Interim Results

Released : 28 Sep 2021 07:00

RNS Number : 1873N
NAHL Group PLC
28 September 2021

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NAHL Group PLC
("NAHL" or the "Group")

Interim Results

Continued progress on strategic initiatives against challenging backdrop

NAHL (AIM: NAH), a leader in the UK consumer legal services market, announces its interim results for the six months to 30 June 2021 ("the Period").

Financial Highlights

- Revenue of £19.5m (2020 H1: £20.2m), impacted by lower enquiry generation due to COVID-19 restrictions
- Underlying operating profit[1] of £2.5m (2020 H1: £2.8m)
- Profit before tax of £0.6m (2020 H1: loss of £0.4m)
- Profits attributable to joint-venture law firm partners down by 26% to £1.7m (H1 2020: £2.2m) partly due to 85% reduction in placement of new enquiries into the Group's joint-venture law firms
- Basic earnings per share of 1.0p (2020 H1: loss of 0.8p)
- Free cash flow[1] of £1.4m (2020 H1: £3.8m), as the Group prioritises the allocation of claims into its wholly owned law firm National Accident Law ("NAL")
- Net debt[1] further reduced to £14.9m (31 December 2020: £16.3m)

Operational Highlights

- 80% increase in enquiries allocated to NAL, the Group's modern, technologically enabled law firm
- NAL now processing all RTA claims and, since 1 July, an increasing number of non-RTA claims resulting in higher margin business
- Over 14,000 new personal injury enquiries generated in the Period, 26% fewer than H1 2020 and 17% fewer than H2 2020, but exited the half with a positive trajectory
- Over 4,250 ongoing claims in NAL at the Period end, an increase of 43% on 31 December 2020, which will generate an estimated £4.6m of unrecognised profits when the claims are concluded (31 December 2020: £3.5m)
- Successful launch of NAL's small claims proposition, with work commencing on approximately 1,500 RTA small claims, and all key metrics are in line with management's planning assumptions
- Resilient performance from Critical Care division, with progress made on strategic initiatives that will drive future growth

Outlook

- Despite ongoing impact of COVID-19, the Group has remained profitable, generated cash and reduced net debt during the Period
- Consumer Legal Services has seen growth in personal injury enquiries since the Period end, albeit at a slower rate than originally anticipated

- The Group's strategy to deliver long-term growth in its Personal Injury business will generate a higher margin business in the medium-term, whilst resulting in a short-term reduction in profits and higher levels of working capital as cases are progressed
- Volumes in Critical Care have increased since the beginning of September, after a reduction over the holiday season post Period end, with the division well placed to deliver revenue growth in H2
- Negotiations regarding the sale of Homeward Legal, part of the Group's Residential Property business are ongoing
- Slower than expected growth in the number of personal injury enquiries due to the sustained impact of the pandemic, coupled with the strategic decision to grow the number of enquiries placed into NAL, will result in revenues and underlying operating profits for the full year being lower than management's previous expectations, and are now expected to be lower than 2020
- The Board remains cautious around the speed and timing of the recovery from COVID-19

James Saralis, Group CEO of NAHL, commented:

"I am pleased that we have continued to make progress with our strategy during the first half of the year, notwithstanding the impact of the pandemic which is still being felt across our markets. National Accident Law processed 80% more enquiries in the first half compared with the prior year, as we invest to scale the business in order to generate higher levels of profitability in the future. In our Critical Care division we are focused on the growth opportunities ahead and are progressing plans to expand into adjacent sectors and build market share.

"The decision to invest in our wholly owned law firm National Accident Law by processing more enquiries through it will have a short-term impact on the financial performance of the business, as previously flagged. However, we believe we have developed a sustainable business model capable of delivering long-term growth and value creation.

"I would like to thank our people for their contribution during the Period. I continue to be impressed with the response of our colleagues to the challenges of the last 18 months, and we are grateful for their hard work and determination to constantly strive for the best results for all our stakeholders."

[1] *The interim results include alternative performance measures that provide additional useful information on underlying business trends and performance. These are defined in note 1 to the interim results.*

Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) No 596/2014) ("MAR") prior to its release as part of this announcement and is disclosed in accordance with the Company's obligations under Article 17 of those Regulations.

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Notes to Editors

NAHL Group plc (AIM: NAH) is a leader in the Consumer Legal Services (CLS) market. The Group provides services and products to individuals and businesses in the CLS market through its two divisions:

- **Consumer Legal Services** provides outsourced marketing services to law firms through National Accident Helpline and Homeward Legal; and claims processing and conveyancing services to individuals through Your Law, Law Together and National Accident Law. In addition, it also provides property searches through Searches UK.

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

More information is available at www.nahlgroupplc.co.uk, www.national-accident-helpline.co.uk and www.bushco.co.uk .

Overview

I'm pleased to report NAHL's results for the six months ended 30 June 2021, my first as Chief Executive Officer.

These results have been shaped by two key themes on which the Group is currently focused. The first is the ongoing challenges of COVID-19 and the second is the progress we are making with our strategy, in particular processing more claims in our own law firm for higher levels of revenue and profit.

COVID-19 continues to impact our markets and the restrictions that were still in force across the UK in the Period supressed accident numbers. This resulted in less work for our Personal Injury and Critical Care businesses, and inevitably has delayed our recovery.

Since the Period end, we have seen improving trends in the leading indicators of accident numbers but this improvement is slower than we previously anticipated. We remain cautious about the speed and timing of the recovery and cognisant of the risk of further disruption to our markets should the Government impose further restrictions over the winter months.

In spite of these challenges, we have continued to make pleasing progress on our strategy in the first half. We increased the number of claims processed by NAL by over 80%, from which, the Group retains 100% of the profits generated, rather than recognising a share of the profit by introducing the claim to our panel or joint-venture law firms. Whilst in the short term, this results in a longer lead time through to a successful claim, and therefore increased working capital, we have also reduced the profits attributable to members' non-controlling interests in our joint-venture law firms by 26%.

The Group has also delivered several strategic initiatives in the first half, the most significant being the launch of our small claims proposition for customers with low value road traffic accident ("RTA") claims, in May 2021. This was launched in response to legal reforms, which significantly reduced the value of these claims. Our new proposition allows us to continue to support our customers and to monetise these claims, albeit at a lower level of profit per claim than before the reforms.

Whilst a minority of our work is low value RTA, most of it is non-RTA work. By processing higher volumes of non-RTA work through NAL, as well as all of our RTA work, we will have a sustainable and profitable business albeit one which operates with a longer profit and working capital cycle.

Given the challenging market environment, we are pleased to report a return to profit before tax of £0.6m in the Period, compared to a loss of £0.4m last year. We also generated £1.4m of free cash flow during the Period and reduced net debt to £14.9m.

Summary of Financial Performance

	Unaudited H1 2021 £m	**Unaudited H1 2020 (restated)[1] £m**	**Change £m**	**Change %**
Consumer Legal Services	**13.5**	14.5	(1.0)	-6.4%
Critical Care	**6.0**	5.7	0.3	3.6%
Revenue	**19.5**	20.2	(0.7)	-3.6%
Consumer Legal Services	**2.4**	2.5	(0.1)	-4.2%
Critical Care	**1.7**	1.9	(0.2)	-11.9%
Shared Services	**(0.9)**	(0.8)	(0.1)	14.4%
Other items[2]	**(0.8)**	(0.8)	-	-8.0%
Underlying operating profit[3]	**2.5**	2.8	(0.3)	-13.4%

Exceptional items[3]	**-**	(0.8)	0.8	n/a
Profit attributable to members' non-controlling interests in LLPs	**(1.7)**	(2.2)	0.5	-26.1%
Financial income/expense (net)	**(0.2)**	(0.2)	-	4.2%
Profit/(loss) before tax	**0.6**	(0.4)	1.0	-242.1%

[1] The H1 2020 results have been restated to reflect the new structure of the Group as well as a revision to the presentation of the income statement as explained in the 2020 annual report. Total revenue and the operating loss are unchanged. See the 2020 annual report for further details.

[2] Other items comprise share-based payments and amortisation of intangible assets acquired on business combinations.

[3] The interim results include alternative performance measures (APMs) because the Directors believe they provide useful information for shareholders on underlying business trends and performance. Details of APMs are provided in Note 1. The results are presented on a like-for-like basis with no adjustment for discontinued operations.

<u>Summary of Results</u>

Revenue in the Period of £19.5m was 4% lower than the first half of last year (H1 2020: £20.2m) and 5% lower than the second half of last year.

The reduction was driven by a 6% fall in the revenues of our Consumer Legal Services division. COVID-19 had a significant impact on accident numbers in the market and this was notable in the third national lockdown, where we generated 26% fewer personal injury enquiries in the Period. We took the decision to place more enquiries into NAL, resulting in an 80% increase when compared to H1 last year, and 30% more than H2 2020. Processing enquiries through NAL delays the point at which revenue and profits can be recognised but maximises the potential value that they generate over their lifecycle.

Our Critical Care division grew its revenues by 4%, with a notable performance from its Expert Witness services, reporting 8% revenue growth attributed to an increase in recent marketing and business development efforts.

Underlying operating profit for the Group decreased by £0.3m to £2.5m, reflecting the investment being made in initiatives to fund future growth, including in NAL, Hubs and Bush Care Solutions.

There were no exceptional costs incurred in the Period. The £0.8m of exceptional costs reported in H1 2020 related to the transformation of our Personal Injury business and the restructuring of the Group, which has been completed.

By increasing the proportion of new personal injury claims being placed into NAL, there has been 85% fewer enquiries placed into our joint-venture law firms compared to H1 last year, with the benefit of reducing the profit attributable to members' non-controlling interests in LLPs by 26% to £1.7m (H1 2020: £2.2m).

Profit before tax increased to £0.6m from a loss of £0.4m last year. Basic earnings per share ("EPS") was 1.0p (H1 2020: a loss per share of 0.8p) and underlying EPS, which excludes exceptional items (net of tax), improved by 67% to 1.0p (H1 2020: 0.6p).

<u>Free Cash Flow and Net Debt</u>

The Group generated £1.4m of free cash flow ("FCF") in the period (H1 2020: £3.8m) and net debt was reduced to £14.9m at 30 June 2021 from £16.3m at the end of 2020.

Last year, in order to increase liquidity in response to the risks presented by the pandemic, we sought to maximise the placement of new personal injury claims into the panel. This helped to generate short term profit and lower levels of working capital in-year which enhanced our ability to generate FCF. The strategic decision to process more claims in NAL has resulted in less cash being generated from the panel in-year and an increase in processing costs. We expect these claims to generate higher levels of cash over the claim cycle, although that cash will be deferred until the claim settles.

Strategic Development

The Group aims to create value for its shareholders by delivering long-term growth within its two divisions. We set out our strategy to achieve this in the 2020 annual report and have made progress during the Period, having brought several important initiatives to market that will support the delivery of our long-term objectives.

Within our Consumer Legal Services division, we are executing on our strategy to process a higher proportion of enquiries through NAL, whilst continuing to provide work, where appropriate, to our carefully selected panel of third-party and joint-venture law firms. This will increase the average profit per enquiry made by us, on a blended basis, although the recognition of profit and receipt of cash attributable to the NAL cases will be delayed until later in the claim cycle. Since 31 May, NAL has been processing all the RTA claims we generate and, in the second half of the year, has started to accept an increasing number of non-RTA claims. In total in the Period, we placed 20% of our enquiries into NAL compared to 10% during 2020.

Our Personal Injury business launched its RTA small claims proposition on 31 May, in response to regulatory changes. These changes reduced compensation tariffs and eliminated cost awards for most RTA claims worth £5,000 or less, removing the majority of value for firms processing RTA cases. The focus of our business is on non-RTA claims, but we have been planning for these changes for several years and have created a modern, technologically enabled law firm with a market leading brand, that can efficiently process its own enquiries. Whilst these claims generate a lower level of profit than before the changes, our proposition allows us to monetise these claims, which we will continue to attract through our marketing activities.

Since its launch, NAL has commenced work on approximately 1,500 RTA small claims. These claims are at various stages of progression and we have already received liability admission on approximately 30% of these, which we expect to increase to over 50% as the book matures. Pleasingly, the key metrics are currently running in line with our planning assumptions. In conjunction with this, we launched a digital customer platform to process straightforward RTA claims entirely online, although at the moment only a minority of customers complete the journey wholly digitally. We plan to increase that proportion and also expand the digital customer journey to more complex RTA and certain non-RTA claims in the future. This should generate further operational efficiencies.

In May, the Board launched a process to appraise the potential sale of the Group's two Residential Property businesses, Homeward Legal and Searches UK. Following a review of the market, the Board has determined that conditions are not conducive to realise full value from a sale of Searches UK, but this position will be kept under review. Negotiations regarding the sale of Homeward Legal are ongoing and a further update will be made when appropriate.

In Critical Care, the Bush & Co team have continued to make progress with the strategic initiatives that will contribute to its recovery and future growth. The business completed the build of its proprietary report writing tool, designed to streamline the production of Expert Witness reports. It features a data capture app and report production tool to be used by our associates across multiple devices to support their assessment of injured clients and the production of their reports. This tool will increase the capacity of our existing associates and will therefore facilitate future growth within our existing resources. Since being rolled out to associates in April it has been used in over 20% of instructions to date, which we expect to grow over time.

The division has also made good progress with its plans to expand into adjacent markets. Our differentiated proposition, called Hubs, is targeted at serious claims valued between £100,000 and £500,000 and is progressing well. Originally planned for launch in 2022, the team have made excellent progress and are in discussions with several potential customers. We plan to conduct a pilot of this proposition later this year.

Finally, in August 2021, we expanded our existing care proposition and launched Bush Care Solutions which will directly provide our clients with care packages, in conjunction with an associate case manager or Deputy, rather than referring them to a third-party provider. The service has been started with a soft launch, ahead of schedule, and will be scaled up next year.

Trading Review

<u>Consumer Legal Services</u>

The division's markets have continued to be impacted by the pandemic. Lockdown measures remained in place across England and Wales throughout the majority of the Period, in contrast to the same period in 2020 which included just under three months of pre-COVID trading.

As a business, we look at a range of external data to help model new accident levels in our markets and we have found Google mobility data, in particular the data sets showing the relative number of people on public transport and in workplaces, to be the most relevant. This data suggested that there was little or no growth in activity in Q1 this year but that levels increased in Q2 and ended H1 at 60-70% of pre-pandemic levels, which broadly correlates to volumes achieved through our businesses.

In our Personal Injury business, we generated 14,141 enquiries in the Period (H1 2020: 19,086), which was 26% fewer than H1 last year and 17% fewer than H2 last year. This reflected the reduction in accident numbers in the market since the start of the pandemic. Last year, the recovery in enquiry numbers that we enjoyed over the summer stalled once the UK went into the second national lockdown and that continued into the third lockdown from the start of 2021. The first quarter of this year saw our enquiry numbers reduce by around 10% compared to the previous quarter, but this grew by 16% in Q2 to reach a level that was 56% of 2019 levels with a similar exit trend to the Google data.

As a result, revenue in the division was down 6% in the Period to £13.6m (H1 2020: £14.5m) but benefitting from the previously announced cost savings, underlying operating profit remained broadly flat at £2.4m (H1 2020: £2.5m).

We continued to focus our marketing spend on digital advertising in the Period, rather than invest in brand advertising on TV, as we generate a quicker return on investment. We experienced improved organic search performance through several Google algorithm changes following the re-platforming of our website last year.

In contrast to our decision last year to prioritise the placement of enquiries into the panel to generate cash and improve levels of liquidity during the peak of the pandemic, this year we invested in placing more enquiries into NAL to generate future growth. Demand from our panel of third-party firms has remained strong and our joint-venture law firms remain an important part of our flexible business model.

In total, we distributed 2,807 enquiries to NAL in the Period, an increase of 80% on H1 last year and 30% on H2 last year. We converted 85% of these enquiries into running claims, which was ahead of our target. At 30 June 2021, NAL was working on 4,268 ongoing claims, an increase of 43% on 31 December 2020. We estimate that the unrecognised profits on these claims, after deduction of processing costs, will amount to £4.6m (31 December 2020: £3.5m) when the claims are concluded. In addition to this, we estimate that the unrecognised profits on open cases in our joint-venture law firms, after deduction of any profit attributable to non-controlling interests and processing costs, will amount to a further £2.3m (31 December 2020: £2.6m).

Our residential property business performed well in the Period, having benefited from increased volumes driven by the stimulus of the Stamp Duty Land Tax holiday and business development wins. We have been pleased by the recovery in this business following the actions we took last year.

<u>Critical Care</u>

Bush & Co delivered another resilient performance in the first half, reporting revenues during the Period of £6.0m which was an increase of 4% compared to the same period last year.

Prior to the pandemic, we calculated our target market to be valued at approximately £107m, with around 6,500 catastrophic claims in a typical year. In our 2020 annual results, we predicted that the reduction in accident numbers resulting from the pandemic would translate into a similar reduction in catastrophic injury claims and that this would naturally lead to a reduction in Case Management instructions in-year with a recovery in volumes just a few months following the relaxation of restrictions. We expected the impact on Expert Witness instructions to be less pronounced and spread over multiple years, due to the delay between an accident occurring and an Expert Witness instruction being received, which can often be more than three years later when a claim is well underway.

This projection appears to have materialised, and last year we saw clear evidence of a reduction in Case Management instructions during lockdown, followed by a recovery in the months after restrictions were lifted. We are pleased with the level of instructions in the first half of 2021 and Expert Witness performed better than expected due to our marketing and business development activities throughout lockdown.

Case Management revenue grew by 3% despite the number of new instructions being unchanged from the same period last year, which benefited from the pre-pandemic period of most of Q1. The number of open Case Management cases increased by 4% to 1,257 at 30

June 2021 compared to 1,208 at 31 December 2020. These open cases result in recurring revenue from ongoing services to support our clients' rehabilitation.

Under the circumstances, our Expert Witness services had a particularly strong six months. Revenue grew by 8% and the number of new instructions increased by 20% following sustained marketing and business development activities, although we believe that a proportion of these were delayed from last year. The number of reports issued increased by 13% in the Period to 434 (H1 2020: 384) which was a strong result.

Underlying operating profit was 12% lower at £1.7m (H1 2020: £1.9m), at a margin of 28% (H1 2020: 33%). The contraction in margin reflects the investment being made in initiatives to fund future growth, including Hubs and Bush Care Solutions, as well an increase in remote service delivery which has been necessary during the pandemic but is less profitable.

Governance and Board Changes

On 17 August 2021, the Board made two appointments to executive leadership roles which will support the delivery of our strategy. I was appointed to the role of Group CEO, having served as Group CFO since 1 January 2018, and assuming executive responsibility for the day-to-day running of the Group since the departure of the previous CEO in September 2020.

Chris Higham was appointed to the role of acting CFO. Chris joined NAHL in 2006 and most recently held the role of Group Finance Director. His deep knowledge of the business and operational focus equip him well to make a significant contribution to the Group's development.

Within the Group Executive team, on 20 September, Will Herbertson was appointed to the role of Managing Director of the Consumer Legal Services division. Will joined the Group in 2018 and was most recently the Marketing and Strategy Director for the division. Prior to joining NAHL, he spent eight years in leadership roles at Proctor & Gamble and MoneySupermarket honing digital marketing, partnership development, and leadership skills.

Simon Trott (Chief Operating Officer of the Consumer Legal Services division) left the Group on 17 September to pursue other opportunities. Simon has been with the Group for five years and in that time played a leading role in sustaining the business through a period of enormous change and preparation for the industry reforms. I would like to thank Simon for his loyalty and commitment to the business during this time and wish him well for the future.

Summary and Current Year Outlook

Despite the impact of COVID-19, the Group remained profitable, generated positive cash flow and reduced net debt in the Period. We successfully launched several important initiatives that move us closer to achieving our long-term objectives but, in the short-term, our recovery has been delayed by the ongoing effects of COVID on our markets.

Since the Period end, Critical Care experienced a slowdown in activity levels in August as many clients went away during the summer break, but we have since seen volumes grow from the start of September. We expect to see further growth in revenue in the second half of the year will continue to develop the opportunities we have identified to accelerate our recovery and move into adjacent markets.

In Consumer Legal Services, we have seen further growth in personal injury enquiries in H2 but, whilst this growth has been sustained, it has been at a lower rate than we anticipated earlier in the year. Google mobility data remains at 65-70% of pre-pandemic levels and is recovering slowly. We currently expect to see the improvement continue through H2 and into 2022, but the recent Government announcements regarding their winter contingency plans for COVID are a reminder that further external measures that could delay this recovery cannot be ruled out.

Our strategy to deliver long-term growth in our Personal Injury business is predicated on generating higher profits and cash per claim by processing more claims in NAL. This this will cause a reduction in profits and cash in the short-term whilst those cases are progressed. With the lower enquiry volumes due to COVID-19, the Board had the choice between diverting enquiries to the panel to generate more immediate revenues, profit and cash flow in the remainder of this year, or to follow our strategy by processing an increasing number of enquiries in NAL to generate long-term growth in profits and cash flow. We have chosen the latter as we believe this will generate more value for our shareholders in the long-term.

The consequence of slower growth in the number of enquiries due to the continuing impact of the pandemic, and our decision to grow the number of enquiries placed into NAL, is that our revenues and profits for 2021 will be lower than we had anticipated earlier in the year and we now expect these to be less than last year. However, we still expect to generate a profit before tax in the year and to increase the value of our book of ongoing claims in NAL.

Finally, on behalf of the Board I would like to thank our people for their contribution during the Period. I continue to be impressed with the response of our colleagues to the challenges of the last 18 months, and we are grateful for their hard work and determination to constantly strive for the best results for all our stakeholders.

James Saralis
Group CEO

28 September 2021

Consolidated statement of comprehensive income

for the 6 months ended 30 June 2021

	Note	**Unaudited 6 months ended 30 June 2021 £000**	Unaudited 6 months ended 30 June 2020 retsated[1] £000	Audited 12 months ended 31 December 2020 £000
Revenue	2	**19,509**	20,235	40,875
Cost of sales		**(10,251)**	(10,770)	(21,602)
Gross profit		**9,258**	9,465	19,273
Administrative expenses		**(6,799)**	(7,421)	(14,964)
Underlying operating profit		**2,459**	2,838	5,659
Exceptional items	3	**-**	(794)	(1,350)
Operating profit	2	**2,459**	2,044	4,309
Profit attributable to members' non-controlling interests in LLPs		**(1,654)**	(2,238)	(4,115)
Financial income		**47**	98	168
Financial expense		**(271)**	(313)	(585)
Profit/(loss) before tax		**581**	(409)	(223)
Taxation	4	**(130)**	58	(2)
Profit/(loss) and total comprehensive income for the period		**451**	(351)	(225)
Profit/(loss) from discontinued operations for the period	10	**76**	(631)	(452)
Profit from continuing operations for the period		**375**	280	227

Earnings per share (p) Continuing operations		**Unaudited 6 months ended 30 June 2021**	Unaudited 6 months ended 30 June 2020 restated[1]	Audited 12 months ended 31 December 2020
Basic earnings per share	7	**0.8**	0.6	0.5
Diluted earnings per share	7	**0.8**	0.6	0.5

Earnings per share (p) Discontinued operations		**Unaudited 6 months ended 30 June 2021**	Unaudited 6 months ended 30 June 2020	Audited 12 months ended 31 December 2020
Basic earnings per share	7	**0.2**	(1.4)	(1.0)
Diluted earnings per share	7	**0.2**	(1.4)	(1.0)

1. During the second half of 2020 the Group undertook a review of its accounting treatment and presentation of several significant items that has resulted in the restatement of its 2020 interim results. See the 2020 annual report and financial statements for further information.

Consolidated statement of financial position

At 30 June 2021

Note	**Unaudited as at 30 June**	Unaudited as at 30 June	Audited as at 31 December

	Note	2021 £000	2020 restated[1] £000	2020 £000
Non-current assets				
Goodwill		**55,489**	55,489	55,489
Other intangible assets		**4,120**	4,845	4,557
Property, plant and equipment		**489**	349	367
Right of use assets		**2,608**	1,023	2,761
Deferred tax asset		**14**	30	14
		62,720	61,736	63,188
Current assets				
Trade and other receivables (including £7,811,000 (June 2020: £6,838,000; December 2020: £7,828,000) due in more than one year)	5	**35,051**	34,626	34,285
Cash and cash equivalents		**3,037**	3,378	3,609
		38,088	38,004	37,894
Total assets		**100,808**	99,740	101,082
Current liabilities				
Trade and other payables	6	**(17,999)**	(16,222)	(17,547)
Lease liabilities		**(253)**	(136)	(248)
Member capital and current accounts		**(4,587)**	(3,970)	(4,177)
Current tax liability		**(376)**	(53)	(126)
		(23,215)	(20,381)	(22,098)
Non-current liabilities				
Lease liabilities		**(2,125)**	(803)	(2,195)
Other interest-bearing loans and borrowings		**(17,950)**	(21,877)	(19,901)
Deferred tax liability		**(705)**	(915)	(826)
		(20,780)	(23,595)	(22,922)
Total liabilities		**(43,995)**	(43,976)	(45,020)
Net assets		**56,813**	55,764	56,062
Equity				
Share capital		**115**	115	115
Share option reserve		**4,212**	3,740	3,912
Share premium		**14,595**	14,595	14,595
Merger reserve		**(66,928)**	(66,928)	(66,928)
Retained earnings		**104,819**	104,242	104,368
Capital and reserves attributable to the owners of NAHL Group plc		**56,813**	55,764	56,062

2. During the second half of 2020 the Group undertook a review of its accounting treatment and presentation of several significant items that has resulted in the restatement of its 2020 interim results. See the 2020 annual report and financial statements for further information.

Consolidated statement of changes in equity

for the 6 months ended 30 June 2021

	Share capital £000	Share option reserve £000	Share premium £000	Merger reserve £000	Retained earnings £000	Total equity £000
Balance at 1 January 2021	115	3,912	14,595	(66,928)	104,368	56,062
Total comprehensive income for the period						
Profit for the period	-	-	-	-	451	451
Total comprehensive income	-	-	-	-	451	451
Transactions with owners, recorded directly in equity						
Share-based payments	-	300	-	-	-	300
Total transactions with owners recorded directly in equity	-	300	-	-	-	300
Balance at 30 June 2021	**115**	**4,212**	**14,595**	**(66,928)**	**104,819**	**56,813**

Balance at 1 January 2020	115	3,389	14,595	(66,928)	104,593	55,764
Total comprehensive income for the period						
Profit for the period	-	-	-	-	(351)	(351)
Total comprehensive income	-	-	-	-	(351)	(351)
Transactions with owners, recorded directly in equity						
Share-based payments	-	351	-	-	-	351
Total transactions with owners recorded directly in equity	-	351	-	-	-	351

Balance at 30 June 2020	**115**	**3,740**	**14,595**	**(66,928)**	**104,242**	**55,764**

Balance at 1 January 2020	115	3,389	14,595	(66,928)	104,593	55,764
Total comprehensive income for the year						
Profit for the year	-	-	-	-	(225)	(225)
Total comprehensive income	-	-	-	-	(225)	(225)
Transactions with owners, recorded directly in equity						
Issue of share capital	-	-	-	-	-	-
Share-based payments	-	523	-	-	-	523
Total transactions with owners recorded directly in equity	-	523	-	-	-	523
Balance at 31 December 2020	115	3,912	14,595	(66,928)	104,368	56,062

Consolidated cash flow statement

for the 6 months ended 30 June 2021

	Note	**Unaudited 6 months ended 30 June 2021 £000**	Unaudited 6 months ended 30 June 2020 £000	Audited 12 months ended 31 December 2020 £000
Cash flows from operating activities				
Profit for the period		**451**	(351)	(225)
Adjustments for:				
Profit attributable to members' non-controlling interests in LLPs		**1,654**	2,238	4,115
Property, plant and equipment depreciation		**86**	65	169
Right of use asset depreciation		**153**	242	430
Amortisation of intangible assets		**621**	656	1,345
Financial income		**(47)**	(98)	(168)
Financial expense		**271**	313	585
Share-based payments		**300**	351	523
Taxation		**130**	(58)	2
		3,619	3,358	6,776
(Increase)/Decrease in trade and other receivables		**(720)**	1,797	2,223
Increase in trade and other payables		**452**	1,687	2,945
Cash generation from operations		**3,351**	6,842	11,944
Interest paid		**(193)**	(266)	(469)
Tax paid		**-**	(301)	(450)
Net cash from operating activities		**3,158**	6,275	11,025
Cash flows from investing activities				
Acquisition of property, plant and equipment		**(208)**	(147)	(269)
Acquisition of intangible assets		**(184)**	(419)	(820)
Interest received		**1**	2	10
Disposal of subsidiary net of cash disposed of[1]		**-**	(1,273)	(1,273)
Net cash used in investing activities		**(391)**	(1,837)	(2,352)
Cash flows from financing activities				
Repayment of borrowings		**(2,000)**	(1,750)	(3,750)
Facility arrangement fees		**-**	(84)	(121)
Principal element of lease payments		**(95)**	(261)	(558)
Drawings paid to LLP members		**(1,244)**	(1,529)	(3,199)
Net cash used in financing activities		**(3,339)**	(3,624)	(7,628)
Net (decrease)/increase in cash and cash equivalents		**(572)**	814	1,045
Cash and cash equivalents at beginning of period		**3,609**	2,564	2,564
Cash and cash equivalents at end of period		**3,037**	3,378	3,609

1. The entity disposed of its interest in National Law Associates LLP on 2 January 2020 and de-consolidated its results from this point.

Notes to the financial statements

1. Accounting policies

General Information

The half year results for the current and comparative period to 30 June have not been audited or reviewed by auditors pursuant to the Auditing Practices Board guidance of Review of Interim Financial Information.

These half year results do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2020 were approved by the Board of Directors on 4 June 2021 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006.

In preparing the half year results, the Board has considered the Group's ability to continue as a going concern. This assessment included a review of management's financial forecasts, covering a range of potential scenarios that reflect the ongoing impact of COVID-19 and a corresponding range of ongoing recovery rates in the market following the easing of restrictions in July 2021. 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 has access to a £25.0m revolving credit facility ('RCF') with its bankers and at the time of writing, it has drawn £18.0m of this facility and has cash of £2.0m. 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.

However, the Group's RCF is subject to quarterly covenant testing and the scenarios modelled suggest that the Group may not achieve its minimum profit and minimum cash flow targets from Q3 2021. The Group are currently in supportive discussions with the bank to secure a relaxation of the covenants.

The potential covenant breach indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The Group financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern. Notwithstanding this material uncertainty, the Directors have a reasonable expectation that the Group has 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.

The condensed set of financial statements was approved by the Board of Directors on 27 September 2021.

Basis of preparation

Statement of compliance

The half year results for the current and comparative period to 30 June have been prepared in accordance with IAS 34 Interim Financial Reporting applied in conformity with the requirements of the Companies Act 2006 and the AIM Rules of UK companies. They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Group for the year ended 31 December 2020, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") in conformity with the requirements of the Companies Act 2006.

New and amended standards adopted by the Group

There are no new or amended standards applicable for the current reporting period.

Use of judgements and estimates

The preparation of financial statements in conformity with 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. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

In preparing the condensed set of financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were of the same type as those that applied to the financial statements for the year ended 31 December 2020.

Significant accounting policies

The accounting policies used in the preparation of these interim financial statements for the 6 months ended 30 June 2021 are the accounting policies as applied to the Group's financial statements for the year ended 31 December 2020.

Statutory and non-statutory measures

The Directors have presented these alternative performance measures (APMs) in the Interim Results 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 Interim Results are as defined in the 2020 Annual Report and the principles to identify adjusting items have been applied on a basis consistent with previous years. 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. Examples of exceptional items in the current and/or previous years include
reorganisation and restructuring costs, and acquisition related costs. Exceptional costs are separately identified to allow for greater comparability of underlying Group operating results year-on-year.

The APMs presented in the Interim Results are defined as follows:

Nature of Related IFRS Related IFRS

measure	measure	source	Definition	Use/relevance
Underlying operating profit	Operating profit	Consolidated income statement	Based on the related IFRS measure but excluding exceptional items.	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.
Underlying operating cash flow	Cash flow from operating activities	Consolidated cash flow statement	Based on the related IFRS measure but excluding cash flows in respect of the items excluded from underlying operating profit as described above.	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 and allows management to monitor the conversion of underlying profit into cash.
Underlying cash conversion	Not defined by IFRS	n/a	Calculated as underlying operating cash flow divided by underlying operating profit.	
Free cash flow	Not defined by IFRS	n/a	Calculated as net cash generated from operating activities less net cash used in investing activities (excluding any disposals of subsidiaries) less payments made to partner LLP members and less principal element of lease payments.	
Underlying Basic EPS	Basic EPS	Consolidated income statement	Based on the related IFRS measure but calculated using underlying Profit after tax.	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. It also allows comparability of core trading performance year-on-year.
Working capital	Movement in receivables and movement in payables	Consolidated cash flow statement	Working capital is not defined by IFRS. This is defined by management as being the cash movement in trade and other receivables less the movement in trade and other payables.	Allows management to assess the short-term cash flows from movements in the more liquid assets.
Net cash/(debt)	Not defined by IFRS	Consolidated cash flow statement	Net cash/(debt) is defined as cash and cash equivalents less interest-bearing borrowings net of loan arrangement fees.	Allows management to monitor the overall level of debt in the business. As stated in the 2020 strategic report, loan funding is key to the Group's future strategy as an increasing proportion of profits and cash flows are deferred until case settlement.

A reconciliation of each measure is provided as follows:

Underlying operating profit:

	Unaudited 6 months ended 30 June 2021 £000	Unaudited 6 months ended 30 June 2020 £000	Audited 12 months ended 31 December 2020 £000
IFRS measure - operating profit	**2,459**	2,044	4,309
Exceptional items	**-**	794	1,350
Underlying operating profit	**2,459**	2,838	5,659

Underlying operating cash flow, underlying cash conversion and free cash flow:

	Unaudited 6 months ended 30 June 2021 £000	Unaudited 6 months ended 30 June 2020 £000	Audited 12 months ended 31 December 2020 £000
IFRS measure - cash generation from operations	**3,351**	6,842	11,944
Exceptional items	**-**	794	1,350
Working capital movements in respect of exceptional items	**338**	-	(338)
Underlying operating cash flow	**3,689**	7,636	12,956
Underlying operating profit (as above)	**2,459**	2,838	5,659
Underlying cash conversion	**150.0%**	269.1%	228.9%

Cash generation from operations	**3,351**	6,842	11,944
Interest paid	**(193)**	(266)	(469)
Tax paid	**-**	(301)	(450)
Net cash generated from operating activities	**3,158**	6,275	11,025
Net cash used in investing activities (excluding disposal of subsidiaries)	**(391)**	(564)	(1,079)
Lease payments	**(95)**	(261)	(558)
Facility arrangement fees	**-**	(84)	(121)
Payments to non-controlling interests	**(1,244)**	(1,529)	(3,199)
Free cash flow	**1,428**	3,837	6,068

Underlying basic EPS:

	Unaudited 6 months ended 30 June 2021 £000	Unaudited 6 months ended 30 June 2020 £000	Audited 12 months ended 31 December 2020 £000
IFRS measure - profit/(loss) for the year attributable to shareholders	**451**	(351)	(225)
Exceptional items	**-**	794	1,350
Tax effect of the above	**-**	(151)	(257)
Underlying profit for the year attributable to shareholders	**451**	292	868
Weighted average number of shares	**46,240,222**	46,237,518	46,238,878
Underlying EPS	**1.0**	0.6	1.9

Working capital:

	Unaudited 6 months ended 30 June 2021 £000	Unaudited 6 months ended 30 June 2020 £000	Audited 12 months ended 31 December 2020 £000
Movement in trade and other receivables	**(720)**	1,797	2,223
Movement in trade and other payables	**452**	1,687	2,945
Working capital	**(268)**	3,484	5,168
Movement in interest accruals	**(46)**	(84)	(158)
Movement in corporation tax debtor	**-**	-	15
Movement in financing accruals	**-**	-	110
IFRS measure - movement in trade and other receivables less movement in trade and other payables	**(314)**	3,400	5,135

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 of disbursements incurred in the processing of personal injury claims. These disbursements will ultimately be billed on settlement of a case or recovered from insurance if a case should fail and so the recoverable disbursements represents the value of disbursements still to be billed. 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. 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.

2. Operating segments

	Consumer Legal Services £000	Critical Care £000	Shared services £000	Other items £000	Underlying operations £000	Exceptional items £000	Eliminations[2] £000	Total £000
6 months ended 30 June 2021								
Revenue	13,557	5,952	-	-	19,509	-	-	19,509
Depreciation and amortisation	(139)	(83)	(176)	(462)	(860)	-	-	(860)
Operating profit/(loss)	2,439	1,674	(892)	(762)	2,459	-	-	2,459
Profit attributable to members' non-controlling interests in LLPs	(1,654)	-	-	-	(1,654)	-	-	(1,654)
Financial income	47	-	-	-	47	-	-	47
Financial expenses	-	(5)	(266)	-	(271)	-	-	(271)
Profit/(loss) before tax	832	1,669	(1,158)	(762)	581	-	-	581
Trade receivables	4,035	4,906	-	-	8,941	-	-	8,941
Total assets[1]	32,767	6,047	79,500	-	118,314	-	(17,506)	100,808
Segment liabilities[1]	(15,170)	(1,371)	(3,836)	-	(20,377)	-	-	(20,377)
Capital expenditure (including intangibles)	(30)	(169)	(193)	-	(392)	-	-	(392)
6 months ended 30 June 2020								
Revenue	14,491	5,744	-	-	20,235	-	-	20,235
Depreciation and amortisation	(348)	(68)	(70)	(477)	(963)	-	-	(963)
Operating profit/(loss)	2,546	1,900	(780)	(828)	2,838	(794)	-	2,044
Profit attributable to members' non-controlling interests in LLPs	(2,238)	-	-	-	(2,238)	-	-	(2,238)
Financial income	91	7	-	-	98	-	-	98
Financial expenses	(1)	(4)	(308)	-	(313)	-	-	(313)
Profit/(loss) before tax	398	1,903	(1,088)	(828)	385	(794)		(409)
Trade receivables	4,370	4,924	-	-	9,294	-	-	9,294
Total Assets[1]	33,016	5,770	78,460	-	117,246	-	(17,506)	99,740
Segment liabilities[1]	(14,566)	(1,042)	(1,553)	-	(17,161)	-	-	(17,161)
Capital expenditure (including intangibles)	(211)	(64)	(291)	-	(566)	-	-	(566)
12 months ended 31 December 2020								
Revenue	29,537	11,338	-	-	40,875	-	-	40,875
Depreciation and amortisation	(636)	(137)	(247)	(924)	(1,944)	-	-	(1,944)
Operating profit/(loss)	5,407	3,594	(1,895)	(1,447)	5,659	(1,350)	-	4,309
Profit attributable to non-controlling interest members in LLPs	(4,115)	-	-	-	(4,115)	-	-	(4,115)
Financial income	161	6	1	-	168	-	-	168
Financial expenses	(1)	(8)	(576)	-	(585)	-	-	(585)
Profit/(loss) before tax	1,452	3,592	(2,470)	(1,447)	1,127	(1,350)	-	(223)
Trade receivables	3,422	4,870	-	-	8,292	-	-	8,292
Total assets[1]	32,859	5,990	79,739	-	118,588	-	(17,506)	101,082
Segment liabilities[1]	(19,001)	(1,232)	(3,934)	-	(24,167)	-	-	(24,167)
Capital expenditure (including intangibles)	540	244	305	-	1,089	-	-	1,089

1. 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.
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.

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 the prior year.

Consumer Legal Services - Revenue is split along 3 separate streams being: a) Panel - revenue from the provision of personal injury and conveyancing enquiries to the Panel Law Firms, based on a cost plus margin model b) Products - consisting of commissions received from providers for the sale of additional products by them to the Panel Law Firms, surveys and the provision of conveyancing searches and c) Processing - in the case of our ABSs and self-processing operations, revenue receivable from clients for the provision of legal services.

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. Examples of exceptional items in the current and/or previous years include reorganisation and restructuring costs; and acquisition related costs. Exceptional costs are separately identified to allow for greater comparability of underlying Group operating results year-on-year.

3. Exceptional items

	Unaudited 6 months ended 30 June 2021 £000	Unaudited 6 months ended 30 June 2020 £000	Audited 12 months ended 31 December 2020 £000
Group strategic and reorganisation costs[1]	-	495	613
Group restructure[2]	-	299	399
Due diligence costs[3]	-	-	338
Total	-	794	1,350

1. Group strategic and reorganisation costs relate to project costs to implement fundamental strategic plans that fall outside of the core trading operations of the business.
2. Group restructure costs largely relate to redundancy costs and other one-off costs associated with the closure of the Chancery Lane office and merger of the residential property and personal injury businesses into a new Consumer Legal Services division.
3. Due diligence costs consisting of legal and advisory costs in respect of a potential offer made for the Group during 2020.

4. Taxation

	Unaudited 6 months ended 30 June 2021 £000	Unaudited 6 months ended 30 June 2020 £000	Audited 12 months ended 31 December 2020 £000
Current tax expense			
Current tax on income for the year	**250**	92	202
Adjustments in respect of prior years	-	-	26
Total current tax	**250**	92	228
Deferred tax credit			
Origination and reversal of timing differences	**(120)**	(150)	(226)
Total deferred tax	**(120)**	(150)	(226)
Total expense in statement of comprehensive income	**130**	(58)	2
Total tax (credit)/charge	**130**	(58)	2

Reconciliation of effective tax rate:

	Unaudited 6 months ended 30 June 2021 £000	Unaudited 6 months ended 30 June 2020 £000	Audited 12 months ended 31 December 2020 £000
Profit/(loss) for the period	**451**	(351)	(225)
Total tax expense/(credit)	**130**	(58)	2
Profit/(loss) before taxation	**581**	(409)	(223)
Tax using the UK corporation tax rate of 19.0% (June 2020: 19.0%, December 2020:19.0%)	**110**	(78)	(42)
Non-deductible expenses	**57**	67	100
Adjustments in respect of prior years	-	-	26
Share scheme deductions	-	-	(11)
Short term timing differences for which no deferred tax is recognised	**(37)**	(47)	(71)
Total tax charge/(credit)	**130**	(58)	2

The Group's tax charge of £130,000 (June 2020: credit £58,000, December 2020: charge £2,000) represents an effective tax rate of 22.4% (June 2020: 14.1%, December 2020: 0.9%). The effective tax rate is higher than the standard corporation tax rate of 19.0% for the reasons as set out above.

Changes in tax rates and factors affecting the future tax charge

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. This will affect the Group's future tax charges.

5. Trade and other receivables

	Unaudited 6 months ended 30 June 2021 £000	Unaudited 6 months ended 30 June 2020 £000	Audited 12 months ended 31 December 2020 £000
Trade receivables: receivable in less than one year	**8,181**	8,651	7,493
Trade receivables: receivable in more than one year	**760**	643	799
Accrued income: receivable in less than one year	**10,692**	11,867	11,398
Accrued income: receivable in more than one year	**7,051**	6,195	7,029
Other receivables	**22**	22	14
Prepayments	**965**	1,009	703
Corporation tax	**88**	-	88
Recoverable disbursements	**7,292**	6,239	6,761
Total	**35,051**	34,626	34,285

A provision against trade receivables of £739,000 (June 2020: £625,000, December 2020 £673,000) is included in the figures above.

6. Trade and other payables

	Unaudited 6 months ended 30 June 2021 £000	Unaudited 6 months ended 30 June 2020 £000	Audited 12 months ended 31 December 2020 £000
Trade payables	**2,706**	2,073	3,201
Disbursements payable	**6,686**	6,144	6,001
Other taxation and social security	**1,659**	1,832	1,791
Other payables, accruals and deferred revenue	**6,311**	5,393	5,849
Customer deposits	**637**	780	705
Total	**17,999**	16,222	17,547

7. Earnings per share

The calculation of basic earnings per share at 30 June 2021 is based on profit attributable to ordinary shareholders of the parent company of £451,00 (June 2020: loss of £351,000, December 2020: loss of £225,000) and a weighted average number of Ordinary Shares outstanding of 46,240,222 (June 2020: 46,237,518, Dec 2020: 46,238,878).

Profit attributable to ordinary shareholders (basic)

	Unaudited 6 months ended 30 June 2021 £000	Unaudited 6 months ended 30 June 2020 £000	Audited 12 months ended 31 December 2020 £000
Profit/(loss) for the period attributable to the shareholders	**451**	(351)	(225)
Profit/(loss) for the period from continuing operations	**375**	280	227
Profit/(loss) for the period from discontinued operations	**76**	(631)	(452)

Weighted average number of Ordinary Shares (basic)

Number	**Unaudited 6 months ended 30 June 2021**	Unaudited 6 months ended 30 June 2020	Audited 12 months ended 31 December 2020
Issued Ordinary Shares at start of period	**46,240,222**	46,178,716	46,178,716
Weighted average number of Ordinary Shares at end of period	**46,240,222**	46,237,518	46,238,878

Basic earnings per share (p)

	Unaudited 6 months ended 30 June 2021	Unaudited 6 months ended 30 June 2020	Audited 12 months ended 31 December 2021
Group (p) - continuing operations	**0.8**	0.6	0.5
Group (p) - discontinued operations	**0.2**	(1.4)	(1.0)
Group (p) - total	**1.0**	(0.8)	(0.5)

The Company has in place share-based payment schemes to reward employees. As at 30 June 2021, there were potentially dilutive shares options under the Group's share option schemes. The total number of options available for these schemes included in the diluted earnings per share calculation is 1,686,327 (2020: In line with IAS 33 as the Group has a negative earnings per share it is assumed there are no dilutive shares). There are no other diluting items.

Diluted earnings per share (p)

	Unaudited 6 months ended 30 June 2021	Unaudited 6 months ended 30 June 2020	Audited 12 months ended 31 December 2020
Group (p) - continuing operations	**0.8**	0.6	0.5
Group (p) - discontinued operations	**0.2**	(1.4)	(1.0)
Group (p) - total	**1.0**	(0.8)	(0.5)

8. Dividends

No dividends were paid in 2020 and the Directors have recommended an interim dividend in respect of 2021 of nil p (2020: interim dividend of nil p).

9. Net debt

Net debt comprises cash and cash equivalents, secured bank loans, loan notes and preference shares.

	Unaudited as at 30 June 2021 £000	Unaudited as at 30 June 2020 £000	Audited as at 31 December 2020 £000
Cash and cash equivalents	**3,037**	3,378	3,609
Other interest-bearing loans and loan notes	**(17,950)**	(21,877)	(19,901)
Net debt	**(14,913)**	(18,499)	(16,292)
Lease liabilities	**(2,378)**	(939)	(2,443)

Set out below is a reconciliation of movements in net debt during the period.

	Unaudited as at 30 June 2021 £000	Unaudited as at 30 June 2020 £000	Audited as at 31 December 2020 £000
Net (decrease)/increase in cash and cash equivalents	**(572)**	814	1,045
Net outflow from increase in debt and debt financing	**2,000**	1,750	3,750
Movement in net borrowings resulting from cash flows	**1,428**	2,564	4,795
Non-cash movements - net release of prepaid loan arrangement fees	**(49)**	(33)	(57)
Net debt at beginning of period	**(16,292)**	(21,030)	(21,030)
Net debt at end of period	**(14,913)**	(18,499)	(16,292)

Set out below is a reconciliation of movements in lease liabilities during the period.

	Unaudited as at 30 June 2021 £000	Unaudited as at 30 June 2020 £000	Audited as at 31 December 2020 £000
Net outflow from decrease in lease liabilities	**95**	261	558
Movement in net borrowings resulting from cash flows	**95**	261	558
Non-cash movements arising from initial recognition of new lease liabilities, revisions and interest charges	**(30)**	(953)	(2,754)
Lease liabilities at beginning of the period	**(2,443)**	(247)	(247)
Lease liabilities at end of period	**(2,378)**	(939)	(2,443)

10. Discontinued Operations

In May 2021, the Group announced its intention to investigate a potential sale of its Residential Property business, a sub-division of its Consumer Legal Services operating segment. As at the interim balance sheet date, management had committed to a formal plan for the sale of the business and were actively seeking a buyer. It is anticipated that this process will be completed by the end of the 2021 financial year. Subsequently, the decision was made not to proceed with the sale of Searches UK Limited, a company within the Residential Property division. As such, the results from Homeward Legal and National Conveyancing Partners have been classified as discontinued operations. These business units have no non-current assets and no fair value adjustments have arisen on this classification.

The results of these discontinued operations are as follows:

Consolidated statement of comprehensive income:

	Unaudited as at 30 June 2021 £000	Unaudited as at 30 June 2020 £000	Audited as at 31 December 2020 £000
Revenue	**1,296**	1,057	2,888
Expenses	**(1,197)**	(1,688)	(3,334)
Profit/(loss) before taxation	**99**	(631)	(446)
Taxation	**(23)**	-	(6)
Profit/(loss) after taxation attributable to owners of the parent company	**76**	(631)	(452)

Consolidated cash flow statement:

	Unaudited as at 30 June 2021 £000	Unaudited as at 30 June 2020 £000	Audited as at 31 December 2020 £000
Cash flows from operating activities	**(143)**	(401)	(158)
Cash flows from investing activities	**-**	(15)	(15)
Cash flows from financing activities	**-**	(38)	(38)
Net cash outflow	**(143)**	(454)	(211)

END

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