseeable future and have concluded it is appropriate to adopt the going concern basis of accounting in the preparation of the financial statements.

Basis of consolidation

The financial statements represent a consolidation of the Company and its subsidiary undertakings as at the Statement of Financial Position date and for the year then ended. In accordance with IFRS 10 the definition of control is such that an investor has control over an investee when: a) it has power over the investee, b) it is exposed, or has the rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. All subsidiary undertakings for which the Group meets these three criteria for control have been consolidated in the Group's results.

The consolidated financial information incorporates the results of business combinations using the purchase method. In the Group statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Group statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases. Acquisition costs are expensed as incurred.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with UK-adopted international accounting standards (IFRS) requires management to make judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates are based on past experience and other reasonable assessment criteria. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

In accordance with IAS 1 the Group is required to disclose critical accounting judgements and key sources of estimation uncertainty.

Critical accounting judgements

Within its Consumer Legal Services division, the Group has interests in two Limited Liability Partnerships (LLPs) in conjunction with third party law firms. The LLPs are called Your Law LLP and Law Together LLP.

The Group has exercised judgement by considering the criteria for consolidation in IFRS 10 and has determined that each LLP meets the definition of a subsidiary and is therefore required to be included within the Group's results.

Key to this determination is that each LLP is run by a management board, which is responsible for the day-to-day operations, decision-making and strategic development of the LLPs. Through its 100% subsidiary, Project Jupiter Limited, the Group has determined that it exercises control over these LLPs as it is entitled to appoint the majority of members to each of the management Boards, with the remainder being appointed by the respective third-party law firm.

In accordance with IFRS 10 Consolidated Financial Statements and given that the Group has overall control, the results and net assets of the LLPs have been consolidated within these financial statements with a corresponding liability recognised for the other member firms' share of profit.

Key sources of estimation uncertainty

Revenue recognition – provision of legal services

There is a significant element of estimation in determining the transaction price for revenue in relation to the provision of legal services for personal injury claims. Due to the nature of personal injury claims, the revenue the Group earns from a case is variable and dependent upon a) the stage at which a claim settles as this will determine the fixed fee and b) the final damages awarded to the client, of which the Group recognises a percentage as revenue. The Group must therefore estimate the revenue it expects to earn from a case once the first milestone is achieved (admission of liability). This estimation is based on an expected value method and assumes that cases can be grouped into categories of a similar nature (e.g. RTA vs. Non-RTA) that have similar characteristics. This assumption is considered appropriate as ultimately all cases follow one of a number of routes in the claims process.

Management uses historical experience of the likelihood of claims settling at each stage and the average fee earned when a claim settles at each stage to estimate the transaction price. This estimate is revised as a claim moves through the process. No revenue is recognised until the first milestone is reached, being admission of liability, as it is at this point that it becomes highly probable that a case will succeed and therefore there is less risk of significant revenue write-offs in the future. Profits and losses arising from the differences in the estimated fee and the final fee are recognised on settlement of a case.

These balances have been identified as a key source of estimation uncertainty due to the materiality of the overall balance. At the year-end, the Group has contract asset balances of £5,398,000 (2023: £6,052,000) calculated using this estimation technique. This balance is however made up of a large number of smaller balances representing the estimated revenue due for each claim in progress where liability has been admitted. Due to the variety of claim types and stages within this population, any variances in final settlement values vs. the estimated settlement values tend to offset naturally within the population as a whole and so any reasonable movement in the estimated total damages input is not expected to have a material impact on revenue recognised in the year.

Recoverability of trade receivables

Trade receivables are reflected net of an estimated provision for impairment losses. In line with IFRS 9, the Group uses an expected credit loss model to determine the provision for doubtful debts and also specific provisions for balances for which it has specific concerns over recoverability. The expected credit loss model involves segmenting debtors into groups and applying specific percentages to each of these debtor groupings. The Group has considered the profile of its debtor balance and has determined that a grouping based on credit terms and aging is considered to be appropriate given the significant level of debt on extended credit terms.

These groupings are based on those debtors due on standard terms and deferred terms with higher percentages being applied the longer the term with the view that there is a greater risk of unforeseen circumstances arising the further away the settlement date. Standard debtors are also then reviewed for those past due and percentages applied to those that are current, between 30–60 days, 60–90 days and 90+ days overdue. See note 23 for further information. At the year end, the Group had provisions for receivables of £479,000 (2023: £502,000) calculated using this method.

The percentages applied to each grouping of debtors ranged from 0.3% to 100% (2023: 0.3% to 100%) with the final provision equating to 3.5% of the total gross trade receivables and accrued income balances. The assessment of these %s are based on a number of assumptions with the key ones being:

- For specific balances where management are aware that recoverability is unlikely (e.g. the customer is in administration), a provision of 100% is applied
- For groupings where there is a record of historical write offs available, the %s are based on the historic loss rates and adjusted for any known/ current factors
- For groupings where there is no history of historical losses, the likelihood of loss is assessed by considering a number of factors e.g. the state of the current market, individual customer circumstances and time to settlement. Whether these factors indicate a high/low likelihood of future loss will determine whether a higher/lower % loss rate is applied.

If the %s applied to each banding were to double (other than where debts are already greater than 50% provided for), this would result in an additional provision of £0.2m.

Assessment of Goodwill Impairment for Personal Injury Cash Generating Unit

The Group uses value in use to determine the recoverable amount of each cash generating unit (CGU). The assessment of value in use is subject to a number of estimates with the three key ones being the weighted average cost of capital (WACC), the enquiry generation assumption and the cost per enquiry used in the underlying cashflow forecasts. Small changes in these estimates can lead to considerable changes to value in use.

WACC

The WACC rate is determined using a number of variables including the risk-free rate, market risk premium, Group beta and cost of debt. Management use a number of external sources to determine the appropriate inputs to use and have also benchmarked these inputs against industry peers.

Enquiry generation and cost per enquiry

The Personal Injury cash flow forecast is particularly sensitive to assumptions regarding the number of enquiries generated and the cost at which these enquiries can be generated. These assumptions are also heavily reliant on external factors such as market trends and competitor activity.

The Board has considered a range of scenarios which include the 2025 budget and extended forecasts (the base scenario) and separate scenarios considering a more gradual increase in enquiry numbers, higher cost per enquiry, increase to the WACC and lower terminal cash flows.

Under all of the scenarios modelled, the value in use was found to be lower than the net asset value of the cash generating unit and so an impairment was identified. Further information on this impairment is given in Note 12, Goodwill and further information on how the forecasts are prepared and monitored are given in Principal Risks and Uncertainties on Page 38.

New standards and amendments adopted by the Group

The following new or amended standards are applicable to the Group for the current reporting period:

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

Amendments to IAS 1 – Non-current Liabilities with Covenants

Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback

Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

None of the amendments above have had a material effect on the amounts reported or disclosures included in the 2024 financial statements.

New standards, interpretations and amendments not yet effective

New standards, interpretations and amendments that are issued but not yet effective are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Statutory and non-statutory measures

The financial statements contain all the statutory measures and disclosures required under IFRS, which is the financial reporting framework adopted by the Group. In addition to these measures, management monitors a number of non-statutory, alternative performance measures (APMs) as part of its internal performance monitoring and when assessing the future impact of operating decisions.

The APMs allow a year-on-year comparison of the underlying performance of the business by removing the impact of items occurring either outside the normal course of operations or as a result of intermittent activities, such as acquisitions or strategic projects. The Directors have presented these APMs in the Strategic Report because they believe they provide additional useful information for shareholders on underlying business trends and performance. As these APMs are not defined by IFRS, they may not be directly comparable to other companies' APMs. They are not intended to be a substitute for, or superior to, IFRS measurements and the Directors recommend that the IFRS measures should also be used when users of this document assess the performance of the Group.

The APMs used in the Strategic Report are defined in the CFO's report on pages 18–20. The key adjusting items in arriving at the APMs are as follows:

Exceptional items are non-recurring items that are material by nature and separately identified to allow for greater comparability of underlying Group operating results year-on-year. Details of the exceptional items incurred in the current year are given in Note 4. Exceptional costs are separately identified to allow for greater comparability of underlying Group operating results year-on-year.

Profit attributable to members' non-controlling interests in LLPs

Profit attributable to member's non-controlling interests in LLPs represents the operating profit for the year which is attributable to minority members in our LLP subsidiaries under the terms of the partnership agreements. It is presented as a separate expense outside of the operating profit of the Group for the year.

Revenue

Marketing services

Consumer Legal Services – Solicitor income (personal injury)

Marketing services resulting in the provision of enquiries to panel law firms. Management have determined that there is a single performance obligation being the provision of marketing services. These services include generating enquiries through web-based channels, triaging of enquiries and provision of call centre support staff on a daily basis. As the Group undertakes this service on behalf of its customers, the service is considered to be simultaneously delivered and consumed by the customer and so it is considered to be satisfied over time. The transaction price is set for each customer based on a cost plus margin model, and is allocated to the performance obligation using the input method based on the costs incurred of providing the service. Invoices are raised monthly for the services provided in that month and the revenue for that month is recognised at this point. Payment is due in full based on contractual payment terms which is usually within 30 days of invoice. For a minority of customers, extended payment terms of 12 and 24 months have been agreed.

Consumer Legal Services – Conveyancing and surveyor instructions (residential property)

Homeward Legal utilises online marketing to target homebuyers and sellers in England and Wales to generate leads and instructions which it then passes to Panel Law Firms and surveyors in the conveyancing sector for a fixed cost.

Management considers there to be one performance obligation being the delivery of the instruction to the Panel Law Firms and surveyors. Revenue is recognised at a point in time being the transfer of instruction to the panel law firm or surveyor as it is at this point at which the Group has no further obligations in respect of the instruction and so control of the instruction passes to the customer. The full transaction price being the contractually agreed upon fixed fee per instruction is recognised as revenue at this point.

This revenue stream ceased in April 2023 on the disposal of Homeward Legal.

Service provision

Consumer Legal Services – Provision of legal services

Income from the provision of legal services for personal injury claims on a ‘no win – no fee’ arrangement. Management consider that this service comprises a single distinct performance obligation, being the provision of legal services to the customer and the transaction price is allocated to this single performance obligation. Revenue is recognised once control of the service is passed to the customer which is considered to be over time as the customer simultaneously receives and consumes the service provided.

The transaction price is variable in nature as on settlement of a successful case the Group will be entitled to a fee consisting of a) fixed recoverable costs recouped from the liable third party. These fees are set by the Ministry of Justice and the value of fees claimed are determined based on the stage at which the claim settles and the value of the claim damages; and b) a percentage of awarded damages. As these amounts are unknown at the outset of a case, management estimate the transaction price based on an expected value method. The expected value is based on prior and historical knowledge and experience of case settlement and is considered appropriate as all cases follow the same process.

Management consider that it is appropriate to recognise revenue on an output basis using milestones. Due to the nature of personal injury claims, the revenue receivable from progressing a case is not directly attributable to the hours worked as a case can still fail despite hours being worked on it. Due to the no-win, no-fee arrangement, no revenue would be receivable if the case fails despite the hours worked. An input method is therefore considered to be inappropriate. An output approach based on key milestones to progress a case is therefore considered to be appropriate as it best reflects the value of the service to the customer. These milestones are 1. Admission of liability and 2. Settlement of the case. No revenue is recognised up until the first milestone, admission of liability, has been achieved as it is at this point that it becomes highly probable that recognising revenue would not lead to a reversal in the future. A proportion of the total transaction price is recognised once the first milestone has been achieved. This proportion is determined based on a risk factor using historic performance across all cases of a similar nature.

Payment is due on a ‘no win, no fee’ basis. Once a case is won and settlement has been agreed, payment is due in full.

Critical Care – Case management services

Case management support within the medico-legal framework for multi-track cases. Management consider that the performance obligation is the provision of case management support and as the service is simultaneously delivered and consumed by the customer then revenue is measured over time based on an input approach being the hours worked by each consultant. The transaction price, being the contractually agreed upon hourly fee rate, is allocated on a per hour basis. Revenue is invoiced monthly based on the hours worked in that month and recognised at this point. Payment is due in full based on contractual payment terms which is usually within 30 days of invoice.

Expert Reports

Critical Care – Expert witness revenue

Provision of expert witness reports. In line with IFRS 15, revenue is measured on satisfaction of the performance obligation when control of the report is passed to the customer. Management consider there to be one performance obligation which is the provision of the expert witness report. Where the terms of the contract allow for an enforceable right to payment for work performed to date an adjustment is made at each month end to recognise an asset for the revenue on any such reports in progress. This is subsequently reversed and a trade receivable recognised for the full transaction price on provision of the final report.

Payment is due in full based on contractual payment terms which range from 30 days up to 36 months for those customers where deferred payment terms have been agreed.

Consumer Legal Services – Search reports

Provision of search reports. Management consider there to be one performance obligation being the delivery of the search report. Revenue is recognised at a point in time being the transfer of the report to the customer. The full transaction price being the contractually agreed upon fixed fee per report is recognised as revenue at this point.

Payment is due in full based on contractual payment terms which is usually within 30 days of invoice.

Product provision

Consumer Legal services – Product income

Commissions received from product providers for the sale of additional products to the panel law firms. Revenue is recognised at a point in time on satisfaction of the performance obligation being the sale of the product to a Panel Law Firm and the total transaction price is recognised at this point.

Included in the terms of the contracts are provisions for clawbacks if cases should fail for reasons outside the control of the Group. The Group estimates a liability for these clawbacks based on historical clawback rates.

Payment is due in full based on contractual payment terms which is usually within 30 days of invoice.

Consumer Legal Services – Pre-LASPO ATE

Revenue from commissions received from the insurance provider for the use of after the event policies by Panel Law Firms. From 1 April 2013, this product was no longer available as a result of LASPO regulatory changes. Consequently, there is a remaining liability which is being unwound through revenue as historic cases are settled.

All revenue is stated net of Value Added Tax. The entire revenue arose in the United Kingdom.

Held for sale assets

A non-current asset or a group of assets containing a non-current asset (a disposal group) is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and a sale is highly probable within one year.

On initial classification as held for sale, non-current assets and disposal groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to profit or loss. The same applies to gains and losses on subsequent remeasurement although gains are not recognised in excess of any cumulative impairment loss. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to financial assets or deferred tax assets, which continue to be measured in accordance with the Company's accounting policies. Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

A discontinued operation is a component of the Company's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation has been discontinued from the start of the comparative period.

Goodwill

Goodwill represents the excess of the fair value of the consideration given over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is not amortised but is tested for impairment annually and again whenever indicators of impairment are detected and is carried at cost less any provision for impairment. Any impairment is recognised in the statement of comprehensive income.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Software

Software assets are measured at the cost of bringing the asset into use. This may include externally incurred consultant costs or a proportion of internal time and salary where internal resources have been used to build the asset. Internally allocated time is based on hours spent bringing the asset into use multiplied by hourly salary rates.

Software costs are capitalised only when it is determined that it is probable that there will be future economic benefits from the asset and the cost of the asset can be measured reliably. Costs are only capitilised once they meet the definition of having entered the development stage as defined in IAS 38.

Technology related intangibles, contract related intangibles and brand names were acquired through business combinations. These were independently valued and determined to be separately identifiable from goodwill.

Amortisation

Intangible assets are amortised on a straight-line basis over their estimated useful lives as follows:

Technology related intangible assets – 5 to 10 years

Contract related intangible assets – 3 to 10 years

Brand names – 3 to 10 years

Software – 3 to 5 years

No amortisation is charged on assets under construction until the point they are brought into use.

Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation.

Depreciation

Depreciation is calculated to write off the cost, less estimated residual value, of property, plant and equipment by equal instalments over their estimated useful economic lives as follows:

Fixtures and fittings (including computer equipment) – 3 to 10 years

Lease assets

The Group as a lessee

For any new contracts entered into, on or after 1 January 2020, the Group considers whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Taxation

Tax in the statement of comprehensive income for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date,
and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity (i.e. forming part of equity) only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company (or Group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company (or Group); and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds are dealt with as appropriations in the reconciliation of movements in equity.

Financial assets and liabilities

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables and interest-bearing borrowings.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition, trade and other receivables are stated at amortised cost using the effective interest method, less any impairment losses calculated in line with IFRS 9.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances. Cash and cash equivalents are repayable on demand and are recognised at their carrying amount.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Recoverable disbursements and disbursements payable

Disbursement payables represent the balance owed to suppliers for disbursements incurred in the processing of personal injury claims.

Recoverable disbursements represents the balance of disbursements incurred that are still to be billed to customers. Given the no win, no fee contractual arrangements, where a case should fail but disbursements have been incurred, after-the-event insurance policies provide cover to ensure that these amounts are recovered.

Disbursement payables and receivables are recognised initially at fair value and subsequent to initial recognition, are stated at amortised cost using the effective interest method.

Member capital and current accounts

Member capital and current accounts represent the balances owed to non-controlling members' in the LLPs. These consist of any capital advances and unpaid allocated profits as at the year end. The capital accounts and drawings of profit by members of the partnerships is at their discretion, subject to a minimum level of working capital. This gives rise to an obligation on the group to deliver cash to the non-controlling parties.

Members capital and current accounts are classified as financial liabilities and are recognised initially at fair value. Subsequent to initial recognition, members capital and current accounts are stated at amortised cost using the effective interest method.

Employee share schemes

The share option plans allow employees of the Group to acquire shares of the Parent Company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that are expected to vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

Impairment

Financial assets

The carrying amount of the Group's financial assets are reviewed for impairment regularly:

Trade and other receivables

Trade and other receivables are reviewed for impairment by applying the simplified expected credit loss approach under IFRS 9 to measure any impairment losses.

Disbursements receivable

Recoverable disbursements are reviewed with reference to the stage of each case and whether or not insurance is in place to mitigate any future losses. These are written off when it becomes more likely than not that there is no chance of recoverability.

Non-financial assets

The carrying amounts of the Group's non- financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or Cash Generating Unit (CGU) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the Cash Generating Unit or CGU). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to CGUs. For the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Pensions
The Group operates a stakeholder defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Company. The annual contributions payable are charged to the statement of comprehensive income.

Dividends
Dividend distribution to the Company's shareholders is recognised in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or, in the case of interim dividends, when paid.

Member drawings
Drawings are made to members in line with the provisions as stated in the partnership agreements. Members may draw an amount not in excess of their profit share for the relevant accounting period and drawings may be limited depending on the cash requirements of the LLP. Drawings are recognised once paid.

Share premium account
The share premium account represents the excess of amounts paid per share above the nominal cost of each share.

Share option reserve
The share option reserve is the corresponding charge to equity in respect of the IFRS 2 share-based payment charge.

The share option reserve forms part of distributable reserves and should the Group need to make a distribution, the share option reserve will be transferred to retained earnings.

Merger reserve
The merger reserve represents the excess of the fair value of shares acquired through share for share exchange. In 2014 NAHL Group plc declared a bonus issue of a single deferred share of £0.0001 (a Deferred Share) with a share premium of £50,000,000. This transaction resulted in £50,000,000 of the merger reserve being transferred to the share premium account. In 2015 a further amount standing to the credit of the Company's merger reserve in the sum of £16,928,000 was capitalised by way of a bonus issue of newly created Capital Reduction Shares.

The Merger reserve is a restricted reserve and reduces the amount of reserves available for distribution.

Retained earnings
Retained earnings represents the cumulative historical profits of the Group less historical losses.

Financial income and expenses
Financial income consists of interest on cash balances which is recognised in the consolidated statement of comprehensive income as it accrues, using the effective interest method, and the unwinding of interest on deferred receivables. Financial expenses include bank interest payable, which is recognised in the consolidated statement of comprehensive income as it accrues, using the effective interest method, the unwinding of issue costs of borrowings and the unwinding of finance charges of leases.

Earnings Per Share (EPS)
Basic EPS is calculated by dividing the profit or loss attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by adjusting basic EPS for the dilutive effect of all potential ordinary shares that could be issued upon conversion of instruments or exercise of rights outstanding during the period.

2 Operating segments

Year ended 31 December 2024	Consumer Legal Services £000	Critical Care £000	Shared Services[1] £000	Other Items[1] £000	Eliminations[2] £000	Total £000
Revenue	22,918	15,887	–	–	–	38,805
Depreciation and amortisation	(202)	(166)	(339)	(782)	–	(1,489)
Underlying Operating profit/(loss)	2,004	4,862	(1,659)	(1,265)	–	3,942
Impairment	(39,897)	–	–	–	–	(39,897)
Exceptional items	(185)	–	(397)	–	–	(582)
Operating profit/(loss)	(38,078)	4,862	(2,056)	(1,265)	–	(36,537)
Profit attributable to non-controlling interest members in LLPs	(1,850)	–	–	–	–	(1,850)
Financial income	189	42	19	–	–	250
Financial expenses	–	–	(958)	–	–	(958)
Profit/(Loss) before tax	(39,739)	4,904	(2,995)	(1,265)	–	(39,095)
Trade receivables	1,625	5,537	–	–	–	7,162
Total assets[3]	22,835	7,410	17,658	–	–	47,903
Segment liabilities[3]	(15,277)	(1,809)	(2,667)	–	–	(19,753)
Capital expenditure (Including intangibl es)	68	121	–	–	–	189

Year ended 31 December 2023	Consumer Legal Services £000	Critical Care £000	Shared Services[1] £000	Other Items[1] £000	Eliminations[2] £000	Total £000
Revenue	27,582	14,611	–	–	–	42,193
Depreciation and amortisation	(251)	(154)	(348)	(826)	–	(1,579)
Operating profit/(loss)	2,805	4,421	(1,924)	(1,184)	–	4,118
Profit attributable to non-controlling interest members in LLPs	(2,506)	–	–	–	–	(2,506)
Financial income	145	–	13	–	–	158
Financial expenses	–	(1)	(1,120)	–	–	(1,121)
Profit/(Loss) before tax	444	4,420	(3,031)	(1,184)	–	649
Trade receivables	2,446	5,728	–	–	–	8,174
Total assets[3]	25,935	7,262	76,223	–	(17,506)	91,914
Segment liabilities[3]	(17,021)	(1,479)	(3,160)	–	–	(21,660)
Capital expenditure (including intangibles)	77	232	–	–	–	309

1 Shared services and Other items do not form part of the operating segments of the Group. They include expenses incurred that cannot be attributable to an operating segment.

2 Eliminations represents the difference between the cost of subsidiary investments included in the total assets figure for each segment and the value of goodwill arising on consolidation.

3 Total assets and segment liabilities exclude intercompany loan balances as these are not included in the segment results reviewed by the chief operating decision maker. Segment liabilities comprise trade and other payables (2024:£12,975,000, 2023: £16,246,000), current lease liabilities (2024: £252,000, 2023: £244,000), non-current lease liabilities (2024: £1,225,000, 2023: £1,478,000) and member capital accounts (2024: £3,492,000, 2023: £3,692,000). Amounts included under the Critical Care segment in the table above are included within 'Assets classified as held for sale' on the statement of financial position.

2 Operating segments continued

Significant customers
No customer accounted for 10.0% or more of the total Group revenue (2023: no customer accounted for 10.0% of the total Group revenue).

Geographic information
All revenue and assets of the Group are based in the UK.

Operating segments
The activities of the Group are managed by the Board, which is deemed to be the chief operating decision maker (CODM). The CODM has identified the following segments for the purpose of performance assessment and resource allocation decisions. These segments are split along product lines and are consistent with those reported last year.

Consumer Legal services – Revenue is derived from two divisions being Personal Injury and Residential Property.

Within Personal Injury, revenue is generated from:

a) Marketing services – revenue from the provision of marketing activities to generate enquiries which are panelled to our panel law firms, based on a cost plus margin model.

b) Product Provision – consisting of commissions received from product providers for the sale of additional products by them to the panel law firms.

c) Service provision (legal services) – in the case of our ABS law firms and self- processing operation, National Accident Law, revenue receivable from clients for the provision of legal services.

Within Residential Property, revenue is generated from:

a) Marketing services – up until April 2023, Homeward Legal provided marketing services to generate residential conveyancing and survey enquiries for solicitors and surveyors

b) Expert Reports – Searches UK provides search reports.

Critical Care – Revenue from the provision of expert witness reports and case management support within the medico-legal framework for multi-track cases.

Shared services – Costs that are incurred in managing Group activities or not specifically related to a product.

Other items – Other items represent share-based payment charges and amortisation charges on intangible assets recognised as part of business combinations.

Exceptional items – items that are non-recurring and that are material by nature and separately identified to allow for greater comparability of underlying Group operating results year-on-year. Details of exceptional items incurred in the current year are given in Note 4.

Disaggregation of revenue
The CODM monitors revenue on a divisional basis. A breakdown of revenue by each division is as follows:

	2024 £000	2023 £000
Personal Injury	**19,487**	24,649
Residential Property	**3,431**	2,933
Critical Care	**15,887**	14,611
Total	**38,805**	42,193

3 Administrative expenses and auditor's remuneration

Included in the consolidated statement of comprehensive income are the following:

	2024 £000	2023 £000
Depreciation of property, plant and equipment	**115**	126
Depreciation of right of use assets	**264**	276
Amortisation of intangible assets (not relating to business combinations)	**328**	351
Amortisation of intangible assets relating to business combinations	**782**	826
IFRS 9 provision	**56**	(47)
Auditor's remuneration	**196**	176

The Group does not have any distribution costs as all revenues are generated from the provision of services.

The analysis of the auditor's remuneration is as follows:

	2024 £000	2023 £000
Fees payable to the Company's auditors for the audit of parent company and consolidated financial statements	**188**	160
Fees for other services – subsidiary and interim accounts reviews	**–**	7
Fees payable to the Company's auditors for other services: SAR review	**8**	9

4 Exceptional items

Exceptional items included in the statement of comprehensive income are summarised below:

	2024 £000	2023 £000
Goodwill impairment[1]	**39,897**	–
Transaction costs for potential Critical Care disposal[2]	**397**	–
Personal Injury restructure[3]	**185**	–
	40,479	–

[1] Impairment of the Goodwill allocated to the Personal Injury cash generating unit. See Note 12 for further details.

[2] Costs incurred to date in relation to the disposal of Critical Care. These include external legal and consultancy costs.

[3] Costs incurred in respect of payments for loss of office as part of a management restructure in Personal Injury.

5 Staff numbers and costs

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	Number of Employees	
	2024	2023
Personal Injury	**162**	173
Residential Property	**10**	13
Critical Care	**90**	78
Shared services	**17**	21
	279	285

The Group also has 3 Non-executive directors (2023: 3) who provided services to the Group under service contracts.

Shared services includes 2 Executive Directors. The costs of the shared services staff (excluding 2 Executive directors) are recharged between the trading divisions.

The aggregate payroll costs of these persons were as follows:

	2024 £000	2023 £000
Wages and salaries	**10,920**	11,074
Share based payments (see note 21)	**354**	357
Social security costs	**1,104**	1,110
Other pension costs	**265**	269
	12,643	12,810

6 Directors' emoluments

	2024 £000	2023 £000
Statutory Directors' emoluments	**819**	877

Statutory Directors' emoluments

Year ended 31 December 2024	Salary and fees £000	Benefits £000	Annual bonus £000	Pension £000	LTIP £0000	Total £0000
Executive Directors						
J D Saralis	232	18	–	2	172	424
C Higham	158	16	–	3	34	211
Non-Executive						
T J M Aspinall	82	–	–	–	–	82
S P Tilleray	51	–	–	–	–	51
B Phillips	51	–	–	–	–	51
	574	**34**	**–**	**5**	**206**	**819**

Year ended 31 December 2023	Salary and fees £000	Benefits £000	Annual bonus £000	Pension £000	LTIP £0000	Total £0000
Executive Directors						
J D Saralis	225	18	130	2	84	459
C Higham	154	16	44	4	20	238
Non-Executive						
T J M Aspinall	80	–	–	–	–	80
S P Tilleray	50	–	–	–	–	50
B Phillips	50	–	–	–	–	50
	559	**34**	**174**	**6**	**104**	**877**

The Group contributed £5,000 to pension schemes in respect of Directors during the year (2023: £6,000). The emoluments of the highest paid Director were £424,000 (2023: £459,000). 2 Directors (2023: 2 directors) exercised share options during the year.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel include members of the leadership team who are not statutory directors in addition to the main Board. Disclosure of transactions with key management is detailed in note 26.

7 Financial income

	2024 £000	2023 £000
Bank interest income	**183**	85
Other income[1]	**67**	73
	250	158

1 Other income relates to financing income in respect of the time value of money adjustments required by IFRS 15 on receivables and accrued income expected to be settled within greater than 12 months.

8 Financial expense

	2024 £000	2023 £000
Interest on bank loans	**857**	1,043
Amortisation of facility arrangement fees	**61**	31
Interest on lease liabilities	**40**	47
	958	1,121

9 Taxation

Recognised in the consolidated statement of comprehensive income

	2024 £000	2023 £000
Current tax expense		
Current tax on income for the year	**475**	462
Adjustments in respect of prior years	**(79)**	(14)
Total current tax	**396**	448
Deferred tax credit		
Origination and reversal of timing differences	**(201)**	(183)
Total deferred tax	**(201)**	(183)
Tax expense in statement of comprehensive income	**195**	265
Total tax charge	**195**	265

Reconciliation of effective tax rate

	2024 £000	2023 £000
(Loss)/Profit for the year	**(39,290)**	384
Total tax expense	**195**	265
(Loss)/Profit before taxation	**(39,095)**	649
Tax using the UK corporation tax rate of 25% (2023: 23.5%)	**(9,774)**	161
Non-deductible expenses	**10,162**	154
Adjustments in respect of prior years	**(79)**	(14)
Share scheme deductions	**(114)**	(56)
De-recognition of deferred tax asset	**–**	20
Total tax charge	**195**	265

The adjustments in respect of prior years are largely a result of lower tax payable due to a research & development tax claim made.

Changes in tax rates and factors affecting the future tax charge

There are currently no factors that are expected to affect the future tax charge.

10 Deferred tax asset

The asset for deferred taxation consists of the tax effect of temporary differences in respect of:

	Property, plant & equipment £000
At 1 January 2023	50
Recognised in statement of comprehensive income	(24)
Disposal	(1)
At 31 December 2023	25
Reclassified to deferred tax liability (see note 11)	4
Recognised in statement of comprehensive income	(9)
At 31 December 2024	**20**

11 Deferred tax liability

The liability for deferred taxation consists of the tax effect of temporary differences in respect of:

	Property, plant & equipment £000	Intangble assets acquired on business combinations £000	Total £000
At 1 January 2023	80	390	470
Recognised in statement of comprehensive income	(13)	(194)	(207)
At 31 December 2023	67	196	263
Reclassified from deferred tax asset (see note 10)	4	–	4
Transferred to Held for Sale	(4)	–	(4)
Recognised in statement of comprehensive income	(15)	(196)	(211)
At 31 December 2024	**52**	**–**	**52**

12 Goodwill

	Personal Injury £000	Critical Care £000	Residential Property £000	Total £000
Cost				
At 1 January 2023	39,897	15,592	4,873	60,362
Disposal	–	–	(3,749)	(3,749)
At 31 December 2023	39,897	15,592	1,124	56,613
Reclassified as Held for sale	–	(15,592)	–	(15,592)
At 31 December 2024	**39,897**	**–**	**1,124**	**41,021**
Impairment				
At 1 January 2023	–	–	(4,873)	(4,873)
Disposal	–	–	3,749	3,749
At 31 December 2023	–	–	(1,124)	(1,124)
Charge for the year	(39,897)	–	–	(39,897)
At 31 December 2024	**(39,897)**	**–**	**(1,124)**	**(41,021)**
Net book value				
At 31 December 2023	39,897	15,592	–	55,489
At 31 December 2024	**–**	**–**	**–**	**–**

The impairment charge for the year of £39,897,000 has been recognised separately on the face of the statement of comprehensive income.

Where goodwill arose as part of a business acquisition, it forms part of the CGU's asset carrying value which is tested for impairment annually. The Group has determined that for the purposes of impairment testing, there are three CGUs being Personal Injury, Critical Care and Residential Property. The goodwill in respect of Critical Care and Residential Property arose on separate acquisitions. Critical Care operates independently from the rest of the Group with very little overlap of shared resource and its cashflows can be easily separated.

In 2020 the Group undertook a review of its operations and merged the Personal Injury and Residential Property cash generating units (CGUs) into one segment, Consumer Legal Services (see note 2). For the purposes of allocating goodwill, the goodwill relating to Personal Injury and Residential Property was allocated prior to this merger when the two businesses operated as separate CGUs. The impairment of the residential property CGU took place in 2019, prior to the restructure.

The disposal of goodwill during 2023 relates to goodwill arising in respect of Homeward Legal. Homeward Legal was disposed of in April 2023. The goodwill relating to Homeward Legal was impaired in full in 2019 and the remaining goodwill balance is in relation to Searches UK Limited.

Goodwill of £15.6m attributable to Critical Care has been reclassified to assets classified as held for sale. See note 28 for further details.

The recoverable amounts for the CGUs are based on value in use which is calculated on the operating cash flows expected to be generated by the division using forecasts for the next five years.

These cash flows are discounted at a weighted average cost of capital (WACC) of 10.4% (2023: 10.9%).

A terminal value is included within each forecast which represents the cash flows of the CGU into perpetuity. A 2% terminal growth rate has been assumed (2023: 2%), as permitted under IAS36 Impairment of Assets.

Value in use results

Personal Injury

Events and circumstances resulting in impairment loss

The Directors have given careful consideration to the performance of the Group's Personal Injury business and the ongoing impact of structural changes in the personal injury market over the past few years. The Government's whiplash reforms (introduced in 2021) and the COVID-19 pandemic have had a detrimental effect on the number of claims in the market, which has not recovered to pre-pandemic levels and the Directors now believe the current market levels appear to be the new base.

These challenges exacerbated throughout 2024 as further market consolidation was witnessed towards the end of the year and manifested themselves in the Personal Injury CGU as lower demand from panel firms, lower enquiry volumes overall and increased competition leading to higher marketing costs.

Whilst there has been some success in addressing some of these challenges, the Directors anticipate that the supply of enquiries will recover more slowly and that no meaningful recovery in panel demand will be seen. This will require a greater proportion of enquiries being placed into NAL and further investment in the medium term due to the longer case cycle. In turn, this means that profits and cash flows are deferred into the latter years of the forecast period with NAL unlikely to be fully mature on increased enquiry levels within the forecast period under review.

As a result of the above challenges, the Directors have considered a number of scenarios and in light of the volatility experienced in recent years, have adopted a prudent approach resulting in an impairment charge of £39.9m.

Key assumptions

Discount rate

Management consider the key variables to the WACC calculation (including the risk-free rate, market risk premium and beta) using a range of external sources.

Given the current economic uncertainties in the wider markets, there is inherent uncertainty as to whether the rate will increase or decrease in the short to medium term. This could in turn lead to a higher or lower WACC for the Group.

Growth rate assumptions

The key growth assumptions in the Personal Injury forecasts are the number of enquiries generated and the cost of generation.

The forecasts assume that an increasing number of enquiries can be generated through recovery of market share and of these enquiries, an increasing proportion are to be self-processed through NAL. The Group retains a higher proportion of profits from NAL than it does from passing enquiries to its panel law firms or joint venture law firm partners but as these enquiries take longer to process, there is a shift from short term to long term profits and cash flows.

Operating cash flows are based on the operating profits of the CGU adjusted for changes in working capital movements.

No sensitivity analysis is provided as the goodwill has been fully impaired in the current year.

13 Members' Non-controlling interests in LLPs

The Group has the following investments in non-wholly owned subsidiaries:

Name of subsidiary	Country of incorporation and principal place of business	Nature of interest	Principal activity	**2024**	2023
Your Law LLP	United Kingdom	LLP member	Personal injury lawyers	75%	75%
Law Together LLP	United Kingdom	LLP member	Personal injury lawyers	50%	50%

The ownership percentage is based on the proportion of capital contribution advanced by each of the corporate members. Profit share allocations and control are not determined by reference to this ownership percentage. The Group, through its 100% owned subsidiary Project Jupiter Limited, is entitled to appoint 60% of the members to the Management Board of each LLP. Profit and net assets are shared between members based on the provisions of the partnership agreements.

The balances owed to the non-controlling members' of these LLPs at the end of the year and movements during the year are as follows:

	2024 £000	2023 £000
Balance at start of the year	**3,692**	4,487
Profit allocation for the year	**1,850**	2,506
Drawings paid	**(2,050)**	(3,301)
Balance at the end of the year	**3,492**	3,692

14 Other Intangible assets

	Contract related £000	Brand names £000	Software £000	Assets under construction £000	Total £000
Cost					
At 1 January 2024	8,281	711	2,552	328	11,872
Additions	–	–	43	68	111
Reclassifications	–	–	139	(139)	–
Transferred to Assets held for sale	(8,281)	(711)	(976)	(257)	(10,225)
At 31 December 2024	**–**	**–**	**1,758**	**–**	**1,758**
Amortisation and impairment					
At 1 January 2024	7,498	711	1,879	–	10,088
Amortisation charge for the year	783	–	327	–	1,110
Transferred to Assets held for sale	(8,281)	(711)	(625)	–	(9,617)
At 31 December 2024	**–**	**–**	**1,581**	**–**	**1,581**
Net book value					
At 31 December 2023	783	–	673	328	1,784
At 31 December 2024	**–**	**–**	**177**	**–**	**177**

	Technology related £000	Contract related £000	Brand names £000	Software £000	Assets under construction £000	Total £000
Cost						
At 1 January 2023	167	8,466	885	2,952	258	12,728
Additions	–	–	–	94	153	247
Disposals	(167)	(185)	(174)	(577)	–	(1,103)
Reclassifications	–	–	–	83	(83)	–
At 31 December 2023	**–**	**8,281**	**711**	**2,552**	**328**	**11,872**
Amortisation and impairment						
At 1 January 2023	167	6,857	885	2,105	–	10,014
Amortisation charge for the year	–	826	–	351	–	1,177
Disposals	(167)	(185)	(174)	(577)	–	(1,103)
At 31 December 2023	**–**	**7,498**	**711**	**1,879**	**–**	**10,088**
Net book value						
At 31 December 2022	–	1,609	–	847	258	2,714
At 31 December 2023	**–**	**783**	**–**	**673**	**328**	**1,784**

In the statement of comprehensive income, the amortisation charge on business combinations and the amortisation charge for the year (on other assets) is included within ‘administrative expenses’.

15 Property, plant and equipment

	Fixtures & fittings & total £000
Cost	
At 1 January 2024	2,480
Additions	78
Transferred to Assets held for sale	(349)
At 31 December 2024	**2,209**
Depreciation and impairment	
At 1 January 2024	2,152
Depreciation charge for the year	115
Transferred to Assets held for sale	(294)
At 31 December 2024	**1,973**
Net book value	
At 31 December 2023	328
At 31 December 2024	**236**

	Fixtures & fittings & total £000
Cost	
At 1 January 2023	2,500
Additions	62
Disposals	(82)
At 31 December 2023	**2,480**
Depreciation and impairment	
At 1 January 2023	2,108
Depreciation charge for the year	126
Disposals	(82)
At 31 December 2023	**2,152**
Net book value	
At 31 December 2022	392
At 31 December 2023	**328**

16 Leases

This note provides information for leases where the Group is a lessee.

Amounts recognised in the balance sheet

	2024 £000	2023 £000
Right of use assets		
Buildings	**1,488**	1,751
	1,488	1,751

	2024 £000	2023 £000
Lease liabilities		
Current	**252**	244
Non-current	**1,225**	1,478

Right of use assets relate to the two head offices at Kettering and Daventry. Additions to right of use assets of £nil (2023: £nil) were made during the year.

The statement of comprehensive income includes the following amounts relating to leases:

	2024 £000	2023 £000
Depreciation charge of right of use assets		
Buildings	**264**	264
Office equipment	**–**	12
	264	276
Interest expense	**40**	47
Expenses relating to leases of low value assets	**–**	–

The total cash outflow for leases in 2024 was £285,000 (2023: £312,000).

17 Trade and other receivables

	2024 £000	2023 £000
Trade receivables: receivable in less than one year	**1,625**	6,546
Trade receivables: receivable in more than one year	**–**	1,628
Contract assets: receivable in less than one year	**7,092**	8,706
Contract assets: receivable in more than one year	**2,443**	3,684
Other receivables	**70**	134
Prepayments	**647**	798
Recoverable disbursements	**9,873**	9,030
Total trade and other receivables	**21,750**	30,526

A provision against trade receivables and accrued income of £479,000 (2023: £502,000) is included in the figures above.

Trade receivables and contract assets receivable in greater than one year are classified as current assets as the Group's working capital cycle is considered to be up to 36 months as extended credit terms are offered as part of commercial agreements.

Contract assets consist of a) balances of £4,137,000 (2023: £6,337,000) in respect of amounts due under contracts with customers that have not yet been invoiced but where there is a contractual obligation to settle funds once they become due. These amounts are increased as performance obligations are satisfied being the provision of marketing services and generation of enquiries to panel law firms and reduced by the subsequent raising of invoices and payments when the balances are due for payment; and b) law firm contact assets. These consist of estimated balances due under 'no win, no fee' agreements where liability has been admitted. These balances increase as liability is admitted on more claims underway and decrease either due to amounts being invoiced and paid on claims that have settled during the year or, in a small number of cases, where claims are subsequently abandoned prior to settlement.

18 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate risk, see note 23.

	2024 £000	2023 £000
Non-current liabilities		
Revolving credit facility	**9,000**	11,750
Less facility arrangement fees	**(34)**	(31)
Total interest-bearing loans and borrowings	**8,966**	11,719

The revolving credit facility is secured by a fixed and floating charge over the assets of the Group. The Group is required to adhere to quarterly covenant testing at each quarter end (March, June, September and December) in regards to minimum free cash flow and leverage tests. There are no facts or circumstances that indicate the Group may have difficulties complying with these covenants.

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Fair value 2024 £000	Carrying amount 2024 £000	Fair value 2023 £000	Carrying amount 2023 £000
Bank loan[1]	GBP	2.45% above SONIA	2026	**8,966**	**8,966**	11,719	11,719
				8,966	**8,966**	11,719	11,719

1 The company renewed its banking facilities in September 2017 by taking out a revolving credit facility of £25,000,000 and repaying the outstanding term loan at that date of £9,375,000. The facility was reduced to £11,000,000 in April 2025 and was extended with the facility now due to terminate on 31 December 2026. Interest is payable at 2.45% above SONIA per annum.

19 Trade and other payables

Amounts due within one year:

	2024 £000	2023 £000
Trade payables	**507**	1,723
Disbursements payable	**6,297**	6,559
Other taxation and social security	**720**	1,376
Other payables, accruals and contract liabilities	**5,287**	6,131
Customer deposits	**164**	457
Total trade and other payables	**12,975**	16,246

20 Share capital

	2024	2023
Number of shares		
Opening: 'A' Ordinary Shares of £0.0025 each	**46,894,697**	46,325,222
Issued during the year	**623,406**	569,475
Closing: 'A' Ordinary Shares of £0.0025 each	**47,518,103**	46,894,697

	£000	£000
Allotted, called up and fully paid		
Opening: 46,984,697 (2023: 46,325,222) 'A' Ordinary Shares of £0.0025 each	**117**	116
Issued during the year: 623,406 'A' Ordinary shares of £0.0025 each	**2**	1
Closing: 47,518,103 (2023: 46,894,697) 'A' Ordinary Shares of £0.0025 each	**119**	117
Shares classified in equity		
Opening shares classified in equity	**117**	116
Issued during the year	**2**	1
Closing balance	**119**	117

The holders of 'A' Ordinary shares are entitled to one vote per share at the meetings of the Company and to dividends as declared in proportion to the amounts paid up on the ordinary shares.

21 Share based payments

The Group operates three employee share plans as follows:

SAYE plan

Options may be satisfied by newly issued Ordinary Shares, or by the transfer of Ordinary Shares held in treasury. The SAYE scheme is open to all employees of the Group. The scheme runs over three years with employees choosing to save between £0–£500 per month, the proceeds of which can then be used to purchase the shares under option.

EMI Scheme

Options may be granted as tax-favoured enterprise management incentive options (EMI Options) or non-tax favoured Options. The EMI Plan provides for the grant, to selected employees of the Group, of rights to acquire (whether by subscription or market purchase) Ordinary Shares in the Company (Options). The last EMI options lapsed on 31 December 2024.

Nominal Cost LTIP

The nominal cost LTIP will enable selected employees (including Executive Directors) to be granted awards in respect of Ordinary Shares. Awards may be granted in the form of nil or nominal cost options to acquire Ordinary Shares; or contingent rights to receive Ordinary Shares. Awards may be satisfied by newly issued Ordinary Shares, or by the transfer of Ordinary Shares held in treasury.

The terms and conditions of grants of share options to employees of the Group, in the shares of NAHL Group plc are as follows:

Grant date/employees entitled/ nature of scheme	Number of instruments	Vesting conditions	Vesting period and maximum life of options
Restricted equity-settled award to 15 employees granted by the parent company on 27 April 2022	956,070 ordinary shares	Performance- based	Third anniversary of Date of Grant
Restricted equity-settled award to 10 employees granted by the parent company on 28 April 2023	1,033,000 ordinary shares	Performance- based	Third anniversary of Date of Grant
SAYE equity-settled award to 27 employees granted by the parent company on 26 October 2023	322,758 ordinary shares	Performance- based	To 1 December 2026

Vesting conditions

For all of the unvested share options above, awards are subject to each employee's continued employment with the group and a business performance underpin.

The number and weighted average exercise prices of share options are as follows:

	2024		2023	
	weighted average exercise price £	Number of options No	Weighted average exercise price £	Number of options No
Outstanding at the beginning of the year	**0.0634**	**3,094,990**	0.0025	2,329,951
Granted during the year	**–**	**–**	0.1314	1,609,736
Vested during the year	**0.0025**	**(623,406)**	0.0025	(569,475)
Cancelled during the year	**0.4500**	**(47,405)**	–	–
Forfeited during the year	**0.2105**	**(112,351)**	0.0693	(275,222)
Outstanding at the end of the year	**0.0648**	**2,311,828**	0.0634	3,094,990
Exercisable at the end of the year	**–**	**–**	2.00	583,331
Exercised during the year	**0.0025**	**623,406**	0.0025	569,475

A charge of £354,000 (2023: £357,000) has been made through the statement of comprehensive income in the current year in relation to the IFRS 2 share option charge. 623,406 shares were exercised during the year (2023: 569,475) at a weighted average exercise price of £0.0025 per share. For shares outstanding at the year end, these are exercisable at a range of exercise prices from £0.0025–£0.45 per share with a weighted average exercise price of £0.06 and have a weighted average remaining life of 362 days (2023: 618 days).

There were no share options issued in 2024 (2023: 1,609,736). The fair value of each employee share option has been measured using the Black-Scholes formula where an expected volatility of 65.0% has been used as well as a risk-free interest rate (based on government bonds) of 3.79%–6.0%. The weighted average share price used in the model is £0.48 and a dividend yield of 0.0% has been assumed. Service and non- market performance conditions attached to the arrangements were not taken into account in measuring fair value.

Expected volatility has been based on evaluation of historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

22 Earnings per share

The calculation of basic earnings per share at 31 December 2024 is based on loss attributable to ordinary shareholders of the parent company of £39,290,000 (2023: profit of £384,000) and a weighted average number of Ordinary Shares outstanding of 47,283,991 (2023: 46,674,661).

Profit attributable to ordinary shareholders

£000	2024	2023
Loss for the year from continuing operations	**(43,791)**	(3,537)
Profit for the year from discontinued operations	**4,501**	3,921
(Loss)/Profit for the year attributable to the shareholders	**(39,290)**	384

Weighted average number of ordinary shares

Number	Note	2024	2023
Issued Ordinary Shares at 1 January	20	**46,894,697**	46,325,222
Weighted average number of Ordinary Shares at 31 December		**47,283,991**	46,674,661

Basic Earnings per share (p)

Group – continuing operations	**(92.6)**	(7.6)
Group – discontinued operations	**9.5**	8.4
Group – total	**(83.1)**	0.8

The Group has in place share-based payment schemes to reward employees. In line with IAS 33, as the group has a negative earnings per share for 2024, the effect of potential ordinary shares is anti-dilutive. At 31 December 2023, there were 2,672,476 potentially dilutive share options under the Group's share option schemes. There are no other diluting items.

Diluted Earnings per share (p)

	2024	2023
Group – continuing	**(92.6)**	(7.6)
Group – discontinued	**9.5**	8.4
Group – total	**(83.1)**	0.8

23 Financial instruments

(a) Fair values of financial instruments

The Group's principal financial instruments comprise interest-bearing borrowings, cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as trade and other receivables and trade and other payables that arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and market risk (specifically interest rate risk). The Board reviews and agrees policies for managing each of these risks and they are summarised below. There have been no substantive changes in the Group's exposure to financial instrument risks or its objectives, policies and processes for managing and measuring those risks during the periods in this report unless otherwise stated.

The fair values of all financial assets and financial liabilities by class, which approximate to their carrying values, shown in the balance sheet are as follows:

	Carrying amount 2024 £000	**Fair value 2024 £000**	Carrying amount 2023 £000	Fair value 2023 £000
Financial assets measured at amortised cost				
Cash and cash equivalents	**1,855**	**1,855**	2,011	2,011
Trade and other receivables	**5,832**	**5,832**	14,645	14,645
Disbursements (note 17)	**9,873**	**9,873**	9,030	9,030
Total financial assets	**17,560**	**17,560**	**25,686**	**25,686**
Financial liabilities measured at amortised cost				
Other interest-bearing loans and borrowings (note 18)	**8,966**	**8,966**	11,719	11,719
Lease liabilities (note 16)	**1,477**	**1,477**	1,722	1,722
Trade payables (note 19)	**507**	**507**	1,723	1,723
Disbursements payable (note 19)	**6,297**	**6,297**	6,559	6,559
Other payables and accruals (note 19)	**5,287**	**5,287**	6,130	6,130
Total financial liabilities measured at amortised cost	**22,534**	**22,534**	**27,853**	**27,853**

(b) Credit risk

Financial risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

A customer is considered to have defaulted on their debt if payment is not made within the agreed terms. Debts are written-off only when there are indicators that there is no reasonable expectation of recovery. Debts subject to enforcement activity are considered for impairment and the appropriate provisions are applied against them until there is no reasonable expectation of recovery at which point they are written off.

Exposure to credit risk

The maximum exposure to credit risk at the balance sheet date by class of financial instrument was:

	2024 £000	2023 £000
Trade receivables	**1,625**	8,174
Contract assets	**4,137**	6,337
	5,762	14,511

Management consider the credit risk to be mitigated as a result of the following:

(a) The credit risk in Residential Property and the Personal Injury panel operations is spread over a number of receivable accounts who are subject to credit checks and have payment terms agreed at the outset of the relationship. These are reviewed regularly. Dedicated credit control teams monitor overdue debt and actions are taken where any problem accounts are identified e.g. accounts are put on hold.

(b) For concentrated balances e.g. joint venture partners, there are rights of offset in place against the assets of the joint venture operations.

(c) For law firm debt, invoices are not raised until liability has been admitted and settlements agreed. The funding for these debts largely comes from insurers, which we would necessarily expect to have a good credit rating.

Credit quality of financial assets and impairment losses

The aging of trade receivables at the balance sheet date was:

	Gross: Standard Terms 2024 £000	Gross: Deferred Terms 2024 £000	Impairment 2024 £000	Total 2024 £000	Gross: Standard Terms 2023 £000	Gross: Deferred Terms 2023 £000	Impairment 2023 £000	Total 2023 £000
Not past due	**448**	**–**	**(9)**	**439**	2,336	2,208	(19)	4,525
Past due (1–30 days)	**527**	**–**	**(2)**	**525**	935	11	(4)	942
Past due (30–120 days)	**305**	**–**	**(19)**	**286**	1,329	28	(26)	1,331
Past due (Over 120 days)	**719**	**–**	**(344)**	**375**	1,737	45	(406)	1,376
	1,999	**–**	**(374)**	**1,625**	6,337	2,292	(455)	8,174

The Group offers standard credit terms of between 30–60 days to the majority of its customers. Deferred terms of between 12–36 months are offered to those panel law firms or customers with whom we hold strategic partnerships. The impairment for trade receivables is calculated based on a lifetime expected credit loss.

35.9% of standard terms trade receivables are 120 days or more past due (2023: 27.4%). These receivables arise primarily in Your Law where our standard credit terms are 30 days. We monitor these debts closely and do not consider there to be any significant risks regarding recoverability.

Contract asset balances of £4,137,000 (2023: £6,337,000) represent amounts due under contracts with customers that have not yet been invoiced but where there is a contractual obligation to settle funds once they become due. The majority of this balance is granted on extended credit terms of up to 24 months and none is yet due for payment.

The movement in the allowance for impairment in respect of trade receivables and accrued income during the year was as follows:

	2024 £000	2023 £000
Balance at 1 January	**502**	612
Additional allowance (note 3)	**133**	47
Allowance released (note 3)	**(77)**	–
De-recognised on disposal of subsidiary	**–**	(157)
Reclassified as part of assets held for sale	**(79)**	–
Balance at 31 December	**479**	**502**

The allowance account for trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written off against the trade receivables directly.

The Group uses the simplified approach under IFRS 9 to measure lifetime expected credit losses. The determination of the expected credit losses is further detailed in the accounting policies under Critical accounting judgements and key sources of estimation uncertainty.

The Group determines whether its assets have a high level of credit risk or low level of credit risk on initial recognition by considering the past history of that customer (if known) or where assets relate to a new customer, credit checks are performed and the risk assessed based on the outcome of these reports. The Group also considers the following for customers in similar industries/of a similar nature: a) historical factors such as adherence to payment terms and length of time to settle payments and b) forward looking factors such as the anticipated condition of the market in which its customers operate. This assessment applies to both trade receivables and accrued income.

Concentration of credit risk
A small number of Panel members, including joint venture partners, account for 68.1% (2023: 40.1%) of the total gross trade debtor and accrued income balance of £5,762,000 that is subject to credit risk. To mitigate the risk of credit loss arising from this concentration, the group has set- off clauses, parental guarantees and up-front deposits in place.Liquidity risk

(c) Liquidity Risk

Financial risk management

Liquidity risk arises from the Group's management of working capital and the finance charges on its debt instruments and repayments of principal. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of its revolving credit facility to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effects of netting agreements:

2024	Secured bank loans £000	Lease liabilities £000	Trade and other payables £000	Total £000
Carrying amount	**(9,000)**	**(1,477)**	**(12,813)**	**(23,290)**
Contractual cash flows:				
1 year or less	**(675)**	**(286)**	**(6,516)**	**(7,477)**
1 to 2 years	**(9,675)**	**(288)**	**(6,297)**	**(16,260)**
2 to 5 years	**–**	**(878)**	**–**	**(878)**
5 years or more	**–**	**(138)**	**–**	**(138)**
	(10,350)	**(1,590)**	**(12,813)**	**(24,753)**

2023	Secured bank loans £000	Lease liabilities £000	Trade and other payables £000	Total £000
Carrying amount	(11,750)	(1,722)	(15,789)	(29,261)
Contractual cash flows:				
1 year or less	(881)	(284)	(9,230)	(10,395)
1 to 2 years	(12,631)	(286)	(6,559)	(19,476)
2 to 5 years	–	(872)	–	(872)
5 years or more	–	(434)	–	(434)
	(13,512)	(1,876)	(15,789)	(31,177)

(d) Market risk

Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

Market risk – foreign currency risk

The Group has does not consider there to be any foreign currency risk as the majority of transactions are in Sterling with very small purchases made in foreign currencies.

Market risk – interest rate risk

Profile

The Group is exposed to interest rate risk from its use of interest-bearing financial instruments. This is a market risk that the future cash flows of a financial instrument will fluctuate because of changes in interest rates.

At the balance sheet dates, the only interest-bearing financial asset is cash. Cash is held to meet liabilities as they fall due and is not held for investment purposes, therefore there is not considered to be an interest rate risk associated with cash.

	2024 £000	2023 £000
Variable rate instruments		
Financial liabilities	**9,000**	11,750
Total interest-bearing financial instruments	**9,000**	11,750

The Group manages the interest rate risk arising from its financial liabilities by monitoring its interest rates and the general market and consulting with its bankers to find the best way to mitigate any movements if it anticipates any significant changes to interest rates.

Sensitivity analysis

A change of 0.5% in interest rates at the balance sheet date would increase/(decrease) profit or loss in the following year by the amounts shown below. This sensitivity is based on the pre-tax profit. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables remain constant and considers the effect of financial instruments with variable interest rates. The analysis is performed on the same basis for the comparative periods.

	2024 £000	2023 £000
Profit for the year		
Increase in interest rates of 0.5%	**(45)**	(59)
Decrease in interest rates of 0.5%	**45**	59

Market risk – equity price risk

The Group does not have an exposure to equity price risk as it holds no investment in equity securities which are classified as fair value through profit or loss or other comprehensive income.

(e) Capital management

Group

The Group's objectives when maintaining capital are to safeguard the entity's ability to continue as a going concern and to provide an adequate return to shareholders. Capital comprises the Group's equity, i.e. share capital including preference shares, share premium, own shares and retained earnings, as well as bank loans. The Group's debt/equity ratio as at 31 December 2023 is 0.3:1.0 (2023: 0.2:1.0). The balance of the Group's capital as at 31 December 2024 was £28,128,000 comprising equity of £19,128,000 and bank loans of £9,000,000. The Group is subject to quarterly covenant testing against its bank loans. These covenants include minimum EBITDA and minimum free cash flow. The Group adhered to both these covenants in 2024 and is forecasting compliance for the foreseeable future.

24 Commitments

Capital commitments

At 31 December 2024 the Group had capital commitments of £nil (2023: £nil).

25 Dividends

No dividends were paid in 2024 or 2023.

26 Related parties

Transactions with key management personnel

Key management personnel in situ at the 31 December 2024 and their immediate relatives control 1.08% (2023: 0.8%) of the voting shares of the Company.

Key management personnel are considered to be the Directors of the Company as well as those of National Accident Law Limited and Bush & Company Rehabilitation Limited and any other management serving as part of the executive team. Detailed below is the total value of transactions with these individuals:

	2024 £000	2023 £000
Short-term employment benefits	**2,147**	2,281
Post employment benefits	**–**	–
	2,147	2,281

27 Changes in liabilities arising from financing activities

The tables below detail changes in the group's liabilities arising from financing activities, including both cash and non-cash changes:

Set out below is a reconciliation of movements in interest-bearing loans and borrowings arising from financing activities:

	2024 £000	2023 £000
Net outflow from decrease in debt and debt financing	**2,750**	4,250
Loan arrangement fees	**65**	–
Movement in net borrowings resulting from cash flows	**2,815**	4,250
Non-cash movements – net release of prepaid loan arrangement fees	**(62)**	(30)
Interest-bearing loans and borrowings at beginning of period	**(11,719)**	(15,939)
Interest bearing loans and borrowings at end of period	**(8,966)**	(11,719)

Set out below is a reconciliation of movements in lease liabilities arising from financing activities:

	2024 £000	2023 £000
Net outflow from decrease in lease liabilities	**285**	312
Movement in lease liabilities resulting from cash flows	**285**	312
Non-cash movements arising from initial recognition of new lease liabilities, revisions and interest charges	**(40)**	(47)
Lease liabilities at beginning of period	**(1,722)**	(1,987)
Lease liabilities at end of period	**(1,477)**	(1,722)

Set out below is a reconciliation of movements in member capital accounts arising from financing activities:

	2024 £000	2023 £000
Movement in member capital liabilities resulting from cash flows	**2,050**	3,301
Non-cash movements: allocation of profits for the year	**(1,850)**	(2,506)
Member capital liabilities at beginning of period	**(3,692)**	(4,487)
Member capital liabilities at end of period	**(3,492)**	(3,692)

28 Discontinued Operations

Bush & Company

In 2024 the Board announced its intention to explore a potential sale of Bush and Company which makes up its Critical Care operating segment and cash generating unit. The Board has considered the progress of the sales process with reference to IFRS 5, Non-current assets held for sale and discontinued operations and has determined that the business meets the criteria as held for sale as at 31 December 2024. It has therefore been presented as a discontinued operation in the statement of financial position with the results for the year as follows:

Consolidated statement of comprehensive income:

	31 December 2024 £000	31 December 2023 £000
Revenue	**15,887**	14,611
Expenses	**(11,025)**	(10,190)
Finance income/(expense)	**42**	(1)
Profit before taxation	**4,904**	4,420
Taxation	**(403)**	(450)
Profit after taxation attributable to owners of the parent company	**4,501**	3,970

Consolidated cash flow statement:

	31 December 2024 £000	31 December 2023 £000
Cash flows from operating activities	**4,676**	4,376
Cash flows from investing activities	**(82)**	(232)
Cash flows from financing activities	**–**	–
Net cash inflow	**4,594**	4,144

Assets and liabilities of the disposal group held for sale:

	31 December 2024 £000
Assets classified as held for sale	
Goodwill	**15,592**
Property, plant and equipment	**55**
Intangible assets	**608**
Trade and other receivables	**6,122**
Cash and cash equivalents	**–**
Total assets of disposal group held for sale	**22,377**
Liabilities directly associated with assets classified as held for sale	
Trade and other creditors	**(1,809)**
Deferred tax liability	**(4)**
Total liabilities of disposal group held for sale	**(1,813)**

Homeward Legal

On 25 April 2023, the Group announced the sale of its wholly owned subsidiary Homeward Legal Limited. Homeward Legal utilises online marketing to target homebuyers and sellers in England and Wales to generate leads and instructions which it then passes to panel law firms and surveyors in the conveyancing sector for a fixed cost. The subsidiary is considered to be non-core to the Group's principal operations.

Consideration for the sale was finalised at £117,000 which was equivalent to the net asset value of Homeward Legal at the date of sale. The Group incurred legal and consultancy costs amounting to £55,000 in respect of the sale. The consideration is payable in two annual instalments in each of the two years following completion and additionally, the Group is entitled to receive contingent consideration, contingent upon Homeward Legal achieving certain performance milestones. The contingent consideration will be based on a share of profits and trade debtors recovered above certain amounts. The Board believes that the contingent consideration will not be material and has estimated the fair value as nil.

At the date of disposal, the carrying amounts of Homeward Legal's net assets were as follows:

	£000
Property, plant and equipment	–
Deferred tax asset	1
Trade and other receivables	255
Cash and cash equivalents	30
Total assets	**286**
Trade and other creditors	(169)
Total liabilities	**(169)**
Net assets	**117**

The gain on disposal is calculated as:

	£000
Consideration received or receivable:	
Cash	117
Fair value of contingent consideration	–
Total disposal consideration	**117**
Carrying amount of net assets sold	**(117)**
Gain on sale before income tax	**–**
Income tax expense on gain	–
Gain on sale after income tax	**–**

The results of these discontinued operations are included in the 2023 results up to the date of disposal, and are presented as follows:

Consolidated statement of comprehensive income:

	31 December 2024 £000	31 December 2023 £000
Revenue	**–**	269
Expenses	**–**	(318)
(Loss)/profit before taxation	**–**	(49)
Taxation	**–**	–
(Loss)/profit after taxation attributable to owners of the parent company	**–**	(49)

Consolidated cash flow statement:

	31 December 2024 £000	31 December 2023 £000
Cash flows from operating activities	**–**	23
Cash flows from investing activities	**–**	–
Cash flows from financing activities	**–**	–
Net cash inflow	**–**	23

COMPANY STATEMENT OF FINANCIAL POSITION
at 31 December 2024

	Note	2024 £000	2023 £000
Non-current assets			
Investments	3	–	52,700
Current assets			
Trade and other receivables	4	**30,568**	31,531
Net assets		**30,568**	84,231
Equity			
Share capital	6	**119**	117
Share option reserve		**5,339**	4,985
Share premium		**14,595**	14,595
Retained earnings at end of year		**10,515**	64,534
Shareholders' funds		**30,568**	84,231

The Company loss for the year was £54,019,000 (2023: £1,477,000).

The notes on pages 128–134 form part of these financial statements.

These financial statements were approved by the Board of Directors on 6 May 2025 and were signed on its behalf by:

J D Saralis
Director

Company registered number: 08996352

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

	Note	Share Capital £000	Share Option Reserve £000	Share premium £000	Retained earnings £000	Total equity £000
Balance at 1 January 2023		**116**	**4,628**	**14,595**	**66,011**	**85,350**
Total comprehensive income for the year						
Loss for the year		–	–	–	(1,477)	(1,477)
Total comprehensive income		**–**	**–**	**–**	**(1,477)**	**(1,477)**
Transactions with owners, recorded directly in equity						
Share based payments		–	357	–	–	357
Issue of share capital	6	1	–	–	–	1
Balance at 31 December 2023		**117**	**4,985**	**14,595**	**64,534**	**84,231**
Total comprehensive income for the year						
Loss for the year		–	–	–	(54,019)	(54,019)
Total comprehensive income		–	–	–	(54,019)	(54,019)
Transactions with owners, recorded directly in equity						
Share based payments		–	354	–	–	354
Issue of Share capital	6	2	–	–	–	2
Balance at 31 December 2024		**119**	**5,339**	**14,595**	**10,515**	**30,568**

COMPANY CASH FLOW STATEMENT

for the year ended 31 December 2024

	2024 £000	2023 £000
Cash flows from operating activities		
Loss for the year	**(54,019)**	(1,477)
Adjustments for:		
Impairment of investment	**52,700**	–
Share based payments	**354**	357
Decrease in trade and other receivables	**963**	1,119
Net cash generated from operating activities	**(2)**	(1)
Cash flows from financing activities		
New share issue	**2**	1
Net cash used in financing activities	**2**	1
Net increase in cash and cash equivalents	**–**	–
Cash and cash equivalents at 1 January	**–**	–
Cash and cash equivalents at 31 December	**–**	–

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1 Accounting policies

Basis of preparation

Financial Statements

The Financial Statements for the year ended 31 December 2024 have been prepared in accordance with UK-adopted international accounting standards (IFRS) in conformity with the requirements of the Companies Act 2006.

The financial statements are presented in Sterling (£) rounded to the nearest £›000.

The financial information has been prepared on a going concern basis and under the historical cost convention. The company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own income statement in these financial statements. The Group profit includes a loss after tax for the parent company of £54,019,000 (2023: £1,477,000).

Going concern

The Company had net assets of £30,568,000 (2023: £84,231,000) and net current assets of £30,568,000 (2023: £31,531,000) as at each year end.

Details of the Directors' going concern assessment for the Group and Company can be found under 'Going Concern' in note 1 to the Group financial statements on page 88.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with UK-adopted international accounting standards (IFRS) requires management to make judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates are based on past experience and other reasonable assessment criteria. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

In accordance with IAS 1 the Group is required to disclose critical accounting judgements and key sources of estimation uncertainty.

Judgements

In applying the Company's accounting policies, management have not made any judgements that have a significant impact on the amounts recognised in the financial statements.

Estimates

In applying the Company's accounting policies, management have not made any estimates that have a significant impact on the amounts recognised in the financial statements.

New standards and amendments adopted by the Group

The following new or amended standards are applicable to the Group for the current reporting period:

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

Amendments to IAS 1 – Non-current Liabilities with Covenants

Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback

Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

None of the amendments above have had a material effect on the amounts reported or disclosures included in the 2023 financial statements.

New standards, interpretations and amendments not yet effective

New standards, interpretations and amendments that are issued but not yet effective are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Revenue

The Company acts as a holding company for the trading subsidiaries and therefore generates no revenue.

Taxation

Tax in the statement of comprehensive income for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Classification of financial instruments issued by the Company

Financial instruments issued by the Group are treated as equity (i.e. forming part of equity) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Company (or Group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company (or Group); and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds are dealt with as appropriations in the reconciliation of movements in equity.

Financial assets and liabilities

The Company's principal financial instruments comprise trade and other receivables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition, trade and other receivables are stated at amortised cost using the effective interest method, less any impairment losses calculated in line with IFRS 9.

Employee share schemes

The share option plans allow employees of the Group to acquire shares of the Company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting. The share- based payment charge represents the charge in respect of the employees of the Group.

Investments

Investments in subsidiary undertakings are initially measured at cost and reviewed for indicators of impairment annually. Where such indicators are identified, an impairment review is undertaken.

Impairment

Financial assets

The carrying amount of the Group's financial assets are reviewed for impairment regularly:

Amounts due from Group undertakings

Amounts due from Group undertakings are reviewed for impairment annually at the reporting date. The Company adopts a forward-looking view by considering the estimated future cash flows the subsidiary is expected to generate and the Company is expected to receive and comparing to the contractual balance due. The amount of the impairment is the difference between the asset's carrying amount and the present value of those estimated future cash flows, discounted at the financial asset's original effective interest rate.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Dividends

Dividend distribution to the Company's shareholders is recognised in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or, in the case of interim dividends, when paid.

Share premium account

The share premium account represents the excess of amounts paid per share above the nominal cost of each share.

Share option reserve

The share option reserve is the corresponding charge to equity in respect of the IFRS 2 share-based payment charge.

The share option reserve forms part of distributable reserves and should the Group need to make

a distribution, the share option reserve will be transferred to retained earnings.

Merger reserve

The merger reserve represents the excess of the fair value of shares acquired through share for share exchange. In 2014 NAHL Group plc declared a bonus issue of a single deferred share of £0.0001 (a Deferred Share) with a share premium of £50,000,000. This transaction resulted in £50,000,000 of the merger reserve being transferred to the share premium account. In 2015 a further amount standing to the credit of the Company's merger reserve in the sum of £16,928,000 was capitalised by way of a bonus issue of newly created Capital Reduction Shares.

Retained earnings

Retained earnings represents the cumulative historical profits of the Company less historical losses.

2 Operating Loss

The Operating loss of £54,019,000 (2023: £1,477,000) consists of recharges of costs associated with the Group being a plc of £1,319,000 and an impairment in respect of the investment in its wholly owned subsidiary of £52,700,000. The recharges include salary costs and fees for the 5 Group directors as well as city consultancy and other compliance-based costs.

3 Investments

The Company has the following investments in subsidiaries:

Name of subsidiary	Country of incorporation and principal place of business	Class of shares held	Principal activity	2024	2023
Consumer Champion Group Limited[2]	United Kingdom	Ordinary	Holding company	**100%**	100%
Bush & Company Rehabilitation Limited[2]	United Kingdom	Ordinary	Critical care services	**100%**	100%
NAH Holdings Limited[2]	United Kingdom	Ordinary	Holding company	**100%**	100%
NAH Group Ltd[2]	United Kingdom	Ordinary	Holding company	**100%**	100%
NAHL Support Services Limited[2]	United Kingdom	Ordinary	Provision of shared services to the Group	**100%**	100%
Lawyers Agency Services Limited	United Kingdom	Ordinary	Dormant	**100%**	100%
Accident Helpline Limited	United Kingdom	Ordinary	Dormant	**100%**	100%
NAH Support Services Limited	United Kingdom	Ordinary	Dormant	**100%**	100%
Tiger Claims Limited	United Kingdom	Ordinary	Dormant	**100%**	100%
National Accident Helpline Limited	United Kingdom	Ordinary	Dormant	**100%**	100%
NAH Legal Services Limited	United Kingdom	Ordinary	Dormant	**100%**	100%
Searches UK Limited[2]	United Kingdom	Ordinary	Agency services for solicitors	**100%**	100%
Inside Eye Limited	United Kingdom	Ordinary	Dormant	**100%**	100%
Project Jupiter Limited[2]	United Kingdom	Ordinary	Holding company	**100%**	100%
Your Law LLP[1]	United Kingdom	n/a	Personal Injury lawyers	**75%**	75%
National Accident Law Limited[2]	United Kingdom	Ordinary	Personal Injury lawyers	**100%**	100%
Law Together LLP[1]	United Kingdom	n/a	Personal Injury lawyers	**50%**	50%
National Conveyancing Partners Ltd	United Kingdom	Ordinary	Dormant	**100%**	100%

1 Your Law LLP and Law Together LLP are Limited Liability Partnerships. The Group, through its 100% owned subsidiary Project Jupiter Limited, is entitled to appoint 60% of the members to the Management Board of each LLP. Profit and net assets are shared between members based on the provisions of the partnership agreements.

2 The above 100% subsidiaries have taken the exemption from audit under section 479a of the Companies Act 2006.

The registered office of all of the above 100% subsidiaries is Bevan House, Kettering Parkway, Kettering, Northamptonshire, NN15 6XR.

The registered office of Your Law LLP is Helmont House, Churchill Way, Cardiff, CF10 2HE.

The registered office of Law Together LLP is Suites 10S and 11S Trafford House, Chester Road, Stretford, Manchester, M32 0RS.

3 Investments continued

At 31 December 2024 the value of the investment in Consumer Champion Group Limited, its only directly owned subsidiary, was as follows:

Valuation	Total £000
At 1 January 2024	**52,700**
Impairment	**(52,700)**
At 31 December 2024	**–**

The Directors have determined that due to the net assets of NAHL Group plc being in excess of the market capitalisation of the Group headed by NAHL Group plc as at 31 December 2024 then an indication of impairment exists.

The recoverable amount of the investment has been assessed on a value in use basis by considering the cashflows expected to be generated by the trading subsidiaries over the next 5 years and into perpetuity.

Value in use results

Events and circumstances resulting in impairment loss

The Directors have given careful consideration to the trading performance of the Group, in particular the Group's Personal Injury business and the ongoing impact of structural changes in the personal injury market over the past few years. The Government's whiplash reforms (introduced in 2021) and the COVID-19 pandemic have had a detrimental effect on the number of claims in the market, which has not recovered to pre-pandemic levels and the Directors now believe the current market levels appear to be the new base.

These challenges exacerbated throughout 204 as further market consolidation was witnessed towards the end of the year and manifested themselves in the Personal Injury CGU as lower demand from panel firms, lower enquiry volumes overall and increased competition leading to higher marketing costs.

Whilst there has been some success in addressing some of these challenges, the Directors anticipate that the supply of enquiries will recover more slowly and that no meaningful recovery in panel demand will be seen. This will require a greater proportion of enquiries being placed into NAL and further investment in the medium term due to the longer case cycle. In turn, this means that profits and cash flows are deferred into the latter years of the forecast period with NAL unlikely to be fully mature on increased enquiry levels within the forecast period under review.

As a result of the above challenges, the Directors have considered a number of scenarios and in light of the volatility experienced in recent years, have adopted a prudent approach resulting in an impairment charge of £52.7m.

Key assumptions

Discount rate

Management consider the key variables to the WACC calculation (including the risk-free rate, market risk premium and beta) using a range of external sources.

Given the current economic uncertainties in the wider markets, the WACC there is inherent uncertainty as to whether the rate will increase or decrease in the short to medium term. This could in turn lead to a higher or lower WACC for the Group.

Growth rate assumptions

The key growth assumptions in the Personal Injury forecasts are the number of enquiries generated and the cost of generation.

The forecasts assume that an increasing number of enquiries can be generated through recovery of market share and of these enquiries, an increasing proportion are to be self-processed through NAL. The Group retains a higher proportion of profits from NAL than it does from passing enquiries to its panel law firms or joint venture law firm partners but as these enquiries take longer to process, there is a shift from short term to long term profits and cash flows.

Operating cash flows are based on the operating profits of the CGU adjusted for changes in working capital movements.

4 Trade and other receivables

	2024 £000	2023 £000
Amounts due from Group undertakings	30,658	31,531

Amounts due from Group undertakings are interest free and repayable upon demand.

5 Financial instruments

(a) Amounts due from Group undertakings

Amounts due from Group undertakings are interest-free and have no credit terms attached.

The fair value of amounts owed by Group undertakings are estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Management believes the credit risk arising from these financial instruments is low on the grounds that management have undertaken a review of recoverability as part of their IFRS 9 impairment assessment. This assessment involves reviewing the expected future cashflows that the subsidiaries are expected to generate and comparing these to the balances due. This assessment indicates that the subsidiaries are expected to be able to generate sufficient future cash flows to repay the balances in full and so no impairment loss has been identified. There have been no substantive changes in the Company's exposure to financial instrument risks or its objectives, policies and processes for managing and measuring those risks during the periods in this report unless otherwise stated.

	Carrying amount 2024 £000	Fair value 2024 £000	Carrying amount 2023 £000	Fair value 2023 £000
Amounts due from Group undertakings	30,568	30,568	31,531	31,531
Total financial assets	30,568	30,568	31,531	31,531

(b) Capital management

The Company's objectives when maintaining capital are to safeguard the entity's ability to continue as a going concern and to provide an adequate return to shareholders. Capital comprises the Company's equity, i.e. share capital including preference shares, share premium, own shares and retained earnings. The balance of the Company's capital as at 31 December 2024 was £30,568,000 (2023: £84,231,000).

6 Share capital

	2024	2023
Number of shares		
Opening: 'A' Ordinary Shares of £0.0025 each	**46,894,697**	46,325,222
Issued during the year	**623,406**	569,475
Closing: 'A' Ordinary Shares of £0.0025 each	**47,518,103**	46,894,697
	£000	£000
Allotted, called up and fully paid		
Opening: 46,894,697 (2023: 46,325,222) 'A' Ordinary Shares of £0.0025 each	**117**	116
Issued during the year: 623,406 (2023: 569,475) 'A' Ordinary shares of £0.0025 each	**2**	1
Closing: 47,518,103 (2023: 46,894,697) 'A' Ordinary Shares of £0.0025 each	**119**	117
Shares classified in equity		
Opening shares classified in equity	**117**	116
Issued during the year	**2**	1
Closing balance	**119**	117

The holders of 'A' Ordinary shares are entitled to one vote per share at the meetings of the Company and to dividends as declared in proportion to the amounts paid up on the ordinary shares.

7 Share based payments

The Company operates three employee share plans. Details of these can be found in note 21 to the Group accounts.

8 Staff costs and numbers

During the year the Company employed no members of staff and incurred no staff costs. All director costs were recharged from the company's subsidiary, Consumer Champion Group Limited.

9 Related parties

Details of transactions with key management personnel can be found in note 26 to the Group accounts.

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