

Placing and Admission to trading on AIM



www.national-accident-helpline.co.uk

National Accident Helpline plc, 1430 Montagu Court,
Kettering Parkway, Kettering, Northamptonshire, NN15 6XR

Nominated Adviser and Broker



**ESPIRITO SANTO
INVESTMENT BANK**

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult an authorised person (being, if you are resident in the United Kingdom, an organisation or firm authorised or exempted pursuant to the FSMA who specialises in advising on the acquisition of shares and other securities or, if you are resident in Ireland, an organisation or firm authorised or exempted pursuant to the Investment Intermediaries Act 1995 (as amended) or the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3), or another appropriately authorised adviser if you are in a territory outside the United Kingdom or Ireland).

This document, which comprises an AIM admission document, has been drawn up in accordance with the AIM Rules and does not constitute a prospectus under the Prospectus Rules and has not been approved by or filed with the FCA or the Central Bank of Ireland. This document has not been prepared in accordance with Part 5 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 (the "2005 Act"), Part 5 of the Prospectus (Directive 2003/71/EC) Regulations 2005 (SI No. 324 of 2005) as amended by the Prospectus (Directive 2003/71/EC) (Amendment) Regulations 2012 S.I. No. 239 of 2012 (the "Irish Prospectus Regulations"), Commission Regulation (EC) No. 809/2004 or the laws of Ireland and does not comprise a prospectus nor constitute an offer of transferable securities to the public for the purposes of the Irish Prospectus Regulations. The definitions used in this document are at pages 8 to 10.

The Company, whose registered office appears on page 5, and the Directors, whose names appear on page 5, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (each of whom have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application has been made for all of the Ordinary Shares, issued and to be issued, to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on AIM on 29 May 2014.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document. The rules of AIM are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Ordinary Shares to the Official List. The Ordinary Shares are not traded on any other recognised investment exchange and no application has been made for the Ordinary Shares to be listed on any other recognised investment exchange. The whole text of this document should be read.

Your attention is drawn in particular to the risk factors set out in Part II of this document.

NAHL GROUP PLC

(Incorporated under the Companies Act 2006 and registered in England and Wales with registered number 8996352)

Placing of 17,500,000 Ordinary Shares at £2 per share

and

Admission to trading on AIM

Nominated adviser and broker



**ESPIRITO SANTO
INVESTMENT BANK**

Share capital immediately following Admission

	Number	Amount
Issued and fully paid ordinary shares of £0.0025 each	41,150,000	£102,875

Espirito Santo Investment Bank, which is regulated by the FCA, is acting as nominated adviser and broker to the Company and will not be responsible to any person other than the Company for providing the protections afforded to its customers or for advising any other person on the contents of this document or any transaction or arrangement referred to herein. Espirito Santo Investment Bank has not authorised the contents of any part of this document for the purposes of the AIM Rules. The responsibilities of Espirito Santo Investment Bank as the Company's nominated adviser under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or any Director, Shareholder or any other person in respect of a decision to subscribe for or acquire Ordinary Shares in the Company. Espirito Santo Investment Bank is not making any representation or warranty, express or implied, as to the contents of this document and accepts no responsibility for, or authorises the contents of this document or its publication, including without limitation, under Section 41 of the 2005 Act, or Regulation 31 of the Irish Prospectus Regulations.

This document is being distributed to and is directed only at persons in member states of the European Economic Area ("EEA") who are "qualified investors" as defined under the Prospectus Directive (Directive 2003/71/EC and any amendments thereto including 2010/73/EU to the extent implemented in the relevant EEA member state) and any relevant implementing measure in the relevant member state of the EEA ("qualified investors"). Any person in any such member state of the EEA who receives this document will be deemed to have represented and agreed that it is a qualified investor. Any such recipient will also be deemed to have represented and agreed that it has not received this document on behalf of persons in the EEA other than qualified investors or persons in the United Kingdom and other member states (where equivalent legislation exists) for whom the investor has authority to make decisions on a wholly discretionary basis. The Company, Espirito Santo Investment Bank and its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements. Any person in the EEA who is not a qualified investor should not act or rely on this document or any of its contents.

In Ireland, this document is being distributed only to, and is directed only at, "qualified investors" (within the meaning of the Irish Prospectus Regulations) who are "professional clients" as defined in Schedule 2 of the European Communities Markets in Financial Instruments Regulations 2007 (as amended). The Ordinary Shares may be offered to the public in Ireland at any time under the following exemptions under the Irish Prospectus Regulations: (i) an offer of securities addressed solely to qualified investors (as defined in the Irish Prospectus Regulations); (ii) an offer of securities addressed solely to fewer than 150 natural or legal persons (other than qualified investors, as defined in the Irish Prospectus Regulations), subject to obtaining the prior written consent of the Company for any such offer; and (iii) in any other circumstances falling within Regulation 9(1) of the Irish Prospectus Regulations.

No Ordinary Shares will be publicly offered or distributed in Switzerland. Ordinary Shares will be offered in Switzerland privately only to a select circle of investors without the use of any public means of information or advertisement. This

document does not constitute an offer prospectus within the meaning of Art. 652a of the Swiss Code of Obligations. It has not been filed with or approved by any Swiss regulatory authority or stock exchange. The Ordinary Shares will not be registered in Switzerland or listed on any Swiss stock exchange. This document may not be distributed or used in Switzerland without the Company's prior written approval.

This document does not constitute an offer to sell, or the solicitation of an offer to buy, securities in any jurisdiction in which such offer or solicitation is unlawful and, in particular, is not for distribution into the United States of America, Canada, Australia, the Republic of South Africa or Japan. The Ordinary Shares have not been and will not be registered under the United States Securities Act 1933 (as amended) nor under the applicable securities laws of the United States of America or any province or territory of Canada, Australia, the Republic of South Africa or Japan, nor in any country or territory where to do so may contravene local securities laws or regulations and will not be made to any national, resident or citizen of the United States of America, Canada, Australia, the Republic of South Africa or Japan. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdictions. The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other United States of America regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

In making any investment decision in respect of the Ordinary Shares, no information or representation should be relied upon other than as contained in this document. No person has been authorised to give any information or make any representation other than that contained in this document and, if given or made, such information or representation must not be relied upon as having been authorised.

Neither the Company nor the Directors are providing prospective investors with any representations or warranties or any legal, financial, business, tax or other advice. Prospective investors should consult with their own advisers as needed to assist them in making their investment decision and to advise them whether they are legally permitted to purchase the Ordinary Shares.

A copy of this document is available, subject to certain restrictions relating to persons resident in any restricted jurisdiction, at the Company's website www.nahlgroupplc.co.uk. Neither the content of the Company's website nor any website accessible by hyperlinks to the Company's website is incorporated in, or forms part of, this document.

IMPORTANT INFORMATION

Investment in the Company carries risk. There can be no assurance that the Company's strategy will be achieved and investment results may vary substantially over time. Investment in the Company is not intended to be a complete investment programme for any investor. The price of the Ordinary Shares and any income from Ordinary Shares can go down as well as up and Shareholders may not realise the value of their initial investment. Prospective Shareholders should carefully consider whether an investment in Ordinary Shares is suitable for them in light of their circumstances and financial resources and should be able and willing to withstand the loss of their entire investment (see further under "Part II: Risk Factors").

Potential Shareholders contemplating an investment in the Ordinary Shares should recognise that their market value can fluctuate and may not always reflect their underlying value. Returns achieved are reliant upon the performance of the Group. No assurance is given, express or implied, that Shareholders will receive back the amount of their investment in the Ordinary Shares.

If you are in any doubt about the contents of this document you should consult, if you are resident in the United Kingdom, a person authorised under FSMA, who specialises in advising on the acquisition of shares and other securities, and if you are resident in Ireland, an organisation or firm authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) or the Investment Intermediaries Act 1995 (as amended).

Investment in the Company is suitable only for financially sophisticated individuals and institutional investors who have taken appropriate professional advice, who understand and are capable of assuming the risks of an investment in the Company and who have sufficient resources to bear any losses which may result therefrom.

Potential Shareholders should not treat the contents of this document as advice relating to legal, taxation, investment or any other matters. Potential Shareholders should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption, conversion or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares that they might encounter; and (c) the income and other tax consequences that may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Ordinary Shares. Potential Shareholders must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

Statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

This document should be read in its entirety before making any investment in the Company.

Forward looking statements

Certain statements contained herein are forward looking statements and are based on current expectations, estimates and projections about the potential returns of the Group and industry and markets in which the Group will operate, the Directors' beliefs and assumptions made by the Directors. Words such as "expects", "anticipates", "should", "intends", "plans", "believes", "seeks", "estimates", "projects", "pipeline", "aims", "may", "targets", "would", "could" and variations of such words and similar expressions are intended to identify such forward looking statements and expectations. These statements are not guarantees of future performance or the ability to identify and consummate investments and involve certain risks, uncertainties, outcomes of negotiations and due diligence and assumptions that are difficult to predict, qualify or quantify. Therefore, actual outcomes and results may differ materially from what is expressed in such forward looking statements or expectations. Among the factors that could cause actual results to differ materially are: the general economic climate, competition, interest rate levels, loss of key personnel, the result of legal and commercial due diligence, the availability of financing on acceptable terms and changes in the legal or regulatory environment. These forward-looking statements speak only as at the date of this document. The Company and the Directors expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein, or to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based save as required to comply with any legal or regulatory obligations (including the AIM Rules for Companies).

TABLE OF CONTENTS

	Page
DIRECTORS, SECRETARY AND ADVISERS	5
PLACING STATISTICS	6
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	7
DEFINITIONS	8
GLOSSARY	11
KEY INFORMATION	12
PART I INFORMATION ON THE GROUP	14
PART II RISK FACTORS	28
PART III HISTORICAL FINANCIAL INFORMATION	35
PART IV UNAUDITED PRO FORMA STATEMENT OF NET ASSETS	77
PART V ADDITIONAL INFORMATION	78
PART VI TERMS AND CONDITIONS OF THE PLACING	114

DIRECTORS, SECRETARY AND ADVISERS

Directors	<ul style="list-style-type: none">– Robert Stephen Halbert (<i>Non-Executive Chairman</i>)– John Russell Atkinson (<i>Chief Executive Officer</i>)– Stephen Dolton (<i>Chief Financial Officer</i>)– Samantha Jacqueline Porteous (<i>Non-Executive Director</i>)
Registered and head office	1430 Montagu Court, Kettering Parkway, Kettering, Northamptonshire, NN15 6XR
Company website	www.nahlgroupplc.co.uk
Company secretary	Stephen Dolton
Nominated adviser and broker	Execution Noble & Company Limited, trading as Espirito Santo Investment Bank 10 Paternoster Square London, EC4M 7AL
Legal advisers to the Company	Pinsent Masons LLP 1 Park Row Leeds, LS1 5AB
Reporting accountants and auditors	KPMG LLP 8 Salisbury Square London, EC4Y 8BB
Legal advisers to the Nomad	Travers Smith LLP 10 Snow Hill London, EC1A 2AL
Public relations adviser to the Company	FTI Consulting 200 Aldersgate Street London, EC1A 4HD
Registrar	Capita Registrars Limited The Registry, 34 Beckenham Road Beckenham, Kent, BR3 4TU

PLACING STATISTICS

Placing Price per Placing Share	£2
Gross proceeds of the Placing	£35 million
Estimated net proceeds of the Placing receivable by the Company*	£0 million
Number of Existing Ordinary Shares	40,000,000
Number of Subscription Shares being placed	1,150,000
Number of Sale Shares to be sold by Selling Shareholders	16,350,000
Total number of Placing Shares	17,500,000
Number of Ordinary Shares in issue immediately following Admission	41,150,000
Market capitalisation of the Company at the Placing Price	£82.3 million
Number of Placing Shares as a percentage of the Enlarged Share Capital	42.5 per cent.
ISIN	GB00BM7S2W63
SEDOL	BM7S2W6
TIDM	NAH

* Calculated after deducting the estimated total expenses of the Placing and other related costs payable by the Group of approximately £2.3 million (excluding VAT) from the gross proceeds of the Placing receivable by the Company

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	23 May 2014
Admission and dealings commence in the Ordinary Shares on AIM	29 May 2014
CREST accounts credited on	29 May 2014
Despatch of definitive share certificates, where applicable, by	12 June 2014

Notes:

- *Each of the above dates is subject to change at the absolute discretion of Espirito Santo Investment Bank and the Company.*
- *References to times are to London times*

DEFINITIONS

“Act” or “Companies Act”	the Companies Act 2006 (as amended)
“Admission”	the admission of the Enlarged Share Capital to trading to AIM becoming effective in accordance with the AIM Rules
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the rules published by the London Stock Exchange entitled “AIM Rules for Companies” governing admission to, and the operation of, AIM as amended from time to time
“Allianz”	Allianz Insurance Plc
“Articles”	the articles of association of the Company to be effective following Admission
“Board” or “Directors”	the board of directors of the Company currently comprising the persons whose names are set out on page 5 of this document
“CAGR”	compound annual growth rate
“CCGL”	means Consumer Champion Group Limited, a subsidiary of the Company
“Company”	NAHL Group plc, registered number 8996352 whose registered office is at 1430 Montagu Court, Kettering Parkway, Kettering, Northamptonshire, NN15 6XR
“CREST”	the system for the paperless settlement of share transfers and the holding of uncertificated shares operated by Euroclear UK & Ireland Limited
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended
“Demerger”	the demerger of Seebeck as described at paragraph 4.2(f) of Part V
“EBITDA”	earnings before interest, taxes, depreciation and amortization and exceptional items
“EMI Plan”	the NAHL Enterprise Management Incentive Share Option Plan
“Enlarged Share Capital”	the entire issued Ordinary Share capital of the Company as enlarged by the issue of the Subscription Shares
“Espirito Santo Investment Bank”	Execution Noble & Company Limited (registered number SC127487), whose registered office is 5 Melville Crescent Edinburgh, EH3 7JA, which is authorised and regulated by the FCA
“Existing Ordinary Shares”	the 40,000,000 Ordinary Shares in issue as at the date of this document
“FCA”	the Financial Conduct Authority or, if a reference relates to the period prior to 1 April 2013, its predecessor, the Financial Services Authority
“FSMA”	the Financial Services and Markets Act 2000 as amended
“HMRC”	Her Majesty’s Revenue & Customs
“Group” or “NAHL”	the Company and its subsidiaries
“KPMG”	KPMG LLP
“ICAEW”	the Institute of Chartered Accountants in England and Wales, registered number RC000246
“Inflexion”	Inflexion 2006 General Partner Limited and Inflexion Co-Investment Limited
“ISIN”	international security identification number

“Institutional Shareholders”	Inflexion 2006 General Partner Limited, Inflexion Co-Investment Limited, Lloyds Development Capital (Holdings) Limited, LDC Opportunity Club 2009 and OBS 2009
“LDC”	Lloyds Development Capital (Holdings) Limited
“London Stock Exchange” or “LSE”	London Stock Exchange plc
“Long Term Incentive Plan” or “LTIP”	the NAHL Long-Term Performance Share Plan
“MiFID”	The Markets in Financial Instruments Directive 2004/39/EEC
“Nominated Adviser” or “Nomad”	Espirito Santo Investment Bank
“Nomad Agreement”	has the meaning given to it in paragraph 11.9 of Part V
“Non-Executive Directors”	the non-executive directors of the Company as at the date of Admission, namely Steve Halbert and Samantha Porteous
“Official List”	the Official List of the UK Listing Authority
“Ordinary Shares”	ordinary shares of £0.0025 each in the share capital of the Company
“Other Locked-in Shareholders”	certain current employees of the Group (including Alan Kennedy) and certain former employees of the Group
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
“Placing”	has the meaning given to it in paragraph 11.7 of Part V
“Placing Agreement”	has the meaning given to it in paragraph 11.7 of Part V
“Placing Price”	£2 for each Placing Share
“Placing Shares”	has the meaning given to it in paragraph 11.7 of Part V
“Prospectus Rules”	the Prospectus Rules of the FSA brought into effect on 1 July 2005 pursuant to Commission Regulation (EC) No. 809/ 2004 and the Prospectus Regulations 2005 (SI 2005/1433)
“QCA”	the Quoted Companies Alliance
“QCA guidelines”	the Corporate Governance Code for Small and Mid-size Quoted Companies published by the QCA in May 2013;
“Registrar”	Capita Registrars Limited
“Reorganisation”	has the meaning given to it in paragraph 4.1 of Part V
“Sale Shares”	has the meaning given to it in paragraph 11.7 of Part V
“SAYE Plan”	the NAHL Sharesave Plan
“Selling Shareholders”	has the meaning given to it in paragraph 11.7 of Part V
“Share Exchange Agreement”	has the meaning given to it in paragraph 4.2(a) of Part V
“Share Plans”	the share plans adopted by the Company, namely (i) the SAYE Plan, (ii) the Long Term Incentive Plan and (iii) the EMI Plan, summary details of which are set out in paragraph 7 of Part V of this document
“Shareholder(s)”	(a) person(s) who is/are registered as holder(s) of Ordinary Shares from time to time
“Subscription Shares”	has the meaning given to it in paragraph 11.7 of Part V
“Subsidiaries”	any subsidiary as defined in the Act
“Takeover Code”	The City Code on Takeovers and Mergers
“Takeover Panel”	the UK Panel on Takeovers and Mergers

“Terms and Conditions”	the terms and conditions which apply to persons making an offer to acquire Placing Shares under the Placing, as set out in Part VI of this document
“UK” or “United Kingdom”	United Kingdom of Great Britain and Northern Ireland
“UK Corporate Governance Code”	the UK Corporate Governance Code published by the Financial Reporting Council in September 2012
“UK Listing Authority”	the FCA acting in its capacity as competent authority for the purposes of Part VII of FSMA
“uncertificated” or “in uncertificated form”	recorded on the register of Ordinary Shares as being held in uncertificated form in CREST, entitlement to which by virtue of the CREST Regulations, may be transferred by means of CREST
“£” or “sterling”	UK pounds sterling

GLOSSARY

“ABS”	an Alternative Business Structure, a legal services business which allows non-lawyers in management or ownership roles. Alternative Business Structures were enabled by the Legal Services Act 2007, which sought to liberalise and regulate the market for legal services in England and Wales
“After The Event” or “ATE”	an insurance product commonly taken out by personal injury claimants which covers risks associated with litigation
“Claims Portal”	the stakeholder-led secure electronic tool for processing low value personal injury claims more simply and efficiently
“CMRU”	Claims Management Regulatory Unit, the regulatory body for claims management companies in England and Wales. This body was set up in 2007 and is part of the UK Ministry of Justice
“Compensation Act”	the Compensation Act 2006, an act of the UK Parliament introduced to ensure that the public received dependable service from claims management companies
“Compensation Recovery Unit”	a government agency responsible for recouping state benefits paid to personal injury claimants
“Direct Call Transfer”	the process of NAHL transferring a call from a consumer directly to a Panel Law Firm
“Enhanced Capture”	an NAHL process which facilitates the capture of more information from consumers in order to improve the consumer experience and to avoid duplication of work for Panel Law Firms
“Enquiry”	incoming contact which has been assessed by the Group’s Legal Service Advisers, and as a result of which is passed on by the Group to a designated Panel Law Firm
“LASPO”	The Legal Aid, Sentencing and Punishment of Offenders Act 2012
“Legal Service Adviser”	a member of the Group’s personnel responsible for filtering incoming contacts according a set of defined criteria into Enquiries
“Non-RTA”	Non Road Traffic Accident, a segment of the personal injury market that includes employer, public and occupier liability
“Panel Law Firm”	a law firm or other provider of legal services which has contracted with the Group to provide legal services to claimants in respect of Enquiries
“Parliament”	the Parliament of the United Kingdom of Great Britain and Northern Ireland
“RTA”	Road Traffic Accident, a segment of the personal injury market
“SRA”	Solicitors Regulation Authority, the regulatory body for solicitors in England and Wales
“Underdog”	the character created by the Group in 2010 to enable an integrated marketing campaign from TV to online

KEY INFORMATION

The following information is extracted from, and should be read in conjunction with, the full text of this document. Prospective investors should read the whole of this document, including the risk factors set out in Part II of this document and not rely solely on the following summarised information:

Introduction

NAHL is a leading UK consumer marketing business focused on the UK personal injury market, advertising through its core brand – National Accident Helpline. Having been established in 1993, the Group's business has grown to become the largest outsourced marketing services provider to the personal injury market.

The Group's continuing activities have established a strong track record of consistent and profitable growth over a number of years, with continuing revenues in the year ended 31 December 2013 of £39.7 million and continuing operating profit of £9.8m. The Group has a historically high level of cash conversion, with net operating cash inflows from continuing products of £10.4 million in the year ended 31 December 2013.

The Directors believe that Admission to trading on AIM will increase the profile of the Group in the UK, will enhance its position as a market leader, will assist in the incentivisation and retention of key management and employees and will provide potential funding for strategic investment and possible acquisitions in its consolidating sector.

Information on NAHL

NAHL was founded in 1993 by regional law firm Toller Hales and Collcutt LLP ("Tollers"), in order to assist accident victims in seeking compensation and redress for injuries suffered. The Group's first UK-wide commercial TV adverts were aired in 1997.

In 2006, the Group became wholly independent from Tollers through a management buy-out backed by the private equity firm LDC. In 2009, Inflexion, another private equity firm, invested in the Group.

Since its establishment, the Group's core business model has been, and remains, based on enquiry origination through direct response marketing, connecting claimants, who have been injured in non-fault accidents, with specialist law firms.

Through the strength and trust generated by the National Accident Helpline brand, and by the Group's Underdog character created in 2010, NAHL is able to consistently generate high quality leads which are transferred to its Panel Law Firms. NAHL is paid by its Panel Law Firms, and by providers of ancillary products. It is not paid by the claimants.

The UK's Legal Aid, Sentencing and Punishment of Offenders Act (2012) ("LASPO") was enacted on 1 April 2013 and brought significant changes to the personal injury sector. The Group has successfully adapted to these changes and has been operating its core model in the new regulatory environment for more than a year.

Key strengths

The Directors believe that NAHL benefits from a number of key strengths which make it the ideal marketing service provider for legal practices, connecting injured parties with high quality personal injury law firms and promoting access to justice within the UK:

- Well recognised, trusted brand and supported by differentiated marketing, established through more than £200 million of media spend since inception
- Strong financial performance supported by high cash generation and a robust balance sheet
- Strong relationships with Panel Law Firms established over a long period
- Focused on the highest growth segments of a large and growing market
- Barriers to entry resulting from its brand media spend, marketing know-how and Panel Law Firm relationships
- Experienced management team with proven ability to manage change
- Market leader which is well positioned to benefit from expected consolidation

Market

The UK Personal Injury litigation market is worth approximately £3 billion in fees generated mainly by law firms, and has grown at an overall CAGR of 1.0 per cent. by volume of claims over the last three years.

NAHL has a strong position in the higher value growth areas of the UK personal injury market, these being non-Road Traffic Accident and medical negligence. These segments have grown at 7.1 per cent. and 12.4 per cent. CAGR respectively over the past three years, against 0.8 per cent. decrease for the Road Traffic Accident segment.

Growth Strategy

The Directors intend to focus on four key platforms for growth:

- *Market share development:* by strengthening the Group's position in the higher value segments of the UK personal injury market as well as targeting geographic expansion in specific regions, for instance Scotland.
- *Profit enhancement:* by increasing the use of electronic direct call transfer and enhanced data capture to improve conversion rates for Panel Law Firms, and implementing tailored marketing activities to drive higher conversion rates for Panel Law Firms.
- *Product and brand extension:* by developing new product offerings to drive further commission revenue, for instance in accident management services. The Group is also actively developing a new enhanced medical negligence screening service which is expected to cut cost and complexity for Panel Law Firms.
- *Process outsourcing:* opportunities exist for NAHL to offer further services to its Panel Law Firms, which could enable them to reduce their costs and focus on high value legal activity.

In addition, as the market consolidates there are likely to be opportunities to enhance earnings through targeted acquisitions.

Admission and the Placing

The Sale Shares will represent approximately 39.7 per cent. of the Enlarged Share Capital of the Group. The Subscription Shares to be issued will represent approximately 2.8 per cent. of the Enlarged Share Capital and will raise approximately £2.3 million gross of expenses for the Group in order to pay the expenses of the Admission. On Admission, the Group will have a market capitalisation of approximately £82.3 million (calculated by reference to the Placing Price).

The attention of prospective investors is drawn to the information contained in the rest of this document and, in particular, to the risk factors set out in Part II.

PART I

INFORMATION ON THE GROUP

1. INTRODUCTION

NAHL is a leading UK consumer marketing business focused on the UK personal injury market, advertising through its core brand – National Accident Helpline.

Having been established in 1993, the Group's business has grown to become the largest outsourced marketing services provider to the personal injury market – a market which is valued at approximately £3 billion in fees generated mainly by law firms. The Group's core business model is based on enquiry origination through direct response marketing, connecting claimants, who have been injured in non-fault accidents, with specialist law firms. Research suggests that claimants in the UK personal injury litigation market often have limited knowledge of how to seek legal redress and would not be comfortable contacting lawyers directly.

Through the strength and trust generated by the National Accident Helpline brand, and by the Group's Underdog character, created in 2010, NAHL is able to attract over 200,000 consumer contacts per annum either via website visits, in-bound telephone contact or web-chat.

NAHL is a market leader in terms of attracting online impressions (number of appearances in Google searches) and has the highest average position in terms of search results and click-through rates. The Directors believe that this market-leading position is primarily due to the strength of the brand combined with the management team's marketing know-how and search engine bidding strategy.

Customer contacts are filtered, using specific criteria, by the Group's own Legal Service Advisers and passed on as Enquiries to its Panel Law Firms based on the geographic location or specialism of the case. In 2013, the Group generated in excess of 70,000 Enquiries. NAHL is paid by its Panel Law Firms, and by providers of ancillary products, including After The Event insurance and medical reporting, in consideration for the provision of such products and services. It is not paid by the claimants.

The Group operates in an industry which since 2007 has been regulated by the CMRU, part of the UK Ministry of Justice.

2. HISTORY OF THE GROUP

National Accident Helpline was founded in 1993 by regional law firm Tollers, in order to assist accident victims in seeking compensation and redress for injuries suffered. The first years of existence saw a gradual increase in the breadth of advertising with the first national press adverts appearing in 1994 and the first UK-wide, commercial TV adverts airing in 1997.

As more legal firms saw the advantages of pooling resources and marketing their services through this new national brand, investment in advertising continued to increase. In 1998, the Group's call centre became fully operational, and in 1999, the Access to Justice Bill was passed, creating demand for "no win no fee" agreements.

In 2006, the Group became wholly independent from Tollers through a management buy-out backed by the private equity firm LDC. In 2007, the UK Ministry of Justice formed the CMRU in order to improve access to justice and promote the interests of consumers by regulating claims management companies and marketing service providers. Inflexion, another private equity firm, invested in the Group in 2009. In 2010, the Group created the Underdog character as an advertising vehicle, particularly across digital media, to represent how NAHL's core consumer group feel about claiming against large insurance companies, institutions and businesses, and the potential for every consumer to access justice and compensation.

The UK's Legal Aid, Sentencing and Punishment of Offenders Act (2012) ("LASPO") was enacted on 1 April 2013. Prior to this, in 2012 Russell Atkinson and Steve Dolton joined the Group in order to manage the business through the period of regulatory change and develop the future group strategy. The Group has been operating its core model in the new regulatory environment for more than a year.

3. THE GROUP'S BUSINESS

NAHL is a leading UK consumer marketing business focused on the UK personal injury market, advertising through its core brand – National Accident Helpline. Established in 1993, the Group's business has grown to an industry-leading position as an outsourced marketing services provider, with approximately £39.7 million of continuing revenues generated in the financial year ended 31 December 2013 and continuing operating profit of approximately £9.8 million. The Directors believe that, taken together, the Group's National Accident Helpline brand, marketing scale and know-how and its Panel Law Firm relationships form a significant barrier to entry.

The Group's core business model is based on enquiry origination through direct response marketing, connecting claimants who have been injured in non-fault accidents, with specialist law firms. Research suggests that claimants in the UK personal injury litigation market are often not comfortable contacting lawyers directly. NAHL is an informative but sympathetic intermediary between the consumer and the law firm. Through the strength and trust generated by the National Accident Helpline brand, and by the Group's Underdog character, created in 2010, NAHL attracts over 200,000 consumer contacts per annum either via website visits, inbound telephone contact or web-chat. The Group has focused on higher value cases which are normally not road traffic accidents.

These contacts are filtered, using specific criteria, by the Group's Legal Service Advisers and passed on to its Panel Law Firms based on the geographic location or specialism of the case. In 2013, the Group generated in excess of 70,000 Enquiries. Once an Enquiry has been transferred to a selected Panel Law Firm, the Panel Law Firm carries out its own risk assessment to decide whether to proceed with the claim or take no further action. The Panel Law Firms contract directly with the claimants.

As well as enquiry origination, NAHL provides its Panel Law Firms with products that serve part of the legal process. The main two products are a new ATE insurance product (launched in April 2013 post LASPO) and medical assessments.

NAHL is paid by its Panel Law Firms and by providers of ancillary products, including ATE insurance and medical assessments, in consideration for the provision of such products and services. It is not paid by the claimants.

NAHL has three key advantages over its competition: brand recognition, trust and marketing expertise which have all been built over 20 years. The National Accident Helpline brand has been developed through more than £200 million of marketing investment since 1993, and according to market research, ranks as the most recognised, most searched for and most trusted brand in the UK personal injury litigation market.

The incoming contacts are generated as a result of NAHL's advertising. NAHL does not cold call nor cold text. NAHL campaigned against nuisance marketing during the passage of the LASPO bill through Parliament, and a number of amendments were tabled which reflected NAHL's representations in its submissions to Parliament on 1 February 2012. NAHL is regulated by the CMRU and was audited on 13 February 2014.

NAHL has adopted a customer charter that sets out the Group's goals and business practices in dealing with consumers and promoting access to justice for everyone. The customer charter outlines what customers can expect, and Panel Law Firms are obligated to comply.

Product and Services

Enquiry origination and filtering process

NAHL's value to its Panel Law Firms is being able to generate consistently high quality leads across the different segments of the personal injury market.

NAHL's team of trained Legal Service Advisers receive in-bound calls or contacts from consumers who have been injured and are seeking advice. Weak and spurious claims are discarded, the remaining cases are assessed against a set of liability, evidence, quantum and date criteria, before being filtered into Enquiries which are passed on to a selected Panel Law Firm.

Through this process, NAHL is able to attract a high volume of quality leads. This represents a key element of value for Panel Law Firms, which are only remunerated on successful cases.

By using Enhanced Capture, a bespoke process developed by NAHL, and introduced in October 2013, to record additional specific data on the consumer's case, information can be transferred to the Panel Law Firm electronically. The data is usually submitted via a Direct Call Transfer and

effectively removes duplication in the process and reduces opportunity for consumers to seek alternative legal arrangements.

After The Event (“ATE”) Insurance

In the Directors’ experience, consumers consider ATE insurance products as complementary to a “no win no fee” service. NAHL independently offers a range of products and services that support the Panel Law Firms in providing a service to claimants. Since 2000, the Group has partnered with Allianz to provide this product.

Prior to the introduction of LASPO on 1 April 2013, ATE insurance protected the claimant in the event that the claim was unsuccessful, by providing cover against having to pay the defendant’s legal fees and both parties’ disbursements. Following LASPO, the claimant is no longer liable to pay defendant’s costs in an unsuccessful claim. However, ATE insurance is still integral to a “no win no fee” agreement to cover the claimant’s own disbursements, such as medical reports, court fees and barristers’ fees. In the event of a successful claim, claimants may now have to pay the insurance premium to the ATE provider at the end of the case otherwise the costs are absorbed by the insurance company.

As a result, the ATE insurance remains but the scale of cover and hence the premiums have significantly reduced. This has led to a significant reduction in the Group’s 2013 revenues and profitability generated by the commission received from the sale of ATE insurance of £9.4 million in the first three months to 31 March 2013. From 1 April 2013 the Group introduced a new ATE product servicing the customers through the same provider. In the nine month period to 31 December 2013, this produced both revenue and operating profit of £0.8 million and the Group believes there is a good opportunity for further growth as the product is rolled out. (See Part III (“*Historical Financial Information*”) for more details).

Medical assessment products

NAHL partners with specialist medico-legal firms who it recommends to its Panel Law Firms. These firms will organise independent medical assessments by appropriate health professionals and specialists on behalf of the law firms. Through its buying power, NAHL provides attractive financial terms and service levels to its Panel Law Firms and in return receives a commission for each completed medical assessment.

Other products

NAHL also offers to its Panel Law Firms a range of other products, such as rehabilitation services, case sign-up services and fee assessment services. NAHL has arrangements with a number of specialist agencies, such as a costs drafting firm, to provide these products and from which the Group receives a commission upon the use of these products.

Panel Law Firms

NAHL operates five main panels, as follows:

- *The first panel is for the majority of personal injury claims:* such claims include RTA, employment liability, occupier liability and public liability cases. This panel represented 73 per cent. of the total Enquiries in the year ended 31 December 2013.
- *The second panel is for medical negligence claims:* these claims are more complex and specialised area and not all of NAHL’s Panel Law Firms offer this specialism. This panel represented 16 per cent. of the total Enquiries in the year ended 31 December 2013.
- *The third panel is referred to as a super panel relationship:* this relationship is with a major claims processor part of a large financial services company. Under this agreement the firm has been allocated a larger geographic area than for the Panel Law Firms on the first panel. This panel was created in September 2013 and represented 5 per cent. of the total Enquiries in the year ended 31 December 2013, rising thereafter to 15 per cent. of total Enquiries in the months of January and February 2014.
- *The fourth panel is a specialist panel:* there are a number of other enquiry types which do not fit into the above panel case types, for example industrial disease. In addition, some jurisdictions have different regulatory frameworks, for example in Scotland and Northern Ireland. This panel represented 6 per cent. of the total Enquiries in the year ended 31 December 2013.

- *The fifth panel is referred to as an associate panel:* this panel was created for law firms which have not contracted to take Enquiries but have had historical relationships with the Group and/or take products, such as ATE insurance, from the Group.

Following the introduction of LASPO, NAHL took the decision to reduce the number of firms on the first three panels above from approximately 100 firms on 1 March 2013 to approximately 50 firms by 31 December 2013. The ongoing Panel Law Firms were selected on a range of criteria such as efficiency, scale, financial strength and quality of work including the case success rates. Many of these Panel Law Firms have longstanding relationships with NAHL.

Brand and marketing

NAHL is experienced at driving brand awareness and growth in quality customer generation in the UK personal injury market. According to research, in the UK personal injury market, National Accident Helpline is the most trusted brand, the most searched for brand, the number one TV and online spender and has the number one click-through rate to its website. The Group has invested more than £200 million in marketing over the past 20 years, and its marketing spend for the year ended 31 December 2013 was approximately £23 million. This was funded entirely out of the Group's cash flow.

Since 2010, the Group's consumer marketing strategy has focused around the Underdog character, which has differentiated it from its competitors and enabled effective linkage from its TV advertising to its website. The Underdog character has been particularly successful in positioning the brand with consumers. According to Adwatch in February 2014, approximately 40 per cent. of people surveyed remembered NAHL's TV adverts. According to research, the Underdog character sympathises with consumers who in NAHL's experience are often not comfortable contacting a lawyer directly.

NAHL has considerable experience and knowledge of the advertising market and specifically how to market strategically, attracting the types of Enquiries that its Panel Law Firms find valuable. NAHL takes an integrated multi-channel approach to marketing, with the Group's brand being marketed across TV, online and social media.

According to independent tracking, NAHL is a market leader in terms of attracting online impressions (number of appearances in Google searches) and, according to market research, has the highest average position in terms of search results and click-through rates. The Directors believe that this market-leading position is primarily due to the strength of the brand combined with the management team's marketing know-how and search engine bidding strategy.

Business model

The core business model is to generate Enquiries from potential claimants seeking legitimate access to justice, using multichannel media marketing. These are assessed by carefully selected law firms which decide whether the Enquiry should form the basis of a claim. The Panel Law Firms pay the Group for these marketing services.

The Group's business model evolved progressively from the second half of 2012 in preparation for the LASPO changes which were introduced on 1 April 2013. The Group replaced the fixed price licensing agreement it had with its Panel Law Firms with a new agreement whereby NAHL charges variable margins in addition to the actual marketing and overhead costs incurred, and therefore is able to capture any operational efficiencies.

In addition NAHL receives a commission from the sale of third party products to the Panel Law Firms.

4. MARKET AND COMPETITION

The UK personal injury litigation market is worth approximately £3 billion in fees generated mainly by law firms, and has grown at an overall CAGR of 1.0 per cent. by volume of claims over the last three years. Between 1 April 2013 and 31 March 2014, approximately 1 million cases commenced litigation proceedings.

Claimant Market Segmentation by Type of Claim

The UK personal injury litigation market can be broken down into three segments:

RTA (Road Traffic Accident)

The RTA segment represents approximately 76 per cent. of the UK personal injury market by volume of claims. With rising numbers of vehicles on the roads in the UK, the number of RTA-related claims has decreased by 0.8 per cent. CAGR over the last three years to 31 March 2014.

Non-RTA

The Non-RTA segment includes public liability, employer liability and occupier liability claims, and represents approximately 22 per cent. of the UK personal injury market by volume of claims. This segment is growing much faster than the RTA segment, at 7.1 per cent. CAGR over the last three years to 31 March 2014.

Medical Negligence

The medical negligence segment relates to injuries or suffering sustained as a result of clinical negligence or misconduct, and represents approximately 2 per cent. of the UK personal injury market by volume of claims. It is the fastest growing segment within the UK personal injury market, at 12.4 per cent. CAGR over the last three years to 31 March 2014.

NAHL has a significant market share of the two fastest growing segments of the industry with an estimated 12.0 per cent. of the non-RTA segment by volume of claims, and 12.7 per cent. of the medical negligence segment by volume of claims.

Market Segmentation by Customer Origination

Personal injury law firms benefit from marketing campaigns as they help to produce quality customer leads for those firms. Some personal injury law firms, such as those on the Group's panel, prefer to focus on their core strength of offering legal advice and accordingly outsource customer origination in whole or in part. The Directors believe that one of the reasons for this is that such law firms often lack the scale or expertise to advertise through more expensive media channels such as national TV and online search engines such as Google.

Following the introduction of the Legal Services Act 2007, which for the first time enabled non-legal businesses to acquire law firms in England & Wales, the UK's legal services industry has seen a degree of vertical integration, especially with personal injury law firms. Claims handlers, insurance underwriters, insurance brokers, accident management businesses and other business services groups have sought to acquire legal practices. For instance, in January 2012, Australian listed law firm Slater & Gordon Limited acquired the law firm Russell Jones & Walker Limited, before going on to acquire a number of other UK legal practices in 2013. In May 2013, BGL Group Limited acquired Minster Law Limited; and throughout 2013 a number of insurance underwriters announced joint venture ABSs with a number of leading legal practices. In addition, in February 2014 Helphire Group Plc acquired New Law Legal Limited; and in April 2014 Fairpoint Group Plc announced the acquisition of Simpson Millar LLP.

As a result, customer origination in the personal injury litigation market is carried out by several types of market participants:

- *Companies and marketing service providers*, which provide enquiry origination services mainly to a number of legal practices. Examples include NAHL, InjuryLawyers4U, and First4Lawyers. These businesses are regulated by the CMRU.
- *Claims management companies and marketing service providers which are part of wider legal and/or insurance services groups*, providing claimant enquiry origination directly to their affiliated legal practices. They include ACM (part of BGL Group Limited). These claims management and marketing companies are regulated by the CMRU, whilst the legal practice is regulated by the SRA.
- *Legal practices (law firm partnerships and ABS corporates)*, which source leads directly and process the claims. They include Irwin Mitchell LLP and Slater & Gordon Limited. The Directors believe that, in larger volumes, especially for medical negligence cases, this model requires significant financial resources to fund work in progress and advertising resources.

- *Insurer ABSs*: prior to the introduction of LASPO, many insurers received significant referral fees and had established relationships with legal service firms. Post-LASPO, these business arrangements have been transformed. The creation of the ABS framework has enabled the creation of joint ventures between insurers and legal service firms, whereby claimant enquiries, particularly in relation to RTA claims, are sourced directly through the insurers and are processed by the ABS legal practice. During 2013, the AA, Admiral Group Plc, Direct Line Insurance Group Plc and Saga Group Limited all announced that they had applied to set up ABS joint ventures with various legal practices.

5. REGULATORY ENVIRONMENT

The personal injury market has been subject to two important periods of regulatory change in recent years: the first being in 2006-2007, relating to the creation of the CMRU by the UK Ministry of Justice, and the second being in 2013, relating to the introduction of LASPO. This brought about significant changes in the personal injury sector with claims management companies and marketing service providers having to adjust their business models to accommodate a ban on receiving referral fees from law firms. Many claims management companies and marketing service providers were either unable to reorganise their businesses profitably and have exited the sector or have had to merge with competitors.

Although the personal injury sector has seen some consolidation it remains highly fragmented. The Directors believe that NAHL is well positioned to take advantage of market opportunities which have latterly been driven by LASPO and more robust enforcement aimed at curtailing nuisance marketing practices.

2006-2007 – Compensation Act and Creation of the CMRU

In 2006, the UK Government enacted the Compensation Act, which included a framework to regulate the activities of businesses which assist individuals in making claims for compensation, including in relation to personal injury, financial products, employment claims and housing disrepair. These businesses are referred to as claims management companies, but they include marketing services providers such as NAHL. They do not create contractual relationships with the consumers nor hold client monies. As a result, in April 2007, the UK Ministry of Justice created a new regulatory body, the CMRU, as the new industry regulator.

2013 – LASPO

On 1 April 2013, the UK Government enacted LASPO, which significantly affected the business plans of solicitor practices, claims management companies and marketing service providers which operate in the wider consumer litigation sector. The enactment of LASPO followed the review in 2010 by Lord Justice Jackson into UK civil litigation costs. The objective of this regulatory change was to enable litigation to be pursued at proportionate cost and to deter unnecessary and fraudulent claims. A key spur to the legislation had been the increase in insurance premiums on motor policies. LASPO introduced a number of changes to the cost structures for personal injury litigation, including the following:

- *Referral fee ban*: LASPO introduced a ban on referral fees paid by solicitors to third party enquiry originators which introduced personal injury claims. Previously, insurers, claims management companies and marketing service providers were often paid by law firms on a per-enquiry basis. The regulatory change had the effect of forcing enquiry originators to adapt their business models or exit the market. As a result, the CRMU reported in its 2012/13 annual report that this change was the primary reason behind a 38 per cent. reduction in the number of claims management companies and marketing service providers operating in the personal injury market, from 2,398 to 1,485 businesses in the 12 months to 30 September 2013.
- *Defendants' fees & ATE insurance premiums*: prior to the introduction of LASPO, ATE insurance protected consumers in the event that their claim was unsuccessful, by providing cover against having to pay the defendant's legal fees and both parties' disbursements. Following LASPO, the claimant is no longer liable to pay the defendant's costs in an unsuccessful claim, other than in fraudulent cases. However, many claimants without existing insurance cover still need an ATE insurance policy to cover the claimant's own disbursements, such as medical reports, court fees and barristers' fees in relation to any

unsuccessful claim. However the scale of cover and hence the premiums have reduced accordingly. This has led to a one-off rebasing in revenues and profitability from ATE insurance products across the industry.

LASPO has also coincided with a continued tightening of the regulation in the claims management market, in particular, a more stringent review and audit of claims management companies. The CMRU reported in October 2013 that it had increased its staffing by almost one third to support its role of actively auditing and reviewing the practices of claims management and marketing companies. The CMRU completed its audit on NAHL on 13 February 2014.

Other regulatory changes

In addition to the above, there are a number of other regulatory changes which were introduced recently, and which the Directors believe will increase operational efficiencies in the legal services market, thus ultimately benefiting consumers:

- *ABSs*: on 30 October 2007, the UK Government introduced legislation through the Legal Services Act 2007 as a way for non-lawyers to manage legal practices and/or to have ownership interest in such practices, creating ABSs. To date approximately 270 ABSs have been granted by the SRA. This legislation has enabled non-legal firms to invest in the legal sector, which has generated some consolidation and vertical integration in the legal services sector, as referred to in paragraph 4 entitled “Market and Competition” in this Part I.
- *Claims portal extensions*: in April 2010, the UK Government launched an online claims portal in order to make more efficient the processing by personal injury solicitors of RTA claims up to a value of £10,000. Following LASPO, the UK Government extended this facility for RTA and certain Non-RTA claims up to a value of £25,000. The Directors believe that this extension of the claims portal improves efficiency and is beneficial to solicitors, as the claims portal has significantly reduced case durations for RTA claims with accompanying cash flow benefits. Furthermore, the Directors also believe that this has significant benefits for the Group because NAHL has developed services such as enhanced capture specifically designed to support the Panel Law Firms’ use of the claims portal.
- *Extension of fixed fees*: in 2003, the UK Government introduced a fixed fee system for law firms in relation to fees recoverable from the losing defendants for the majority of RTA claims worth less than £10,000. Both the level of fixed fees and the process were amended when the claims portal was introduced in April 2010. In July 2013, the UK Government reduced fixed fees for RTA portal claims, and at the same time, the portal process and fixed fees were extended to certain non-RTA claims and higher value RTA claims which fall below £25,000. This system significantly reduced the margins for claimant law firms advising and processing such claims. However, many claimant law firms now charge a percentage of their clients’ successful awards in addition to the fixed fee. The Directors believe that the extensions to fixed fees will benefit both the Group and law firms with scale and efficiency.

6. KEY STRENGTHS

The Directors believe that the NAHL benefits from a number of key strengths which make it the ideal marketing service provider for legal practices, connecting injured parties with high quality personal injury law firms and promoting access to justice within the UK:

- Well recognised, trusted brand and supported by differentiated marketing, established through more than £200 million of media spend since inception.
- Strong financial performance supported by high cash generation and a robust balance sheet.
- Strong relationships with Panel Law Firms established over a long period.
- Focused on the highest growth segments of a large and growing market.
- Barriers to entry resulting from its brand media spend, marketing know-how and Panel Law Firm relationships.
- Experienced management team with proven ability to manage change.
- Market leader which is well positioned to benefit from expected consolidation.

7. GROWTH STRATEGY

NAHL is well positioned to take advantage of the growth opportunities provided by the two segments of the market that are growing strongly: non-RTA and medical negligence. Approximately 72 per cent of enquiries generated by NAHL for its Panel Law Firms in the financial year to 31 December 2013 were in these two faster growing segments. The Directors estimate that the Group's share of total claims registered with the Compensation Recovery Unit in the UK personal injury litigation market for the 12 months to 31 March 2013 were as follows: 1.7 per cent. for RTA, 12.0 per cent. for non-RTA, and 12.7 per cent. for medical negligence.

NAHL intends to focus on four key platforms for growth:

Market share development

NAHL has a strong position in the higher value growth areas of the UK personal injury market, these being non-RTA and medical negligence. The Directors expect these segments to grow further and, by focusing resource on these areas, NAHL expects to increase its overall market share.

In addition, NAHL believes that further consolidation could occur as a result of non-compliant and marginally profitable claims management companies and marketing services providers leaving the industry. NAHL's strong market position makes it ideally placed to benefit from continued consolidation.

NAHL also believes that geographic opportunities exist to increase volume in specific regions, for example Scotland.

Profit enhancement

NAHL has been developing closer relationships with a smaller number of Panel Law Firms. Working closely with these Panel Law Firms, the Group expects to develop a number of initiatives to improve overall profitability.

Initiatives such as electronic direct call transfer and enhanced data capture have been introduced since December 2012. NAHL believes that these projects could offer improved conversion rates for Panel Law Firms and, as such, should result in higher case profitability for Panel Law Firms over time.

In addition, NAHL expects that Panel Law Firms' case profitability analysis should facilitate tailored marketing activity to enable NAHL to target higher conversion rates for Panel Law Firms.

The Directors expect that the result of these initiatives will enable margin growth for NAHL, as the value of the services it provides improves case profitability for Panel Law Firms.

Product and brand extension

NAHL currently offers post-accident, pre-settlement services and products. However, NAHL is well placed to leverage the strength of its brand by extending into accident management services and other post-settlement support specialisms that should drive further commission revenue.

NAHL is also actively developing a new enhanced medical negligence screening service that is expected to add value to its Panel Law Firms by cutting costs and complexity.

Process outsourcing

Opportunities exist for NAHL to offer further services to its Panel Law Firms, which could enable them to reduce their costs and focus on high value legal activity.

Further growth opportunities

As the market consolidates there are likely to be opportunities to enhance earnings through targeted acquisitions. The Group has core skills in selling marketing services, and in particular pooled marketing services, to professional businesses. There is, therefore, the opportunity to expand this core competence by offering such services into other fields of professional activity.

The Directors believe that these strategic opportunities offer NAHL excellent growth prospects.

8. SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Part III of this Document contains audited historical financial information on the Group for the three years ended 31 December 2013.

The following financial information has been derived from the financial information contained in Part III of this document and should be read in conjunction with the full text of this document. Investors should not rely solely on the summarised information.

	Year ended 31 December		
	2013	2012	2011
	£'000	£'000	£'000
Results from Continuing Operations			
<i>Total revenue</i>	49,123	50,766	45,070
Revenue from continuing products¹	39,717	39,159	34,717
Revenue from discontinued product (pre-LASPO ATE)	9,406	11,607	10,353
<i>Total operating profit</i>	19,214	18,375	16,281
Operating Profit from continuing products¹	9,836	6,870	6,026
Operating Profit from discontinued product (pre-LASPO ATE)	9,378	11,505	10,255
<i>Total Net cash flows from operating activities²</i>	16,649	25,059	20,330
Net cash flows from continuing products^{1,2}	10,448	10,033	5,304
Net cash flows from discontinued product (pre-LASPO ATE) ²	6,201	15,026	15,026

¹ Continuing products comprise the solicitor income, products and other segments

² Net cash flows from operating activities are stated before interest payments and taxation payments. A reconciliation of operating profit to net cash flows from operating activities for Continuing operations is shown in Note 2 in the audited historical financial information of the Group shown in Part III of this Document.

In the last two years ended 31 December 2013, NAHL has demonstrated consistent growth, with operating profits generated from continuing activities rising from £6.03 million in the year ended 31 December 2011 to £9.84 million in the year ended 31 December 2013 – a compounded annual growth rate of 28 per cent.

Net cashflows from continuing activities as a per cent. of operating profits from continuing activities show an average of 113 per cent. over the three years ended 31 December 2013.

The figures above exclude the results of PPI Claimline Limited, a discontinued activity which was demerged on 16 May 2014, and which generated an operating loss of approximately £3.5 million in the year ended 31 December 2013.

9. CURRENT TRADING AND FUTURE PROSPECTS

The financial information for the year ended 31 December 2013 is set out in Part III of this document. There has been no significant change in the financial or trading position of the Group since 31 December 2013.

Since 31 December 2013, the Group's continuing operations have traded in line with Directors' expectations, with Enquiries above budget. The Directors continue to implement the Group's strategy, as set out in paragraph 3 of this Part I and are confident about the future prospects of the Group.

On 16 May 2014, the Group demerged the PPI claimline business, which generated a loss of approximately £0.8 million in the period from 1 January 2014 to the date of demerger comprising an operating loss and a loss on disposal.

10. REASONS FOR THE PLACING AND USE OF PROCEEDS

The Directors believe that Admission will:

- Increase the profile of the Group in the UK.
- Enhance NAHL's position as a market leader.
- Provide potential funding for strategic investment and possible acquisitions in its consolidating sector.
- Assist in the incentivisation and retention of key management and employees.
- Provide the selling shareholders with partial realisation of their investment in the Group.

- Provide liquidity in the ordinary shares in the Company.

Funds raised by the Group pursuant to the Placing are expected to be used to pay, amongst other things, the deal costs and associated expenses.

11. SELLING SHAREHOLDERS

Each of the Selling Shareholders has, pursuant to the terms of the Placing Agreement, agreed to sell the Sale Shares at the Placing Price, raising gross proceeds for the Selling Shareholders of £32.7 million in aggregate before their expenses. The Company will not receive any proceeds from the sale of the Sale Shares by the Selling Shareholders. Further details of the terms of the Selling Shareholders and the number of Sale Shares to be sold by each Selling Shareholder are set out in paragraph 11.7 of Part V of this document.

12. DETAILS OF THE PLACING AND ADMISSION

Pursuant to the Placing Agreement, Espirito Santo Investment Bank has, on behalf of the Company and the Selling Shareholders, conditionally agreed to use its reasonable endeavours to procure places for the Placing Shares at the Placing Price. Further details of the terms of the Placing Agreement are set out in paragraph 11.7 of Part V of this document.

Pursuant to the Placing Agreement, the Selling Shareholders have agreed to sell 16,350,000 Sale Shares at the Placing Price.

The Subscription Shares to be issued by the Company pursuant to the Placing will represent approximately 2.8 per cent. of the Enlarged Share Capital and will raise approximately £2.3 million gross of expenses for the Company.

On Admission, the Company will have a market capitalisation of approximately £82.3 million (calculated by reference to the Placing Price).

The Subscription Shares will be issued credited as fully paid and will, on issue, rank *pari passu* in all respect with the Existing Ordinary Shares, including the right to receive all dividends and other distributions thereafter declared, made or paid.

The Placing, which is not underwritten, is conditional, *inter alia*, upon Admission becoming effective, and the Placing Agreement becoming unconditional in all other respects by 29 May 2014 or such later date (being no later than 12 June 2014) as the Company and Espirito Santo Investment Bank may agree.

13. INTELLECTUAL PROPERTY

The Group places significant value on its intellectual property and has taken various steps to protect its rights. The Group is the registered proprietor of 12 UK trademarks incorporating National Accident Helpline, NAH, Underdog and Underdog Consumer Champion. The Group is also the registered proprietor of seven trademarks in international jurisdictions, and over 400 domain names including national-accident-helpline.co.uk, underdog.co.uk, nahl.co.uk, national-medical-negligence-helpline.co.uk and clinical-medical-negligence.co.uk.

14. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Directors

The Board currently comprises the following persons:

Robert Stephen Halbert (aged 56), BA, FCA – *Non-Executive Director and Chairman*

Steve Halbert is a non-executive Director and the chairman of the Group, which he joined in 2010. He has over 25 years' board experience.

Mr. Halbert is currently the chairman of Safestyle UK Plc, an AIM-quoted retailer. In addition, he is also the chairman of United House, a private equity-backed social housing contractor and residential developer.

Prior to this, Mr. Halbert held various board positions including non-executive director at Employment Services Holdings, a private equity-backed Australian company (from 2008 to 2012), and executive chairman of GVA, a private equity-backed real estate professional services company (from 2008 to 2011).

Prior to 2008, Mr. Halbert worked as a senior corporate financier for 15 years at KPMG UK. Mr. Halbert is a qualified Chartered Accountant and is a fellow of the ICAEW having qualified with Peat Marwick Mitchell.

John Russell Atkinson (aged 49) – *Chief Executive Officer*

Russell Atkinson is currently Managing Director of NAHL and will become chief executive officer of the Group on Admission. He joined the Group in 2012 and had a pivotal role in implementing its strategy post-LASPO. His responsibilities include developing and implementing the overall strategy of the Group, and ensuring delivery of budgeted financial performance.

Prior to joining NAHL, Mr. Atkinson held managing director roles at international firms including UK managing director of Lebara Mobile Limited from 2009 to 2012, managing director of Blackhawk Network (UK) Limited, a division of Safeway Inc., from 2006 to 2008, and director of e-payments at Travelex UK Limited from 2000 to 2006.

Mr. Atkinson holds a Bachelor of Arts from Leicester Polytechnic and a diploma in marketing from The Chartered Institute of Marketing.

Stephen Dolton (aged 52) – *Chief Financial Officer*

Steve Dolton is currently chief financial officer of the Group having joined in 2012. He was brought in to help steer the Group through the regulatory changes. His responsibilities include overall management of the finance function within the Group and liaising with the Group's investors and the banks.

Mr. Dolton has over 20 years' experience as finance director. Prior to joining NAHL, he was chief financial officer of various companies including NSL Services Group from 2009 to 2011, Azzurri Communications Limited from 2000 to 2008, Safety-Kleen Group (European operations) from 1999 to 2000, and Walker Dickson Group Limited from 1995 to 1999. Prior to that, Mr. Dolton worked in various financial roles with Peek Plc, including a two-year period in Asia as regional controller.

Mr. Dolton is a qualified Chartered Accountant and has been a member of the ICAEW since 1989, having qualified with Grant Thornton LLP. He is a fellow of the Institute of Directors in the UK, and holds a Bachelor of Arts from Huddersfield Polytechnic.

Samantha Jacqueline Porteous (aged 47) – *Non-Executive Director*

Samantha Porteous is currently the Group's chief executive officer and will become a non-executive director on Admission. She has over 15 years' director level experience and has significant experience of driving transformational change in growth environments.

Ms. Porteous joined the Group in 2006 as finance director and became chief executive officer in 2009. Prior to this, she was interim chief financial officer of Nexus Media Limited from 2005 to 2006, and chief financial officer of Thomson Reuters (Scientific) Limited, a subsidiary of the publicly-listed company Thomson Reuters Corporation.

Ms. Porteous is a fellow of the Chartered Institute of Management Accountants (CIMA).

The Company intends to appoint one further non-executive director within six months of Admission. The Directors are seeking an individual who has the appropriate level of quoted company and industry experience and can further strengthen the Board.

Senior management

The Board is supported in its day to day running of the Group by the following senior management:

Beth Powell (aged 42) – *Marketing Director*

Beth Powell is currently Marketing Director of NAHL having joined in 2008. With significant industry experience Beth was brought in to oversee the marketing strategy. She led the creation of the Underdog campaign and the pivotal digital strategy. She is responsible for all NAHL's marketing investment, brand strategy and delivering quality enquiry volumes to budget.

From 2003 to 2007 Beth worked as managing director of a venture capital backed loan and mortgage brokerage called Liberty Tree and previously as Head of Marketing for Dial4aloan, a subsidiary of Cattles Plc (now Cattles Limited). Between 1998 and 2003, Beth held senior marketing roles within Claims Direct.

Jonathan White (aged 41) – *Legal Director*

Jonathan White is currently NAHL's Legal Director, having joined the Group in 2010. A qualified solicitor, he is responsible for all activities relating to legal advice and public affairs within the Group. He was a key member of the team which designed and implemented the Group's post-LASPO business model.

Prior to joining NAHL, Mr. White was an associate at Harvey Ingram LLP and a member of the Law Society personal injury panel.

Chris Higham (aged 36) – *Finance Director*

Chris Higham is currently NAHL's Finance Director, having joined the Group in 2006. His responsibilities include leading the NAHL finance team under the supervision of Steve Dolton, implementing strategic directives and ensuring the continuing profitability of the Group. Mr. Higham was a key member of the LASPO transition team and led the re-modelling of commercial arrangements with key stakeholders.

Prior to joining NAHL, Mr. Higham worked at Thomson Reuters (Scientific) Limited, a subsidiary of the publicly-listed company Thomson Reuters Corporation. He is ACCA qualified.

Employees

The Directors believe that the recruitment, motivation and retention of highly skilled, high quality personnel is, and will continue to be, critical to the Group's success.

On 31 March 2014, the Group had a total of 120 employees.

15. CORPORATE GOVERNANCE

The Directors recognise the importance of sound corporate governance and confirm that, following Admission, they intend to comply with the UK Corporate Governance Code, to the extent they believe appropriate for a company of its nature and size. The Board also proposes to follow, as far as practicable, the recommendations in the QCA Guidelines, which have become a widely recognised benchmark for corporate governance of small and mid-size quoted companies, particularly AIM companies. Following Admission, the Board will meet at least four times a year to review, formulate and approve the Group's strategy, budgets, corporate actions and oversee the Group's progress towards its goals. In addition to Steve Halbert and Samantha Porteous, the Board intends to appoint at least one further non-executive director within six months of Admission.

The Board has established an audit committee (the "**Audit Committee**"), a remuneration committee (the "**Remuneration Committee**"), and a nomination committee (the "**Nomination Committee**") with formally delegated duties and responsibilities and 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.

Audit Committee

The Audit Committee will be chaired by Steve Halbert and its other member will be Samantha Porteous. The further non-executive director to be appointed will also be a member of the Audit Committee. The Audit Committee is expected to meet formally at least twice 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 will initially be chaired by Samantha Porteous and its other member will be Steve Halbert. The further non-executive director to be appointed will also be a member of the Remuneration Committee. It is expected that the non-executive director to be appointed will chair the Remuneration Committee once appointed. It 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 chief executive, the chairman, the executive and non-executive Directors, the Company secretary and other senior executives. The Remuneration Committee also

has responsibility for: (i) determining the total individual remuneration package of the chairman, each executive Director and the chief executive officer (including bonuses, incentive payments and share options or other share awards); and (ii) 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 chairman of the Board and/or the chief executive officer. No Director or manager may be involved in any discussions as to their own remuneration.

Nomination Committee

The Nomination Committee will be chaired by Steve Halbert and its other member will be Samantha Porteous. The further non-executive director to be appointed will also be a member of the Nomination Committee. It 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.

16. LOCK-IN ARRANGEMENTS

The Directors and senior management have agreed not to dispose of Ordinary Shares in the Company held by them for a period of 12 months from the date of Admission subject to certain exceptions. The Directors and senior management have also agreed that for the period of 12 months following the expiry of the period referred to above, any disposal of Ordinary Shares held by them shall, subject to certain exceptions, be effected through Espirito Santo Investment Bank.

The Institutional Shareholders have agreed not to dispose of Ordinary Shares in the Company held by them for a period of six months from the date of Admission subject to certain exceptions. The Institutional Shareholders have also agreed that for the period of six months following the expiry of the period referred to above, any disposal of Ordinary Shares held by them shall, subject to certain exceptions, be effected through Espirito Santo Investment Bank.

The Other Locked-in Shareholders (who include Alan Kennedy) have agreed not to dispose of Ordinary Shares in the Company held by them for a period of 12 months from the date of Admission subject to certain exceptions. The Other Locked-in Shareholders have also agreed that for the period of 12 months following the expiry of the period referred to above, any disposal of Ordinary Shares held by them shall, subject to certain exceptions, be effected through Espirito Santo Investment Bank.

Further details of the lock-in arrangements are set out in paragraphs 11.7 and 11.8 of Part V of this document.

17. DIVIDEND POLICY

The Directors intend to adopt a progressive policy of paying dividends while maintaining a prudent level of dividend cover for the Group. Reflecting the Group's historically high cash conversion ratio, and assuming sufficient distributable reserves, the Directors intend to target a dividend of approximately 66 per cent. of retained profits in each financial year, including the year ending 31 December 2014. The Directors propose to pay an interim dividend and a final dividend in respect of each financial year in the approximate proportions of one third and two thirds of the total annual dividend, respectively. The first interim dividend payment is expected to be paid in November 2014 following the Company's 2014 half year results.

18. SHARE DEALING CODE

The Company has adopted, with effect from Admission, a share dealing code for the Directors and certain employees, which is appropriate for a company whose shares are admitted to trading on AIM (particularly relating to dealing during close periods in accordance with Rule 21 of the AIM Rules for Companies) and the Company will take all reasonable steps to ensure compliance by its directors and any relevant employees.

19. SHARE INCENTIVE ARRANGEMENTS

The Board recognises the importance of ensuring that employees of the Group are effectively and appropriately incentivised and their interests aligned with those of the Group. Similarly, the Board believes that the on-going success of the Group depends to a high degree on retaining and incentivising the performance of key members of senior management. To that end, the Company

has adopted, shortly before Admission, the Share Plans, to align the interests of senior management, and the broader employee workforce alike, with those of the Shareholders.

The Share Plans adopted by the Group are made up of three incentive arrangements: (1) the SAYE Plan; (2) the EMI Plan; and (3) the Long Term Incentive Plan.

The SAYE Plan, under which it is anticipated that options over Ordinary Shares will be offered to all employees of NAHL who have been employed for the relevant qualifying period. The SAYE Plan is intended to comply with the terms of Schedule 3 of the Income Tax (Earnings and Pensions) Act 2003 (“**Schedule 3**”).

The EMI Plan is a share option plan under which selected employees may be granted market value options over Ordinary Shares. Options may be granted as tax-favoured enterprise management incentive options or non tax-favoured options.

The Long Term Incentive Plan is a plan under which awards may be granted to selected employees over Ordinary Shares. These options will only be exercisable subject to the achievement of performance conditions.

Further details of the Share Plans are set out in paragraph 7 of Part V of this document.

20. ADMISSION, SETTLEMENT AND DEALINGS

Application has been made to the London Stock Exchange for all of the Ordinary Shares, issued and to be issued pursuant to the Placing, to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence in the Ordinary Shares on or around 29 May 2014.

The Ordinary Shares will be in registered form and will be capable of being held in either certificated or uncertificated form (i.e. in CREST).

CREST is a paperless share transfer and settlement system enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations.

The ISIN number of the Ordinary Shares is GB00BM7S2W63. The TIDM is NAH.

21. TAXATION

Information regarding UK taxation with regard to certain holders of the Ordinary Shares is set out in paragraph 14 of Part V of this document. That information is intended only as a general guide to the current tax position under UK law. If you are in any doubt as to your tax position, you should contact your independent professional adviser.

22. APPLICABILITY OF TAKEOVER CODE

The Takeover Code applies to the Company. Under the Takeover Code, if an acquisition of interests in shares were to increase the aggregate holding of the acquirer and its concert parties to interests in shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on circumstances, its concert parties would be required (except with the consent of the Takeover Panel) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for interests in shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by any acquisition of interests in shares by a person holding (together with its concert parties) shares carrying between 30 per cent. and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the total voting rights in the Company.

More information is set out in paragraph 15 of Part V of this document.

23. FURTHER INFORMATION

Your attention is drawn to Part II of this document which contains certain risk factors relating to any investment in the Company, to Parts III to V of this document which contain further additional information on the Group and to Part VI of this document which sets out the Terms and Conditions of the Placing.

PART II

RISK FACTORS

An investment in the Ordinary Shares involves a high degree of risk. The risks and uncertainties below are those that the Directors and the Company consider to be material. You should carefully consider the following information about these risks, together with the information contained elsewhere in this document, before deciding to buy any Ordinary Shares. Each of these risks could have a material adverse effect on the Group's business, financial condition, results of operation, future prospects or the trading price of the Ordinary Shares, and investors could lose all or part of their investment. The Group has described the risks and uncertainties that it believes are material, but these risks and uncertainties may not be the only ones the Group faces. Additional risks and uncertainties relating to the Group that are not currently known to it, or that it currently deems immaterial, may also have an adverse effect on its business, financial condition, results of operations and future prospects. If this occurs, the trading price of the Ordinary Shares may decline, and investors could lose all or part of their investment.

The order in which the risks are presented does not necessarily reflect the likelihood of their occurrence or the magnitude of their potential impact on the Group's business, financial condition, results of operation, future prospects or the trading price of the Ordinary Shares. Investors should consider carefully whether an investment in the Ordinary Shares is suitable for them in light of the information in this document and their personal circumstances.

GENERAL RISKS

An investment in the Company is only suitable for investors capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that may result from the investment. A prospective investor should consider with care whether an investment in the Company is suitable for him in the light of his personal circumstances and the financial resources available to him. The investment opportunity offered in this document may not be suitable for all recipients of this document. Investors are therefore strongly recommended to consult an investment adviser authorised under the FSMA, or such other similar body in their jurisdiction, who specialises in advising on investments of this nature before making their decisions to invest.

Investment in the Company should not be regarded as short-term in nature. There can be no guarantee that any appreciation in the value of the Company will occur or that the commercial objectives of the Company will be achieved. Investors may not get back the full or any amount initially invested.

RISKS RELATING TO THE LEGAL AND REGULATORY FRAMEWORK IN WHICH THE GROUP OPERATES

The Group is subject to an extensive regulatory and legal framework. Regulations and laws may change at any time

The Group is regulated by the CMRU, a body formed by the UK Ministry of Justice in order to improve access to justice and promote the interests of consumers by regulating claims management companies and marketing service providers. The Group must adhere to certain provisions of LASPO and to the Compensation Act (see paragraph 5 of Part I ("*Regulatory Environment*"). The CMRU has broad powers over many aspects of the personal injury litigation sector, including the business of the Group. Although the Group was recently audited by CMRU, the Group faces the risk in the future that the CMRU might find that it has failed to comply with applicable laws or regulations (e.g. in respect of advertising, cold calling, the provision of products such as ATE insurance, medical assessment products, costs drafting or sign-up services) or has not undertaken corrective action where required. Legal, marketing and other forms of laws, regulations and policies (for example, the small claims limit) currently affecting the Group, and the approach and attitude of its regulator(s), may change at any time in ways which may have an adverse effect on the Group's business, and any failure by the Group to recognise such changes and/or alter its operations effectively and efficiently to comply with such changes may result in an increased number of regulatory investigations and actions which could cause disproportionate damage to the Group's business and ultimately materially adversely impact the business, prospects, results of operations and financial position of the Group.

The Group's Panel Law Firms are subject to an extensive regulatory and legal framework and are under the supervision of the SRA

The Panel Law Firms, which are the customers of the Group, are regulated by the SRA and must adhere to, *inter alia*, the provisions of LASPO (see paragraph 5 of Part I (“*Regulatory Environment*”). The SRA has broad powers over many aspects of the operations of the solicitor/law firm practices. The SRA might find that one or more of the Panel Law Firms has failed to comply with applicable laws or regulations or has not undertaken corrective action where required. Changes in the regulatory requirements which apply to solicitor/law firm practices and the consumer litigation sector generally (and any failure by the Panel Law Firms to recognise such changes and/or alter their operations effectively and efficiently to comply with such changes), could lead to a reduction in the Panel Law Firms’ revenue and, in turn, could ultimately materially adversely impact the business, prospects, results of operations and financial position of the Group. Risks in relation to SRA compliance are mitigated by the fact that law firms are required to have designated compliance officers (COLP’s) who are personally responsible for ensuring law firm compliance.

The Group operates in Scotland and Northern Ireland. These jurisdictions may enact similar provisions to LASPO

The Group is not regulated nor subject to LASPO outside of England and Wales. However, some of the Group’s Panel Law Firms are regulated by the Law Society of Scotland and the Law Society of Northern Ireland which have created conduct rules to ban referral fees, thus having a similar effect to LASPO. Such societies may choose to investigate and/or make decisions relating to, and/or take action against, such law firms which in turn could prohibit or restrict the way that such law firms transact business with the Group. The Company and its Directors are satisfied that the Group does not receive referral fees from these Panel Law Firms but that, if it was deemed to receive referral fees, then the Group’s business model in Scotland and Northern Ireland could be changed easily by minor contractual variations. However, regulatory changes involving Panel Law Firms could affect the projected revenues generated from certain customers and ultimately have an adverse effect on the Group’s business, prospects, results of operations and financial position if Scotland and/or Northern Ireland adopted the type of statutory provisions enacted in England and Wales, although these jurisdictions do not account for a material part of the Group’s profitability.

RISKS RELATING TO THE GROUP

The Group is reliant on the personal injury sector

As the Group’s revenue largely derives from legal service providers, the Group is exposed to particular risks specific to the provision of legal services in the personal injury sector. A downturn in the personal injury sector could result in law firms having fewer resources to devote to marketing and origination such as the services which the Group provides, and therefore any matters which adversely affect the legal services market could also have a material adverse effect on the Group’s business, prospects, results of operations and financial position. If law firms decide to undertake the services provided by the Group directly, rather than contract with a third party provider such as the Group, this could also have a material adverse effect on the Group’s business, prospects, results of operations and financial position.

The Group relies upon its TV and online marketing strategy

The Group has developed a marketing strategy, focused on TV and online, which the Directors believe has assisted the Group in retaining its market leading position in the personal injury market for many years. Changes in technology and media could give rise to new types of entrants, or the development of new marketing channels requiring further adaptation of the Group’s business and operations. In addition, changes to search engines’ algorithms or terms of services could cause the Group’s websites to be excluded from or ranked lower in organic search results. Such changes could result in reduced demand for the Group’s services and products and/or require the Group to expend significant energy, resources and expenditure to change its product offering, build new pricing models, modify and renew its operating and IT systems and/or retrain or hire new people. Such changes could have an adverse effect on the Group’s business, prospects, results of operations and financial position.

The Group has a number of relationships with Panel Law Firms and other partners which are material to its business

The Group has entered into various agreements with its Panel Law Firms and other partners which are important to the sale of its services and its products (such as medical assessment products). These law firms and other partners are operationally independent of the Group. The terms and conditions of the Group's agreements are subject to change from time to time, and the Group may be unable to renew its agreements on similar terms, or at all. Any termination or non-renewal of these relationships, for example due to breach of contract, disagreements, insolvency or otherwise, could result in disputes and litigation, the exercise of termination provisions, the payment of significant costs or damages, each of which could have adverse effects on the Group's business, prospects, results of operations and financial position.

The market in which the Group operates has significant competition

The Group faces and is likely to continue to face significant competition from other consumer marketing businesses in the personal injury litigation market (whether established or new entrants to the market), which offer or may in the future offer similar products and services as the Group. The entry into, or the targeting of, the markets in which the Group operates, by competitors with significant financial resources or the ability to charge lower prices or offer additional products or services could affect the Group's ability to obtain new, or retain existing, customers, or its ability to adjust prices. Whilst the Directors believe that there are significant barriers to entry, if the Group is unable or is perceived to be unable to compete effectively within its core markets or products, its competitive position may be weakened. In particular, competitive pressures may, among other things, compel the Group to reduce prices, which may adversely affect its operating margins, cashflows, results and forecasts, or reduce its market share, any of which could have an adverse effect on its business, prospects, results of operations and financial position.

The Group may suffer losses if its reputation and brand are damaged

The Group's success and results are dependent in part on the strength and reputation of the Group and its brand. The Group relies on its brand, National Accident Helpline, and on its advertising character, the Underdog, and is exposed to the risk of litigation, employee misconduct, significant adverse publicity attaching to those who promote the Group's business, operational failures, misconduct or malpractice by Panel Law Firms and other outsourcing partners and intermediaries, allegations or determinations that the Group has failed to comply with regulatory or legislative requirements, the outcome of regulatory or other investigations or actions, market forces, press speculation and/or negative publicity, amongst others, whether or not founded, which could damage its brand and reputation. Any damage to the Group's brand and reputation could cause existing customers, partners or intermediaries to withdraw their business from, or restrict their business with, the Group. Such damage to the Group's brand or reputation could cause disproportionate damage to the Group's business, even if the negative publicity is factually inaccurate or unfounded. Furthermore, negative publicity could result in greater regulatory scrutiny and influence market's perception of the Group. The occurrence of any of these events could have an adverse effect on the Group's business, prospects, results of operations and financial position.

Information Systems are essential to the Group's business

The Group's information systems are essential to a number of critical areas of its business operations and, as a result, the Group has disaster-recovery systems in place. Any telecoms, internet or other system failure may cause an interruption or delay in service, or loss or corruption of data or confidential information, or cessations in the availability of the Group's systems and could cause unsatisfactory service and support levels and materially adversely affect its marketing strategy, its pricing strategy, its operations or delay the collection of revenue. In addition, the Group may be subject to liability as a result of any theft or misuse of personal information stored in the information systems. In addition, because the Group transfers data to third party partners, there can be no assurance that the Group will not encounter data migration or other errors, which could result in the loss of important data, interruptions, delays or cessations in the availability of the systems. Any of these issues could have a material adverse effect on the Group's business, prospects, results of operations and financial condition.

The Group may not be able to protect its intellectual property rights and the Group may infringe the intellectual property rights of others

Trademarks, designs and other intellectual property rights are central to the value of the Group's brand, in particular the Underdog character in respect of which the Group has an exclusive right of use in certain jurisdictions by way of a perpetual licence (which is terminable in the event of breach by the Group) from a third party, Aardman Animations Limited. The Group's business carries with it the risk of third parties infringing the intellectual property rights of the Group, including but not limited to: copyright infringement, design right infringement, trademark infringement and passing off. The Group has protected and continues to protect its intellectual property rights by relying on trademark and copyright protection and confidentiality laws and contracts. Third parties may in future not comply with their contractual rights under the licensing arrangements between them and the Group. Third parties may in the future try to challenge the ownership of and/or the validity of the Group's intellectual property, or may unlawfully use the Group's intellectual property. The Group may not always be successful in securing protection for its intellectual property rights and defending any mis-use of its intellectual property. There can be no guarantee that current or future actions of the Group will not result in litigation. The Group may need to resort to litigation in the future to enforce its intellectual property rights. Any litigation could result in substantial costs and a diversion of resources. Conversely, while the Directors take precautions, they cannot guarantee that any action or inaction by the Group may not inadvertently infringe the intellectual property rights of others. Third parties may, whether legitimately or otherwise, allege that the Group has infringed their intellectual property. Any such infringement of the Group's intellectual property rights, or any actual or alleged infringement of the intellectual property rights of others by the Group, could have a material adverse impact upon the Group's business prospects, results of operations and financial condition.

Insurance

The Group seeks to insure business liabilities and assets adequately but cannot guarantee that in case of a claim the insurer will cover all costs and make good all damage. Nor can assurance be given that relevant insurance will always be available or available on terms in which the Directors consider economic or otherwise appropriate.

Litigation

Whilst as at the date of this document, no member of the Group is or has been involved in any legal or arbitration proceedings which are active, pending or threatened against it, or being brought by it, which are having or may have a significant effect on the Group's financial position or profitability, there can be no assurance that the Group will not become involved in litigation which could adversely affect its financial position or profitability.

The Group depends on its Directors and senior management team

The Group's future growth and success depends, in part, upon the leadership and performance of its Directors and management team, many of whom have significant experience in the sector. In particular, the Group is dependent on the continued services of its Directors and senior management team. The agreements in place with certain members of the Group's management team allow the relevant individual to resign from the Company upon the expiry of a notice period, as set out in paragraph 9.1 of Part V of this document. The loss of any of the Directors, or any members of the senior management team or other key employees, the inability to recruit sufficient, qualified personnel, or the inability to replace departing employees in a timely manner could have a material adverse effect on the Group's ability to run its business and, accordingly, on its business prospects, results of operation and financial condition.

The Group's business is concentrated in the United Kingdom

In the year ended 31 December 2013, the Group generated 100 per cent. of its total income in the United Kingdom. The Group is therefore particularly exposed to the economic, market, fiscal, regulatory, legislative, political and social conditions in the United Kingdom.

Taxation

The attention of potential investors is drawn to paragraph 14 of Part V of this document headed "Taxation". The tax rules and their interpretation relating to an investment in the Company may change during its life. Any change in the Company's tax status or in taxation legislation or its

interpretation could affect the value of the investments held in the Company or the Company's ability to provide returns to Shareholders or alter the post-tax returns to Shareholders. Representations in this document concerning the taxation of the Company and its investors are based upon current tax law and practice which is, in principle, subject to change. Current and potential investors are strongly recommended to consult an independent financial adviser authorised under FSMA who specialises in investments of this nature before making any investment decision in respect of Ordinary Shares.

RISKS RELATING TO THE ADMISSION

There has been no prior public trading market for the Ordinary Shares

Prior to Admission, there has been no public trading market for the Ordinary Shares. The Placing Price may not be indicative of the market price for the Ordinary Shares following Admission. Although the Company intends to apply to the London Stock Exchange for admission of the Ordinary Shares to trading on AIM, the Group can give no assurance that an active trading market for the Ordinary Shares will develop or, if developed, can be sustained following the closing of the Offer. If an active trading market is not developed or maintained, the liquidity and trading price of the Ordinary Shares could be materially and adversely affected.

Risk of investing in shares which are admitted to trading on AIM

An investment in a share which is traded on AIM, such as the Ordinary Shares, may be difficult to realise and carries a high degree of risk. The ability of an investor to sell Ordinary Shares will depend on there being a willing buyer for them at an acceptable price. Investors may therefore realise less than, or lose all of, their investment. Market conditions may affect the Ordinary Shares regardless of the Group's operating performance or the overall performance of the sector in which the Group operates. Share market conditions are affected by many factors, including general economic outlook, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards particular market sectors and the demand and supply for capital. Accordingly, the market price of the Ordinary Shares may not reflect the underlying value of the Group's net assets, and the price at which investors may dispose of their Ordinary Shares at any point in time may be influenced by a number of factors, only some of which may pertain to the Group while others of which may be outside the Group's control. If the Company's revenues do not grow, or grow more slowly than anticipated, or if its operating expenditures exceed expectations and cannot be adjusted sufficiently, the market price of its Ordinary Shares may decline. In addition, if the market for securities of companies in the same sector or the stock market (now or in the future) in general experiences a loss in investor confidence or otherwise falls, the market price of the Ordinary Shares may fall for reasons unrelated to the Group's business, results of operations or financial condition. Therefore, investors might be unable to resell their Ordinary Shares at or above the Placing Price.

The Placing may not result in an active or liquid trading market for the Ordinary Shares, and their price may be highly volatile

Investors should be aware that, following Admission, the market price of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore be unable to recover their original investment and could even lose their entire investment. This volatility could be attributable to various facts and events, including the availability of information for determining the market value of an investment in the Company, any regulatory or economic changes affecting the Group's operations, variations in the Group's operating results, developments in the Group's business or its competitors, or changes in market sentiment towards the Ordinary Shares. In addition, the Group's operating results and prospects from time to time may be below the expectations of market analysts and investors. Active, liquid trading markets generally result in lower price volatility and more efficient execution of buy and sell orders for investors. If a liquid trading market for the Ordinary Shares does not develop, the price of the Ordinary Shares may become more volatile, and it may be difficult to complete a buy or sell order for such Ordinary Shares. The liquidity of a securities market is often a function of the volume of the underlying shares that are publicly held by unrelated parties. However, there may only be a limited public free float of the Ordinary Shares in the future. Restrictions imposed by the CMRU and any other applicable regulator regarding persons who may act as a "controller" of the Company may also impact the liquidity of the Ordinary Shares. Furthermore, low trading volumes or the low amount of Ordinary Shares publicly held by unrelated parties may result in a delisting of the Ordinary Shares in the future which would

materially affect the liquidity of the Ordinary Shares. In addition, the market price of the Ordinary Shares may decline below the Placing Price.

The Company cannot assure investors that it will make dividend payments in the future

The Company's ability to pay future dividends is dependent on, among other things, the Group's future profit, cashflows, financial position, distributable reserves, working capital requirements, general economic conditions and other factors that the Directors deem significant from time to time. There can be no certainty that the Company will be able to sustain regular levels of dividend payments in the future.

The issue of additional Ordinary Shares may dilute all other shareholdings

Whilst the Directors have no current plans to raise additional capital immediately after the Admission, it is possible that the Company may need to raise extra capital in the future, to further develop the Group's business. In addition, the Group may, issue shares in connection with share incentive and share option plans. No assurance can be given that any such additional financing which may be sought by the Group will be available or that, if available, it will be available on terms favourable to the Group or to the Shareholders. Further equity financing may be dilutive to the Shareholders or result in an issuance of securities whose rights, preferences and privileges are senior to the holders of Ordinary Shares. The Group may seek debt finance to fund all or part of any future development. There can be no assurance that the Group will be able to raise debt finance, whether on attractive terms (including acceptable covenants) or at all.

Existing shareholders may limit other shareholders' ability to influence matters requiring shareholder approval

Upon Admission, the Institutional Shareholders will together own just over 30 per cent. of the Enlarged Share Capital. In their capacity as shareholders, they are permitted to vote on any matter that requires shareholder approval as they see fit. Hence they may be able to exert influence over all matters requiring shareholder approval, such as electing directors and approving significant corporate transactions. This concentration of ownership may also have the effect of delaying or preventing a change of control, which could result in a lower price for the Ordinary Shares in the event of a takeover offer for the Company.

Substantial future sales or issues of Ordinary Shares could impact the market price of Ordinary Shares

Approximately 55.6 per cent. of the Enlarged Share Capital in issue following the Placing will be subject to lock-up arrangements. Sales, or the possibility of sales, of substantial numbers of Ordinary Shares by Shareholders following the Placing could have an adverse effect on the market trading prices of the Ordinary Shares. While the Selling Shareholders and the Directors have agreed to certain restrictions on the issue or sale of Ordinary Shares for various limited periods of time following Admission without the prior written consent of Espirito Santo Investment Bank, as described in paragraphs 11.6 and 11.7 of Part V upon the expiration of these lock-up arrangements a large number of additional Ordinary Shares will be eligible for sale. Furthermore, Espirito Santo Investment Bank may in its sole discretion, and at any time or from time to time, without notice, release all or any portion of the Ordinary Shares subject to these lock-up arrangements. The issue of additional Ordinary Shares by the Group may cause the dilution of Shareholders' interests.

The Ordinary Shares will trade in pounds sterling and any dividends will be paid in pounds sterling. Any Shareholder whose principal currency is not pounds sterling may experience exchange rate fluctuations

The Ordinary Shares will be traded in pounds sterling and any dividends, if declared, will be paid in pounds sterling. An investor in the Ordinary Shares whose principal currency for accounting and/or tax purposes is not pounds sterling will be exposed to fluctuations in the exchange rate between the relevant currency and pounds sterling.

Forward-looking statements

Certain statements contained in this document may constitute forward-looking statements. Such statements include, amongst other things, statements regarding the Group's or the Directors' beliefs, expectations, estimations, plans, anticipations and similar statements. Any such forward-looking statements involve risks, uncertainties and other factors that may cause the actual results,

performance or achievements of the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements speak only as of the date of this document and there can be no assurance that the results and events contemplated by such forward-looking statements will, in fact occur. The Company and the Directors expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein, or to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based, save as required to comply with any legal or regulatory obligations (including the AIM Rules).

PART III

HISTORICAL FINANCIAL INFORMATION

ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE GROUP



KPMG LLP
58 Clarendon Road
Watford
WD17 1DE
United Kingdom

Tel +44 (0) 19 2383 0000
Fax +44 (0) 19 2321 4500
DX 147000 Watford 13

The Directors
NAHL Group PLC
1430 Montagu Court,
Kettering Parkway,
Kettering,
Northamptonshire
NN15 6XR

23 May 2014

Dear Sirs

Consumer Champion Group Limited (the 'Company')

We report on the financial information set out on pages 37 to 76 for the years ended 31 December 2011, 31 December 2012 and 31 December 2013. This financial information has been prepared for inclusion in the AIM Admission Document dated 23 May 2014 of NAHL Group PLC on the basis of the accounting policies set out in note 1 to the financial information. This report is required by paragraph 20.1 of Annex I of the Prospectus Directive Regulation and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 23.1 of Annex I of the Prospectus Directive Regulation, consenting to its inclusion in the AIM Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the AIM Admission Document dated 23 May 2014, a true and fair view of the state of affairs of Consumer Champion Group Limited as at 31 December 2011, 31 December 2012 and 31 December 2013 and of its consolidated profits, consolidated cash flows, consolidated comprehensive income and consolidated changes in equity for the three years ended 31 December 2011, 31 December 2012 and 31 December 2013 in accordance with the basis of preparation set out in note 1 and in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with paragraph 1.2 of Annex I of the Prospectus Directive Regulation.

Yours faithfully

KPMG LLP

**Consolidated statement of comprehensive income
for the years ended 31 December 2013, 2012 and 2011**

	Note	2013 £000	2012 £000	2011 £000
Continuing Operations				
Revenue (excluding pre-LASPO ATE)	2	39,717	39,159	34,717
Pre-LASPO ATE revenue ¹	2	9,406	11,607	10,353
Total revenue	1,2	49,123	50,766	45,070
Cost of sales		(23,090)	(23,866)	(21,964)
Gross profit		26,033	26,900	23,106
Administrative expenses	4	(6,819)	(8,525)	(6,825)
Operating profit (excluding pre-LASPO ATE)	2	9,836	6,870	6,026
Pre-LASPO ATE operating profit	2	9,378	11,505	10,255
Total operating profit		19,214	18,375	16,281
Financial income	7	332	205	108
Financial expenses	8	(4,805)	(3,355)	(3,453)
Profit before tax		14,741	15,225	12,936
Taxation	9	(4,411)	(3,975)	(3,593)
Profit from continuing operations		10,330	11,250	9,343
Discontinued Operation				
Loss from discontinued operation, net of tax	3	(872)	(2,133)	(2,305)
Profit for the year and Total comprehensive income		<u>9,458</u>	<u>9,117</u>	<u>7,038</u>

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

1 Pre-LASPO ATE Revenue means commissions received from the use of an 'after the event' (ATE) insurance product by participating solicitor firms before the implementation of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 ('LASPO'). As a result of the LASPO regulatory changes, which were effective from 1 April 2013, this product is no longer available in the same form and has therefore been separately identified.

Consolidated statement of comprehensive income *(continued)*
for the years ended 31 December 2013, 2012 and 2011

		2013	2012	2011
		£	£	£
Basic earnings per share (£)				
Total	19	31.05	29.99	22.96
Continuing operations	19	33.91	37.00	30.48
		<u> </u>	<u> </u>	<u> </u>
Diluted earnings per share (£)				
Total	19	31.05	29.99	22.96
Continuing operations	19	33.91	37.00	30.48
		<u> </u>	<u> </u>	<u> </u>

Discontinued earnings per share are shown in Note 19.

Consolidated statement of financial position
At 31 December 2013, 2012, 2011

	Note	2013 £000	2012 £000	2011 £000
Non-current assets				
Goodwill	12	39,897	46,050	46,050
Property, plant and equipment	11	371	616	429
Deferred tax assets	10	61	80	42
		<u>40,329</u>	<u>46,746</u>	<u>46,521</u>
Current assets				
Trade and other receivables	14	3,168	6,275	5,724
Cash and cash equivalents		14,249	34,465	20,360
Assets classified as held for sale	3	3,138	—	—
		<u>20,555</u>	<u>40,740</u>	<u>26,084</u>
Total assets		<u><u>60,884</u></u>	<u><u>87,486</u></u>	<u><u>72,605</u></u>
Current liabilities				
Other interest-bearing loans and borrowings	16	(6,789)	(1,853)	(1,994)
Trade and other payables	15	(19,924)	(26,291)	(20,283)
Tax payable		(3,107)	(1,847)	(1,707)
Liabilities classified as held for sale	3	(843)	—	—
		<u>(30,663)</u>	<u>(29,991)</u>	<u>(23,984)</u>
Non-current liabilities				
Other interest-bearing loans and borrowings	16	(70)	(31,368)	(31,908)
Other payables	15	—	(5,427)	(5,172)
		<u>(70)</u>	<u>(36,795)</u>	<u>(37,080)</u>
Total liabilities		<u><u>(30,733)</u></u>	<u><u>(66,786)</u></u>	<u><u>(61,064)</u></u>
Net assets		<u><u>30,151</u></u>	<u><u>20,700</u></u>	<u><u>11,541</u></u>
Equity				
Share capital	17	231	231	231
Interest in own shares		(14)	(14)	(14)
Share premium		100	100	100
Retained earnings		29,834	20,383	11,224
Total equity		<u><u>30,151</u></u>	<u><u>20,700</u></u>	<u><u>11,541</u></u>

The transition balance sheet as at 1 January 2011 is set out in Note 24.

Consolidated statement of changes in equity
for the years ended 31 December 2013, 2012 and 2011

	Share capital £000	Interest in own shares £000	Share premium £000	Retained earnings £000	Total equity £000
Balance at 1 January 2011	231	(14)	100	4,138	4,455
Total comprehensive income for the period					
Profit or loss	—	—	—	7,038	7,038
Total comprehensive income for the period	—	—	—	7,038	7,038
Transactions with owners, recorded directly in equity					
Equity-settled share based payment transactions	—	—	—	48	48
Balance at 31 December 2011	231	(14)	100	11,224	11,541
Total comprehensive income for the period					
Profit or loss	—	—	—	9,117	9,117
Total comprehensive income for the period	—	—	—	9,117	9,117
Transactions with owners, recorded directly in equity					
Equity-settled share based payment transactions	—	—	—	42	42
Balance at 31 December 2012	231	(14)	100	20,383	20,700
Total comprehensive income for the period					
Profit or loss	—	—	—	9,458	9,458
Total comprehensive income for the period	—	—	—	9,458	9,458
Transactions with owners, recorded directly in equity					
Equity-settled share based payment transactions	—	—	—	(7)	(7)
Balance at 31 December 2013	231	(14)	100	29,834	30,151

Consolidated cash flow statement
for the years ended 31 December 2013, 2012 and 2011

	Note	2013 £000	2012 £000	2011 £000
Cash flows from operating activities				
<i>Continuing operations</i>				
Profit for the year		10,330	11,250	9,343
<i>Adjustments for:</i>				
Depreciation	4	245	174	157
Financial income	7	(332)	(205)	(108)
Financial expense	8	4,805	3,355	3,453
Equity settled share based payment expense	5,18	(7)	42	48
Loss/(gain) on sale of property, plant and equipment	4	—	36	(5)
Taxation	9	4,411	3,975	3,593
		<u>19,452</u>	<u>18,627</u>	<u>16,481</u>
Decrease/(increase) in trade and other receivables		(1,818)	(1,541)	(4,237)
(Decrease)/increase in trade and other payables		(3,290)	6,181	4,578
	3	<u>14,344</u>	<u>23,267</u>	<u>16,822</u>
Interest paid		(3,050)	(2,623)	(2,783)
Tax paid		(3,133)	(3,873)	(3,416)
		<u>8,161</u>	<u>16,771</u>	<u>10,623</u>
<i>Net cash from operating activities – continuing operations</i>		8,161	16,771	10,623
<i>Net cash from operating activities – discontinued operations</i>	3	711	111	1,070
		<u>8,872</u>	<u>16,882</u>	<u>11,693</u>
Net cash from operating activities				
Cash flows from investing activities				
<i>Continuing operations</i>				
Proceeds from sale of property, plant and equipment		—	—	8
Acquisition of property, plant and equipment	11	(177)	(321)	(266)
Interest received		332	205	108
		<u>155</u>	<u>(116)</u>	<u>(150)</u>
<i>Net cash from/(used in) investing activities – continuing operations</i>		155	(116)	(150)
<i>Net cash used in investing activities – discontinued operations</i>	3	(3,629)	(146)	(320)
		<u>(3,474)</u>	<u>(262)</u>	<u>(470)</u>
Net cash used in investing activities				
Cash flows from financing activities				
<i>Continuing operations</i>				
Repayment of borrowings		(28,322)	(1,925)	(2,270)
		<u>(28,322)</u>	<u>(1,925)</u>	<u>(2,270)</u>
<i>Net cash used in financing activities – continuing operations</i>		(28,322)	(1,925)	(2,270)
<i>Net cash used in financing activities – discontinued operations</i>	3	2,902	(590)	—
		<u>(25,420)</u>	<u>(2,515)</u>	<u>(2,270)</u>
Net cash used in financing activities				
Net (decrease)/increase in cash and cash equivalents		(20,022)	14,105	8,953
Cash and cash equivalents at 1 January		34,465	20,360	11,407
		<u>14,443</u>	<u>34,465</u>	<u>20,360</u>
Cash and cash equivalents at 31 December²	20	<u><u>14,443</u></u>	<u><u>34,465</u></u>	<u><u>20,360</u></u>

2 Cash and cash equivalents at 31 December 2013 include cash for discontinued operations of £194,000 not included on the face of the consolidated statement of financial position.

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of preparation

The financial information provided is the consolidated results for Consumer Champion Group Limited in respect of the three financial years ended 31 December 2011, 31 December 2012 and 31 December 2013.

The historical financial information has been prepared in accordance with the requirements of the London Stock Exchange (LSE) Rules for Companies for the purposes of an AIM Listing admission document dated 23 May 2014 and represents consolidated historical financial information for the parent company and its subsidiaries for each of the three years ended 31 December 2011, 31 December 2012 and 31 December 2013 and in accordance with this basis of preparation.

The financial information has been prepared in accordance with International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”).

This basis of preparation describes how the historical consolidated financial information has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“Adopted IFRSs”). The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these group financial statements and in preparing an opening IFRS balance sheet at 1 January 2011 for the purposes of the transition to Adopted IFRSs.

The consolidated financial information is presented in sterling and has been rounded to the nearest thousand (£'000).

Use of judgements and uncertainties

The preparation of financial information in compliance with Adopted IFRSs requires the use of certain critical judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial information and the reported amounts of revenues and expenses during the reporting period. It also requires Group directors to exercise judgment in applying the Group’s accounting policies.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the financial information.

Transition to Adopted IFRSs

The Group is preparing its financial statements in accordance with Adopted IFRS for the first time and consequently has applied IFRS 1. An explanation of how the transition to Adopted IFRSs has affected the reported financial position, financial performance and cash flows of the Group is provided in note 24, including explanations of IFRS 1 exemptions taken.

Basis of consolidation

Where the company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities it is classified as a subsidiary. The consolidated financial information presents the results of the company and its subsidiaries (the “Group”) as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial information incorporates the results of business combinations using the purchase method. In the Group balance sheet, 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 income statement from the date on which control is obtained. They are deconsolidated from the date on which control ceases. Acquisition costs are expensed as incurred.

Use of judgements and estimates

The preparation of financial statements in conformity with IFRSs 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.

Judgements

In applying the Group's accounting policies, management has applied judgement in the following areas that have a significant impact on the amounts recognised in the financial statements.

Deferred tax

Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised, with consideration given to the timing and level of future taxable income; see note 10.

Intangible assets

When the Group makes an acquisition, management determines whether any intangible assets should be recognised separately from goodwill; see note 3.

Estimates

Discussed below are key assumptions concerning the future, and other key sources of estimation at the reporting date, that have a risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Impairment of goodwill

The Group determines on an annual basis whether goodwill is impaired. This requires an estimation of the future cash flows of the cash generating units to which the goodwill is allocated; see note 12.

Contingent consideration

When the Group acquires businesses, total consideration may consist of additional amounts payable on agreed post-completion dates. These further amounts are contingent on the acquired business meeting agreed performance targets. At the date of acquisition, the Group reviews the profit and cash forecasts for the acquired business and estimates the amount of contingent consideration that is likely to be due; see note 3.

Recoverability of trade receivables

Trade receivables are reflected net of an estimated provision for impairment losses. This provision considers the past payment history and the length of time that the debt has remained unpaid; see note 14 and 20.

Revenue recognition

Pre-LASPO ATE income is recognised in full upon inception of the associated policy, less an allowance for the estimated claw-back of income based upon the underlying historic failure rate of claims – see below.

New standards, interpretations and amendments not yet effective

The following Adopted IFRSs have been issued but have not been applied by the Group in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated. Effective for the Group from 1 January 2014 are:

- IAS 27 (revised) 2011 'Separate financial statements'
- IAS 28 (revised) 2011 'Associates and joint ventures'
- IFRS 10 'Consolidated financial statements'
- IFRS 11 'Joint arrangements'
- IFRS 12 'Disclosure of interests in other entities'
- Amendments to IFRS 10, 11 and 12 on transition guidance and Investment Entities

- Amendment to IAS 32 'Financial instruments: Presentation' on offsetting financial assets and liabilities
- Recoverable amounts – disclosures on impairment of non-financial assets (amendments to IAS 36)

The following standards and revisions will be effective for future periods:

- IFRS 9 'Financial instruments' – classification of financial assets and financial liabilities
- Defined Benefit Plans: Employee Contributions – Amendments to IAS 19
- Annual improvements cycle – 2010-2012
- Annual improvements cycle – 2011-2013

The Group has considered the impact of the above standards and revisions and has concluded that they will not have a material impact on the Group's financial statements.

Going concern

The group had cash balances of £14,443,000 (2012: £34,465,000; 2011: £20,360,000), net assets of £30,151,000 (2012: £20,700,000; 2011: £11,541,000) and net current liabilities of £10,108,000 (2012: net current assets of £10,749,000; 2011: net current assets of £2,100,000) as at each year end.

After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. As a consequence, the directors believe that the group is well placed to manage its business risks successfully. As part of the normal management process, detailed projections of future trading are prepared, which includes the impact for possible changes in market or regulatory conditions including the impact on the LASPO ATE insurance revenue. Despite the reduction in future income from this change, cash flows on continuing products fully support the business. Based on these projections the board of directors remain very positive about the group's short and longer term prospects.

Accordingly, the directors continue to adopt the going concern basis in preparing the directors' report and financial statements.

Revenue

Revenue relating to Solicitor Income (including recharged costs), being income received for the provision of enquiries to solicitor firms on a cost-plus model. Income is recognised in the period to which it relates.

Pre-LASPO ATE Revenue means commissions received from the use of an 'after the event' (ATE) insurance product by participating solicitor firms before the implementation of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 ('LASPO'). As a result of the LASPO regulatory changes, which were effective from 1 April 2013, this product is no longer available in the same form and has therefore been separately disclosed on the face of the consolidated income statement, and is separately identified as an operational segment. Whilst the income is contingent upon the successful outcome of the associated case, the directors consider that a right to consideration occurs at the point at which an insurance policy is incepted, and at this point the obligations of the group are discharged. Accordingly, expected income is recognised in full upon inception of the associated policy, less an allowance for the estimated claw-back of income based upon the underlying failure rate of claims.

Product revenue relates to commissions for the sale of additional products which aid the claims process to solicitor firms with which the group has an ongoing relationship. The commissions received are recognised as revenue in the period in which the product is used.

Revenue relating to PPI Claimline Limited has been included as a discontinued operation, as a decision has been made by the directors to sell this major line of business. Revenue is recognised on confirmation of successful completion of a claim.

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

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 income statement.

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.

Amortisation

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

Customer-related intangibles – 1 year

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:

Office equipment – 3 to 5 years

Computers – 3 years

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Employee Benefit Trust

Following the acquisition by Consumer Champion Group Limited of the group headed by NAH Holdings Limited, the Employee Benefit Trust established by NAH Holdings Limited was transferred to the company. The Employee Benefit Trust owns shares in Consumer Champion Group Limited. Consumer Champion Group Limited records the assets and liabilities of the trust as its own. The treatment adopted is that Own Shares Held is deducted in arriving at total equity, and is included in a separate equity reserve.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Taxation

Tax on the profit or loss 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.

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.

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:

- 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.

Employee share schemes

The share option programme allows 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.

Impairment

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 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"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, 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 profit or loss. 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.

Non-current assets held for sale and Discontinued operations

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 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 re-measurement, 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 inventories, financial assets, deferred tax assets, employee benefit assets and investment property, where applicable, which continue to be measured in accordance with the Group's accounting policies. Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

In accordance with IFRS 5, the above policy is effective from transition date; no reclassifications are made in prior periods.

A discontinued operation is a component of the Group'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.

2 Operating segments

	Solicitor income £000	Products £000	Pre-LASPO ATE £000	Other segments £000	Total – continuing £000	PPI Claimline (discontinued) £000	Total £000
Year ended 31 December 2013							
Revenue	34,423	5,294	9,406	—	49,123	12,245	61,368
Depreciation and amortisation	(245)	—	—	—	(245)	(4,969)	(5,214)
Operating profit	5,588	5,256	9,378	(1,008)	19,214	(3,494)	15,720
Financial income	—	—	—	—	332	2,903	3,235
Financial expenses	—	—	—	—	(4,805)	(88)	(4,893)
Profit before tax	—	—	—	—	14,741	(679)	14,062
Trade receivables	2,373	508	—	—	2,881	1,130	4,011
Segment liabilities	(3,976)	(312)	(12,086)	(3,550)	(19,924)	(843)	(20,767)
Capital expenditure	177	—	—	—	177	—	177
Year ended 31 December 2012							
Revenue	34,973	4,186	11,607	—	50,766	15,976	66,742
Depreciation and amortisation	(174)	—	—	—	(174)	(72)	(246)
Operating profit	3,679	3,995	11,505	(804)	18,375	(1,588)	16,787
Financial income	—	—	—	—	205	2	207
Financial expenses	—	—	—	—	(3,355)	(547)	(3,902)
Profit before tax	—	—	—	—	15,225	(2,133)	13,092
Trade receivables	1,532	1,815	—	—	3,347	1,642	4,989
Segment liabilities	(4,412)	—	(15,263)	(4,457)	(24,131)	(7,587)	(31,718)
Capital expenditure	321	—	—	—	321	148	469
Year ended 31 December 2011							
Revenue	32,011	2,706	10,353	—	45,070	3,245	48,315
Depreciation and amortisation	(157)	—	—	—	(157)	(333)	(490)
Operating profit	3,701	2,524	10,255	(199)	16,281	(1,900)	14,381
Financial income	—	—	—	—	108	178	286
Financial expenses	—	—	—	—	(3,453)	(659)	(4,112)
Profit before tax	—	—	—	—	12,936	(2,381)	10,555
Trade receivables	1,737	1,640	—	—	3,377	1,353	4,730
Segment liabilities	(4,123)	—	(11,742)	(2,039)	(17,904)	(7,551)	(25,455)
Capital expenditure	266	—	—	—	266	122	388

Geographic information

All revenue and assets of the group are based in the UK.

Operating segments

The segments used in reporting by the Chief Operating Decision Maker (CODM), being the Board, and considered relevant to the business are segmented on a product basis. These segments are:

Solicitor income – Revenue from the provision of enquiries to a panel of solicitor firms, based on a cost plus model.

Products – Commissions received for the sale of additional products to solicitor firms.

Pre-LASPO ATE – Commissions received for the use of ‘after the event’ insurance policies by solicitor firms. From 1 April 2013, this product is no longer available as a result of LASPO regulatory changes.

Other – Costs that are incurred in managing group activities or not specifically related to a product.

PPI Claimline (discontinued) – Provision of claims management services focused on recovery of mis-sold payment protection insurance. This business is now classified as held for sale, following management’s decision to sell the division from the group.

Cash flows from operating activities – Continuing operations

A reconciliation of operating profit to net cash flows from operating activities for Continuing operations has been presented below separately identifying net cash flows relating to Continuing products (comprising cash flows associated with Solicitor Income, Products and Other segments), the Pre-LASPO ATE product segment and intra-group cash flows within Continuing operations that related to PPI Claimline division, which is now a discontinued operation. The statement of cash flows for Discontinued operations is set out in Note 3.

Reconciliation of operating profit to Net cash flows from operating activities – Continued operations

	Continuing products £000	Pre- LASPO ATE £000	Sub-total £000	PPI Claimline related £000	Total £000
Year ended 31 December 2013					
Operating profit	9,836	9,378	19,214	—	19,214
Depreciation	245	—	245	—	245
Equity-settled share based payments credit	(7)	—	(7)	—	(7)
Decrease/(increase) in trade/other receivables	487	—	487	(2,305)	(1,818)
(Decrease) in trade/other payables	(113)	(3,177)	(3,290)	—	(3,290)
Net cash flows from operating activities	10,448	6,201	16,649	(2,305)	14,344

	Continuing products £000	Pre- LASPO ATE £000	Sub-total £000	PPI Claimline related £000	Total £000
Year ended 31 December 2012					
Operating profit	6,870	11,505	18,375	—	18,375
Depreciation	174	—	174	—	174
Equity-settled share based payments expense	42	—	42	—	42
Loss on sale of property, plant and equipment	36	—	36	—	36
Decrease/(increase) in trade/other receivables	251	—	251	(1,792)	(1,541)
Increase in trade/other payables	2,660	3,521	6,181	—	6,181
Net cash flows from operating activities	10,033	15,026	25,059	(1,792)	23,267

	Continuing products £000	Pre- LASPO ATE £000	Sub-total £000	PPI Claimline related £000	Total £000
Year ended 31 December 2011					
Operating profit	6,026	10,255	16,281	—	16,281
Depreciation	157	—	157	—	157
Equity-settled share based payments expense	48	—	48	—	48
(Gain) on sale of property, plant and equipment	(5)	—	(5)	—	(5)
(Increase) in trade/other receivables	(729)	—	(729)	(3,508)	(4,237)
(Decrease)/increase in trade/other payables	(193)	4,771	4,578	—	4,578
Net cash flows from operating activities	5,304	15,026	20,330	(3,508)	16,822

3 Non-current assets held for sale and discontinued operation

The PPI Claimline division was acquired in February 2011 and has been classified as a disposal group for sale in this Historical Financial Information as the Company has committed to selling this division and expects to conclude a sale within the next six months. The related assets and liabilities have been classified as held for sale in the year ended 31 December 2013, and therefore the statement of comprehensive income has been restated for discontinued operations for all three

years presented. No gain or loss arose on the measurement to fair value less cost to sell. All revenues and profits disclosed below in 2011 relate to the acquired entity.

Results of the discontinued operation

	2013	2012	2011
	£000	£000	£000
Revenue	12,245	15,976	3,245
Expenses	(15,739)	(17,564)	(5,145)
	<u>(3,494)</u>	<u>(1,588)</u>	<u>(1,900)</u>
Operating loss	(3,494)	(1,588)	(1,900)
Financial income	2,903	2	178
Financial expense	(88)	(547)	(659)
	<u>(679)</u>	<u>(2,133)</u>	<u>(2,381)</u>
Loss before tax	(679)	(2,133)	(2,381)
Tax on loss	(193)	—	76
	<u>(872)</u>	<u>(2,133)</u>	<u>(2,305)</u>
Loss for the year	<u><u>(872)</u></u>	<u><u>(2,133)</u></u>	<u><u>(2,305)</u></u>

Loss before tax is stated after charging/(crediting):

	2013	2012	2011
	£000	£000	£000
Impairment of goodwill	4,888	—	—
Amortisation of identifiable intangible assets	—	—	312
Depreciation of property, plant and equipment	81	72	21
Operating leases – land and buildings	115	118	39
Operating leases – other	5	—	—
Write-off of loans payable	—	—	(176)
Early settlement of contingent consideration	(2,902)	—	—
	<u><u>(2,902)</u></u>	<u><u>—</u></u>	<u><u>—</u></u>

Assets held for sale/disposal group

	2013
	£000
Assets classified as held for sale/disposal groups:	
Intangible assets	1,265
Property, plant and equipment	96
Trade and other receivables	1,583
Cash and cash equivalents	194
	<u>3,138</u>
Liabilities classified within disposal groups:	
Trade and other payables	(843)
	<u>2,295</u>
	<u><u>2,295</u></u>

Cash flow statement for discontinued operations

	2013	2012	2011
	£000	£000	£000
Cash flows from operating activities			
<i>Discontinued operations</i>			
Loss for the year	(872)	(2,133)	(2,305)
<i>Adjustments for:</i>			
Depreciation, amortisation and impairment	4,969	72	333
Financial income	(2,903)	(2)	(178)
Financial expense	88	605	659
Taxation	193	—	(76)
	<u>1,475</u>	<u>(1,458)</u>	<u>(1,567)</u>
Decrease/(increase) in trade and other receivables	1,038	(212)	(1,750)
(Decrease)/increase in trade and other payables	<u>(1,599)</u>	<u>1,996</u>	<u>4,394</u>
	914	326	1,077
Interest paid	(10)	(215)	(7)
Tax paid	<u>(193)</u>	<u>—</u>	<u>—</u>
Net cash from operating activities	<u>711</u>	<u>111</u>	<u>1,070</u>
Cash flows from investing activities			
<i>Discontinued operations</i>			
Acquisition of property, plant and equipment	—	(148)	(122)
Interest received	1	2	2
Acquisition of subsidiary	<u>(3,630)</u>	<u>—</u>	<u>(200)</u>
Net cash from investing activities	<u>(3,629)</u>	<u>(146)</u>	<u>(320)</u>
Cash flows from financing activities			
<i>Discontinued operations</i>			
Repayment of borrowings	—	(590)	—
Early settlement of contingent consideration	<u>2,902</u>	<u>—</u>	<u>—</u>
Net cash from financing activities	<u>2,902</u>	<u>(590)</u>	<u>—</u>
Net (decrease)/increase in cash and cash equivalents	(16)	(625)	750
Cash and cash equivalents at 1 January	<u>210</u>	<u>835</u>	<u>85</u>
Cash and cash equivalents at 31 December	<u><u>194</u></u>	<u><u>210</u></u>	<u><u>835</u></u>

Acquisition of subsidiary

On 10 February 2011, the company purchased 100% of the ordinary share capital of Seebeck 62 Limited, a holding company, and PPI Claimline Limited, a claims management company that specialises in the recovery of payment protection insurance that has been mis-sold. Both Seebeck 62 Limited and PPI Claimline Limited are registered in the United Kingdom. The cost of the investment in these entities represents contingent consideration of up to £8 million discounted at 8% over four years. Associated acquisition-related costs of £43,000 were expensed in Administrative expenses.

The acquisition had the following effect on the Group's assets and liabilities.

	Recognised values on acquisition £000
Acquiree's net assets at the acquisition date:	
Intangible assets	312
Trade and other receivables	69
Cash	85
Trade and other payables	(161)
Deferred tax liabilities	(76)
	<hr/>
Net identifiable assets and liabilities	229
	<hr/> <hr/>
<i>Consideration paid:</i>	
Contingent consideration at fair value	6,382
	<hr/>
Total consideration	6,382
	<hr/> <hr/>
Goodwill	6,153
	<hr/> <hr/>

Goodwill has arisen on the acquisition, because the valuation of customer contracts captured existing claims/contracts but excluded potential future new claims, as well as excluding the assembled workforce.

The identifiable intangible assets recognised on acquisition were in relation to customer contracts and customer lists and were deemed to have a one year life.

Contingent consideration

The group has agreed to pay the vendors consideration based on the acquired company meeting certain KPIs. Additional payments were to be made initially on a monthly basis, but annually after April 2012. The estimated range of the consideration payment is estimated to be between £nil and £8,000,000. The group included £6,382,000 as contingent consideration related to the additional consideration, which represents its fair value at the acquisition date.

In 2013, the contingent consideration was settled in full resulting in a gain of £2,902,000 recognised in the Discontinued operations statement of comprehensive income.

Intangible assets

	Customer Related intangibles £000	Goodwill £000	Total £000
Cost			
At 1 January 2011	—	—	—
Acquisitions	312	6,153	6,465
At 31 December 2011	312	6,153	6,465
At 31 December 2012	312	6,153	6,465
At 31 December 2013	312	6,153	6,465
Amortisation and impairment			
At 1 January 2011	—	—	—
Amortisation charge for the year	312	—	312
At 31 December 2011	312	—	312
At 31 December 2012	312	—	312
Impairment of goodwill	—	4,888	4,888
At 31 December 2013	312	4,888	5,200
Net book value			
At 31 December 2011	—	6,153	6,153
At 31 December 2012	—	6,153	6,153
At 31 December 2013	—	1,265	1,265

4 Administrative expenses and auditor's remuneration*

Included in consolidated income statement are the following:

	2013 £000	2012 £000	2011 £000
Depreciation of fixed assets	245	174	157
Loss / (profit) on disposal of fixed assets	—	36	(5)
Operating leases – land and buildings	170	192	89
Operating leases – other	57	57	—
Auditors remuneration			
– Other services relating to taxation	13	19	15
– Other services	82	98	111
– Audit	38	36	39

* Information given excludes that of discontinued operations which are disclosed in note 3.

5 Staff numbers and costs

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

	Number of employees		
	2013	2012	2011
Directors	4	6	6
Others (excluding discontinued operation)	120	128	125
Others (from discontinued operation)	148	149	30
	<u>272</u>	<u>283</u>	<u>161</u>

The aggregate payroll costs of these persons were as follows:

	2013	2012	2011
	£000	£000	£000
Wages and salaries	8,602	8,701	5,716
Share based payments (see note 18)	(7)	42	48
Social security costs	856	960	550
	<u>9,451</u>	<u>9,703</u>	<u>6,314</u>

6 Directors' emoluments

	2013	2012	2011
	£000	£000	£000
Directors' emoluments	<u>893</u>	<u>1,119</u>	<u>1,318</u>

The group did not contribute to pension schemes in respect of directors (2012: nil, 2011: nil).

The emoluments of the highest paid director were £359,000 (2012: £346,000, 2011: £268,000).

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 operational board who are not statutory directors in addition to the main board. Disclosure of transactions with key management is detailed in note 23.

7 Financial income*

	2013	2012	2011
	£000	£000	£000
Bank interest income	<u>332</u>	<u>205</u>	<u>108</u>

* Information given excludes that of discontinued operations which are disclosed in note 3.

8 Financial expense*

	2013	2012	2011
	£000	£000	£000
On bank loans	415	536	643
On loan notes	1,705	2,128	2,123
Dividends on preference shares	6	6	6
Unwinding of loan note discounting	64	683	676
Loss on settlement of loan notes	2,609	—	—
Bank charges	6	2	5
Total finance expense	<u>4,805</u>	<u>3,355</u>	<u>3,453</u>

* Information given excludes that of discontinued operations which are disclosed in note 3.

9 Taxation

Recognised in the income statement

	2013	2012	2011
	£000	£000	£000
<i>Current tax expense (excluding tax on discontinued operation)</i>			
Current tax on income for the period	4,393	4,002	3,617
Adjustments in respect of prior periods	(1)	11	—
Total current tax (excluding tax on discontinued operation)	<u>4,392</u>	<u>4,013</u>	<u>3,617</u>
<i>Deferred tax expense</i>			
Origination and reversal of temporary differences	12	(37)	(25)
Adjustments in respect of prior periods	(3)	(4)	—
Effects of change in standard rate of corporation tax	10	3	1
Total deferred tax (excluding tax on discontinued operation)	<u>19</u>	<u>(38)</u>	<u>(24)</u>
Tax expense in income statement (excluding tax on discontinued operation)	<u>4,411</u>	<u>3,975</u>	<u>3,593</u>
<i>Current tax expense from discontinued operation</i>			
Current tax on income for the period	193	—	—
<i>Deferred tax expense from discontinued operation</i>			
Origination and reversal of temporary differences	—	—	(76)
Tax from discontinued operation	<u>193</u>	<u>—</u>	<u>(76)</u>
Total tax charge	<u><u>4,604</u></u>	<u><u>3,975</u></u>	<u><u>3,517</u></u>

Reconciliation of effective tax rate

	2013	2012	2011
	£000	£000	£000
Profit for the year	9,458	9,117	7,038
Total tax expense (including tax on discontinued operations)	<u>4,604</u>	<u>3,975</u>	<u>3,517</u>
Profit excluding taxation	14,062	13,092	10,555
Tax using the UK corporation tax rate of 23.25% (2012: 24.5%, 2011: 26.5%)	3,269	3,208	2,797
Amortisation, impairment and unwinding of discounting not deductible for tax purposes	1,669	215	328
Non-chargeable gain	(675)	—	—
Non-deductible expenses	249	309	270
Short term timing differences for which no deferred tax is recognised	125	233	93
Effects of change in standard rate of corporation tax	10	3	1
Adjustments in respect of prior periods	(4)	7	—
Losses for which no deferred tax is recognised	—	—	28
Recognition of tax effect of previously unrecognised tax losses	(39)	—	—
Total tax charge (including tax on discontinued operations)	<u><u>4,604</u></u>	<u><u>3,975</u></u>	<u><u>3,517</u></u>

Changes in tax rates and factors affecting the future tax charge

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013.

This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2013 has been calculated based on the rates of 20% and 21% substantively enacted

at the balance sheet date. The deferred tax balances at 31 December 2012 and 2011 were calculated based on 23% and 25% respectively.

10 Deferred tax assets and liabilities

	2013 £'000	2012 £'000	2011 £'000
At beginning of year	80	42	18
Acquired in business combination (see note 9)	—	—	(76)
Recognised in profit or loss (see note 9)	(19)	38	100
Deferred tax asset at end of year	<u>61</u>	<u>80</u>	<u>42</u>

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

	Property, plant & equipment £000	Intangible assets £000	Bad debt provisions £000	Total £000
At 1 January 2011	11	—	7	18
Acquired in business combination (see note 3)	—	(76)	—	(76)
Recognised in profit or loss	13	76	11	100
At 31 December 2011	<u>24</u>	<u>—</u>	<u>18</u>	<u>42</u>
Recognised in profit or loss	36	—	2	38
At 31 December 2012	<u>60</u>	<u>—</u>	<u>20</u>	<u>80</u>
Recognised in profit or loss	(13)	—	(6)	(19)
At 31 December 2013	<u><u>47</u></u>	<u><u>—</u></u>	<u><u>14</u></u>	<u><u>61</u></u>

The group has additional unrecognised net deferred tax assets of £451,000 as at 31 December 2013 (2012: £371,000, 2011: £144,000), which are only recoverable against particular profits of PPI Claimline. These assets have not been recognised, as there is insufficient evidence that these assets will be recoverable.

	2013 £000	2012 £000	2011 £000
Unrecognised deferred tax asset			
Bad debt provisions	431	309	94
Tax losses	—	45	50
Property, plant & equipment	20	17	—
At 31 December 2013	<u><u>451</u></u>	<u><u>371</u></u>	<u><u>144</u></u>

11 Property, plant and equipment

	Motor Vehicles £000	Fixtures & fittings £000	Total £000
Cost			
At 1 January 2011	73	304	377
Additions – continuing operations	—	266	266
Additions – discontinued operations	—	122	122
Disposals	(29)	—	(29)
	<hr/>	<hr/>	<hr/>
At 31 December 2011	44	692	736
Additions – continuing operations	—	321	321
Additions – discontinued operations	—	148	148
Disposals	(44)	(23)	(67)
	<hr/>	<hr/>	<hr/>
At 31 December 2012	—	1,138	1,138
Additions	—	177	177
Transfer to Assets held for sale	—	(270)	(270)
	<hr/>	<hr/>	<hr/>
At 31 December 2013	<u>—</u>	<u>1,045</u>	<u>1,045</u>
	<hr/>	<hr/>	<hr/>
Depreciation and impairment			
At 1 January 2011	21	131	152
Depreciation charge for the year continuing operations	24	133	157
Depreciation charge for the year discontinued operations	—	21	21
Disposals	(23)	—	(25)
	<hr/>	<hr/>	<hr/>
At 31 December 2011	22	285	307
Depreciation charge for the year continuing operations	9	165	174
Depreciation charge for the year discontinued operations	—	72	72
Disposals	(31)	—	(31)
	<hr/>	<hr/>	<hr/>
At 31 December 2012	—	522	522
Transfer to Assets held for sale	—	(93)	(93)
Depreciation charge for the year	—	245	245
	<hr/>	<hr/>	<hr/>
At 31 December 2013	<u>—</u>	<u>674</u>	<u>674</u>
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2011	<u>22</u>	<u>407</u>	<u>429</u>
	<hr/>	<hr/>	<hr/>
At 31 December 2012	<u>—</u>	<u>616</u>	<u>616</u>
	<hr/>	<hr/>	<hr/>
At 31 December 2013	<u>—</u>	<u>371</u>	<u>371</u>
	<hr/>	<hr/>	<hr/>

12 Goodwill

	NAH £000	PPIC £000	Total £000
Cost			
At 1 January 2011	39,897	—	39,897
Acquired in business combination (see note 3)	—	6,153	6,153
At 31 December 2011	39,897	6,153	46,050
At 31 December 2012	39,897	6,153	46,050
Transfer to Assets held for sale (see note 3)	—	(6,153)	(6,153)
At 31 December 2013	39,897	—	39,897
Impairment			
At 1 January 2011	—	—	—
At 31 December 2011	—	—	—
At 31 December 2012	—	—	—
Impairment charge for the year (see note 3)	—	4,888	4,888
Transfer to Assets held for sale (see note 3)	—	(4,888)	(4,888)
At 31 December 2013	—	—	—
Net book value			
At 31 December 2011	39,897	6,153	46,050
At 31 December 2012	39,897	6,153	46,050
At 31 December 2013	39,897	—	39,897

Where goodwill arose as part of a business acquisition, it forms part of the CGU asset carrying value which is tested for impairment annually. The Group has determined that for the purposes of impairment testing each division, i.e. NAH and PPI Claimline, is the appropriate level at which to test. The NAH division comprises three cash generating units (“CGU”) namely the operating segments of Solicitor Income, Products and Pre-LASPO ATE, whereas PPI Claimline is its own CGU. Goodwill in relation to the acquisition of PPI Claimline has been included within assets held for sale as at 31 December 2013, and therefore the remaining goodwill relates to NAH division only.

The recoverable amounts for the CGUs are predominantly based on value in use which is calculated on the cash flows expected to be generated by the division using the latest budget data for the coming year, extrapolated at a 5% annual growth rate for five years and no growth into perpetuity, discounted at 14%. The key assumptions in the value in use calculation are the discount rate and growth rate. The discount rate is based on the Group’s pre-tax cost of capital and estimated cost of equity totalling 14%, which is comparable with other listed company discount rates in the sector.

In preparing the formal budget for the next financial period, expected EBITDA is based on past experience of the performance of the CGUs adjusted for known changes.

Based on the operating performance of the NAH CGU, no impairment loss was identified at any of the three years under review, and there is sufficient headroom to indicate that no reasonable change to key assumptions would result in an impairment of this goodwill. The key assumptions were as follows:

	2013	2012	2011
	%	%	%
Discount rate	14	14	14
Budgeted operating cash flow growth (average of next 5 years)	5	5	5
Terminal value growth rate	—	—	—

Management has identified two key assumptions for which there could be a reasonably possible change that could cause the carrying amount to exceed the recoverable amount. The following table shows the percentage to which the discount rate would need to increase and the percentage by which the budgeted operating cash flows would need to decrease in order for the estimated recoverable amount of the CGU to be equal to the carrying amount:

	2013	2012	2011
	%	%	%
Discount rate	57	34	41
Budgeted operating cash flow growth (average of next 5 years)	(32)	(19)	(24)

Based on the operating performance of the PPI CGU, management determined in the year ended 31 December 2013 that impairment was necessary. No impairment loss was identified in the previous two years following an operating performance assessment, as there was sufficient headroom to indicate that no reasonable change to key assumptions would result in an impairment of this goodwill. As a result of the 2013 assessment of recoverability, an impairment charge of £4,888,000 was recognised.

13 Investments in subsidiaries

The Company has the following investments in subsidiaries:

	Country of Incorporation	Class of shares held	Ownership		
			2013	2012	2011
NAH Holdings Limited	United Kingdom	Ordinary	100%	100%	100%
NAH Group Limited	United Kingdom	Ordinary	100%	100%	100%
Seebeck 62 Limited*	United Kingdom	Ordinary	100%	100%	100%
National Accident Helpline Limited	United Kingdom	Ordinary	100%	100%	100%
PPI Claimline Limited*	United Kingdom	Ordinary	100%	100%	100%
Lawyers Agency Services Limited	United Kingdom	Ordinary	100%	100%	100%
Accident Helpline Limited	United Kingdom	Ordinary	100%	100%	100%
NAH Support Services Limited	United Kingdom	Ordinary	100%	100%	100%
Tiger Claims Limited	United Kingdom	Ordinary	100%	100%	100%
Your Law Limited	United Kingdom	Ordinary	100%	100%	100%
NAH Legal Services Limited	United Kingdom	Ordinary	100%	100%	100%

* These subsidiaries have been classified as held for sale during the year.

14 Trade and other receivables

	Note	2013 £000	2012 £000	2011 £000
Trade receivables		2,881	4,989	4,730
Other receivables		78	812	307
		<u>2,959</u>	<u>5,801</u>	<u>5,037</u>
Prepayments	20	209	474	687
		<u>3,168</u>	<u>6,275</u>	<u>5,724</u>

15 Trade and other payables

	Note	2013 £000	2012 £000	2011 £000
Current				
Trade payables	20	851	2,561	2,396
Other taxation and social security		693	731	887
Contingent consideration	20	—	1,027	1,487
Other creditors and accruals		18,380	21,972	15,513
		<u>19,924</u>	<u>26,291</u>	<u>20,283</u>
Non-current				
Contingent consideration	20	—	5,427	5,172
		<u>—</u>	<u>5,427</u>	<u>5,172</u>

16 Other interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Company's exposure to interest rate and foreign currency risk, see note 20.

	2013 £000	2012 £000	2011 £000
Current liabilities			
Current portion of secured bank loans	6,789	1,853	1,994
	<u>6,789</u>	<u>1,853</u>	<u>1,994</u>
Non-current liabilities			
Secured bank loans	—	6,724	8,442
Loan notes	—	24,574	23,396
Shares classified as debt	70	70	70
	<u>70</u>	<u>31,368</u>	<u>31,908</u>
Total other interest-bearing loans and borrowings	<u>6,859</u>	<u>33,221</u>	<u>33,902</u>

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value 2013 £000	Carrying amount 2013 £000	Face value 2012 £000	Carrying amount 2012 £000	Face value 2011 £000	Carrying amount 2011 £000
Loan A	GBP	3.00% above Libor	2014	926	921	2,779	2,717	4,732	4,584
Loan B	GBP	3.50% above Libor	2014	5,901	5,868	5,901	5,860	5,901	5,852
Loan notes	GBP	8%	n/a	—	—	26,469	23,860	26,439	23,243
Loan notes	GBP	0%	n/a	—	—	714	714	153	153
Shares classified as debt	GBP	8%	2017	70	70	70	70	70	70
				<u>6,897</u>	<u>6,859</u>	<u>35,933</u>	<u>33,221</u>	<u>37,295</u>	<u>33,902</u>

17 Share Capital

	Note	2013	2012	2011
Number of shares				
125,000 'A' ordinary shares of £0.50 each		125,000	125,000	125,000
75,000 'B' ordinary shares of £0.50 each		75,000	75,000	75,000
67,533 'C' ordinary shares of £1 each		67,533	67,533	67,533
37,092 'D' ordinary shares of £1 each		37,092	37,092	37,092
25,663 'E' ordinary shares of £1 each		25,663	25,663	25,663
40,957 'F' ordinary shares of £0.01 each		40,957	40,957	40,957
	19	<u>371,425</u>	<u>371,425</u>	<u>371,425</u>
69,000 'A' preference shares of £1 each		69,000	69,000	69,000
1,000 'B' preference shares of £1 each		1,000	1,000	1,000
		<u>441,425</u>	<u>441,425</u>	<u>441,425</u>
		£000	£000	£000
Allotted, called up and fully paid				
125,000 'A' ordinary shares of £0.50 each		63	63	63
75,000 'B' ordinary shares of £0.50 each		38	38	38
67,533 'C' ordinary shares of £1 each		68	68	68
37,092 'D' ordinary shares of £1 each		37	37	37
25,663 'E' ordinary shares of £1 each		25	25	25
40,957 'F' ordinary shares of £0.01 each		—	—	—
69,000 'A' preference shares of £1 each		69	69	69
1,000 'B' preference shares of £1 each		1	1	1
		<u>301</u>	<u>301</u>	<u>301</u>
Shares classified as liabilities		70	70	70
Shares classified in equity		<u>231</u>	<u>231</u>	<u>231</u>
		<u>301</u>	<u>301</u>	<u>301</u>

Voting rights

All classes of share are entitled to one vote per share, except for 'B' and 'F' shares which have no votes. Under certain limited circumstances, as set out in the company's articles, 'A' shares can become entitled to three votes per share.

Dividends

The 'A' and 'B' preference shares are entitled to an 8% cumulative preferential dividend, and are classified as liabilities. In each year, any profits available for distribution shall be applied as follows:

- 1 'A' Preference dividends
- 2 'B' Preference dividends

Any profits available for distribution after paying the amounts due to the preference shareholders shall be applied to the holders of the 'A', 'B', 'C' and 'D' ordinary shares *pari passu* as if the shares constituted one class.

Return of capital

In the event of a return of capital on liquidation, the company's articles of association contain rules which govern how the proceeds available for distribution are allocated to each class of share.

Proceeds will be applied in the following order and priority:

- 1 'A' Preference dividends – The aggregate of any unpaid preference dividends.
- 2 'B' Preference dividends – The aggregate of any unpaid preference dividends.
- 3 'A' Preference shares – Repayment of paid up capital on all issued preference shares.
- 4 'B' Preference shares – Repayment of paid up capital on all issued preference shares.
- 5 'A', 'B', 'C', 'D', 'E' and 'F' shares – Repayment of paid up capital on all issued 'A', 'B', 'C', 'D', 'E' and 'F' shares.
- 6 'A', 'B', 'C', 'D', 'E' and 'F' shares – Surplus proceeds will be distributed *pro rata* to their respective holdings (*pari passu* as if they constituted one class).

18 Share based payments

The terms and conditions of grants of share options to employees of National Accident Helpline Limited, in the shares of Consumer Champion Group Limited are as follows:

Grant date/employees entitled/nature of scheme	Number of instruments	Vesting conditions	Contractual life of options
Equity-settled award to 21 employees granted by the parent company on 26 January 2010	5,683 'D' and 'E' shares, and 5,683 'F' shares	From date of grant	On change of control
Equity-settled award to 8 employees granted by the parent company on 25 August 2010	868 'E' shares and 1,262 'F' shares	From date of grant	On change of control
Equity-settled award to 26 employees granted by the parent company on 10 October 2011	2,350 'E' shares and 2,350 'F' shares	From date of grant	On change of control
Equity-settled award to 18 employees granted by the parent company on 1 November 2012	685 'E' shares and 685 'F' shares	From date of grant	On change of control
Equity-settled award to 3 employees granted by the parent company on 31 December 2012	375 'E' shares and 375 'F' shares	From date of grant	On change of control
Equity-settled award to 3 employees granted by the parent company on 31 December 2013	1,045 'E' shares and 1,045 'F' shares	From date of grant	On change of control

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

	2013 Weighted average exercise price £	2013 Number of options No.	2012 Weighted average exercise price £	2012 Number of options No.	2011 Weighted average exercise price £	2011 Number of options No.
Outstanding at the beginning of the year	5.98	16,288	5.47	15,462	4.27	11,322
Granted during the year	12.01	2,090	11.01	2,120	8.34	4,700
Forfeited during the year	(4.98)	(2,022)	(8.24)	(1,294)	(5.16)	(560)
Outstanding at the end of the year	6.66	16,356	5.98	16,288	5.47	15,462
Exercisable at the end of the year	—	—	—	—	—	—

A credit of £7,000 (2012: charge of £42,000, 2011: charge of £48,000) has been made through profit and loss in the current year.

19 Basic earnings per share

The calculation of basic earnings per share at 31 December 2013 was based on the profit attributable to ordinary shareholders of £9,458,000 (2012: £9,117,000, 2011: £7,038,000) and a weighted average number of ordinary share outstanding of 304,625 (2012: 304,016, 2011: 306,507) calculated as follows:

Profit attributable to ordinary shareholders (basic)

£000	2013	2012	2011
Profit for the year attributable to the shareholders – continuing	10,330	11,250	9,343
Loss for the year attributable to the shareholders – discontinued	(872)	(2,133)	(2,305)
Profit for the year attributable to the shareholders – Total	<u>9,458</u>	<u>9,117</u>	<u>7,038</u>

Weighted average number of ordinary shares (basic)

Number	Note	2013	2012	2011
Issued ordinary shares at 1 January	17	371,245	371,245	355,341
Movements				
Shares not eligible for distribution		(66,620)	(66,620)	(44,110)
Effect of own shares held		—	(609)	(4,724)
Weighted average number of ordinary shares at 31 December	17	<u>304,625</u>	<u>304,016</u>	<u>306,507</u>

Basic Earnings per share (£)

£	2013	2012	2011
Total	31.05	29.99	22.96
Continuing operations	33.91	37.00	30.48
Discontinued operations	<u>(2.86)</u>	<u>(7.01)</u>	<u>(7.52)</u>

There are no dilutive effects of other shares held, as those shares do not have any rights to earnings, and therefore the basic and dilutive earnings per share figures are the same.

Diluted Earnings per share (£)

£	2013	2012	2011
Total	31.05	29.99	22.96
Continuing operations	33.91	37.00	30.48
Discontinued operations	<u>(2.86)</u>	<u>(7.01)</u>	<u>(7.52)</u>

Illustrative basic earnings per share (£) based on ordinary shares of 41,150,000.

On 14 April 2014 NAHL Group Limited was incorporated under the Companies Act 2006 to act as a holding company for the Group. NAHL Group Limited was subsequently re-registered as NAHL Group Plc. The estimated number of Ordinary Shares in the Company on Admission will be 41,150,000. The illustrative basic earnings per Ordinary Share is presented in order to demonstrate the earnings attributable to those Ordinary Shares.

£	2013	2012	2011
Total	0.23	0.22	0.17
Continuing operations	<u>0.25</u>	<u>0.27</u>	<u>0.23</u>

Basic earnings per share are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of shares at Admission.

20 Financial instruments

(a) Fair values of financial instruments

The Group's principal financial instruments comprise loans, cash and short-term deposits together with interest rate derivatives. 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 interest rate risk and liquidity 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.

Trade and other receivables

The fair value of trade and other receivables 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.

Trade and other payables

The fair value of trade and other payables is 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.

Cash and cash equivalents

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the balance sheet date.

Interest-bearing borrowings

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date.

The interest rate used to discount estimated cash flows of 14% is based on market rates.

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 2013 £000	Fair value 2013 £000	Carrying amount 2012 £000	Fair value 2012 £000	Carrying amount 2011 £000	Fair value 2011 £000
Loans and receivables						
Cash and cash equivalents	14,249	14,249	34,465	34,465	20,360	20,360
Cash and cash equivalents (note 3)	194	194	—	—	—	—
	<u>14,443</u>	<u>14,443</u>	<u>34,465</u>	<u>34,465</u>	<u>20,360</u>	<u>20,360</u>
Other loans and receivables (note 14)	2,959	2,959	5,801	5,801	5,037	5,037
Other loans and receivables (note 3)	1,201	1,201	—	—	—	—
	<u>18,603</u>	<u>18,603</u>	<u>40,266</u>	<u>40,266</u>	<u>25,397</u>	<u>25,397</u>
Total loans and receivables	<u>18,603</u>	<u>18,603</u>	<u>40,266</u>	<u>40,266</u>	<u>25,397</u>	<u>25,397</u>
Total financial assets	<u>18,603</u>	<u>18,603</u>	<u>40,266</u>	<u>40,266</u>	<u>25,397</u>	<u>25,397</u>

2013 figures show separately those included in assets/liabilities held for sale (see note 3).

	Carrying amount 2013 £000	Fair value 2013 £000	Carrying amount 2012 £000	Fair value 2012 £000	Carrying amount 2011 £000	Fair value 2011 £000
Financial liabilities at fair value through profit or loss						
Contingent consideration (note 15)	—	—	(6,454)	(6,454)	(6,659)	(6,659)
Total financial liabilities at fair value through profit or loss	—	—	(6,454)	(6,454)	(6,659)	(6,659)
Financial liabilities measured at amortised cost						
Other interest-bearing loans and borrowings (note 16)	(6,859)	(6,859)	(33,221)	(33,221)	(33,902)	(33,902)
Trade and other payables (note 15)	(851)	(851)	(2,561)	(2,561)	(2,396)	(2,396)
Trade and other payables (note 3)	(99)	(99)	—	—	—	—
Total financial liabilities measured at amortised cost	(7,809)	(7,809)	(35,782)	(35,782)	(36,298)	(36,298)
Total financial liabilities	(7,809)	(7,809)	(42,236)	(42,236)	(42,957)	(42,957)

2013 figures show separately those included in assets/liabilities held for sale (see note 3).

Fair value hierarchy

IFRS 7 requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the value measurements:

Level 1 – inputs are quoted prices in active markets

Level 2 – a valuation that uses observable inputs for the asset or liability other than quoted prices in active markets

Level 3 – a valuation using unobservable inputs, i.e. a valuation technique.

There were no transfers between levels throughout the periods under review.

Fair value measurements at Level 3 in the fair value hierarchy were considered in respect of the contingent consideration, as in 2011 and 2012 the measurement was based on management's estimate of the likelihood of the total potential amount of £8 million would be paid. No fair value adjustments were made in 2011 or 2012 as it was expected that the full consideration would be payable; however, in 2013 the contingent consideration was settled early.

(b) Credit risk

Financial risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

Management consider the credit risk to be low as a result of the deposits held for all significant customers. As at 31 December 2013 these deposits exceeded the balance of trade receivables.

Exposure to credit risk

The maximum exposure to credit risk at the balance sheet date by class of financial instrument was;

	2013 £000	2012 £000	2011 £000
Trade receivables	2,881	4,989	4,730

Deposits with key customers are held to mitigate the potential credit risk. At each balance sheet date, the amount of deposit held was;

	2013 £000	2012 £000	2011 £000
Customer deposits	3,241	2,438	2,003

Credit quality of financial assets and impairment losses

The aging of trade receivables at the balance sheet date was:

	Gross 2013 £000	Impairment 2013 £000	Gross 2012 £000	Impairment 2012 £000	Gross 2011 £000	Impairment 2011 £000
Not past due 1-30 days	2,951	(70)	4,143	(190)	4,489	(182)
Past due 31-90 days	—	—	633	(161)	379	(82)
Past due 91-120 days	—	—	181	(70)	115	(43)
Past due more than 120 days	—	—	1,497	(1,044)	157	(103)
	2,951	(70)	6,454	(1,465)	5,140	(410)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2013 £000	2012 £000	2012 £000
Balance at 1 January	1,465	410	27
Allowance (reversed) / recognised	(19)	1,055	383
Transferred to assets held for sale	(1,376)	—	—
Balance at 31 December	70	1,465	410

The allowance account for trade receivables is used to record impairment losses unless the Company 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.

(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 overdrafts and loans 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:

	Secured bank loans £000	Loan notes £000	Shares classified as debt £000	Trade and other payables £000	Contingent considera- tion £000	Total £000
2013						
Non-derivative financial instruments						
Carrying amount	(6,789)	—	(70)	(851)	—	(7,710)
Contractual cash flows						
1 year or less	(7,261)	—	—	(851)	—	(8,112)
1 to 2 years	—	—	—	—	—	—
2 to 5 years	—	—	(95)	—	—	(95)
5 years and over	—	—	—	—	—	—
	<u>(7,261)</u>	<u>—</u>	<u>(95)</u>	<u>(851)</u>	<u>—</u>	<u>(8,207)</u>
2012						
Non-derivative financial instruments						
Carrying amount	(8,577)	(24,574)	(70)	(2,561)	(6,454)	(42,236)
Contractual cash flows						
1 year or less	(2,272)	(2,118)	—	(2,561)	(1,046)	(7,997)
1 to 2 years	(7,186)	(2,118)	—	—	—	(9,304)
2 to 5 years	—	(31,525)	(89)	—	—	(31,614)
5 years and over	—	—	—	—	—	—
	<u>(9,458)</u>	<u>(35,761)</u>	<u>(89)</u>	<u>(2,561)</u>	<u>(1,046)</u>	<u>(48,915)</u>
2011						
Non-derivative financial instruments						
Carrying amount	(10,436)	(23,396)	(70)	(2,396)	(6,659)	(42,957)
Contractual cash flows						
1 year or less	(2,483)	(2,133)	—	(2,396)	(53)	(7,065)
1 to 2 years	(2,272)	(2,116)	—	—	—	(4,388)
2 to 5 years	(7,222)	(20,159)	—	—	—	(27,381)
5 years and over	—	(13,446)	(83)	—	—	(13,529)
	<u>(11,977)</u>	<u>(37,854)</u>	<u>(83)</u>	<u>(2,396)</u>	<u>(53)</u>	<u>(52,363)</u>

(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 Company's income or the value of its holdings of financial instruments

Market risk – Foreign currency risk

The Company has no foreign currency risk as all transactions are in Sterling.

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 fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates.

At the balance sheet dates, there were no interest-bearing financial assets; however the interest rate profile of the Company's interest-bearing financial liabilities was:

	2013	2012	2011
	£000	£000	£000
Fixed rate instruments			
Financial liabilities	4,194	30,203	30,421
Variable rate instruments			
Financial liabilities	2,665	3,018	3,481
Total interest bearing financial instruments	<u>6,859</u>	<u>33,221</u>	<u>33,902</u>

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 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.

	2013	2012	2011
	£000	£000	£000
Profit or loss			
Increase	(12)	(14)	(16)
Decrease	12	14	16

Market risk – Equity price risk

The Company does not have an exposure to equity price risk as it holds no investment in equity securities which are classified as available for sale financial assets or designated at fair value through profit or loss.

(e) Capital management

Company

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 loan notes and bank loans.

Management repaid all of its loan notes during 2013.

21 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2013	2012	2011
	£000	£000	£000
Less than one year	232	237	208
Between one and five years	259	510	748
	<u>491</u>	<u>747</u>	<u>956</u>

The Company leases a number of office buildings under operating leases. During the year £227,000 was recognised as an expense in the income statement in respect of operating leases (2012: £249,000; 2011: £89,000).

22 Commitments

Capital commitments

At 31 December 2013 the group had no capital commitments (2012: £nil; 2011: £nil).

23 Related parties

Transactions with key management personnel

Key management personnel and their immediate relatives control 41.3 per cent 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 Helpline Limited and any other management serving as part of the Executive team. Detailed below is the total value of transactions with these individuals.

	2013	2012	2011
	£000	£000	£000
Short term employment benefits	2,364	1,529	1,315
Termination benefits	—	221	—
	<u>2,364</u>	<u>1,750</u>	<u>1,315</u>

Some members of key management personnel have received loans from the company for the purchase of Consumer Champion Group Limited shares from the Employee Benefit Trust ('EBT'). These loans are not recognised on the balance sheet as the assets and liabilities of the EBT are recognised on the Company balance sheet. The total value of these loans at 31 December 2013 was £186,000 (2012: £155,000, 2011: £nil). These loans do not accrue interest.

At 31 December 2013, a loan was outstanding from a member of key management personnel for £27,000 (2012: £27,000, 2011: £nil). This loan is included within other receivables and was made to enable the director to purchase shares in the company. The loan does not accrue interest and is expected to be repaid within 12 months.

24 First Time Adoption of IFRS

IFRS 1: First time adoption choices

IFRS 1, "First-time Adoption of International Financial Reporting Standards" sets out the procedures that the Group must follow when it adopts IFRS for the first time as the basis for preparing its consolidated financial information. The Group is required to establish its IFRS accounting policies as at 31 December 2013 and, in general, apply these retrospectively to determine the IFRS opening balance sheet at its date of transition, 1 January 2011.

This standard provides a number of optional exceptions to this general principle. Set out below is a description of the significant first time adoption choices made by the Group.

(a) *Business combinations before the opening IFRS balance sheet date (IFRS 3, "Business Combinations")*

The Group has elected not to apply IFRS 3 retrospectively to business combinations that took place before the date of transition. As a result, in the opening balance sheet, goodwill arising from past business combinations remains as stated under UK GAAP at 1 January 2011.

Key impacts

The effects on Group equity at the transition date of 1 January 2011 are shown below together with the effects on the Group balance sheets at 31 December 2011, 31 December 2012 and 31 December 2013 and Group statement of comprehensive income for the periods then ended. No UK GAAP to IFRS differences were identified as at the transition balance sheet date, other than reclassifications.

(a) *Reclassification of PPI division as held for sale*

The PPI Claimline division was acquired in February 2011 and has been classified as a disposal group for sale in this Historical Financial Information as the Company has committed to a plan to sell this division. The related assets and liabilities have been classified as held for sale in 31 December 2013. No gain or loss arose on the measurement to fair value less cost to sell.

(b) *Business Combinations*

In February 2011 the group acquired PPI Claimline, this acquisition has been restated under IFRS 3. Under UK GAAP £6,389,000 of Goodwill was recognised. Under IFRS 3 £312,000 of identified intangibles have been identified and £6,153,000 of Goodwill. The identified intangibles have been assessed as having a useful economic life of 1 year, and therefore have been fully amortised in the year ended 31 December 2011. A deferred tax liability of £76,000 was recognised in relation to the intangible asset and has been released during the year ended 31 December 2011. Acquisition-related expenses have been expensed through administrative expenses.

The pre-transition business combination in respect of NAH Group has not been restated as the Company has taken advantage of the exemption to restate pre-transition business combinations. No intangible assets were identified within goodwill to reclassify separately. An assessment of goodwill has been made as at 1 January 2011; however no impairment was deemed necessary.

(c) *Impairment of Goodwill*

Under IAS 38 goodwill is regarded as having an indefinite life and is therefore not amortised, but subject to annual impairment review. Accordingly the amortisation charges under UK GAAP have been reversed in each of the three years ended 31 December 2011, 31 December 2012 and 31 December 2013. In the year ended 31 December 2013, goodwill in relation to the acquisition of PPI Claimline was impaired by £4,888,000 following an assessment of the recoverability of the PPI Claimline CGU.

(d) *Cash and cash equivalents*

Under UK GAAP cash held in bank accounts where the funds could not be accessed within 24 hours were classified as short term investments. Under IFRS, these are classified as cash and cash equivalents. In the year ended 31 December 2011, £10,000,000 was in such accounts.

(e) *Contingent consideration*

Under UK GAAP, the early settlement of the contingent consideration in 2013 was recorded as a reduction in the original goodwill recognised. Under IFRS, the early settlement represents a gain on settlement which has been taken to profit or loss.

(f) *Deferred taxation*

Under UK GAAP, deferred tax assets are disclosed in current assets and deferred tax liabilities within provisions. Under IFRS, deferred tax assets and liabilities are presented as non-current items.

Consolidated statement of comprehensive income for the year ended 31 December 2013

	As reported under UK GAAP £000	Reclassify goodwill reduction to finance income £000	Impairment of goodwill £000	Reclassify as discontinued operations £000	Add back goodwill amortisation on CCG and PPIC £000	IFRS £000
Continuing operations						
Revenue	61,368	—	—	(12,245)	—	49,123
Cost of sales	(26,913)	—	—	3,823	—	(23,090)
Gross profit	34,455	—	—	(8,422)	—	26,033
Administrative expenses	(16,832)	—	(4,450)	12,239	2,224	(6,819)
Operating profit	17,623	—	(4,450)	3,817	2,224	19,214
Financial income	333	2,902	—	(2,903)	—	332
Financial expenses	(4,893)	—	—	88	—	(4,805)
Profit before tax	13,063	2,902	(4,450)	1,002	2,224	14,741
Taxation	(4,604)	—	—	193	—	(4,411)
Profit from continuing operations	8,459	2,902	(4,450)	1,195	2,224	10,330
Discontinued operations						
Loss from discontinued operations, net of tax	—	(2,902)	2,902	(1,195)	323	(872)
Profit for the year	8,459	—	(1,548)	—	2,547	9,458

Consolidated statement of comprehensive income for the year ended 31 December 2012

	As reported under UK GAAP £000	Reclassify as discontinued operations £000	Add back goodwill amortisation on CCG and PPIC £000	IFRS £000
Continuing operations				
Revenue	66,742	(15,976)	—	50,766
Cost of sales	(33,971)	10,105	—	(23,866)
Gross profit	32,771	(5,871)	—	26,900
Administrative expenses	(18,781)	8,099	2,157	(8,525)
Operating profit	13,990	2,228	2,157	18,375
Financial income	207	(2)	—	205
Financial expenses	(3,902)	547	—	(3,355)
Profit before tax	10,295	2,773	2,157	15,225
Taxation	(3,975)	—	—	(3,975)
Profit from continuing operations	6,320	2,773	2,157	11,250
Discontinued operations				
Loss from discontinued operations, net of tax	—	(2,773)	640	(2,133)
Profit for the year	6,320	—	2,797	9,117

Consolidated statement of comprehensive income for the year ended 31 December 2011

	As reported under UK GAAP £000	Reclassify as discontinued operations £000	Write-back deferred tax liability recognised on acquisition £000	Amortisation on identified intangibles in PPIC £000	Add back goodwill amortisation on CCG and PPIC £000	IFRS £000
Continuing operations						
Revenue	48,315	(3,245)	—	—	—	45,070
Cost of sales	(24,253)	2,289	—	—	—	(21,964)
Gross profit	24,062	(956)	—	—	—	23,106
Administrative expenses	(12,111)	3,130	—	—	2,156	(6,825)
Operating profit	11,951	2,174	—	—	2,156	16,281
Financial income	110	(2)	—	—	—	108
Financial expenses	(3,936)	483	—	—	—	(3,453)
Profit before tax	8,125	2,655	—	—	2,156	12,936
Taxation	(3,593)	—	—	—	—	(3,593)
Profit from continuing operations	4,532	2,655	—	—	2,156	9,343
Discontinued operations						
Loss from discontinued operations, net of tax	—	(2,655)	76	(312)	586	(2,305)
Profit for the year	4,532	—	76	(312)	2,742	7,038

Consolidated statement of financial position as at 31 December 2013

	As reported under UK GAAP £000	Reclassify deferred tax asset to non- current £000	Write-back deferred tax liability recognised on acquisition £000	Amortisation on identified intangibles in PPIC £000	Add back goodwill amortisation on CCG and PPIC £000	Reclassify to assets / liabilities held for sale £000	IFRS £000
Non-current assets							
Intangible assets	34,860	—	76	(312)	6,538	(1,265)	39,897
Property, plant and equipment	467	—	—	—	—	(96)	371
Deferred tax asset	—	61	—	—	—	—	61
	<u>35,327</u>	<u>61</u>	<u>76</u>	<u>(312)</u>	<u>6,538</u>	<u>(1,361)</u>	<u>40,329</u>
Current assets							
Trade and other receivables	4,751	—	—	—	—	(1,583)	3,168
Cash and cash equivalents	14,443	—	—	—	—	(194)	14,249
Deferred tax asset	61	(61)	—	—	—	—	—
Assets held for sale	—	—	—	—	—	3,138	3,138
	<u>19,255</u>	<u>(61)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,361</u>	<u>20,555</u>
Total assets	<u>54,582</u>	<u>—</u>	<u>76</u>	<u>(312)</u>	<u>6,538</u>	<u>—</u>	<u>60,884</u>
Current liabilities							
Other interest-bearing loans and borrowings	(6,789)	—	—	—	—	—	(6,789)
Trade and other payables	(20,574)	—	—	—	—	650	(19,924)
Tax payable	(3,300)	—	—	—	—	193	(3,107)
Liabilities held for sale	—	—	—	—	—	(843)	(843)
	<u>(30,663)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(30,663)</u>
Non-current liabilities							
Other interest-bearing loans and borrowings	(70)	—	—	—	—	—	(70)
	<u>(70)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(70)</u>
Total liabilities	<u>(30,733)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(30,733)</u>
Net assets	<u>23,849</u>	<u>—</u>	<u>76</u>	<u>(312)</u>	<u>6,538</u>	<u>—</u>	<u>30,151</u>
Equity							
Share capital	231	—	—	—	—	—	231
Own shares held	(14)	—	—	—	—	—	(14)
Share premium	100	—	—	—	—	—	100
Retained earnings	23,532	—	76	(312)	6,538	—	29,834
	<u>23,849</u>	<u>—</u>	<u>76</u>	<u>(312)</u>	<u>6,538</u>	<u>—</u>	<u>30,151</u>

Consolidated statement of financial position as at 31 December 2012

	As reported under UK GAAP £000	Reclassify deferred tax asset £000	Write-back deferred tax liability recognised on acquisition £000	Amortisation on identified intangibles in PPIC £000	Add back goodwill amortisation on CCG and PPIC £000	IFRS £000
Non-current assets						
Intangible assets	40,748	—	76	(312)	5,538	46,050
Property, plant and equipment	616	—	—	—	—	616
Deferred tax asset	—	80	—	—	—	80
	<u>41,364</u>	<u>80</u>	<u>76</u>	<u>(312)</u>	<u>5,538</u>	<u>46,746</u>
Current assets						
Trade and other receivables	6,275	—	—	—	—	6,275
Cash and cash equivalents	34,465	—	—	—	—	34,465
Deferred tax asset	80	(80)	—	—	—	—
	<u>40,820</u>	<u>(80)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>40,740</u>
Total assets	<u>82,184</u>	<u>—</u>	<u>76</u>	<u>(312)</u>	<u>5,538</u>	<u>87,486</u>
Current liabilities						
Other interest-bearing loans and borrowings	(1,853)	—	—	—	—	(1,853)
Trade and other payables	(26,291)	—	—	—	—	(26,291)
Tax payable	(1,847)	—	—	—	—	(1,847)
	<u>(29,991)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(29,991)</u>
Non-current liabilities						
Other interest-bearing loans and borrowings	(31,368)	—	—	—	—	(31,368)
Other payables	(5,427)	—	—	—	—	(5,427)
	<u>(36,795)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(36,795)</u>
Total liabilities	<u>(66,786)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(66,786)</u>
Net assets	<u>15,398</u>	<u>—</u>	<u>76</u>	<u>(312)</u>	<u>5,538</u>	<u>20,700</u>
Equity						
Share capital	231	—	—	—	—	231
Own shares held	(14)	—	—	—	—	(14)
Share premium	100	—	—	—	—	100
Retained earnings	15,081	—	76	(312)	5,538	20,383
	<u>15,398</u>	<u>—</u>	<u>76</u>	<u>(312)</u>	<u>5,538</u>	<u>20,700</u>

Consolidated statement of financial position as at 31 December 2011

	As reported under UK GAAP £000	Reclassify deferred tax asset to non- current £000	Write-back deferred tax liability recognised on acquisition £000	Amortisation on identified intangibles in PPIC £000	Add back goodwill amortisation on CCG and PPIC £000	Reclassify cash on deposit £000	IFRS £000
Non-current assets							
Intangible assets	43,544	—	76	(312)	2,742	—	46,050
Property, plant and equipment	429	—	—	—	—	—	429
Deferred tax asset	—	42	—	—	—	—	42
	<u>43,973</u>	<u>42</u>	<u>76</u>	<u>(312)</u>	<u>2,742</u>	<u>—</u>	<u>46,521</u>
Current assets							
Trade and other receivables	5,724	—	—	—	—	—	5,724
Cash and cash equivalents	10,360	—	—	—	—	10,000	20,360
Short Term investments	10,000	—	—	—	—	(10,000)	—
Deferred tax asset	42	(42)	—	—	—	—	—
	<u>26,126</u>	<u>(42)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>26,084</u>
Total assets	<u>70,099</u>	<u>—</u>	<u>76</u>	<u>(312)</u>	<u>2,742</u>	<u>—</u>	<u>72,605</u>
Current liabilities							
Other interest-bearing loans and borrowings	(1,994)	—	—	—	—	—	(1,994)
Trade and other payables	(20,283)	—	—	—	—	—	(20,283)
Tax payable	(1,707)	—	—	—	—	—	(1,707)
	<u>(23,984)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(23,984)</u>
Non-current liabilities							
Other interest-bearing loans and borrowings	(31,908)	—	—	—	—	—	(31,908)
Other payables	(5,172)	—	—	—	—	—	(5,172)
	<u>(37,080)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(37,080)</u>
Total liabilities	<u>(61,064)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(61,064)</u>
Net assets	<u>9,035</u>	<u>—</u>	<u>76</u>	<u>(312)</u>	<u>2,742</u>	<u>—</u>	<u>11,541</u>
Equity							
Share capital	231	—	—	—	—	—	231
Own shares held	(14)	—	—	—	—	—	(14)
Share premium	100	—	—	—	—	—	100
Retained earnings	8,718	—	76	(312)	2,742	—	11,224
	<u>9,035</u>	<u>—</u>	<u>76</u>	<u>(312)</u>	<u>2,742</u>	<u>—</u>	<u>11,541</u>

Consolidated statement of financial position as at 31 December 2010

	As reported under UK GAAP £000	Reclassify deferred tax asset to non- current £000	IFRS £000
Non-current assets			
Intangible assets	39,897	—	39,897
Property, plant and equipment	225	—	225
Deferred tax asset	—	18	18
	<u>40,122</u>	<u>18</u>	<u>40,140</u>
Current assets			
Trade and other receivables	3,175	—	3,175
Deferred tax asset	18	(18)	—
Cash and cash equivalents	11,322	—	11,322
	<u>14,515</u>	<u>(18)</u>	<u>14,497</u>
Total assets	<u>54,637</u>	<u>—</u>	<u>54,637</u>
Current liabilities			
Other interest-bearing loans and borrowings	(2,283)	—	(2,283)
Trade and other payables	(13,333)	—	(13,333)
Tax payable	(1,506)	—	(1,506)
	<u>(17,122)</u>	<u>—</u>	<u>(17,122)</u>
Non-current liabilities			
Other interest-bearing loans and borrowings	(33,060)	—	(33,060)
	<u>(33,060)</u>	<u>—</u>	<u>(33,060)</u>
Total liabilities	<u>(50,181)</u>	<u>—</u>	<u>(50,182)</u>
Net assets	<u>4,455</u>	<u>—</u>	<u>4,455</u>
Equity			
Share capital	231	—	231
Interest in own shares	(14)	—	(14)
Share premium	100	—	100
Retained earnings	4,138	—	4,138
Total equity	<u>4,455</u>	<u>—</u>	<u>4,455</u>

25 Post balance sheet events

As outlined in section 4 of Part V of this document (“Reorganisation of the Group”), in preparation for the Placing and Admission the Group undertook certain corporate steps to reorganise its corporate structure. This included the demerger of the PPI Claimline division and the re-registration of the Company as a public company, under the name NAHL Group Plc.

PART IV

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS

The following unaudited *pro forma* statement of net assets of the Group following the Placing and Admission has been prepared for illustrative purposes only to provide information about the impact of the Placing and the demerger of the PPI Claimline division on the Group. Because of its nature, this *pro forma* financial information addresses a hypothetical situation and, therefore, does not represent the Group's actual financial position or results. This information has been prepared on the basis that the Placing and Admission was undertaken as at 31 December 2013, that the demerger of the PPI Claimline division had completed and on the basis set out in the notes.

	Net assets at 31 December 2013 £000	Adjustments		Pro forma £000
		PPI Claimline disposal £000	Net proceeds of the offer £000	
Non-current assets				
Goodwill	39,897	—	—	39,897
Property, plant and equipment	371	—	—	371
Deferred tax assets	61	—	—	61
	40,329	—	—	40,329
Current assets				
Trade and other receivables	3,168	—	—	3,168
Cash and cash equivalents	14,249	—	(15)	14,234
Asset classified as held for sale	3,138	(3,138)	—	—
	20,555	(3,138)	(15)	17,402
Total assets	60,884	(3,138)	(15)	57,731
Current liabilities				
Other interest-bearing loans and borrowings	(6,789)	—	—	(6,789)
Trade and other payables	(19,924)	—	—	(19,924)
Tax payable	(3,107)	—	—	(3,107)
Liabilities classified as held for sale	(843)	843	—	—
	(30,663)	843	—	(29,820)
Non-current liabilities				
Other interest-bearing loans and borrowings	(70)	—	—	(70)
Other payables	—	—	—	—
	(30,733)	—	—	(29,890)
Total Net Assets	30,151	(2,295)	(15)	27,841
Equity				
Share capital	231	—	(128)	103
Interest in own shares	(14)	—	8	(6)
Share premium	100	—	105	205
Retained earnings	29,834	(2,295)	—	27,539
Total equity	30,151	(2,295)	(15)	27,841

Notes:

- a) Information on the Group has been extracted without material adjustment from the information set out in Part III: Historical Financial Information.
- b) Information on the PPI Claimline division has been extracted without material adjustment from the information set out in note 3 in Part III Historical Financial Information.
- c) The *pro forma* adjustment assumes net proceeds to the Company from the issue of the Subscription Shares pursuant to the Placing of £Nil based on gross proceeds of £2.3 million and expenses of £2.3 million.
- d) No adjustments have been made to reflect any other transaction subsequent to the balance sheet date of 31 December 2013.

PART V

ADDITIONAL INFORMATION

1 RESPONSIBILITY

The Directors, whose names appear on page 5 of this document, accept responsibility for the information contained in this document including individual and collective responsibility for the Company's compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 THE COMPANY

- 2.1 The Company was incorporated and registered in England and Wales on 14 April 2014 under the name NAHL Group Limited with registered number 8996352 as a private company limited by shares under the Act.
- 2.2 The principal legislation under which the Company operates is the Act.
- 2.3 The liability of the Company's members is limited.
- 2.4 The registered office and principal place of business of the Company is 1430 Montagu Court, Kettering Parkway, Kettering, Northamptonshire, NN15 6XR.
- 2.5 The Company's website is at www.nahlgroupplc.co.uk.
- 2.6 On 15 May 2014, the Company acquired the entire issued share capital of CCGL resulting in the Company becoming the parent company of the Group.
- 2.7 On 22 May 2014, the Company was re-registered as a public company under the name NAHL Group Plc.

3 THE GROUP AND ITS PRINCIPAL ACTIVITIES

- 3.1 The business of the Company and its principal activity is to act as a holding company. The Group's activities and operations are carried on principally by National Accident Helpline Limited, a wholly owned indirect subsidiary of the Company. The Company will, upon Admission, be the holding company of the Group and its subsidiaries will be:-

Name	Registered Number	Principal activity	Status	Country of incorporation	Interest held by the Company
Consumer Champion Group Limited	06792959	Holding Company	Active	United Kingdom	100% (direct)
NAH Holdings Limited	06352848	Holding Company	Active	United Kingdom	100% (indirect)
NAH Group Limited	05607259	Holding company	Active	United Kingdom	100% (indirect)
National Accident Helpline Limited	02857601	Agency services for solicitors	Active	United Kingdom	100% (indirect)
Lawyers Agency Services Limited	04158877	Non-trading	Active	United Kingdom	100% (indirect)
Accident Helpline Limited	03376862	Dormant	Active	United Kingdom	100% (indirect)
NAH Support Services Limited	03600594	Dormant	Active	United Kingdom	100% (indirect)
Tiger Claims Limited	03957835	Dormant	Active	United Kingdom	100% (indirect)
Your Law Limited	03876887	Dormant	Active	United Kingdom	100% (indirect)
NAH Legal Services Limited	04856670	Dormant	Active	United Kingdom	100% (indirect)

- 3.2 Save as referred to in the paragraph above, the Company does not hold any shares or other securities in the capital of any company and is not otherwise part of a group of companies.

4 REORGANISATION OF THE GROUP

4.1 In preparation for the Placing and Admission, the Group undertook certain corporate steps to reorganise the Group's corporate structure (the "**Reorganisation**").

4.2 The following steps have been effected as part of the Reorganisation:

- (a) On 15 May 2014 the Company entered into a share for share exchange agreement (the "**Share Exchange Agreement**") with the then shareholders of CCGL (the "**Original CCGL Shareholders**"), whereby those shareholders agreed to transfer the entire issued share capital in CCGL, the former holding company of the Group, to the Company in return for the issue of new shares in the Company (the "**Share for Share Exchange**"). Further details in respect of the Share Exchange Agreement are set out in paragraph 11.1 of this Part V.
- (b) At the same time as the Share for Share Exchange, the Company adopted new articles of association and its share capital was re-organised from one ordinary share of £1.00 into 69,000 A preference shares of £1.00 each, 1,000 B preference shares of £1.00 each, 125,000 A ordinary shares of £0.50 each, 75,000 B ordinary shares of £0.50 each, 67,553 C ordinary shares of £1.00 each, 37,092 D ordinary shares of £1.00 each, 25,663 E ordinary shares of £1.00 each and 40,957 F ordinary shares of £1.00 each, to enable the Original CCGL Shareholders to acquire shares in the Company pursuant to the Share Exchange Agreement in the same proportions as their previous shareholdings in CCGL.
- (c) At the same time as the Share for Share Exchange, the Company and the Original CCGL Shareholders entered into a new investment agreement (the "**New Investment Agreement**") to set out the terms on which they would hold the shares in the Company. Further details in respect of the New Investment Agreement are set out in paragraph 11.2 of this Part V.
- (d) Following the steps referred to in paragraphs 4.2(a) to 4.2(c) above, CCGL declared a dividend in specie of its shares in Seebeck 62 Limited ("**Seebeck**") such that the entire share capital of Seebeck was transferred to the Company.
- (e) The Company then declared a bonus issue of one new deferred share of £0.0001 in the capital of the Company (a "**Deferred Share**") which was allotted to one of the shareholders of the Company at that time.
- (f) The shares in Seebeck were transferred to a company outwith the Group (the "**Seebeck Transferee**") by way of a reduction of the Company's share premium account and the entry into of a demerger agreement (the "**Demerger Agreement**") among the Company, the Seebeck Transferee and the Original CCGL Shareholders. Further details in respect of the Demerger Agreement are set out in paragraph 11.3 of this Part V.
- (g) On 22 May 2014 each of the then 69,000 A preference shares of £1.00 each and 1,000 B preference shares of £1.00 each in the Company were redeemed (the "**Redemptions**").
- (h) The share capital of the Company following the Redemptions, being 125,000 A ordinary shares of £0.50 each, 75,000 B ordinary shares of £0.50 each, 67,553 C ordinary shares of £1.00 each, 37,092 D ordinary shares of £1.00 each, 25,663 E ordinary shares of £1.00 each, 40,957 F ordinary shares of £1.00 each and one Deferred Share, was sub-divided and converted into 40,000,000 Ordinary Shares and 1,712,450,001 Deferred Shares on 22 May 2014, and new articles of association of the Company were adopted to set out the rights attaching to those shares (the "**Sub-division and Conversion**").
- (i) Following the Sub-division and Conversion, all Deferred Shares in issue were transferred to one single shareholder in the Company, and then bought-back by the Company for £1.00 in aggregate and cancelled, leaving only Ordinary Shares in issue. Accordingly, as at the date of this document (and therefore prior to the issue of the Subscription Shares) the issued share capital of the Company comprises 40,000,000 Ordinary Shares.
- (j) On 22 May 2014, the Company was re-registered as a public company under the name NAHL Group Plc.

5 SHARE CAPITAL

5.1 The issued share capital of the Company as at the date of this document and as it will be immediately following Admission is set out below:-

	Issued and fully paid Number	Amount
As at the date of this document	40,000,000 Ordinary Shares of £0.0025 each	£100,000.00
As at Admission	41,150,000 Ordinary Shares of £0.0025 each	£102,875

5.2 The Company was incorporated with an issued share capital of £1.00 divided into one ordinary share of £1.00 which was fully paid (the “**Subscriber Share**”). Since incorporation the following alterations to the Company’s share capital have occurred:-

- (a) on 15 May 2014, the Subscriber Share was re-designated into one C ordinary share of £1.00 each;
- (b) on 15 May 2014, 69,000 A preference shares of £1.00 each, 1,000 B preference shares of £1.00 each, 125,000 A ordinary shares of £0.50 each, 75,000 B ordinary shares of £0.50 each, 67,552 C ordinary shares of £1.00 each, 37,092 D ordinary shares of £1.00 each, 25,663 E ordinary shares of £1.00 each and 40,957 F ordinary shares of £1.00 each were issued as part of the Share for Share Exchange;
- (c) on 22 May 2014, one Deferred Share was issued;
- (d) on 22 May 2014 each of the 69,000 A preference shares of £1.00 each and 1,000 B preference shares of £1.00 each were redeemed;
- (e) on 22 May 2014 the 125,000 A ordinary shares of £0.50 each, 75,000 B ordinary shares of £0.50 each, 67,553 C ordinary shares of £1.00 each, 37,092 D ordinary shares of £1.00 each, 25,663 E ordinary shares of £1.00 each, 40,957 F ordinary shares of £1.00 each and one Deferred Share, were sub-divided and converted into 40,000,000 Ordinary Shares and 1,712,450,001 Deferred Shares; and
- (f) on 22 May 2014 all 1,712,450,001 Deferred Shares in issue were bought-back by the Company and cancelled.

5.3 On 22 May 2014, the Shareholders passed resolutions to the following effect:

- (a) the Directors were authorised, pursuant to section 551 of the Companies Act, to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into such shares (all of which transactions are hereafter referred to as an allotment of “relevant securities”) up to an aggregate nominal amount of:
 - (i) £2,875 in connection with the Placing (the “**Initial Allotments**”);
 - (ii) £34,291.67 other than pursuant to paragraph (i) above and paragraph (iii) below; and
 - (iii) £34,291.67 (other than pursuant to paragraphs (i) and (ii) above) in connection with a rights issue, open offer, scrip dividend, scheme or other pre-emptive offer to holders of Ordinary Shares where such issue, offer, dividend, scheme or other allotment is proportionate (as nearly as may be) to the respective number of Ordinary Shares held by them on a fixed record date (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with legal or practical problems under the laws of any overseas territory, the requirements of any regulatory body or any stock exchange in any territory, in relation to fractional entitlements, or any other matter which the Directors consider merits any such exclusion or other arrangements),

provided that, in each case, such authority shall expire 15 months after the date of the passing of the resolution or at the conclusion of the next annual general meeting of the Company following the passing of the resolution, whichever occurs first (unless previously revoked or varied by the Company in general meeting), but the Company may before the authority expires (or is revoked or varied) make an offer or agreement which would or might require relevant securities to be allotted after the authority

expires (or is revoked or varied) and the Directors may allot relevant securities pursuant to such offer or agreement as if the authority had not expired or been revoked or varied; and

(b) the Directors were empowered pursuant to section 570 of the Companies Act to allot equity securities (as defined in section 560 of the Companies Act) for cash pursuant to the authority conferred by the resolution referred to at paragraph (a) above as if section 561 of the Companies Act did not apply to any such allotment, provided that the authority shall:

(i) be limited to:

- 1) the Initial Allotments;
- 2) the allotment of equity securities pursuant to the authority referred to in paragraph (a)(iii) above; and
- 3) the allotment of equity securities for cash otherwise than pursuant to sub-paragraphs 1) and 2) above up to an aggregate maximum nominal amount of £10,287.50; and

(ii) subject to the continuance of the authority conferred by the resolution referred to at paragraph (a) above, expire 15 months after the date of the passing of the resolution or at the conclusion of the next annual general meeting of the Company following the passing of the resolution, whichever occurs first (unless previously revoked or varied by the Company by special resolution) but the Company may before the authority expires (or is revoked or varied) make an offer or agreement which would or might require equity securities to be allotted after the authority expires (or is revoked or varied) and the Directors may allot equity securities pursuant to such offer or agreement as if the authority had not expired or been revoked or varied; and

(c) the Articles (certain provisions of which are summarised at paragraph 6 below) were adopted as the articles of association of the Company in substitution for, and to the exclusion of, the then existing articles of association of the Company.

5.4 The provisions of section 551 of the Companies Act, which confers on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up fully in cash, other than by way of allotment to employees under an employee share scheme (as defined in section 1166 of the Companies Act) will apply to the Ordinary Share capital of the Company, to the extent that such rights are not disapplied by special resolution by the shareholders pursuant to section 570 of the Companies Act in accordance with paragraph 5.3 above or otherwise.

5.5 The Ordinary Shares shall have the rights and be subject to the restrictions referred to in paragraph 6 of this Part V.

5.6 The Company intends, prior to Admission, to grant options as set out in paragraph 7.4 of this Part V. On Admission there will therefore be options in issue over 1,750,000 Ordinary Shares representing approximately 4.25 per cent, of the total number of Ordinary Shares in issue as at Admission. In addition, following Admission, the Company intends to invite certain employees of the Group (including Directors) to participate in the SAYE Plan. The total number of Ordinary Shares under option shall not at any time exceed 10 per cent, of the issued share capital of the Company.

5.7 Save as set out above and in paragraphs 5.1 and 7.4 of this Part V, at Admission the Company will not have any Ordinary Shares in issue or under option. In addition the Company will not have in issue any securities not representing share capital or any outstanding convertible securities.

5.8 The Ordinary Shares to be transferred and issued under the Placing will on Admission rank *pari passu* in all respects with the existing Ordinary Shares including the right to receive all dividends and other distributions declared, made or paid after the date of this document. The Ordinary Shares to be transferred and issued under the Placing will be freely transferable in accordance with the Articles.

- 5.9 The Ordinary Shares are in registered form and capable of being held in uncertificated form. Application has been made for the Ordinary Shares to be admitted to CREST with effect from Admission and Euroclear UK & Ireland Limited has agreed to such admission. No temporary documents of title will be issued. It is expected that definitive certificates will be posted to those Shareholders who are to hold their Ordinary Shares in certificated form by 12 June 2014.
- 5.10 The Company does not have in issue any securities not representing share capital.
- 5.11 There are no shares held by or on behalf of the Company in itself or by any other member of the Group in the Company.
- 5.12 Without prejudice to the options referred to at paragraph 7, the Company has not issued any convertible securities, exchangeable securities or securities with warrants.
- 5.13 Save as disclosed in this document, no person has any acquisition right over, and the Company has incurred no obligation over, the Company's authorised but unissued share capital or given any undertaking to increase the Company's capital.
- 5.14 Save as disclosed in this Part V:-
- (a) no share or loan capital of the Company has been issued or is now proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash;
 - (b) no unissued share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (c) no commission, discount, brokerage or any other special term has been granted by the Company or any of its subsidiaries or is now proposed in connection with the issue or sale of any part of the share or loan capital of the Company or any of its subsidiaries;
 - (d) no fee and no founder, management or deferred shares have been issued by the Company; and
 - (e) there has been no change in the amount of the issued share capital of the Company and no material change in the amount of the issued share capital of any of its subsidiaries.

6 SUMMARY OF THE ARTICLES OF ASSOCIATION

The Articles of the Company which will be in force from Admission include provisions to the following effect:-

6.1 Objects

The Articles contain no restriction on the objects of the Company.

6.2 Capital structure

The share capital of the Company is represented by an unlimited number of Ordinary Shares having the rights described in the Articles. Under the Articles, the Directors are given authority to effect the issue of further shares of the same class and to create new classes of shares, and have discretion to accept or reject an application for shares.

6.3 Voting rights

Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote, and on a poll every member shall have one vote for every Ordinary Share of which he is the holder. Votes may be given personally or by proxy. No member is entitled to vote if the member has failed to respond to a notice requiring them to state whether a share is held on behalf of another person.

6.4 **Dividends**

Subject to the Act and as set out in the Articles, the Company may by ordinary resolution declare dividends to the members according to their respective rights and interests but no dividend shall exceed the amount recommended by the Board. No dividend may be paid otherwise than in accordance with the Act. The Board may at any time declare and pay such interim dividends as appears to be justified by the position of the Company.

Except as otherwise provided by the rights attached to the shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid but (for the purposes of this Article only) no amount paid on a share in advance of calls shall be treated as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

Any dividend or other moneys payable in respect of a share may be paid:-

- (a) in cash;
- (b) by cheque or warrant sent by post to the address in the Register of the person entitled to the moneys or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder or otherwise by operation of law, to the address in the Register of that one of those persons who is first named in the Register in respect of the joint holding or to such person and to such address as the person or persons entitled to the moneys may in writing direct. Every such cheque or warrant shall be made payable to the person or persons entitled to the moneys or to such other person as the person or persons so entitled may in writing direct and shall be sent at the risk of the person or persons so entitled. Any such cheque or warrant may be crossed "account payee" although the Company shall not be obliged to do so;
- (c) by bank transfer to such account (of a type approved by the Board) as the person or persons entitled to the moneys may in writing direct; or
- (d) by such other method of payment approved by the Board as the person or persons entitled to the moneys may in writing agree to.

6.5 **Return of Capital**

On a return of assets on a winding up or otherwise of the Company, the balance of the assets of the Company available for distribution shall be divided amongst the members in proportion to the number of shares held by them respectively after deducting in respect of any share not fully paid up the amount that remains unpaid on it (whether or not then payable). If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law, divide amongst the members in specie the whole or any part of the assets of the Company and may for that purpose, value any assets and determine how the division shall be carried out.

6.6 **Redemption**

Subject to the provisions of the Act and the Articles, the Company can issue shares which are required to be redeemed and shares which may be redeemed at the option of the Company or the relevant member.

6.7 **Purchase of own shares**

Subject to the provisions of the Act, the Company may purchase its own shares (including any redeemable shares) and any shares to be so purchased may (subject to any resolution of the Company in general meeting) be selected by the Board in any manner.

6.8 **Reduction of capital**

Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account or other undistributable reserve.

6.9 Variation of class rights

Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class of the shares in issue may from time to time be varied or abrogated, whether or not the Company is being wound up, with the sanction of a special resolution passed at a separate meeting of holders of the issued shares of the class held in accordance with the Articles (but not otherwise).

The special rights conferred on the holders of any shares or class of shares shall, unless otherwise provided by the Articles or the terms of issue of the shares concerned, be deemed to be varied by a reduction of capital paid up on those shares but shall be deemed not to be varied by the creation or issue of further shares ranking *pari passu* with them or subsequent to them. The rights conferred on the holders of shares shall be deemed not to be varied by the creation or issue of any further shares ranking in priority to them nor shall any consent or sanction of the holders of Ordinary Shares be required to any variation or abrogation effected by a resolution on which only the holders of Ordinary Shares are entitled to vote.

6.10 Alteration of share capital

The Company may, from time to time, by ordinary resolution:-

- (a) increase its share capital;
- (b) consolidate and divide all or any of its share capital into shares of a larger nominal amount than its existing shares;
- (c) cancel or reduce the nominal value of shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled or the amount of the reduction; and
- (d) subject to the Act, sub-divide its shares, or any of them, into shares of a smaller amount, and as between the holders of the shares resulting from the sub-division, any of them may have any preference or advantage or deferred rights or be subject to any restrictions as compared with the others.

6.11 Issue of shares

Subject to the provisions of the Act and without prejudice to any rights attaching to any existing shares, shares may be issued with such rights or restrictions as the Company may, by ordinary resolution, determine or in the absence of such determination, or as far as any such resolution does not make specific provision, as the Board may determine.

6.12 Form and transfer of shares

The Board may issue shares as certificated or uncertificated shares, subject to any restrictions on transfers described below:-

A share held in certificated form may be transferred by an instrument of transfer in any usual form or in any other form which the Board may approve, which shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. A share held in uncertificated form may be transferred by means of a relevant system. The transferor shall be deemed to remain the holder of the share until the transferee is entered on the Register as its holder.

Every member (other than a person who is not entitled to a certificate under the Act) is entitled, on becoming a holder of any shares in certificated form and without payment, to a certificate for all shares of each class held by him in certificated form. If a share certificate is worn out, defaced, lost, destroyed or stolen it may be renewed without fee but on such terms as to evidence and indemnity as the Board requires. In the case of loss, theft, or destruction, the person to whom the new certificate is issued may be required to pay any exceptional out of pocket expenses incidental to the investigation of evidence of loss, theft or destruction and the preparation of an appropriate form of indemnity. Every share certificate is sent at the risk of the person entitled thereto.

The Board may, in the case of shares held in certificated form, in its absolute discretion refuse to register the transfer of a share which is not fully paid provided that, where any such shares are admitted to the Official List of the UKLA or admitted to trading on AIM, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.

The Board may also refuse to register a transfer of shares held in certificated form unless the instrument of transfer is:-

- (a) duly stamped or duly certified or otherwise shown to the satisfaction of the Board to be exempt from stamp duty, lodged at the Transfer Office or at such other place as the Board may appoint and (save in the case of a transfer by a person to whom no certificate was issued in respect of the shares in question) accompanied by the certificate for the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do;
- (b) in respect of only one class of shares; and
- (c) in favour of not more than four transferees.

The Board may refuse to register a transfer of shares or any interest in any share to any minor, undischarged bankrupt, trustee in bankruptcy or person of unsound mind.

If the Board refuses to register a transfer of shares held in certificated form, it shall as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal together with its reasons for the refusal.

No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share or for making any entry in the Register affecting the title to any share.

The Company shall be entitled to retain any instrument of transfer which is registered, but (except in the case of fraud) any instrument of transfer which the Board refuses to register shall be returned to the person lodging it when notice of the refusal is given.

For all purposes of the Articles relating to the registration of transfers of shares, the renunciation of the allotment of any shares by the allottee in favour of some other person shall be deemed to be a transfer and the Board shall have the same powers of refusing to give effect to such a renunciation as if it were a transfer.

If a member dies the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest; but nothing contained in the Articles shall release the estate of a deceased member from any liability in respect of any share which had been held (whether solely or jointly) by him.

6.13 Calls and lien

Subject to the terms of allotment, the Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares including any premium and each member shall (subject to being given at least 14 clear days' notice specifying where and when payment is to be made) pay to the Company the specified amount called on his shares. If any sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid. Interest shall be paid at a rate fixed by the terms of allotment of the share or in the notice of the call; or if no rate is fixed, at the appropriate rate per annum from the day appointed for the payment thereof to the time of the actual payment. Directors may at their discretion waive payment of any such interest in whole or in part.

The Company shall have a first and paramount lien on all shares (whether fully paid or note) registered in the name of a member (whether solely or jointly with others). The lien is for all moneys payable to the Company by the member or the member's estate:-

- (a) either alone or jointly with any other person, whether or not that other person is a member; and
- (b) whether or not those moneys are presently payable.

The Directors may declare any share to be wholly or partly exempt from the provisions in the Articles in respect of liens.

The Company may sell, in such manner as the Directors determine, any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days' after a notice demanding payment of such part of the amount in respect of which the lien exists and stating that if the notice is not complied with the shares may be sold has been given to the registered holders for the time being of the share, or the persons entitled thereto by reason of his death or bankruptcy.

6.14 **Forfeiture**

If a member fails to pay any call or instalment of a call on the day appointed for payment of such call or instalment, the Directors may serve a notice on him requiring payment of so much of the amount unpaid together with any interest which may have accrued and any expenses which have been incurred by the Company due to the default. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

A forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Board may determine and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding such forfeiture, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the shares, together with all expenses and interest from the date of forfeiture or surrender until payment, but his liability shall cease if and when the Company receives payment in full of the unpaid amount.

A statutory declaration in writing that the declarant is a Director or the secretary of the Company, and that the particular share of the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the forfeited share.

6.15 **Disclosure of interests**

The Company may give notice to any member or any person whom the Company knows or has reasonable cause to believe (a) to be interested in the Company's shares or (b) to have been so interested at any time in the three years immediately preceding the date on which the notice is issued. The notice may require the person (a) to confirm that fact or (as the case may be) to state whether or not it is the case and (b) if he holds, or has during that time held, any such interest, to give such further information as may be required in accordance with section 793 of the Act (including particulars of the interest (present or past) and the identity of the persons interested in the shares in question).

If the Company has served a disclosure notice on a member or any other person appearing to be interested in shares referred to in the disclosure notice, and the Company has not received the information required in the disclosure notice within fourteen days after service of the disclosure notice, the Directors may determine that the member holding the specified shares shall be subject to restrictions in respect of those shares (including restrictions as to voting, right to transfer the shares and right to receive dividends).

6.16 **Directors**

Unless otherwise determined by the Board, the number of Directors shall be not less than two.

Subject to the Articles, the ordinary remuneration of the Directors shall be such amount as the Directors from time to time determine up to an aggregate maximum of £1,000,000. The Directors may be paid all travelling, hotel and other expenses as they may incur in

connection with their attendance at meetings of the Board or of committees of the Board or general meetings or separate meetings of the holders of any class of shares or debentures of the Company or otherwise in connection with the discharge of their duties.

The Board may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any Director, employee or former employee who has held but no longer holds any office or employment with the Company or with any body corporate which is or has been a subsidiary undertaking or a predecessor in business of the Company or of any subsidiary undertaking, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit. The power conferred by the Act to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries, in connection with the cessation or the transfer to any person of the whole or party of the undertaking of the Company or any subsidiary shall be exercised by the Board.

At each annual general meeting one third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to one-third) shall retire from office. A Director who retires at an annual general meeting shall be eligible for re-election. Any Director may be removed from office by ordinary resolution of the Company of which special notice has been given in accordance with section 312 of the Act. The Directors are not subject to a mandatory retirement age.

6.17 Directors' interests

A Director who to his knowledge is in any way directly or indirectly interested in a contract or arrangement or proposed contract or arrangement with the Company shall disclose the nature of his interest at a meeting of the Board.

A Director may not vote (or be counted in the quorum) in respect of any resolution of the Directors or committee of the Directors concerning a contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he has an interest which (together with any interest of any person connected with him) is, to his knowledge, a material interest (otherwise than by his interest in shares or debentures or other securities of or otherwise in or through the Company). This is subject to certain exceptions including (i) where the contract, arrangements, transaction or proposal concerns general employee privileges or insurance policies for the benefit of Directors or (ii) in circumstances where a Director acts in a personal capacity in the giving of a guarantee, security or indemnity for the benefit of the Company or any of its subsidiary undertakings.

Any Director may act by himself or his firm in a professional capacity for the Company, other than as auditor, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

6.18 Disclosure of interests

Subject to the provisions of the Act, and provided that he has disclosed to the Board the nature and extent of any interest of his in accordance with the Articles, a Director notwithstanding his office:-

- (a) may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may be a director or other officer of, or employed by or party to any transaction or arrangement with, or otherwise interested in any body corporate promoted by the Company or in which the Company is otherwise interested; and
- (c) shall not be, by reason of his office, accountable to the Company for any benefits derived from any such office or employment or from any transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

6.19 **Authorisation of interests**

The Directors may authorise, to the fullest extent permitted by law, any matter proposed to them which would otherwise result in a Director infringing his duty under the Act to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest.

Authorisation of a matter is effective only if: (i) the matter has been proposed to the Directors at a meeting of the Directors or for the authorisation of the Directors by resolution in writing and in accordance with the Board's normal procedures or in such other manner as the Board may approve; (ii) any requirement as to quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question and any other interested Director; and (iii) the matter has been agreed to without the Director in question and any other interested Director voting or would have been agreed to if their votes had not been counted.

An interest of a person connected with a Director shall be treated as an interest of the Director. Section 252 of the Act shall determine whether a person is connected with a Director.

6.20 **Borrowing powers**

The Directors shall restrict the borrowings of the Company (and so far as possible, the Group) so that the aggregate principal amount at any time outstanding in respect of money borrowed by the Group shall not, without the previous sanction of an ordinary resolution of the Company, exceed a sum equal to two times the adjusted share capital and reserves. For these purposes, the "*adjusted share capital and reserves*" means the aggregate of the amount paid up or credited as paid up on the allotted or issued share capital of the Company and the amount standing to the credit of each of the consolidated capital and revenue reserves (including any share premium account, capital redemption reserve, revaluation reserve and profit and loss account but net of any debit balance on profit and loss account) of the Group all as shown in the latest audited consolidated balance sheet of the Group but adjusted as may be necessary.

6.21 **Annual General Meetings and General Meetings**

An annual general meeting shall be held at such time and place as the Board may determine. The Board may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith convene a general meeting. If there are not sufficient Directors capable of acting to call a general meeting, any Director may call a general meeting. If there is no Director able to act, any two members may call a general meeting for the purpose of appointing Directors.

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. A quorum is two members present in person or by proxy and entitled to vote upon the business to be transacted at the meeting.

A general meeting and a meeting called for the passing of a special resolution shall be called by at least 21 days' clear notice in writing. A meeting of the Company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by not less than 14 days' clear notice. The notice shall specify the place, the day and the time of the meeting and, in the case of special business, the general nature of that business. A notice calling an annual general meeting shall specify the meeting as such and a notice for the passing of a special resolution shall specify the intention to propose the resolution as a special resolution and the terms of the resolution. Every member entitled to attend and vote is entitled to appoint one or more proxies to attend, vote and speak instead of him and that a proxy need not be a member.

The accidental omission to give notice of a meeting, or to send an instrument of proxy or invitation to appoint a proxy as provided by the Articles, to any person entitled to receive notice, or the non-receipt of notice of a meeting or instrument of proxy or invitation to appoint a proxy by such a person, shall not invalidate the proceedings at that meeting.

Every notice of meeting shall state with reasonable prominence that a member entitled to attend and vote is entitled to appoint one or more proxies to attend, vote and speak instead of him and that a proxy need not be a member.

6.22 Annual Report and Financial Statements

Save as provided in the Articles, a copy of the annual accounts of the Company together with a copy of the Auditors' report and the Directors' report and any other documents required to accompany or to be annexed to them shall, not less than 21 clear days before the date of the general meeting at which copies of those documents are to be laid, be sent to every member and to every debenture holder of the Company and to every other person who is entitled to receive notices from the Company of general meetings.

Copies of the documents referred to in the Articles need not be sent:-

- (a) to a person who is not entitled to receive notices of general meetings and of whose address the Company is unaware; or
- (b) to more than one of the joint holders of shares or debentures in respect of those shares or debentures,

provided that any member or debenture holder to whom a copy of such documents has not been sent shall be entitled to receive a copy free of charge on application at the Company's registered office.

The Company may send a summary financial statement to any of the persons otherwise entitled to be sent copies of the documents referred to in the Articles instead of or in addition to those documents and, where it does so, the statement shall be delivered or sent to such persons not less than 21 clear days before the general meeting at which copies of those documents are to be laid.

6.23 Winding up

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

6.24 Untraceable shareholders

The Company shall be entitled to sell at the best price reasonably obtainable any member's shares or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or otherwise by operation of law if:-

- (a) for a period of twelve years, no cash dividend payable in respect of the shares has been claimed, no cheque or warrant sent by the Company through the post in a pre-paid envelope addressed to the member or to the person entitled to the shares at his address on the Register or (if different) the last known address given by the member or the person so entitled to which cheques and warrants are to be sent has been paid, each attempt to make a payment in respect of the shares by means of bank transfer or other method for the payment of dividends or other moneys in respect of shares has failed and no communication has been received by the Company from the member or the person so entitled (in his capacity as member or person entitled);
- (b) in such period of twelve years at least three dividends (whether interim or final) have become payable on the shares;
- (c) the Company has at the expiration of the said period of twelve years by advertisement in both a national newspaper and in a newspaper circulating in the area in which the address referred to in the Articles is located given notice of its intention to sell such shares; and

- (d) during the period of three months following the publication of the said advertisements the Company has received no communication in respect of such share from such member or person entitled.

If at any time during or after the said period of twelve years further shares have been issued in right of those held at the commencement of that period or of any issued in right during that period and, since the date of issue, the requirements of the Articles have been satisfied in respect of such further shares, the Company may also sell the further shares.

To give effect to a sale pursuant to the Articles the Board may authorise any person to execute an instrument of transfer or otherwise effect the transfer of the shares to be sold. If the shares concerned are in uncertificated form, in accordance with the CREST Regulations, the Company may issue a written notification to the operator (as defined in the CREST Regulations) requiring conversion of the shares into certificated form. The purchaser shall not be bound to see to the application of the purchase moneys and the title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings relating to the sale. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled to the shares for an amount equal to the net proceeds, which shall be a debt of the Company, and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount. No trust shall be created and no interest shall be payable in respect of the debt, and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments for the benefit of the Company as the Board may from time to time determine.

7 EMPLOYEE SHARE PLANS

Paragraphs 7.1 to 7.3 below summarise the terms of the rules of the Share Plans. Paragraph 7.4 sets out details of the proposed initial awards under the EMI Plan and the LTIP.

7.1 The SAYE Plan

General

The SAYE Plan is intended to comply with the terms of Schedule 3 (as defined in paragraph 19 of Part I of this document).

Options are not transferable (except on death) and are not pensionable benefits.

Options may be satisfied by newly issued Ordinary Shares, Ordinary Shares purchased in the market by an employees' trust or by the transfer of Ordinary Shares held in treasury.

The operation of the SAYE Plan will be overseen by the Remuneration Committee.

Eligibility

Any UK based employee (including any full-time director) of the Company or any participating Subsidiary who has been employed for a qualifying period of such length as the Remuneration Committee may determine from time to time (but not exceeding five years) and any other employee who is nominated by the Remuneration Committee is eligible to participate in the SAYE Plan.

Issue of invitations

The first invitations to apply for options will be issued on Admission. Thereafter invitations to apply for options will normally be issued within a period of 42 days following the date on which the Company announces its results for any period.

Invitations may be issued at other times in circumstances considered by the Remuneration Committee to be exceptional. No options may be granted after the tenth anniversary of the adoption of the SAYE Plan by the Directors.

Exercise price

The price per share at which Ordinary Shares may be acquired upon exercise of an option is determined by the Remuneration Committee before options are granted on any occasion. It must not be less than the higher of:

- 80 per cent of the market value of an Ordinary Share when invitations are issued to participants; and
- in the case of options to subscribe for Ordinary Shares, the nominal value of an Ordinary Share.

It is intended that the exercise price per Ordinary Share in respect of the first grant of options under the SAYE Plan to be 80 per cent of the Placing Price.

Monthly Savings

Any employee who applies for an option under the SAYE Plan must enter into a HMRC approved “save as you earn” contract (the “**Savings Contract**”). The employee agrees to enter a Savings Contract for a period of three or five years and make monthly savings contributions of a fixed amount, currently of not less than £5 or more than £500, over three or five years. The employee may elect to apply the proceeds of the Savings Contract to exercise the option and acquire Ordinary Shares. Alternatively, the employee may choose to withdraw the proceeds of the Savings Contract.

Exercise of options

Options will normally be exercisable only during the period of six months following the maturity of the related Savings Contract (i.e. after the three or five years).

Leaving employment

Early exercise is permitted following death or cessation of employment by reason of injury, disability, redundancy, retirement, cessation of employment more than three years from grant of an option, or where the participant’s employer ceases to be a part of the Group.

In such cases, options may be exercised within six months of leaving, to the extent that the funds then available in the employee’s Savings Contract permit. In the case of death, personal representatives may normally exercise within twelve months of the date of death.

Otherwise options will lapse on cessation of employment.

Corporate events

Early exercise of options is also permitted in the event of a takeover, reconstruction or voluntary winding-up of the Company.

Alternatively, by agreement with the acquiring company, participants may, as specified in the rules of the SAYE Plan, release their options in consideration of the grant of options over shares in the acquiring company.

Dilution limit

Options may be granted over unissued or existing Ordinary Shares. The number of new Ordinary Shares issued or remaining capable of being issued pursuant to awards under the SAYE Plan and the Company’s other employee share schemes in any period of 10 years (excluding any rights to subscribe for new Ordinary Shares granted on or within 42 days of Admission) will not exceed 10% of the ordinary share capital of the Company in issue from time to time.

If options are to be satisfied by a transfer of existing Ordinary Shares, the percentage limit stated above will not apply. Insofar as it is necessary to ensure compliance with the guidelines issued from time to time by institutional investors, the percentage limit will apply to awards satisfied by the transfer of Ordinary Shares held in treasury.

Rights attaching to Ordinary Shares

Ordinary Shares allotted or transferred under the SAYE Plan will rank equally in all respects with all other Ordinary Shares then in issue (except for any rights attaching to Ordinary Shares by reference to a record date preceding the allotment or transfer of such Ordinary Shares). The Company will apply for any newly issued Ordinary Shares to be admitted to trading on AIM.

Variation of share capital

If there is a variation in the ordinary share capital of the Company, the Remuneration Committee, may make such adjustments pursuant to the rules of the SAYE Plan as they consider appropriate to the total number of Ordinary Shares subject to any option and the exercise price payable upon the exercise of any option.

Alteration of the SAYE Plan

The SAYE Plan may be altered in any respect by resolution of the Remuneration Committee except that no alteration shall alter adversely the rights attaching to any options granted prior to such alteration except with the consent in writing of the participants holding such options.

7.2 **The EMI Plan**

General

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**”). Options may be granted as tax-favoured enterprise management incentive options (“**EMI Options**”) or non-tax favoured Options. Options are not transferable and are not pensionable benefits. The operation of the EMI Plan will be overseen by the Remuneration Committee.

Eligibility

Participation in the EMI Plan is restricted to selected employees, including executive Directors, of any member of the Group. The Remuneration Committee has discretion as to the selection of employees to whom Options are to be granted. EMI Options may only be granted to employees who qualify for the grant of such Options in accordance with the legislation governing EMI Options from time to time.

Grant of Options

Options may initially be granted under the EMI Plan within 42 days following the adoption of the EMI Plan. Thereafter, Options may be granted in the period of 42 days beginning with the dealing day following an announcement of the Company’s results for any period and within the period of 28 days after a new employee first joins the Group, but otherwise only in circumstances judged by the Remuneration Committee to be exceptional. No Option may be granted in breach of the AIM Rules. No Options may be granted more than 10 years after the adoption of the EMI Plan by the Directors.

Exercise price

The price per Ordinary Share payable on the exercise of an Option under the Plan is determined by the Remuneration Committee when Options are granted on any occasion. It is intended the initial grants will be at the Placing Price and in the case of all other Options granted following Admission the exercise price shall not be less than the market value of an Ordinary Share.

Individual limits on participation

The aggregate market value of Ordinary Shares (as at the date of grant) over which Options may be granted under the EMI Plan to an eligible employee in any year shall not normally exceed 300% of his basic salary. An Option may be granted in excess of this limit, but only if the Remuneration Committee considers that exceptional circumstances exist to justify the grant.

Limit on the issue of Ordinary Shares

Options may be granted over unissued or existing Ordinary Shares. The number of new Ordinary Shares issued or remaining capable of being issued pursuant to awards under the EMI Plan and the Company’s other employee share schemes in any period of 10 years (excluding any rights to subscribe for new Ordinary Shares granted on or within 42 days of Admission) will not exceed 10% of the ordinary share capital of the Company in issue from time to time.

If options are to be satisfied by a transfer of existing Ordinary Shares, the percentage limit stated above will not apply. Insofar as it is necessary to ensure compliance with the guidelines issued from time to time by institutional investors, the percentage limit will apply to awards satisfied by the transfer of Ordinary Shares held in treasury.

EMI Options Limits

The grant of EMI Options is subject to limits (both individual and Company), as specified in the legislation governing EMI Options from time to time.

Performance Conditions

The exercise of Options may be subject to the attainment of an objective condition or conditions set by the Remuneration Committee at the time of grant relating to the performance of the Company and/or if the Remuneration Committee so determines, a subsidiary and/or the optionholder (a “**Performance Target**”) over a fixed period of 3 years (or such other period as determined by the Remuneration Committee) (the “**Performance Period**”). In appropriate circumstances, the Remuneration Committee may amend (or, in exceptional circumstances, waive) a Performance Target but may only amend a Performance Target if the Remuneration Committee reasonably considers it to be necessary to ensure that either the criteria against which performance will then be measured will be a fairer measure of such performance or the amended Performance Target will provide a more effective incentive and the amended Performance Target is not materially more or less challenging than the original performance target was when first set.

As noted under “Exercise price” above, it is intended that the initial grants under the EMI Plan will have an exercise price per Ordinary Share equal to the Placing Price.

It is also intended that those options be granted subject to a Performance Target requiring the average annual compound growth in the Company’s earnings per share (“EPS”) between 2013 and 2016 to be 10% or more per annum in order for the options to be capable of exercise. The base EPS figure for these purposes from which growth will be measured will be the Company’s deemed EPS for 2013. The end EPS figure for these purposes which will be used to calculate average annual compound growth in the Company’s EPS will be the Company’s EPS for the financial year ending 31 December 2016 as disclosed in the Company’s preliminary results announcement in respect of that financial year, subject to such adjustments as the Remuneration Committee may determine.

If the Performance Target described above is satisfied, the initial tranche of options granted under the EMI Plan will vest at the time of the Company’s preliminary results announcement in respect of the financial year ending 31 December 2016. It is currently anticipated that this will occur during March 2017.

Exercise and lapse of options

An Option may not normally be exercised on or before a period or periods of time following the grant date, as specified on the grant of the Option (the “**Vesting Period**”). An Option which is subject to a Performance Target (a “**Performance Option**”) may, in addition, not normally be exercised before the expiry of the Performance Period. An Option may not in any event be exercised after the day immediately preceding the tenth anniversary of the date of grant or such earlier time as may be specified at the date of grant. No Options may be exercised in breach of the AIM Rules.

If an optionholder leaves employment within the Group by reason of injury, disability, redundancy, retirement or because the business or company for which he works is sold outside the Group, he may exercise his Option within 6 months of the end of the Vesting Period or if the Remuneration Committee so determines, within 6 months following the date of cessation. The proportion of Ordinary Shares over which an Option may be exercised depends, in the case of a Performance Option, on the extent to which the Performance Target has been, or is deemed by the Remuneration Committee to be, achieved at the relevant time.

If an optionholder dies, his personal representatives may exercise his Option within 12 months of the date of death. The proportion of Ordinary Shares over which an Option may be exercised depends, in the case of a Performance Option, on the extent to which the Performance Target has been, or is deemed by the Remuneration Committee to be, achieved.

If the optionholder leaves the Group for any other reason, his Option will lapse unless and insofar as the Remuneration Committee determines otherwise.

Internal reconstruction

On an internal reconstruction, the Remuneration Committee may invite the optionholders to accept an exchange of options if, in the opinion of the Remuneration Committee, the rights offered in exchange for the release of the Option are substantially equivalent in value to the value of the Option and are on terms approved by the Remuneration Committee.

Takeover of the Company

If Shareholders accept a takeover offer for the Company, Options may then be exercised early, normally within 3 months of the change of control. The proportion of Ordinary Shares over which an Option may then be exercised depends, in the case of a Performance Option, on the proportion of the Ordinary Shares which are or are deemed to become vested, at the date of the change of control. To the extent that Options are not exercised within the specified period, they will lapse.

Reconstruction or winding-up of the Company

If there is a demerger of the Company, the Remuneration Committee may notify optionholders that they have 3 months (or some other specified period) to exercise their Options. Options may be exercised early in this way if the Remuneration Committee determines that the interests of optionholders would or might be substantially prejudiced if, before the proposed demerger, optionholders could not exercise their Options.

If the Court sanctions a compromise or arrangement for reconstruction of the Company, optionholders may exercise their Options within 3 months from the date the compromise or arrangement becomes effective (or the date of the court sanction, if the Remuneration Committee so determine). The Remuneration Committee may also permit Options to be exercised conditionally on the Court sanction.

If notice is given to Shareholders of a resolution for the voluntary winding-up of the Company, Options may be exercised at any time before the winding-up commences or within such other period as may be notified to optionholders.

The proportion of Ordinary Shares over which an Option may then be exercised depends, in the case of a Performance Option, the proportion of the Ordinary Shares which are or are deemed to become vested at the relevant date. All Options will lapse, to the extent not exercised, at the end of the relevant period.

National Insurance Contributions

The Remuneration Committee shall determine whether any employer's national insurance contributions arising in connection with Options shall be transferred to optionholders.

Variation of Share Capital

In the event of a variation of the ordinary share capital of the Company, the Remuneration Committee may adjust the aggregate number, amount or description of Ordinary Shares subject to any Option and/or the exercise price.

Amendment of the EMI Plan

The Remuneration Committee may amend the rules of the EMI Plan. However, no alteration shall alter adversely the rights attaching to any Options granted prior to such alteration except with the consent in writing of the optionholder holding such Options.

7.3 The LTIP

General

The operation of the LTIP will be overseen by Remuneration Committee.

The 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 are not transferable (except on death) and are not pensionable benefits.

Awards may be satisfied by newly issued Ordinary Shares, Ordinary Shares purchased in the market by an employees' trust or by the transfer of Ordinary Shares held in treasury.

Eligibility

Employees (including executive Directors) of the Company or of any of its Subsidiaries will be eligible to participate in the LTIP, at the discretion of the Remuneration Committee.

Individual limits

The maximum number of Ordinary Shares that may be awarded to a participant in any financial year of the Company will be limited so that the market value of such Ordinary Shares on the date of the award will not normally exceed 300% of his basic salary. An award may be granted in excess of this limit, but only if the Remuneration Committee considers that exceptional circumstances exist to justify the grant.

Grant of awards

Awards may initially be granted within 42 days following adoption of the LTIP. Thereafter, awards may be granted during the period of 42 days beginning with the dealing day following the announcement of the Company's results for any period, and within 28 days after a new employee first joins the Group but otherwise only in circumstances judged by the Remuneration Committee to be exceptional.

No awards may be made more than ten years after the adoption of the LTIP by the Directors.

No payment will be required for the grant of an award.

Dilution limit

Options may be granted over unissued or existing Ordinary Shares. The number of new Ordinary Shares issued or remaining capable of being issued pursuant to awards under the LTIP and the Company's other employee share schemes in any period of 10 years (excluding any rights to subscribe for new Ordinary Shares granted on or within 42 days of Admission) will not exceed 10% of the ordinary share capital of the Company in issue from time to time.

If options are to be satisfied by a transfer of existing Ordinary Shares, the percentage limit stated above will not apply. Insofar as it is necessary to ensure compliance with the guidelines issued from time to time by institutional investors, the percentage limit will apply to awards satisfied by the transfer of Ordinary Shares held in treasury.

Vesting of awards

The vesting of awards will be subject to the attainment of targets relating to the performance of the Company and set by the Remuneration Committee at the time the awards are made.

It is intended that the first set of awards to be granted under the LTIP will be subject to a performance target requiring the average annual compound growth in the Company's EPS between 2013 and 2016 to be 10% or more per annum in order for the awards to vest. The base EPS figure for these purposes from which growth will be measured will be the Company's deemed EPS for 2013. The end EPS figure for these purposes which will be used to calculate average annual compound growth in the Company's EPS will be the Company's EPS for the financial year ending 31 December 2016 as disclosed in the Company's preliminary results announcement in respect of that financial year, subject to such adjustments as the Remuneration Committee may determine.

If the performance target described above is satisfied, the first set of awards to be granted under the LTIP will vest at the time of the Company's preliminary results announcement in respect of the financial year ending 31 December 2016. It is currently anticipated that this will occur during March 2017.

Performance targets may be varied by the Remuneration Committee, but only if the Remuneration Committee reasonably considers it to be necessary to ensure either that the criteria against which performance will then be measured will be a fairer measure of such performance or the amended performance target will provide a more effective incentive and the amended performance target is not materially more or less challenging than the original performance target was when first set.

Leaving employment

If a participant leaves the Group any unvested portion of his award will normally lapse. If the reason for leaving is death, ill-health, injury, disability, redundancy, retirement, the sale of the employing business or company, or otherwise at the discretion of the Remuneration Committee, the award will vest at the end of the Vesting Period. Alternatively, the Remuneration Committee may allow the award to vest on cessation. In either case, however, the award will only vest to the extent that the performance target is met at the relevant time. The award will also, unless the Remuneration Committee determines otherwise, be subject to a time pro-rata reduction to reflect the proportion of the Vesting Period that had elapsed on cessation.

Corporate events

In the event of a takeover, scheme of arrangement or winding up of the Company (not being an internal reorganisation), awards shall vest early to the extent that the performance targets have been satisfied at that time. Awards will also, unless the Remuneration Committee determines otherwise, be subject to a time pro-rata reduction to reflect the proportion of the Vesting Period that had elapsed at the relevant time.

On an internal reorganisation, replacement awards would normally be offered.

Awards may also vest on the same basis as would apply on a takeover if a demerger is proposed which, in the opinion of the Remuneration Committee, would or might substantially prejudice the interests of participants.

Dividends on award shares

An award may be made on terms that, if and when the award vests or is exercised, the participant will be entitled to receive an amount equal to the dividends which would have been paid to the participant on such vested shares during the Vesting Period had the participant been the legal owner of such shares during that time.

Adjustment of share awards

If there is a rights or capitalisation issue, sub-division, consolidation, reduction or other variation of the Company's ordinary share capital, or demerger or payment of a special dividend which would otherwise materially affect the value of an award, the Remuneration Committee may adjust the number of shares subject to the award.

Rights attaching to Ordinary Shares

Ordinary Shares allotted or transferred under the LTIP will rank alongside shares of the same class then in issue.

Amendment

The LTIP may be altered in any respect by resolution of the Remuneration Committee except that no alteration shall alter adversely the rights attaching to any awards granted prior to such alteration except with the consent in writing of the participant holding such awards.

Overseas Share Plans

The Company may at any time establish schedules to the Share Plans and/or establish further plans based on the Share Plans but modified to take account of local securities laws, exchange controls or tax laws, provided that any Ordinary Shares made available under such schedules and/or plans are treated as counting against the limits on individual participation and the overall dilution limits applicable under the relevant Share Plan.

The above summaries do not form part of the rules of any of the Share Plans and should not be taken as affecting the interpretation of their detailed terms and conditions. The Directors and/or Remuneration Committee, as appropriate, reserve the

right up to the time of the adoption of the Share Plans to make such amendments and additions to the rules of the Share Plans as they consider appropriate provided that such amendments do not conflict in any material respect with the above summaries.

7.4 Proposed Initial Awards

It is intended that on or before Admission, Directors and certain employees will be granted awards on the following basis:-

Number of Ordinary Shares	Share Plan*	Exercise Price per Ordinary Share	Exercise Period
949,996	EMI Plan	Placing Price	up to the tenth anniversary of the Date of Grant
800,004	LTIP	£0.0025	up to the tenth anniversary of the Date of Grant

*Note that Directors and certain employees are also to be invited to participate in the SAYE Plan.

The proposed initial awards to be granted to Directors (which are included in the aggregate number of Ordinary Shares referred to above in this paragraph 7.4) under the EMI Plan and LTIP are detailed in paragraph 8.6 of Part V.

8 DIRECTORS' AND OTHER INTERESTS

8.1 The Directors of the Company and their respective functions are set out in Part I of this document.

8.2 Details of any directorship that is or was in the last five years held by each of the Directors, and any partnership of which each of the Directors is or was in the last five years a member, in addition to their directorship of the Company, are set out below:-

Name	Current directorships and partnerships	Previous directorships and partnerships
John Russell Atkinson	Accident Helpline Limited (03376862) Consumer Champion Group Limited (06792959) Lawyers Agency Services Limited (04158877) NAH Group Limited (05607259) NAH Holdings Limited (06352848) NAH Legal Services Limited (04856670) NAH Support Services Limited (03600594) National Accident Helpline Limited (02857601) Tiger Claims Limited (03957835) Your Law Limited (03876887)	
Stephen Dolton	Accident Helpline Limited (03376862) Consumer Champion Group Limited (06792959) Lawyers Agency Services Limited (04158877) NAH Group Limited (05607259)	NCP Services Limited (06033060) NCP Services Topco Limited (06181220) Nirvana Bond Limited (07302505) NSL Finance Limited (07320939)

Name	Current directorships and partnerships	Previous directorships and partnerships
Robert Stephen Halbert	NAH Holdings Limited (06352848) NAH Legal Services Limited (04856670) NAH Support Services Limited (03600594) National Accident Helpline Limited (02857601) Tiger Claims Limited (03957835) Your Law Limited (03876887)	N.S.L. Investments Limited (07320999) PPI Claimline Limited (05659020) Seebeck 62 Limited (07468635) Employment Services Holdings Pty Limited (ABN 31 124 159 502) GVA Grimley Holdings Limited (06434650) Hamsard 3288 Limited (08058896) Consumer Champion Group Limited (06792959) NAH Holdings Limited (06352848)
Samantha Jacqueline Porteous	PPI Claimline Limited (05659020) Seebeck 62 Limited (07468635) Equilibrium Claims Limited	Accident Helpline Limited (03376862) Consumer Champion Group Limited (06792959) Lawyers Agency Services Limited (04158877) National Accident Helpline Limited (02857601) NAH Group Limited (05607259) NAH Holdings Limited (06352848) NAH Legal Services Limited (04856670) NAH Support Services Limited (03600594) Seebeck 69 Limited (07914675) Seebeck 70 Limited (07913074) Tiger Claims Limited (03957835) Your Law Limited (03876887)

8.3 Save as disclosed in this document, none of the Directors:-

- (a) is currently a director of a company or a partner in a partnership or has been a director of a company or a partner in a partnership within the five years immediately preceding the date of this document;
- (b) has any unspent convictions in relation to indictable offences;
- (c) has been declared bankrupt or has entered into an individual voluntary arrangement;

- (d) was a director of any company at the time of or within the 12 months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors with which such company was concerned;
- (e) was a partner in a partnership at the time of or within the 12 months preceding any compulsory liquidation, administration or voluntary arrangement of that partnership;
- (f) has had any asset which has been subject to a receivership or was a partner in a partnership at the time of or within the 12 months preceding any asset of the partnership being subject to a receivership; or
- (g) has been the subject of any public criticism by any statutory or regulatory authority (including any recognised professional body) nor has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

8.4 The interests of the Directors and their immediate families, all of which are beneficial (unless otherwise stated), and of connected persons within the meaning of section 252 of the Companies Act, in the issued share capital of the Company as at the date of this document and as they are expected to be on Admission, together with the percentages which such interests represent of the Ordinary Shares in issue are as follows:-

	At the date of this document		On Admission	
	Number of issued Ordinary Shares held	Percentage of issued Ordinary Share Capital	Number of issued Ordinary Shares	Percentage of issued Ordinary Share Capital
John Russell Atkinson	453,111	1.13	340,780	0.83
Stephen Dolton	1,132,179	2.83	851,498	2.07
Robert Stephen Halbert ¹	859,370	2.15	645,658	1.57
Samantha Jacqueline Porteous	4,306,184	10.77	3,101,184	7.54

¹ Robert Stephen Halbert is a limited partner with an 1/8 interest in LDC Opportunity Club 2009 which has 23,506 Ordinary Shares (being 0.06% of the issued Ordinary Share capital) as at the date of this document and is expected to have 12,356 Ordinary Shares (being 0.03% of the issued Ordinary Share capital) on Admission. Mr Halbert's interest as at the date of this document as disclosed above consists of 856,432 Ordinary Shares directly held and 2,938 Ordinary Shares (being 1/8 of LDC Opportunity Club 2009's 23,506 Ordinary Shares) indirectly held. Mr Halbert's expected interest as at the date of Admission as disclosed above consists of 644,113 Ordinary Shares directly held and 1,545 Ordinary Shares (being 1/8 of LDC Opportunity Club 2009's 12,356 Ordinary Shares) indirectly held.

8.5 In addition to the interests of the Directors set out in paragraph 8.4 above, as at the date of this document, insofar as is known to the Company, each of the following persons will as at the date of this document and immediately following Admission hold more than 3% of the voting rights as a Shareholder through his direct or indirect holding of financial instruments:-

	At the date of this document		On Admission	
	Number of issued Ordinary Shares held	Percentage of issued Ordinary Share Capital	Number of issued Ordinary Shares	Percentage of issued Ordinary Share Capital
Inflexion 2006 General Partner Limited	7,051,927	17.63	3,706,927	9.01
Inflexion Co-Investment Limited	4,701,285	11.75	2,471,285	6.01
Lloyds Development Capital (Holdings) Limited ¹	9,672,893	24.18	5,084,668	12.36
Alan Stewart Kennedy	6,298,192	15.75	3,763,192	9.15
OBS 2009	2,056,812	5.14	1,081,187	2.63

	At the date of this document		On Admission	
	Number of issued Ordinary Shares held	Percentage of issued Ordinary Share Capital	Number of issued Ordinary Shares	Percentage of issued Ordinary Share Capital
Axa Investment Managers UK Limited	0	0	3,625,000	8.81
Investec Asset Management Limited	0	0	3,200,000	7.78
Old Mutual Asset Managers (UK) Limited	0	0	2,811,000	6.83
River and Mercantile Asset Management LLP	0	0	2,250,000	5.47
Hargreave Hale Limited	0	0	1,500,000	3.65

¹ The above figures regarding the holdings of Lloyds Development Capital (Holdings) Limited does not include the holdings of LDC Opportunity Club 2009 and OBS 2009. LDC Opportunity Club 2009 has 23,506 Ordinary Shares (being 0.06% of the issued Ordinary Share capital) as at the date of this document and is expected to have 12,356 Ordinary Shares (being 0.03% of the issued Ordinary Share capital) on Admission. OBS 2009 has 2,056,812 Ordinary Shares (being 5.14% of the issued Ordinary Share capital) as at the date of this document and is expected to have 1,081,187 Ordinary Shares (being 2.63% of the issued Ordinary Share capital) on Admission. Whilst Lloyds Development Capital (Holdings) Limited, LDC Opportunity Club 2009 and OBS 2009 are not connected persons within the meaning of section 252 of the Companies Act, they are connected by virtue of the fact that certain of the general partners of and or participants in LDC Opportunity Club 2009 and OBS 2009 are the same as certain of the directors of Lloyds Development Capital (Holdings) Limited.

In connection with the Placing, Espirito Santo Investment Bank and certain of its affiliates, acting as investors for their own accounts, will acquire 1.9 per cent. of the Ordinary Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Ordinary Shares and other securities of the Company or related investments in connection with the Placing or otherwise.

8.6 It is intended that on or before Admission, Directors will be granted awards on the following basis:-

Director	Number of Ordinary Shares	Share Plan*	Exercise Price per Ordinary Share	Exercise Period
John Russell Atkinson	124,999	EMI Plan	Placing Price	up to the tenth anniversary of the Date of Grant
Stephen Dolton	124,999	EMI Plan	Placing Price	up to the tenth anniversary of the Date of Grant
John Russell Atkinson	312,501	LTIP	£0.0025	up to the tenth anniversary of the Date of Grant
Stephen Dolton	237,501	LTIP	£0.0025	up to the tenth anniversary of the Date of Grant

* Note that Directors are also to be invited to participate in the SAYE Plan.

8.7 Save as set out below or otherwise disclosed in this document, none of the Directors nor any person connected with the Directors (within the meaning of section 252 of the Companies Act 2006) holds or is beneficially or non beneficially interested, directly or indirectly, in any share capital or loan capital of the Company or any of its subsidiary undertakings, or in any options to subscribe for or securities convertible into shares of the Company or any of its subsidiary undertakings.

The Directors (other than Samantha Porteous) have loans and deferred consideration outstanding to be repaid to the Group. These amounts do not bear interest. The total amount outstanding under these arrangements is £166,621.97, £103,516.02 of which is due from Steve Dolton (Director), £28,803.30 of which is due from Russell Atkinson (Director) and £34,302.65 of which is due from Steve Halbert (Director). It is anticipated that these amounts will be repaid immediately prior to Admission.

The participants under the Employee Benefit Trust established by NAH Holdings Limited (the "EBT") have loans and deferred consideration outstanding to be repaid to the Group. The total amount outstanding and due to the EBT under those arrangements is £110,031 in aggregate. It is anticipated that these amounts will be repaid immediately prior to Admission.

In addition to the sums outstanding from the Directors and the participants under the EBT, certain other shareholders have loans and deferred consideration outstanding to be repaid to the Group. The total amount outstanding and due under those arrangements is £224,698.53 in aggregate. It is anticipated that these amounts will be repaid immediately prior to Admission.

- 8.8 Save as disclosed in this document, no Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group during the current or immediately preceding financial year and which was effected by the Group and remains in any respect outstanding or unperformed.
- 8.9 Save as disclosed in this document, there are no loans made or guarantees granted or provided by the Company or the Group to or for the benefit of any Director which are outstanding.
- 8.10 There are no arrangements known to the Company, the operation of which may at a subsequent date result in a change of control of the Company.
- 8.11 Neither the Directors nor any major Shareholders have different voting rights to the other Shareholders.
- 8.12 None of the Directors or members of their family has a financial product whose value in whole or in part is determined directly or indirectly by reference to the price of the Ordinary Shares.

9 DIRECTORS' REMUNERATION AND SERVICE AGREEMENTS

- 9.1 The executive Directors have entered into service contracts and the non-executive Directors have entered into appointment letters which are summarised below. Save for these agreements there are no service agreements between any Director and the Company or any of the subsidiaries not determinable without payment of compensation (other than statutory compensation) within one year and none are proposed to be entered into.

(a) Russell Atkinson

With effect from Admission Russell Atkinson has entered into a service agreement with the Company for his employment as Chief Executive Officer. His period of continuous employment began on 1 October 2012. Under the agreement, Mr Atkinson is entitled to an annual salary of £205,250, reviewed annually (although the Company is under no obligation to increase the salary) and a non-pensionable car allowance of £16,193 per annum. He is also entitled to participate in an annual bonus scheme which is based on the Company's financial performance in each financial year.

The agreement is terminable on nine months' notice by either party subject to the proviso that the earliest that either party can terminate the agreement is fifteen months after Admission. The agreement contains restrictive covenants relating to competition, customers, suppliers and employees and provisions for the protection of the intellectual property and confidential information of the Group.

(b) Stephen Dolton

With effect from Admission Stephen Dolton has entered into a service agreement with the Company for his employment as Chief Financial Officer. His period of continuous employment began on 13 February 2012. Under the agreement, Mr Dolton is entitled to an annual salary of £164,200, reviewed annually (although the Company is under no obligation to increase the salary) and a non-pensionable car allowance of £12,954 per annum. He is also entitled to participate in an annual bonus scheme which is based on the Company's financial performance in each financial year. Mr Dolton is permitted to work on matters not associated with this role one day per week subject to the proviso that the work is not in competition with the business of any company in the Group with which Mr Dolton is included or concerned and providing such work would not result in him being in breach of his agreement.

This agreement is terminable on 6 months' notice by either party subject to the proviso that the earliest that either party can terminate the agreement is twelve months after Admission. The agreement contains restrictive covenants relating to competition, customers, suppliers and employees and provisions for the protection of the intellectual property and confidential information of the Group.

(c) Robert Stephen Halbert

Robert Stephen Halbert is a non-executive director and chairman of the Company. With effect from Admission, Mr Halbert has entered into a non-executive letter of appointment at an annual fee of £80,000. The fee is subject to an annual review and covers all duties, including service on or chairmanship of any board committee. The agreement states that a time commitment of 35 days per annum is anticipated which includes attendance at eight or nine board meetings, the annual general meeting, any general meeting, one board away day and at least one Panel Law Firms' day per year. In addition Mr Halbert is also required to serve on any committee of the board of directors of any group company as the board may require.

The appointment is for an initial term of three years commencing on Admission but it is terminable by either the Company or Mr Halbert giving three months' notice. The letter of appointment contains a restrictive covenant relating to competition and a provision for the protection of the confidential information of the Group. It is governed by the laws of England and Wales.

(d) Samantha Porteous

Samantha Porteous was the Chief Executive Officer of Consumer Champion Group Limited. From Admission Ms Porteous has entered into a non executive letter of appointment. Under the agreement Ms Porteous is entitled to an annual fee of £40,000 as well as a fee of £5,000 gross per annum in respect of her position as chair of the remuneration committee. The fees are subject to an annual review. The agreement states that a time commitment of 24 days per annum is anticipated which includes attendance at eight or nine board meetings, the annual general meeting, any general meeting, one board away day and at least one Panel Law Firms' day per year. In addition Ms Porteous is also required to serve on any committee of the board of directors of any group company as the board may require. In the event that she is required to serve on any such committee she is to be provided with details of any additional fees that may be involved.

The appointment is for an initial term of three years commencing on Admission but it is terminable by either the Company or Ms Porteous giving three months' notice. The letter of appointment contains a restrictive covenant relating to competition and a provision for the protection of the confidential information of the Group. It is governed by the laws of England and Wales.

9.2 As at the date of this document, the NAH Group Limited Employee Benefit Trust holds assets of approximately £670,000. Upon realisation of those assets, the proceeds will be distributed to the Directors and employees by way of bonuses, with such bonuses expected to be paid out shortly after Admission. Therefore, in addition to the contractual entitlements of the Directors as set out in paragraph 9.1 above, it is expected that the Directors will receive the following amounts following Admission under these bonus arrangements:

- (a) Steve Dolton will receive £150,000 by way of a transaction bonus and approximately £21,000 in respect of certain other bonus payments (such other bonus payments principally to compensate Mr Dolton for certain rights relinquished by him pursuant to the Demerger);
- (b) Steve Halbert will receive £100,000 by way of a transaction bonus and approximately £5,000 in respect of certain other bonus payments (such other bonus payments principally to compensate Mr Halbert for certain rights relinquished by him pursuant to the Demerger);
- (c) Russell Atkinson will receive £40,000 by way of a transaction bonus and approximately £19,000 in respect of certain other bonus payments (such other bonus payments principally to compensate Mr Atkinson for certain rights relinquished by him pursuant to the Demerger); and

(d) Samantha Porteous will receive a bonus of approximately £1,000.

As at 31 December 2013 the cash balance of the NAH Group Limited Employee Benefit Trust was £434,000. Such sum is included in the £14,249,000 figure for the Group's cash and cash equivalents as at 31 December 2013 as referred to at Note 20(a) on page 64 of this document.

10 WORKING CAPITAL

The Directors are of the opinion, having made due and careful enquiry, that the Group will from the time of Admission have sufficient working capital for its present requirements, that is for at least 12 months from the date of Admission.

11 MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company or the Group during the two years immediately preceding the date of this document and are or may be material:-

11.1 Share Exchange Agreement

Under the Share Exchange Agreement (details of which are set out at paragraph 4.2(a) of this part V, the original CCGL shareholders agreed to transfer their shares in CCGL to the Company in consideration for the allotment and issue of shares in the capital of the Company.

11.2 New Investment Agreement

Under an investment agreement dated 15 May 2014 between the Shareholders and the Company, the parties agreed terms on which the management of the Company would be undertaken. The agreement contains certain restrictions on the running of the Company without the consent of certain shareholders. The investment agreement was terminated on 22 May 2014.

11.3 Demerger Agreement

Under a demerger agreement dated 16 May 2014 between the Shareholders, the Company and Equilibrium Claims Limited, the Company agreed to reduce its share premium account and transfer its former subsidiary Seebeck (thereby transferring Seebeck to Equilibrium Claims Limited) in consideration for the allotment and issue to the Shareholders of new shares in Equilibrium Claims Limited. As part of the demerger arrangements, CCGL waived an intercompany loan owed by Seebeck to CCGL.

11.4 Transitional Services Agreement

Under a transitional services agreement dated 16 May 2014 between PPI Claimline Limited and National Accident Helpline Limited, National Accident Helpline Limited has agreed to provide assistance to PPI Claimline Limited, on a transitional basis, by way of the provision of certain services previously provided by (or on behalf of) National Accident Helpline Limited and the Group generally to PPI Claimline Limited. Such transitional services shall be provided pursuant to the terms of the agreement and are subject to a long stop date of 31 December 2015.

11.5 Facility Agreement

CCGL and Clydesdale Bank Plc (trading as Yorkshire Bank) ("**Yorkshire Bank**") entered into a facility agreement dated 23 June 2009 (as amended by amendment agreements dated 16 October 2009, 18 January 2010, 23 March 2010, 11 April 2013, 11 September 2013, 14 November 2013, 20 December 2013 and an amendment and restatement agreement dated 9 February 2011) (the "**Facility Agreement**"), pursuant to which Yorkshire Bank provided the Group with a sterling term loan facility of £15,000,000 and a sterling term loan facility of £7,000,000. Debentures and intercompany cross guarantees have been given by CCGL, NAH Holdings Limited, NAH Group Limited, NAH Limited and Lawyer Agency Services Limited in connection with those facilities. As at 31 December 2013 the balance

outstanding under the Facility Agreement comprised £6,827,000 (see Note 16 on pages 60 and 61 of this document). All sums due under the Facility Agreement are fully repayable by 31 December 2014.

11.6 Facility Agreement Amendment, Consent and Security Confirmation Deed

Under an amendment and consent and security confirmation deed dated 13 May 2014 (the “**YB Deed**”) between (1) Yorkshire Bank as lender, (2) CCGL as borrower and (3) the CCG Obligors and the PPI Obligors (as defined therein) the parties agreed to amend the terms of the Facility Agreement and Yorkshire Bank agreed to consent to the proposed Demerger and Admission. In particular Yorkshire Bank agreed that the change of control brought about as a result of the Admission would not breach the facility agreement and would not require CCGL to prepay the loan. In connection with the YB Deed certain members of the Group acceded to an existing intercreditor agreement with Yorkshire Bank, granted charges and cross guarantees in favour of Yorkshire Bank and entered into a deed of termination to terminate existing cross guarantees in favour of Yorkshire Bank.

11.7 Placing Agreement

Under an agreement dated 22 May 2014 and made between the Company, the Directors, Espirito Santo Investment Bank and the Selling Shareholders (the “**Placing Agreement**”), subject to certain conditions, the Company has agreed to issue 1,150,000 new Ordinary Shares (the “**Subscription Shares**”) to subscribers and the Selling Shareholders have agreed to sell 16,350,000 existing Ordinary Shares (the “**Sale Shares**”) to purchasers, by way of a conditional placing (the “**Placing**”), such subscribers and purchasers having been procured by Espirito Santo Investment Bank, acting as agent for the Company and the Selling Shareholders, as the case may be.

Espirito Santo Investment Bank has agreed to use reasonable endeavours to place the Subscription Shares and the Sale Shares (the “**Placing Shares**”) at the Placing Price. The Placing Agreement is conditional, *inter alia*, upon Admission occurring not later than 8.00 a.m. on 29 May 2014 (or such later date as the Company and Espirito Santo Investment Bank may agree).

Under the Placing Agreement, the Directors and the Selling Shareholders have given certain warranties and indemnities to Espirito Santo Investment Bank concerning themselves and the Placing Shares. The Selling Shareholders and the Company have agreed to pay certain fees and commission to Espirito Santo Investment Bank as set out in the Placing Agreement.

The Directors have agreed not to dispose of Ordinary Shares in the Company held by them for a period of 12 months from the date of Admission subject to certain exceptions. The Directors have also agreed that for the period of 12 months following the expiry of the period referred to above, any disposal of Ordinary Shares held by them shall, subject to certain exceptions, be effected through Espirito Santo Investment Bank.

The Institutional Shareholders have agreed not to dispose of Ordinary Shares in the Company held by them for a period of six months from the date of Admission subject to certain exceptions. The Institutional Shareholders have also agreed that for the period of six months following the expiry of the period referred to above, any disposal of Ordinary Shares held by them shall be, subject to certain exceptions, effected through Espirito Santo Investment Bank.

Espirito Santo Investment Bank may terminate the Placing Agreement in specified circumstances prior to Admission, principally in the event that it comes to the knowledge of Espirito Santo Investment Bank that any of the warranties given by the Directors and the Company was untrue, inaccurate or misleading when made and/or that any of those warranties would be untrue, inaccurate or misleading if it were to be repeated at any time prior to Admission by reference to the facts, matters and circumstances then subsisting, in either case in the reasonable opinion of Espirito Santo Investment Bank (acting in good faith) which would be material in the context of the Admission or the Placing.

The following table contains details of the Shareholders who will sell the Sale Shares pursuant to the Placing (the “**Selling Shareholders**”) and the Sale Shares to be sold by them pursuant to the Placing:

Name	Number of Sale Shares	Name and address of Selling Shareholder	Position, office or material relationship with the Group during the past three years
Inflexion 2006 General Partner Limited	3,345,000	Address: 9 Mandeville Place, London, W1U 3AY	Previous shareholder of CCGL and current shareholder of the Company
Inflexion Co-Investment Limited	2,230,000	Address: 9 Mandeville Place, London, W1U 3AY	Previous shareholder of CCGL and current shareholder of the Company
Lloyds Development Capital (Holdings) Limited	4,588,225	Address: One Vine Street, London, W1J 0AH	Previous shareholder of CCGL and current shareholder of the Company
LDC Opportunity Club 2009	11,150	Address: Quay 2, 139 Fountainbridge, Edinburgh, EH3 9QG	Previous shareholder of CCGL and current shareholder of the Company
OBS 2009	975,625	Address: Quay 2, 139 Fountainbridge, Edinburgh, EH3 9QG	Previous shareholder of CCGL and current shareholder of the Company
Robert Stephen Halbert	212,319*	Address: 1430 Montagu Court, Kettering Parkway, Kettering, Northamptonshire, NN15 6XR	Previous shareholder of CCGL and current shareholder of the Company. Previous director and current director of certain companies in the Group.
John Russell Atkinson	112,331*	Address: 1430 Montagu Court, Kettering Parkway, Kettering, Northamptonshire, NN15 6XR	Previous shareholder of CCGL and current shareholder of the Company. Previous director and current director of certain companies in the Group.
Stephen Dolton	280,681*	Address: 1430 Montagu Court, Kettering Parkway, Kettering, Northamptonshire, NN15 6XR	Previous shareholder of CCGL and current shareholder of the Company. Previous director and current director of certain companies in the Group.
Samantha Jacqueline Porteous	1,205,000*	Address: 1430 Montagu Court, Kettering Parkway, Kettering, Northamptonshire, NN15 6XR	Previous shareholder of CCGL and current shareholder of the Company. Previous director and current director of certain companies in the Group.
Alan Stewart Kennedy	2,535,000*	Address: 1430 Montagu Court, Kettering Parkway, Kettering, Northamptonshire, NN15 6XR	Previous shareholder of CCGL and current shareholder of the Company. Current employee of the Group.
Alan Stewart Kennedy and Samantha Jacqueline Porteous, as trustees of the NAH Group Limited Employee Benefit Trust	291,621*	Address: 1430 Montagu Court, Kettering Parkway, Kettering, Northamptonshire, NN15 6XR	See above for Alan Stewart Kennedy and Samantha Jacqueline Porteous. The EBT is a previous shareholder of CCGL and current shareholder of the Company.
Beth Powell	117,948*	Address: 1430 Montagu Court, Kettering Parkway, Kettering,	Previous shareholder of CCGL and current shareholder of the Company. Current employee of the Group.

Name	Number of Sale Shares	Name and address of Selling Shareholder	Position, office or material relationship with the Group during the past three years
Jonathan David Merry	82,603*	Northamptonshire, NN15 6XR Address: 1430 Montagu Court, Kettering Parkway, Kettering, Northamptonshire, NN15 6XR	Previous shareholder of CCGL and current shareholder of the Company. Former employee of the Group.
Richard Rickwood	117,948*	1430 Montagu Court, Kettering Parkway, Kettering, Northamptonshire, NN15 6XR	Previous shareholder of CCGL and current shareholder of the Company. Former employee of the Group.
Janet Catherine Tilly	47,113*	1430 Montagu Court, Kettering Parkway, Kettering, Northamptonshire, NN15 6XR	Previous shareholder of CCGL and current shareholder of the Company. Former employee of the Group.
Stephen George Baker	49,661*	1430 Montagu Court, Kettering Parkway, Kettering, Northamptonshire, NN15 6XR	Previous shareholder of CCGL and current shareholder of the Company. Former employee of the Group.
Adam Christian Rhodes	147,775*	1430 Montagu Court, Kettering Parkway, Kettering, Northamptonshire, NN15 6XR	Previous shareholder of CCGL and current shareholder of the Company. Former employee of the Group.

* Note: Registered title to the relevant Sale Shares is in name of Capita Nominees Limited, as nominee for the beneficial holder whose name is referred to above. Capita Nominees Limited will sell the Sale Shares as nominee for the beneficial holders.

11.8 Lock-in Agreements

In addition to the lock-in and orderly market arrangements that apply to the Directors and Institutional Shareholders under the Placing Agreement as referred to in paragraph 11.7 above, under individual lock-in and orderly market agreements between the Other Locked-in Shareholders, Espirito Santo Investment Bank and the Company, the Other Locked-in Shareholders have agreed not dispose of Ordinary Shares in the Company held by them for a period of 12 months from the date of Admission subject to certain exceptions. The Other Locked-in Shareholders have also agreed that for the period of 12 months following the expiry of the period referred to above, any disposal of Ordinary Shares held by them shall, subject to certain exceptions, be effected through Espirito Santo Investment Bank.

11.9 Nominated Adviser and Corporate Broker Agreement

Under an agreement dated 22 May 2014 and made between the Company and Espirito Santo Investment Bank (the “**Nomad Agreement**”) the Company has, conditional on Admission, appointed Espirito Santo Investment Bank to act as nominated adviser and corporate broker to the Company for the purposes of the AIM Rules.

The Company has agreed to pay Espirito Santo Investment Bank a fee of £70,000 per annum for its services as nominated adviser and broker under the Nomad Agreement, together with all reasonable out of pocket expenses and VAT.

The Nomad Agreement contains certain indemnities and undertakings given by the Company.

The Nomad Agreement continues for an initial period of 12 months from Admission and thereafter may be terminated by either party giving the other three months’ written notice.

11.10 Registrar's Agreement

Under an agreement dated 22 May 2014, Capita Registrars Limited (the "**Registrar**") has been appointed to act as the Company's registrar and to perform various services in connection with the registration of the Ordinary Shares and certain related matters.

The Registrar Agreement is for an initial period of three years, and thereafter will continue until terminated by either party giving not less than 6 months notice.

11.11 Aardman Agreement

NAH Limited and Aardman Animations Limited ("**Aardman**") entered into an agreement dated 31 August 2010 (varied by a variation agreement dated 3 October 2012) pursuant to which the Group has the right to use three versions of the "Underdog" character (the "**Character**") and up to six variations created by NAH Limited depicting different injuries to promote NAH Limited's products. Under that agreement, Aardman retains the rights in the Character but NAH Limited is granted rights to use the Character. The agreement grants exclusivity to NAH Limited to use the Character in the relevant NAH Limited business fields in the UK, Isle of Mann and Channel Islands in perpetuity. However, Aardman can use the Character and license third parties to use the Rex the Runt character on which the Character is based in any field. Aardman has a first right of refusal to create additional work e.g. commercials relating to/variations of the Character and if third parties are commissioned to create the commercials involving the Character for NAH Limited, NAH Limited must pay 10% of the budget to Aardman.

11.12 CST Agreement

NAH Limited and Chick Smith and Trott Limited ("**CST**") entered into a media agency agreement dated 7 May 2010 (the "**CST Agreement**"). The CST Agreement is on NAH Limited standard terms. CST provides the services in return for a fixed monthly fee and a performance related bonus payment structure. The agreement has been novated to The Gate Worldwide Limited, the company that has been performing the services. The novation included an retrospective assignment of intellectual property created by or for The Gate Worldwide Limited to NAH Limited, in line with the original intellectual property provisions in the agreement. The agreement contains a non-compete provision on CST/ The Gate Worldwide Limited for the term of the agreement and one year after. NAH Limited will own all rights created by CST for NAH Limited in connection with its products and services under the CST Agreement and rights in materials commissioned from third parties, to the extent an assignment can be agreed. The Gate Worldwide Limited has contracted on behalf of NAH Limited with voice over actors and EMI (the music licensing organisation) for NAH Limited's advertisements. These contracts include usage rights for NAH Limited.

11.13 Atom 42 Agreement

NAH Limited and Atom 42 Limited ("**Atom 42**") entered into an agreement dated 17 May 2010 (the "**Atom 42 Agreement**"). Under the Atom 42 Agreement, Atom 42 provides search engine optimisation, pay per click and digital advertising analysis and related services to NAH Limited. The Atom 42 Agreement is on NAH Limited standard terms. Atom 42 provides the services in return for a fixed monthly fee and a performance related bonus payment structure. The Atom 42 Agreement contains a non-compete provision restricting Atom 42 for the term of the Atom 42 Agreement and 1 year after. NAH Limited will own all rights in deliverables created by Atom 42 for NAH Limited in connection with its products and services under the Atom 42 Agreement, which will include pay per click accounts created by Atom 42 for NAH Limited.

12 EMPLOYEES

The Group employed on average 161 people during the financial year ended 31 December 2011 (131 excluding PPI Claimline Limited), 283 people during the financial year ended 31 December 2012 (132 excluding PPI Claimline Limited) and 272 people during the financial year ended 31 December 2013 (124 excluding PPI Claimline Limited). During the most recent financial year being the financial year ended 31 December 2013, the Group engaged three temporary staff which are included in the employee figures aforementioned.

13 LITIGATION

No member of the Group is or has been involved in any legal or arbitration proceedings which are active, pending or threatened against it, or being brought by it, which are having or may have a significant effect on the Group's financial position or profitability.

14 UK TAXATION

14.1 The following statements are intended only as a general guide to certain aspects of current UK tax law and HM Revenue and Customs practice, and summarise advice received by the Directors about the UK tax position of Shareholders who are resident (and in the case of individuals ordinarily resident) in the UK, holding shares as investments and not as securities to be realised in the course of a trade. The implications for Shareholders who acquire any shares or rights over shares in connection with an employment contract have not been considered.

14.2 It should be noted that although a number of UK tax treatments referred to below refer to unquoted shares, shares on AIM are generally treated as unquoted for these purposes.

14.3 The statements made relate to shareholders who are resident and ordinarily resident in the UK for tax purposes, holding new Ordinary Shares as investments and not as an asset of a financial trade.

14.4 Any person who is in any doubt as to his tax position or is resident in a tax jurisdiction other than the UK should consult his own tax advisers. Any person who is in any doubt about their tax position or who is subject to taxation in a jurisdiction other than the UK should consult their own professional adviser.

14.5 The information in these paragraphs is intended as a general summary of the UK tax position and, should not be construed as constituting advice.

14.6 Taxation of dividends

- (a) Any UK resident Shareholder who receives a dividend is entitled to a 'tax credit' of a proportion of the dividend received. The income chargeable on the Shareholder is the sum of the dividend received plus the tax credit, with the tax credit being available against the liability. Dividend income from the Company will be treated as forming the highest part of a Shareholder's income.
- (b) The income tax rates are 10 per cent., 32.5 per cent. or 37.5 per cent. depending on the taxable income of the individual. After deducting the tax credit the effective rate of income tax on dividend income is 0 per cent., 25 per cent. or 30.55 per cent. respectively.
- (c) UK resident shareholders who do not pay income tax or whose liability to income tax on the dividend and related tax credit is less than the tax credit, including pension funds, charities and certain individuals are not generally entitled to claim repayment of any part of the tax credit associated with the dividend from HM Revenue & Customs.
- (d) A UK-tax resident corporate Shareholder of non-redeemable Ordinary Shares in the Company that receives a dividend paid by the Company will not be subject to tax in respect of that dividend subject to certain exceptions.
- (e) Trustees of discretionary trusts receiving dividends from shares are also liable to account for income tax at the dividend trust rate, currently 37.5 per cent.
- (f) Whether a shareholder who is not resident in the UK for tax purposes is entitled to a tax credit in respect of dividends paid by the Company and to claim payment of any part of the tax credit will depend, in general, on the provisions of any double taxation convention which exists between the shareholder's country of residence and the UK. A non-UK resident shareholder may also be subject to foreign taxation on dividend income.
- (g) Persons who are not resident in the UK should consult their own tax advisers on the possible application of such provisions or what relief or credit may be claimed in the jurisdiction in which they are resident.

14.7 Taxation of chargeable gains

- (a) For the purpose of UK tax on chargeable gains, the transfer of Ordinary Shares pursuant to the Placing will be regarded as an acquisition of a new holding in the share capital of the Company.
- (b) The Ordinary Shares so transferred will, for the purpose of tax on chargeable gains, be treated as acquired on the date of transfer. The amount paid for the Ordinary Shares will usually constitute the base cost of a shareholder's holding.
- (c) If a Shareholder disposes of all or some of his or her Ordinary Shares, a liability to tax on chargeable gains may, depending on their circumstances and subject to any available exemptions or reliefs, arise.
- (d) A UK resident, ordinarily resident and domiciled individual Shareholder who disposes (or is deemed to dispose) of all or any of their shares may be liable to capital gains tax in relation thereto at rates up to 28 per cent., subject to any available exemptions or reliefs.
- (e) An individual UK Shareholder who ceases to be resident or ordinarily resident in the UK for a period of less than five complete years and who disposes of the shares held prior to departure during that period of temporary non residence may, under anti-avoidance legislation, be liable to capital gains tax on his or her return to the UK. Shareholders in this situation should obtain specific advice in relation to the Statutory Residence Test legislation.
- (f) A UK resident corporate Shareholder disposing of its shares in the Company may be liable to corporation tax on chargeable gains arising on the disposal at the corporation tax rate applicable to its taxable profits (currently 20 to 23 per cent.).
- (g) In computing the chargeable gain liable to corporation tax the corporate Shareholder is entitled to deduct from the disposal proceeds the cost to it of the shares together with incidental costs of acquisition, as increased by an indexation allowance to adjust for inflation, and disposal costs.
- (h) The UK operates a substantial shareholding exemption regime which may apply to the disposal of shares in the Company, by a corporate shareholder, subject to certain conditions being met.

14.8 Inheritance tax ("IHT")

- (a) Individuals and trustees subject to IHT in relation to a shareholding in the Company may be entitled to business property relief of up to 100 per cent. after a holdings period of two (2) years providing that all the relevant conditions for the relief are satisfied at the appropriate time.
- (b) In the absence of IHT business property relief the value of the shareholding will be subject to IHT in the event of death or a chargeable lifetime transfer at rates up to 40 per cent. subject to any available exemptions or other reliefs.
- (c) You should consult your taxation adviser if you are concerned with the potential IHT implications of your shares in the Company.

14.9 Stamp Duty and Stamp Duty Reserve Tax

- (a) No stamp duty or stamp duty reserve tax will generally be payable on the issue of new Ordinary Shares.
- (b) The UK government has announced its intention to offer full relief from stamp duty and stamp duty reserve tax ("**SDRT**") on transactions in shares admitted to trading only on "recognised growth markets", including AIM, with effect from 28 April 2014. The legislation giving effect to this measure (Finance Bill 2014) is not expected to receive royal assent until late July 2014. Transfers of Ordinary Shares will qualify for this relief following Admission.
- (c) The UK has specific statutory procedures enabling tax laws to be changed with immediate effect on a provisional basis pending passing of the relevant implementing legislation. Those procedures have been invoked by the UK government in order to give effect to the relief from SDRT, with the result that as a matter of law SDRT is

no longer chargeable in respect of qualifying agreements to transfer shares. However, those procedures do not enable immediate effect to be given to the relief from stamp duty. In consequence of this, stamp duty will technically remain payable on documents of transfer relating to Ordinary Shares following Admission until royal assent of the Finance Bill 2014 notwithstanding the announced policy.

- (d) On the assumption that the relevant provisions of the Finance Bill 2014 are enacted in their current form, the relief from stamp duty will be backdated to 28 April 2014, and if any stamp duty has been paid after that date on a document transferring Ordinary Shares following Admission it will be refundable after royal assent. In the meantime it is understood that HMRC does not intend to seek to levy stamp duty on documents of transfer of shares admitted to trading on recognised growth markets.
- (e) If at any point prior to royal assent of the Finance Bill 2014 a document effecting a transfer of Ordinary Shares following Admission attracting stamp duty is created, the purchaser will need to ensure that the document is duly stamped before the transfer can be recorded on the Company's register of members. Where stamp duty would be due in the absence of the new relief, this will necessitate submitting the document to HMRC for adjudication as exempt on a discretionary basis.
- (f) Where a transfer of Ordinary Shares following Admission is settled within CREST in the usual way, so no document effecting, or acting as a memorandum of, that transfer is created, no liability to stamp duty will arise and the new relief from SDRT will be fully effective.
- (g) If the relevant provisions of the Finance Bill 2014 were not passed into law, the relief from SDRT on transactions in shares admitted to trading on AIM (such as the Ordinary Shares following Admission) would fall away with prospective (rather than retrospective) effect. The position in relation to any stamp duty liabilities arising during the intervening period would be unclear.

If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than in the UK, you should consult your professional adviser immediately.

15 MANDATORY BIDS, SQUEEZE OUT AND SELL OUT RULES

15.1 Mandatory bid

The Takeover Code applies to the Company. Under the Code, if an acquisition of Ordinary Shares were to increase the aggregate interest in shares of the acquirer and any parties acting in concert with it to Ordinary Shares carrying 30 per cent or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties (if any) would be required (except with the consent of the Takeover Panel) to make a cash offer for the Ordinary Shares not already owned by the acquirer and its concert parties (if any) at a price not less than the highest price paid for Ordinary Shares by the acquirer or its concert parties (if any) during the previous 12 months. A similar obligation to make such a mandatory cash offer would also arise on the acquisition of Ordinary Shares by a person holding (together with its concert parties, if any) Ordinary Shares carrying at least 30 per cent, but not more than 50 per cent, of the voting rights in the Company if the effect of such acquisition were to increase the percentage of the aggregate voting rights held by the acquirer and its concert parties (if any).

15.2 Squeeze-out rules

Under the Companies Act, if a person who has made a general offer to acquire Ordinary Shares (the "offeror") were to acquire, or contract to acquire, 90 per cent in value of the Ordinary Shares which are the subject of such offer and 90 per cent of the voting rights carried by those shares, the offeror could then compulsorily acquire the remaining 10 per cent. The offeror would do so by sending a notice to outstanding Shareholders before the end of the 3 month period beginning on the day after the last day on which the offer can be accepted. The notice must be made in the prescribed manner. Six weeks later, the offeror would send a copy of the notice to the Company together with an instrument of transfer executed in respect of the outstanding Ordinary Shares on behalf of the holder in favour of the offeror and pay the consideration for those Ordinary Shares. The Company would hold

the consideration on trust for outstanding shareholders. The consideration offered to those shareholders whose Ordinary Shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the general offer.

15.3 Sell-out rules

The Companies Act gives minority shareholders a right to be bought out in certain circumstances by a person who has made a general offer as described in paragraph 15.2 above. If, at any time before the end of the period within which the general offer can be accepted, the offeror holds, or has agreed to acquire, not less than 90 per cent in value of the Ordinary Shares and those shares carry not less than 90% of the voting rights in the Company, any holder of Ordinary Shares to which the general offer relates who has not accepted the general offer can, by a written communication to the offeror, require it to acquire that holder's Ordinary Shares.

The offeror is required to give each Shareholder notice of his right to be bought out within one month of that right arising. The rights of minority shareholders to be bought out are not exercisable after the period of three months after the end of the acceptance period or a later date specified in the notice given by the offeror. If a Shareholder exercises his rights, the offeror is entitled and bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

16 GENERAL

16.1 Save as disclosed in this document, there are no patents or other intellectual property rights, licences or particular contracts that are of fundamental importance to the Company's business.

16.2 The total costs and expenses (including professional fees, printing and advertising costs and the amounts payable pursuant to the Placing Agreement) payable by the Company in relation to the Placing and the application for Admission are estimated to amount to approximately £2.3 million (exclusive of VAT) and are payable by the Company. This amount includes the fee/commission due to Espirito Santo Investment Bank by the Company, but excludes any commission payable by the Selling Shareholders.

16.3 Save as set out below or otherwise in this document, no person (excluding professional advisers and trade suppliers or otherwise disclosed in this document) has received, directly or indirectly, within the 12 months preceding the application for Admission or entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission:-

- (a) fees totalling £10,000 or more;
- (b) securities where these have a value of £10,000 or more calculated by reference to the Placing Price; or
- (c) any other benefit with a value of £10,000 or more at the date of Admission.

During 2013, the Company repaid its remaining loan notes relating to a private equity secondary buy-out in 2009, as follows: on 26 October 2013, CCGL paid Inflexion 2006 General Partner Limited £3,400,766 and Inflexion Co-Investment Limited £2,267,177 as repayment of loan notes. On 21 December 2013, CCGL paid Inflexion 2006 General Partner Limited £2,428,234 and Inflexion Co-Investment Limited £1,618,823 as repayment for loan notes. All loan notes issued to Inflexion 2006 General Partner Limited and Inflexion Co-Investment Limited have been repaid in full as at the date of this document.

In the 12 months preceding the application for Admission the following amounts have been paid to consultants contracted by the Group:

- (a) £168,875 to Harvey Nash plc in respect of management services provided by Alex Connolly;
- (b) £33,782 to CCEIX Limited in respect of project support provided by Ruth Harper;
- (c) £32,111 to JCT Legal Consultancy Services Limited in respect of director services provided by Janet Tilley; and
- (d) £42,322 to Steve Halbert in respect of director services provided by Steve Halbert.

In the 12 months preceding the application for Admission the following amounts are estimated to have accrued and become due (but have not been yet paid) to consultants contracted by the Group:

- (a) £32,375 to Harvey Nash plc in respect of management services provided by Alex Connolly; and
 - (b) £22,691 to JCT Legal Consultancy Services Limited in respect of director services provided by Janet Tilley.
- 16.4 Save as disclosed in this document, there has been no material change in the financial or trading position of the Group since 31 December 2013, the date to which the Accountant's Report on the Historical Financial Information of the Group set out in Part III of this document has been drawn up.
- 16.5 The principal activities of the Group are as described in Part I of this document. Save as disclosed in Part III of this document, there are no exceptional factors which have influenced the Group's activities.
- 16.6 Other than the current application for Admission, the Ordinary Shares have not been admitted to dealing on any investment exchange nor has any application for such admission been made nor are there intended to be any other arrangements for there to be dealings in the Ordinary Shares on any such exchange.
- 16.7 No member of the Group has been a party to any related party transaction (within the meaning of the Standards adopted pursuant to the Regulation (EC) No 1606/2002) during the periods ended 31 December 2011, 31 December 2012 and 31 December 2013 or during the period from 1 January 2014 to 22 May 2014 (being the latest practicable date before publication of this document), except for those disclosed in the Historical Financial Information in Part III and in this Part V.
- 16.8 Save as disclosed in paragraph 16.7 of this Part V or otherwise in this document, no Director has any interest, direct or indirect, in any assets which have been acquired by, disposed of by, or leased to, any member of the Group or which are proposed to be acquired by, disposed of by, or leased to, any member of the Group.
- 16.9 There are no arrangements in place under which future dividends are to be waived or agreed to be waived.
- 16.10 Of the price being paid for the Subscription Shares, £0.0025 represents the nominal value and £1.9975 represents premium. The Placing Price is payable in full on application.
- 16.11 Save as disclosed in this document, there have been no significant recent trends in production, sales and inventory and costs and selling price since 31 December 2013.
- 16.12 Save as disclosed in this document, there are no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year.
- 16.13 The accounting reference date of the Company is 31 December. The first accounting period of the Company will end on 31 December 2014.
- 16.14 All the information provided in this document has been sourced from the Company and the Company's other advisers named on page 5 of this document. All such information has been accurately reproduced and so far as the Company is aware and is able to ascertain no facts have been omitted which would render the reproduced information inaccurate or misleading. Where information set out in this document has been sourced from a third party the Company confirms that this information has been accurately reproduced and that, so far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 16.15 The auditors of the Company who were appointed on 22 May 2014 are KPMG LLP regulated by the Institute of Chartered Accountants of England and Wales.
- 16.16 Save as set out in paragraph 11.7 of this document, no commission is payable by the Company to any person in consideration of his agreeing to subscribe for securities to which this document relates or of his procuring or agreeing to procure subscriptions for such securities.

- 16.17 No paying agent has been appointed by the Company.
- 16.18 Save as disclosed in this document, there are no investments in progress, and there are no future investments on which the Directors have already made firm commitments, which are significant to the Group.

17 CONSENTS

- 17.1 Espirito Santo Investment Bank is regulated by the Financial Conduct Authority for the conduct of investment business in the UK. Espirito Santo Investment Bank has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and the references to it in the form and context in which it appears.
- 17.2 KPMG LLP has given and has not withdrawn its written consent to the inclusion of its report set out in Part III of this document in the form and context in which it appears.

18 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available free of charge from the registered office of the Company and from the office of Espirito Santo Investment Bank, 10 Paternoster Square, London EC4M 7AL during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of 14 days from the date of this document:

- 18.1 this document;
- 18.2 the memorandum and articles of association of the Company;
- 18.3 the report relating to the Group prepared by KPMG LLP in Part III of this document; and
- 18.4 the audited consolidated financial statements of the Group for the three years ended 31 December 2013.

PART VI

TERMS AND CONDITIONS OF THE PLACING

1 INTRODUCTION

These terms and conditions apply to persons making an offer to acquire Placing Shares under the Placing. Each person to whom these conditions apply, as described above, who confirms his agreement to Espirito Santo Investment Bank and the Company (whether orally or in writing) to acquire Placing Shares under the Placing (an “Investor”) hereby agrees with Espirito Santo Investment Bank and the Company to be bound by these Terms and Conditions as being the Terms and Conditions upon which Placing Shares will be sold under the Placing. An Investor shall, without limitation, become so bound if Espirito Santo Investment Bank confirms to such Investor: (i) the Placing Price; and (ii) its allocation of Placing Shares under the Placing.

Upon being notified of the Placing Price and its allocation of Placing Shares in the Placing, an Investor shall be contractually committed to acquire the number of Placing Shares allocated to them at the Placing Price and, to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate or otherwise withdraw from such commitment. Dealing may not begin before any notification is made.

Each Selling Shareholder has undertaken that the Placing Shares will be sold fully paid and with full title guarantee.

2 AGREEMENT TO ACQUIRE PLACING SHARES

Conditional on (i) Admission occurring and becoming effective by 8.00 a.m. (London time) on 29 May 2014 (or such later time and/or date (being not later than 8.00 a.m. on 12 June 2014) as the Company and Espirito Santo Investment Bank may agree) and on the Placing Agreement being otherwise unconditional in all respects and not having been terminated in accordance with its terms on or before Admission; and (ii) the confirmation mentioned under paragraph 1 above, an Investor agrees to become a member of the Company and agrees to acquire Placing Shares at the Placing Price. The number of Placing Shares acquired by such Investor under the Placing shall be in accordance with the arrangements described above.

3 PAYMENT FOR PLACING SHARES

Each Investor undertakes to pay the Placing Price for the Placing Shares acquired by such Investor in such manner as shall be directed by Espirito Santo Investment Bank. In the event of any failure by an Investor to pay as so directed by Espirito Santo Investment Bank, the relevant Investor shall be deemed hereby to have appointed Espirito Santo Investment Bank or any nominee of Espirito Santo Investment Bank to sell (in one or more transactions) any or all of the Placing Shares in respect of which payment shall not have been made as so directed and to have agreed to indemnify on demand Espirito Santo Investment Bank in respect of any liability for stamp duty and/or stamp duty reserve tax arising in respect of any such sale or sales.

4 REPRESENTATIONS AND WARRANTIES

By receiving this document, each Investor and, to the extent applicable, any person confirming his agreement to acquire Placing Shares on behalf of an Investor or authorising Espirito Santo Investment Bank to notify an Investor's name to the Registrar, is deemed to acknowledge, agree, undertake, represent and warrant to each of Espirito Santo Investment Bank, the Registrar and the Company that:

- 4.1 the Investor has carefully read and understood this document in its entirety and acknowledges that its participation in the Placing shall be made solely on the terms and subject to the conditions set out in these Terms and Conditions and the Articles. Such Investor agrees that these Terms and Conditions and the contract note issued by Espirito Santo Investment Bank to such Investor represent the whole and only agreement between the Investor, Espirito Santo Investment Bank and the Company in relation to the Investor's participation in the Placing and supersede any previous agreement between any of such parties in relation to such participation. Accordingly, all other terms, conditions, representations, warranties and other statements which would otherwise be implied (by law or otherwise) shall not form part of these Terms and Conditions. Such Investor agrees that none of the Company, Espirito Santo Investment Bank nor any of their respective officers or

- directors will have any liability for any such other information or representation and irrevocably and unconditionally waives any rights it may have in respect of any such other information or representation;
- 4.2 if the Investor is a natural person, such Investor is not under the age of majority (18 years of age in the UK) on the date of such Investor's agreement to acquire Placing Shares under the Placing and will not be any such person on the date any such offer is accepted;
- 4.3 neither Espirito Santo Investment Bank nor any person affiliated with Espirito Santo Investment Bank or acting on its behalf is responsible for or shall have any liability for any information, representation or statement contained in this admission document or any supplementary admission document (as the case may be) or any information previously published by or on behalf of the Company or any member of the Group and will not be liable for any decision by an Investor to participate in the Placing based on any information, representation or statement contained in this admission document or otherwise;
- 4.4 the Investor has not relied on Espirito Santo Investment Bank or any person affiliated with Espirito Santo Investment Bank in connection with any investigation of the accuracy of any information contained in this document or their investment decision;
- 4.5 in agreeing to acquire Placing Shares under the Placing, the Investor is relying on this admission document or any supplementary admission document (as the case may be) and not on any draft thereof or other information or representation concerning the Group, the Placing or the Placing Shares. Such Investor agrees that neither the Company nor Espirito Santo Investment Bank nor their respective officers, directors or employees will have any liability for any such other information or representation and irrevocably and unconditionally waives any rights it may have in respect of any such other information or representation;
- 4.6 save in the event of fraud on its part (and to the extent permitted by the rules of the FCA), neither Espirito Santo Investment Bank, its ultimate holding company nor any direct or indirect subsidiary undertaking of such holding company, nor any of their respective directors, officers, members, partners or employees shall be liable to an Investor for any matter arising out of the role of Espirito Santo Investment Bank as the Company's nominated adviser and broker or otherwise, and that where any such liability nevertheless arises as a matter of law each Investor will immediately waive any claim against Espirito Santo Investment Bank and any of its directors and employees which an Investor may have in respect thereof;
- 4.7 the Investor has complied with all applicable laws and such Investor will not infringe any applicable law as a result of such Investor's agreement to acquire Placing Shares under the Placing and/or acceptance thereof or any actions arising from such Investor's rights and obligations under the Investor's agreement to acquire Placing Shares under the Placing and/or acceptance thereof or under the Articles;
- 4.8 all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of necessary consents) in order (i) to enable the Investor lawfully to enter into, and exercise its rights and perform and comply with its obligations to acquire the Placing Shares under, the Placing and (ii) to ensure that those obligations are legally binding and enforceable, have been taken, fulfilled and done. The Investor's entry into, exercise of its rights and/or performance under, or compliance with its obligations under this Placing, does not and will not violate (i) its constitutional documents or (ii) any agreement to which the Investor is a party or which is binding on the Investor or its assets;
- 4.9 that it understands that no action has been or will be taken in any jurisdiction by the Company or Espirito Santo Investment Bank or any other person that would permit a public offering of the Placing Shares, or possession or distribution of this document, in any country or jurisdiction where action for that purpose is required; and that, if the Investor is in a member state of the European Economic Area which has implemented the Prospectus Directive ("**Relevant Member State**"), it is (i) a legal entity which is authorised or regulated to operate in the financial markets or, if not so authorised or regulated, its corporate purpose is solely to invest in securities; (ii) a legal entity which has two or more of (a) an average of at least 250 employees during the last financial year; (b) a total balance sheet of more than €43,000,000; and (c) an annual net turnover of more than €50,000,000, in each case as shown in its last annual or consolidated accounts; (iii) otherwise permitted by law to be offered and sold Placing Shares in circumstances which do not require the publication by the

Company of a prospectus pursuant to Article 3 of the Prospectus Directive or other applicable laws; or (iv) in the case of any Placing Shares acquired by an Investor as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, either:

- 4.9.1 the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their placing or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of Espirito Santo Investment Bank has been given to the placing or resale; or
- 4.9.2 where Placing Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the placing of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons;
- 4.10 to the fullest extent permitted by law, the Investor acknowledges and agrees to the disclaimers contained in this document and acknowledges and agrees to comply with the selling restrictions set out in this document;
- 4.11 the Ordinary Shares have not been and will not be registered under the US Securities Act, 1933 as amended (the "**US Securities Act**"), or under the securities legislation of, or with any securities regulatory authority of, any state or other jurisdiction of the United States or under the applicable securities laws of Australia, Canada, Japan or the Republic of South Africa or where to do so may contravene local securities laws or regulations;
- 4.12 the Investor is not a person located in the United States and is eligible to participate in an "offshore transaction" as defined in and in accordance with Regulation S and the Placing Shares were not offered to such Investor by means of "directed selling efforts" as defined in Regulation S;
- 4.13 it is acquiring the Placing Shares for investment purposes only and not with a view to any resale, distribution or other disposition of the Placing Shares in violation of the US Securities Act or any other United States federal or applicable state securities laws;
- 4.14 the Company is not obliged to file any registration statement in respect of resales of the Placing Shares in the United States with the U.S. Securities and Exchange Commission or with any state securities administrator;
- 4.15 the Company, and any registrar or transfer agent or other agent of the Company, will not be required to accept the registration of transfer of any Placing Shares acquired by the Investor, except upon presentation of evidence satisfactory to the Company that the foregoing restrictions on transfer have been complied with;
- 4.16 the Investor invests in or purchases securities similar to the Placing Shares in the normal course of its business and it has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Placing Shares;
- 4.17 the Investor has conducted its own investigation with respect to the Company and the Placing Shares and has had access to such financial and other information concerning the Company and the Placing Shares as the Investor deemed necessary to evaluate the merits and risks of an investment in the Placing Shares, and the Investor has concluded that an investment in the Placing Shares is suitable for it or, where the Investor is not acting as principal, for any beneficial owner of the Placing Shares, based upon each such person's investment objectives and financial requirements;
- 4.18 the Investor or, where the Investor is not acting as principal, any beneficial owner of the Placing Shares, is able to bear the economic risk of an investment in the Placing Shares for an indefinite period and the loss of its entire investment in the Placing Shares;
- 4.19 there may be adverse consequences to the Investor under United States and other tax laws resulting from an investment in the Placing Shares and the Investor has made such investigation and has consulted such tax and other advisors with respect thereto as it deems necessary or appropriate;
- 4.20 the Investor does not have a registered address in, and is not a resident, citizen or national of, Australia, Canada, Japan or the Republic of South Africa and acknowledges that the Placing Shares have not been and will not be registered nor will a prospectus or admission document be prepared in respect of the Placing Shares under the securities legislation of

Australia, Canada, Japan or the Republic of South Africa and, subject to certain exceptions, the Placing Shares may not be offered, sold, issued or delivered, directly or indirectly, in or into those jurisdictions;

- 4.21 the Investor is liable for any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by it or any other person on the acquisition by it of any Placing Shares or the agreement by it to acquire any Placing Shares;
- 4.22 in the case of a person who confirms to Espirito Santo Investment Bank on behalf of an Investor an agreement to acquire Placing Shares under the Placing and/or who authorises Espirito Santo Investment Bank to notify such Investor's name to the Registrar, that person represents and warrants that he has authority to do so on behalf of the Investor;
- 4.23 the Investor has complied with its obligations in connection with money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2007 and any other applicable law concerning the prevention of money laundering and, if it is making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Money Laundering Regulations 2007 and, in each case, agrees that pending satisfaction of such obligations, definitive certificates (or allocation under the CREST system) in respect of the Placing Shares comprising the Investor's allocation may be retained at Espirito Santo Investment Bank's discretion;
- 4.24 the Investor agrees that, due to anti-money laundering and the countering of terrorist financing requirements, Espirito Santo Investment Bank and/or the Company may require proof of identity of the Investor and related parties and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the Investor to produce any information required for verification purposes, Espirito Santo Investment Bank and/or the Company may refuse to accept the application and the subscription moneys relating thereto. It holds harmless and will indemnify Espirito Santo Investment Bank and/or the Company against any liability, loss or cost ensuing due to the failure to process this application, if such information as has been required has not been provided by it or has not been provided on a timely basis;
- 4.25 the Investor is not, and is not applying as nominee or agent for, a person which is, or may be, mentioned in any of sections 67, 70, 93 and 96 of the Finance Act 1986 (depository receipts and clearance services);
- 4.26 the Investor has complied with and will comply with all applicable provisions of FSMA with respect to anything done by the Investor in relation to the Placing in, from or otherwise involving the UK;
- 4.27 if the Investor is in the UK, the Investor is a person (i) who has professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended or replaced) (the "Order") or (ii) a high net worth entity falling within article 49(2)(a) to (d) of the Order, and in all cases is capable of being categorised as a Professional Client or Eligible Counterparty for the purposes of the FCA Conduct of Business Rules (all such persons together being referred to as "relevant persons");
- 4.28 in the case of a person who confirms to Espirito Santo Investment Bank on behalf of an Investor an agreement to acquire Placing Shares under the Placing and who is acting on behalf of a third party, that the terms on which the Investor (or any person acting on its behalf) are engaged enable it to make investment decisions in relation to securities on that third party's behalf without reference to that third party;
- 4.29 Espirito Santo Investment Bank is not making any recommendation to the Investor or advising the Investor regarding the suitability or merits of participation in the Placing or any transaction the Investor may enter into in connection with the Placing or otherwise. The Investor is not Espirito Santo Investment Bank's client in connection with the Placing and Espirito Santo Investment Bank will not be responsible to any Investor for providing the protections afforded to Espirito Santo Investment Bank's clients or providing advice in

- relation to the Placing and Espirito Santo Investment Bank will not have any duties or responsibilities to any Investor similar or comparable to “best execution” and “suitability” imposed by the Conduct of Business Sourcebook contained in the Rules of the FCA;
- 4.30 the exercise by Espirito Santo Investment Bank of any rights or discretions under the Placing Agreement shall be within its absolute discretion and Espirito Santo Investment Bank need not have any reference to any Investor and shall have no liability to any Investor whatsoever in connection with any decision to exercise or not to exercise or to waive any such right and each Investor agrees that it shall have no rights against Espirito Santo Investment Bank or its directors or employees under the Placing Agreement;
- 4.31 it irrevocably appoints any director of Espirito Santo Investment Bank as its agent for the purposes of executing and delivering to the Company and/or the Registrar any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares agreed to be taken up by it under the Placing and otherwise to do all acts, matters and things as may be necessary for, or incidental to, its acquisition of any Placing Shares in the event of its failure so to do;
- 4.32 it will indemnify and hold the Company and Espirito Santo Investment Bank and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Part VI and further agrees that the provisions of this Part VI will survive after completion of the Placing. The Company and Espirito Santo Investment Bank will rely upon the truth and accuracy of each of the foregoing representations, warranties and undertakings;
- 4.33 it acknowledges and agrees that information provided by it to the Company and the Registrar will be stored on the Company’s and/or the Registrar’s computer system(s). It acknowledges and agrees that for the purposes of the Data Protection Act 1998 (the “**Data Protection Law**”) and other relevant data protection legislation which may be applicable, the Company and the Registrar is required to specify the purposes for which it will hold personal data. The Company and the Registrar will only use such information for the purposes set out below (collectively, the “**Purposes**”), being to:
- 4.33.1 process its personal data (including sensitive personal data) as required by or in connection with its holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on it;
- 4.33.2 communicate with it as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares;
- 4.33.3 provide personal data to such third parties as the Company or the Registrar may consider necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares or as the Data Protection Law may require, including to third parties outside the United Kingdom or the European Economic Area;
- 4.33.4 without limitation, provide such personal data to the Company or Espirito Santo Investment Bank and their respective affiliates for processing, notwithstanding that any such party may be outside the United Kingdom or the EEA States; and
- 4.33.5 process its personal data for the Company’s or Registrar’s internal administration;
- 4.34 in providing the Registrar and the Company with information, it hereby represents and warrants to the Registrar and the Company that it has obtained the consent of any data subjects to the Registrar and the Company and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the purpose set out in paragraph 4.33 above). For the purposes of this document, “data subject”, “personal data” and “sensitive personal data” shall have the meanings attributed to them in the Data Protection Law;
- 4.35 the representations, undertakings and warranties contained in this document are irrevocable. The Investor acknowledges that Espirito Santo Investment Bank and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the Ordinary Shares are no longer accurate, it shall promptly notify Espirito Santo Investment Bank and the Company;

- 4.36 where it or any person acting on behalf of it is dealing with Espirito Santo Investment Bank, any money held in an account with Espirito Santo Investment Bank on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require Espirito Santo Investment Bank to segregate such money, as that money will be held by Espirito Santo Investment Bank under a banking relationship and not as trustee;
- 4.37 any of its clients, whether or not identified to Espirito Santo Investment Bank, will remain its sole responsibility and will not become clients of Espirito Santo Investment Bank for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- 4.38 it accepts that the allocation of Ordinary Shares shall be determined by Espirito Santo Investment Bank and the Company in their absolute discretion and that such persons may scale down any Placing commitments for this purpose on such basis as they may determine;
- 4.39 time shall be of the essence as regards its obligations to settle payment for the Ordinary Shares and to comply with its other obligations under the Placing; and
- 4.40 authorises Espirito Santo Investment Bank to deduct from the total amount subscribed under the Placing the aggregation commission (if any) (calculated at the rate agreed with the Company) payable on the number of Ordinary Shares allocated under the Placing.

5 SUPPLY AND DISCLOSURE OF INFORMATION

If any of Espirito Santo Investment Bank, the Registrar or the Company or any of their respective agents request any information about an Investor's agreement to acquire Placing Shares, such Investor must promptly disclose it to them.

6 MISCELLANEOUS

The rights and remedies of Espirito Santo Investment Bank, the Registrar and the Company under these Terms and Conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

On application, each Investor may be asked to disclose, in writing or orally to Espirito Santo Investment Bank:

- 6.1 if he is an individual, his nationality; or
- 6.2 if he is a discretionary fund manager, the jurisdiction in which the funds are managed or owned. All documents will be sent at the Investor's risk. They may be sent by post to such Investor at an address notified to Espirito Santo Investment Bank. Each Investor agrees to be bound by the Articles (as amended from time to time) once the Placing Shares which such Investor has agreed to acquire have been acquired by such Investor. The provisions of this Part VI may be waived, varied or modified as regards specific Investors or on a general basis by Espirito Santo Investment Bank. The contract to acquire Placing Shares and the appointments and authorities mentioned herein will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of Espirito Santo Investment Bank, the Company and the Registrar, each Investor irrevocably submits to the exclusive jurisdiction of the English courts in respect of these matters. This does not prevent an action being taken against an Investor in any other jurisdiction. In the case of a joint agreement to acquire Placing Shares, references to an "Investor" in these Terms and Conditions are to each of such Investors and such joint Investors' liability is joint and several. Espirito Santo Investment Bank and the Company each expressly reserve the right to modify the Placing (including, without limitation, its timetable and settlement) at any time before allocations of Placing Shares under the Placing are determined.
- 6.3 The Placing is subject to the satisfaction of the conditions contained in the Placing Agreement and the Placing Agreement not having been terminated. Further details of the terms of the Placing Agreement are contained in paragraph 11.7 of Part V of this document.

Dated: 23 May 2014

