7 May 2025

NAHL Group plc
("NAHL", the “Company” or the "Group")

Final Results and Investor Presentation

Despite the challenging trading environment in Personal Injury, NAHL delivered underlying operating profit in line with market expectations and strong cash performance enabled further reduction in net debt

NAHL, a leading marketing and services business focused on the UK consumer legal market, is pleased to announce its audited results for the year ended 31 December 2024.

Highlights

Financial Performance

Year ended 31 December	FY2024	FY2023	Change
Group Revenue	£38.8m	£42.2m	- 8%
Underlying Operating Profit	£3.9m	£4.1m	-4%
Operating (Loss)/Profit	£(36.5)m	£4.1m	-
Underlying Profit Before Tax	£1.4m	£0.6m	+113%
(Loss)/Profit Before Tax	£(39.1)m	£0.6m	-
Net Debt	£7.1m	£9.7m	- 27%

- Group Revenue decreased by 8% to £38.8m (2023: £42.2m), reflecting challenging conditions faced by the Consumer Legal Services division.
- National Accident Law (NAL), the Group’s fully integrated law firm, increased processing revenues by 20% to £8.4m (2023: £7.0m) and collected £8.5m of cash from settlements, 43% higher than the prior year (2023: £6.0m), a clear sign of its growing maturity.
- Group generated £2.6m of free cash flow in the year (2023: £3.6m), with underlying operating cash conversion of c.170%. As a result, net debt was reduced by 27% to £7.1m (31 December 2023: £9.7m), down from a high of £21.0m in 2019.
- Underlying operating profit slightly down at £3.9m (2023: £4.1m) and underlying PBT increased to £1.4m (2023: £0.6m).
- Statutory operating loss for the year of £36.5m (2023: profit of £4.1m), largely due to £39.9m exceptional non-cash impairment charge on goodwill relating to Personal Injury business, and after recognising £0.6m of exceptional costs relating to the potential disposal of Critical Care and the associated restructure of Consumer Legal Services.

Operational Update

- Revenue in our Consumer Legal Services division decreased by 17% to £22.9m, primarily driven by our Personal Injury business which reduced 21% year-on-year due to a 70% reduction in enquiries placed into our panel of third-party law firms.
- In line with our long-term strategy, we can now say with confidence that we have grown NAL to be a mature, efficient law firm that is delivering on its goals at current enquiry levels.
    - 5,892 new enquiries placed into NAL (2023: 8,518). This was lower than prior year due to the reduction in total enquiries generated but represented a higher proportion of total enquiries (2024: 30%; 2023: 24%).
    - We estimate these new enquiries will be worth £6.2m in future revenue and cash.
    - NAL settled 3,558 claims in the year (2023: 3,633) and the average revenue per claim was higher than 2023, demonstrating the firm’s maturity. These claims generated £8.5m of cash from settlements, 43% higher than the previous year (2023: £6.0m).
    - At 31 December 2024, NAL was processing 8,457 ongoing claims (31 December 2023: 9,983 ongoing claims). We estimate after expensing marketing and processing costs to date, our book of ongoing claims will generate future revenues of £10.5m, future gross profits of £8.5m, and future cash of £14.4m.
- National Accident Helpline (NAH) generated 19,744 enquiries in the year (2023:35,643), albeit with a higher proportion of RTA work.

- NAH dealt well with fluctuations in organic search results driven by Google's algorithm changes in Q1, however the paid search environment became increasingly competitive through the remainder of the year due to several competitors investing aggressively in paid search. In response to these challenges, we have invested in our internal marketing which is already having a positive impact.
- Our Residential Property business, Searches UK, performed well, growing revenues by 29%.
- Critical Care had another strong year, with revenues increasing 9% to £15.9m (2023: £14.6m).
    - Operating profit increased by 10% to £4.9m (2023: £4.4m) and operating profit margins increased by 30 bps to 30.6%.
    - The business generated £5.4m of cash from operations, an increase of 10% on the prior year (2023: £4.9m).
    - In Bush & Co, our low-risk, low-cost strategy has focused on delivering further growth in expert witness and case management and accelerated growth from care solutions reflecting the relatively small size of the business and the scale of market opportunity. This strategy continues to deliver results.
    - Expert witness services grew revenues by 19% and the team delivered 1,335 reports to customers, an increase of 18% on the prior year (2023: 1,136). The number of instructions for new reports also increased by 18%, demonstrating a strong pipeline of work.
    - Our Bush & Co. Care Solutions service is now well established. Revenues increased by 37% to £0.7m (2023: £0.5m), all of which is recurring revenue.

Current Trading and Outlook

- The Group finished FY24 strongly, reducing enquiry acquisition cost and delivering efficient, profitable growth through our mature law firm, NAL.
- The Group has started 2025 well, building on the momentum at the end of FY24 by further reducing personal injury acquisition cost and generating additional efficiencies whilst continuing to reduce net debt.
- Bush & Co continues to perform well with consistent growth and a strong margin. We remain engaged in productive discussions regarding the potential sale of the business and look forward to updating the market on progress in due course.
- Investments made in case processing in NAL and in our Expert Witness proposition in Critical Care continue to deliver strong results and give us confidence in delivering a positive result in FY25.
- Today we are also pleased to announce plans to re-launch our Underdog brand based on the well-known animated character that represented National Accident Helpline from 2010-2016. We believe this can help boost enquiry volumes through our digital channels, supporting our efforts to unlock latent demand in the market.
- In February 2024, the Group successfully extended its banking facility with Clydesdale Bank/Virgin Money. The existing £20m revolving credit facility, which was due to expire on 31 December 2024, was reduced to a £15m facility running to 31 December 2025. Post year-end, in April 2025, the Group further extended its facility to 31 December 2026 and reduced it again, to £11m.

James Saralis, CEO of NAHL, commented:

"2024 was a challenging year for NAHL, with a difficult marketing environment hampering lead generation from our National Accident Helpline brand compounding a lack of demand for work from panel firms in the Personal Injury business. Despite these challenges, and thanks to the hard work of our people and resilience of our business model, the Group delivered growth in underlying profit before tax and another significant reduction in net debt.

"Throughout the year, the Board remained focused on exploring options to accelerate growth in value for shareholders and we continue to actively progress the potential sale of our Critical Care division. Adjacent to this, the Board is also developing its future strategy for the remainder of the Group and has been encouraged by trading in the first quarter of FY25. Finally, I'm pleased to share that we are preparing to re-launch our much loved Underdog brand in the coming weeks. This is an exciting milestone for the Group and one which we are optimistic will help to unlock greater demand through our digital channels."

The Annual Report and notice of Annual General Meeting will be available by the end of May 2025.

Investor Meet Company Presentation – 13 May 2025

James Saralis CEO and Chris Higham CFO will provide a live presentation via Investor Meet Company at 14:00 BST on 13 May 2025. The presentation is open to all existing and potential shareholders. Questions can be submitted pre-event via your Investor Meet Company dashboard up until 09:00 BST the day before the meeting or at any time during the live presentation.

Investors can sign up to Investor Meet Company for free and add to meet NAHL GROUP PLC via: https://www.investormeetcompany.com/nahl-group-plc/register-investor. Investors who already follow NAHL GROUP PLC on the Investor Meet Company platform will automatically be invited.

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Notes to Editors

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

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

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

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

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

Chair's Report

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

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

Financial results

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

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

Consumer Legal Services

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

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

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

The Group had anticipated falling panel demand and created NAL in 2019 so we could process claims ourselves. Since then, NAL has grown and matured. It produces more profit per enquiry than a placement with a panel firm or an enquiry placed into our joint venture law firm, Law Together, and it continued to perform successfully in 2024. We placed 30% of enquiries into NAL during 2024 (2023: 24%) which, although a greater percentage, was fewer in number than the previous year due to the overall reduction in enquiry numbers.

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

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

Towards the end of last year we concluded that the lower personal injury enquiry volumes we experienced in 2024 will persist. Consequently, we began implementing £1.2m of annualised savings towards the end of 2024 to "right size" the National Accident Helpline (NAH) area of the business in 2025. NAL remains largely unaffected by these savings although it has been working on improving its processes to deliver further efficiencies and capacity.
We have reset the target for personal injury enquiry numbers in 2025 to a lower level reflecting the changed market. We have also strengthened our in-house marketing team to improve our search performance and reduce CPE back to 2023 averages, and we have changed our external marketing agency. These changes are already having a positive impact on CPE in 2025 and have created a platform for future growth in the new environment.

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

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

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

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

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

Summary

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

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

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

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

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

Tim Aspinall
Chair

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

CEO Report

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

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

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

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

The impairment charge reflects the impact of the changing dynamics in the personal injury market, which were heightened in 2024 and further detail is provided in the CFO Report and in note 5.

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

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

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

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

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

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

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

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

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

Divisional performance

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Our people and culture

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

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

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

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

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

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

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

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

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

Extended banking facilities

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

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

Current trading and outlook

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

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

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

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

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

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

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

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

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

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

James Saralis
Chief Executive Officer

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

CFO Report

Overview

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

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

Review of income statement

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

Consumer Legal Services

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

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

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

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

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

Critical Care

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

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

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

Shared Services and other items

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

Financial expense

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

Exceptional and non-underlying items

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

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

Goodwill impairment charge

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

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

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

The Directors have considered a number of scenarios but in light of the volatility experienced in recent years, have adopted a prudent approach resulting in a non-cash impairment charge of £39.9m to write down the carrying value of the goodwill in the Personal Injury cash generating unit from £39.9m to nil. This goodwill arose from the acquisition of the Personal Injury business in 2014, prior to the announcement of the whiplash reforms. Further details are provided in note 5.

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

Taxation

The Group's tax charge of £0.2m (2023: £0.3m) represents an effective tax charge of 14.1% of underlying profit before tax (2023: 40.9%). This is lower than the standard corporation tax rate of 25%, due to the reasons set out in note 4. The deferred tax credit originates from temporary differences in intangible assets acquired on business combinations.

Earnings per share (EPS) and dividend

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

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

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

Working Capital

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

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

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

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

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

Net debt and bank facilities

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

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

Review of the cash flow statement

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

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

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

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

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

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

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

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

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

Summary

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

Chris Higham
Chief Financial Officer

Alternative performance measures

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

Underlying operating profit

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

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

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

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

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

Free Cash Flow

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

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

Underlying operating cash conversion

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

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

Net debt

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

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

Working capital

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £000	2023 £000
Revenue	1,2	**38,805**	42,193
Cost of sales		**(20,432)**	(23,480)
Gross profit		**18,373**	18,713
Administrative expenses before exceptionals		**(14,431)**	(14,595)
Underlying operating profit		**3,942**	4,118
Exceptional items			
Impairment of goodwill	3,5	**(39,897)**	-
Transaction costs	3	**(397)**	-
Restructuring costs	3	**(185)**	-
Operating (loss)/profit		**(36,537)**	4,118
Profit attributable to members' non-controlling interests in LLPs	2	**(1,850)**	(2,506)
Financial income		**250**	158
Financial expense		**(958)**	(1,121)
(Loss)/Profit before tax		**(39,095)**	649
Taxation	4	**(195)**	(265)
(Loss)/Profit and total comprehensive income for the year		**(39,290)**	384
(Loss) from continuing operations for the period		**(43,791)**	(3,537)
Profit from discontinued operations for the period	11	**4,501**	3,921

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2024

	Note	2024 £000	2023 £000
Non-current assets			
Goodwill	5	**-**	55,489
Other intangible assets		**177**	1,784
Property, plant and equipment		**236**	328
Right of use assets		**1,488**	1,751
Deferred tax asset		**20**	25
		1,921	59,377
Current assets			
Assets classified as held for sale	11	**22,377**	-
Trade and other receivables (including £2,443,000 (2023: £5,312,000) due in more than one year)	6	**21,750**	30,526
Cash and cash equivalents		**1,855**	2,011
		45,982	32,537
Total assets		**47,903**	91,914
Current liabilities			
Liabilities directly associated with the assets held for sale	11	**(1,813)**	-
Trade and other payables	7	**(12,975)**	(16,246)
Lease liabilities		**(252)**	(244)
Member capital accounts		**(3,492)**	(3,692)
Current tax liability		**-**	(210)
		(18,532)	(20,392)
Non-current liabilities			
Lease liabilities		**(1,225)**	(1,478)
Other interest-bearing loans and borrowings		**(8,966)**	(11,719)
Deferred tax liability		**(52)**	(263)
		(10,243)	(13,460)
Total liabilities		**(28,775)**	(33,852)
Net assets		**19,128**	58,062
Equity			
Share capital		**119**	117
Share option reserve		**5,339**	4,985
Share premium		**14,595**	14,595
Merger reserve		**(66,928)**	(66,928)
Retained earnings		**66,003**	105,293
Capital and reserves attributable to the owners of NAHL Group plc		**19,128**	58,062

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

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

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 £000	2023 £000
Cash flows from operating activities		
(Loss)/Profit for the year	**(39,290)**	384
Adjustments for:		
Profit attributable to members' non-controlling interests in LLPs	**1,850**	2,506
Property, plant and equipment Depreciation	**115**	126
Right of use asset depreciation	**264**	276
Amortisation of intangible assets	**1,110**	1,177
Impairment of goodwill	**39,897**	-
Financial income	**(250)**	(158)
Financial expense	**958**	1,121
Share-based payments	**354**	357
Taxation	**195**	265
	5,203	6,054
Decrease in trade and other receivables	**2,871**	2,297
(Decrease)/Increase in trade and other payables	**(1,460)**	569
Cash generated from operations	**6,614**	8,920
Interest paid	**(896)**	(1,090)
Interest received	**181**	84
Tax paid	**(817)**	(402)
Net cash generated from operating activities	**5,082**	7,512
Cash flows from investing activities		
Acquisition of property, plant and equipment	**(78)**	(62)

Acquisition of intangible assets	**(111)**	(247)
Disposal of subsidiary	**59**	(30)
Net cash used in investing activities	**(130)**	(339)
Cash flows from financing activities		
Repayment of borrowings	**(2,750)**	(4,250)
Loan arrangement fees	**(65)**	-
Issue of share capital	**2**	1
Lease payments	**(245)**	(266)
Drawings paid to LLP members	**(2,050)**	(3,301)
Net cash used in financing activities	**(5,108)**	(7,816)
Net decrease in cash and cash equivalents	**(156)**	(643)
Cash and cash equivalents at 1 January	**2,011**	2,654
Cash and cash equivalents at 31 December	**1,855**	2,011

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Basis of preparation

Consolidated Financial Statements

The preliminary financial statements do not constitute statutory accounts for NAHL Group plc within the meaning of section 434 of the Companies Act 2006 but do represent extracts from those accounts.

The statutory accounts will be delivered to the Registrar of Companies in due course. The auditors' have reported on those accounts. Their report was unqualified. The auditors' report does not contain a statement under either section 498(2) of Companies Act 2006 (accounting records or returns inadequate or accounts not agreeing with records and returns), or section 498(3) of Companies Act 2006 (failure to obtain necessary information and explanations).

The Group's financial statements have been prepared in accordance with UK-adopted International Accounting Standards (IFRS) in conformity with the Companies Act 2006, IFRIC interpretations and under the historical cost convention.

Going Concern

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

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

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

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

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

The principal risks and uncertainties impacting the Going Concern assessment are the accuracy of business model assumptions and working capital management. These have been considered as part of the sensitivity review by considering the key assumptions behind the business models.

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

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

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

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

Held for sale assets

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

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

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

New standards and amendments adopted by the Group
The following new or amended standards are applicable to the Group for the current reporting period:

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

Amendments to IAS 1 – Non-current Liabilities with Covenants

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

Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

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

New standards, interpretations and amendments not yet effective
There are no new standards, interpretations and amendments that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2 Operating segments

	Consumer Legal Services £000	Critical Care £000	Shared Services[1] £000	Other Items[1] £000	Eliminations[2] £000	Total £000
Year ended 31 December 2024						
Revenue	**22,918**	**15,887**	**-**	**-**	**-**	**38,805**
Depreciation and amortisation	**(202)**	**(166)**	**(339)**	**(782)**	**-**	**(1,489)**
Underlying operating profit/(loss)	**2,004**	**4,862**	**(1,659)**	**(1,265)**	**-**	**3,942**
Impairment	**(39,897)**	**-**	**-**	**-**	**-**	**(39,897)**
Exceptional items	**(185)**	**-**	**(397)**	**-**	**-**	**(582)**
Operating profit/(loss)	**(38,078)**	**4,862**	**(2,056)**	**(1,265)**	**-**	**(36,537)**
Profit attributable to non-controlling interest members in LLPs	**(1,850)**	**-**	**-**	**-**	**-**	**(1,850)**

Financial income	**189**	**42**	**19**	**-**	**-**	**250**
Financial expenses	**-**	**-**	**(958)**	**-**	**-**	**(958)**
Profit/(Loss) before tax	**(39,739)**	**4,904**	**(2,995)**	**(1,265)**	**-**	**(39,095)**
Trade receivables	**1,625**	**5,537**	**-**	**-**	**-**	**7,162**
Total assets[3]	**22,835**	**7,410**	**17,658**	**-**	**-**	**47,903**
Segment liabilities[3]	**(15,277)**	**(1,809)**	**(2,667)**	**-**	**-**	**(19,753)**
Capital expenditure (including intangibles)	**68**	**121**	**-**	**-**	**-**	**189**
Year ended 31 December 2023						
Revenue	27,582	14,611	-	-	-	42,193
Depreciation and amortisation	(251)	(154)	(348)	(826)	-	(1,579)
Operating profit/(loss)	2,805	4,421	(1,924)	(1,184)	-	4,118
Profit attributable to non-controlling interest members in LLPs	(2,506)	-	-		-	(2,506)
Financial income	145	-	13	-	-	158
Financial expenses	-	(1)	(1,120)	-	-	(1,121)
Profit/(Loss) before tax	444	4,420	(3,031)	(1,184)	-	649
Trade receivables	2,446	5,728	-	-	-	8,174
Total assets[3]	25,935	7,262	76,223	-	(17,506)	91,914
Segment liabilities[3]	(17,021)	(1,479)	(3,160)	-	-	(21,660)
Capital expenditure (including intangibles)	77	232	-	-	-	309

1. Shared services and Other items do not form part of the operating segments of the Group. They include expenses incurred that cannot be attributable to an operating segment.
2. Eliminations represents the difference between the cost of subsidiary investments included in the total assets figure for each segment and the value of goodwill arising on consolidation.
3. Total assets and segment liabilities exclude intercompany loan balances as these are not included in the segment results reviewed by the chief operating decision maker. Segment liabilities comprise trade and other payables (2024: £12,975,000, 2023: £16,246,000), current lease liabilities (2024: £252,000, 2023: £244,000), non-current lease liabilities (2024: £1,225,000, 2023: £1,478,000) and member capital accounts (2024: £3,492,000, 2023: £3,692,000). Amounts included under the Critical Care segment in the table above are included within 'Assets classified as held for sale' on the statement of financial position.

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

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

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

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

Within Personal Injury, revenue is generated from:

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

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

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

Within Residential Property, revenue is generated from:

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

b) Expert Reports – Searches UK provides search reports.

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

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

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

Exceptional items – items that are non-recurring and that are material by nature and separately identified to allow for greater comparability of underlying Group operating results year-on-year. Details of exceptional items incurred in the current year are given in Note 3.

Disaggregation of revenue

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

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

3 Exceptional items

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

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

1. Impairment of the Goodwill allocated to the Personal Injury cash generating unit. See Note 5 for further details.
2. Costs incurred to date in relation to the disposal of Critical Care. These include external legal and consultancy costs.
3. Costs incurred in respect of payments for loss of office as part of a management restructure in Personal Injury.

4 Taxation

Recognised in the consolidated statement of comprehensive income:

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

Reconciliation of effective tax rate

	2024 £000	2023 £000
(Loss)/Profit for the year	**(39,290)**	384
Total tax expense	**195**	265
(Loss)/Profit before taxation	**(39,095)**	649
Tax using the UK corporation tax rate of 25.00% (2023: 23.5%)	**(9,774)**	161
Non-deductible expenses	**10,162**	154
Adjustments in respect of prior years	**(79)**	(14)
Share scheme deductions	**(114)**	(56)
De-recognition of deferred tax asset	**-**	20
Total tax charge	**195**	265

Changes in tax rates and factors affecting the future tax charge
There are currently no factors that are expected to affect the future tax charge.

5 Goodwill

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

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

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

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

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

Goodwill of £15.6m attributable to Critical Care has been reclassified to assets classified as held for sale. See note 11 for further details.

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

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

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

Value in use results

Personal Injury

Events and circumstances resulting in impairment loss

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

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

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

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

Key assumptions

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

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

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

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

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

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

6 Trade and other receivables

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

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

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

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

7 Trade and other payables

Amounts due within one year:	**2024**	2023
	£000	£000
Trade payables	**507**	1,723
Disbursements payable	**6,297**	6,559
Other taxation and social security	**720**	1,376
Other payables, accruals and deferred revenue	**5,287**	6,131
Customer deposits	**164**	457
Total trade and other payables	**12,975**	16,246

8 Earnings per share

The calculation of basic earnings per share at 31 December 2024 is based on the loss attributable to ordinary shareholders of the parent company of £39,290,000 (2023: profit of £384,000) and a weighted average number of Ordinary Shares outstanding of 47,283,991 (2023: 46,674,661).

Profit attributable to ordinary shareholders

£000	**2024**	2023
Loss for the year from continuing operations	**(43,791)**	(3,537)
Profit for the year from discontinued operations	**4,501**	3,921
Loss for the year attributable to the shareholders	**(39,290)**	384

Weighted average number of ordinary shares

Number	**2024**	2023
Issued Ordinary Shares at 1 January	**46,894,697**	46,325,222
Weighted average number of Ordinary Shares at 31 December	**47,283,991**	46,674,661

Basic Earnings per share (p)

	2024	2023
Group – continuing operations	**(92.6)**	(7.6)
Group – discontinued operations	**9.5**	8.4
Group - total	**(83.1)**	0.8

The Group has in place share-based payment schemes to reward employees. In line with IAS 33, as the group has a negative earnings per share for 2024, the effect of potential ordinary shares is anti-dilutive. At 31 December 2023, there were 2,672,476 potentially dilutive share options under the Group's share option schemes. There are no other diluting items.

Diluted Earnings per share (p)

	2024	2023
Group - continuing	**(92.6)**	(7.6)
Group - discontinued	**9.5**	8.4
Group - total	**(83.1)**	0.8

9 Dividends

No dividends were paid in 2023 and none are proposed for the 2024 financial year.

10 Changes in liabilities arising from financing activities

Set out below is a reconciliation of movements in in interest-bearing loans and borrowings arising from financing activities:

	2024	2023
	£000	£000
Net inflow from decrease in debt and debt financing	**2,750**	4,250
Loan arrangement fees	**65**	-
Movement in net borrowings resulting from cash flows	**2,815**	4,250
Non-cash movements – net release of prepaid loan arrangement fees	**(62)**	(30)
Interest bearing loans and borrowings at beginning of period	**(11,719)**	(15,939)

Interest bearing loans and borrowings at end of period	**(8,966)**	(11,719)

Set out below is a reconciliation of movements in lease liabilities arising from financing activities:

	2024 £000	2023 £000
Net outflow from decrease in lease liabilities	**285**	312
Movement in lease liabilities resulting from cash flows	**285**	312
Non-cash movements arising from initial recognition of new lease liabilities, revisions and interest charges	**(40)**	(47)
Lease liabilities at beginning of period	**(1,722)**	(1,987)
Lease liabilities at end of period	**(1,477)**	(1,722)

Set out below is a reconciliation of movements in member capital accounts arising from financing activities:

	2024 £000	2023 £000
Movement in member capital liabilities resulting from cash flows	2,050	3,301
Non-cash movements: allocation of profits for the year	(1,850)	(2,506)
Member capital liabilities at beginning of period	(3,692)	(4,487)
Member capital liabilities at end of period	(3,492)	(3,692)

11 Discontinued Operations

Bush & Company

In 2024, the Board announced its intention to explore a potential sale of Bush and Company which makes up its Critical Care operating segment and cash generating unit. The Board has considered the progress of the sales process with reference to IFRS 5, Non-current assets held for sale and discontinued operations, and has determined that the business meets the criteria as held for sale as at 31 December 2024. It has therefore been presented as a discontinued operation in the statement of financial position with the results for the year as follows:

Consolidated statement of comprehensive income:

	2024 £000	2023 £000
Revenue	**15,887**	14,611
Expenses	**(11,025)**	(10,190)
Finance income/(expense)	**42**	(1)
Profit before taxation	**4,904**	4,420
Taxation	**(403)**	(450)
Profit after taxation attributable to owners of the parent company	**4,501**	3,970

Consolidated cash flow statement:

	2024 £000	2023 £000
Cash flows from operating activities	**4,676**	4,376
Cash flows from investing activities	**(82)**	(232)
Cash flows from financing activities	**-**	-
Net cash inflow	**4,594**	4,144

Assets and liabilities of the disposal group held for sale:

	31 December 2024 £000
Assets classified as held for sale	
Goodwill	**15,592**
Property, plant and equipment	**55**

Intangible assets	**608**
Trade and other receivables	**6,122**
Cash and cash equivalents	**-**
Total assets of disposal group held for sale	**22,377**
Liabilities directly associated with assets classified as held for sale	
Trade and other creditors	**(1,809)**
Deferred tax liability	**(4)**
Total liabilities of disposal group held for sale	**(1,813)**

Homeward Legal

On 25 April 2023, the Group announced the sale of its wholly owned subsidiary Homeward Legal Limited. Homeward Legal utilises online marketing to target homebuyers and sellers in England and Wales to generate leads and instructions which it then passes to panel law firms and surveyors in the conveyancing sector for a fixed cost. The subsidiary is considered to be non-core to the Group's principal operations.

Consideration for the sale was finalised at £117,000 which was equivalent to the net asset value of Homeward Legal at the date of sale. The Group incurred legal and consultancy costs amounting to £55,000 in respect of the sale. The consideration is payable in two annual instalments in each of the two years following completion and additionally, the Group is entitled to receive contingent consideration, contingent upon Homeward Legal achieving certain performance milestones. The contingent consideration will be based on a share of profits and trade debtors recovered above certain amounts. The Board believes that the contingent consideration will not be material and has estimated the fair value as nil.

At the date of disposal, the carrying amounts of Homeward Legal's net assets were as follows:

	£000
Property, plant and equipment	**-**
Deferred tax asset	1
Trade and other receivables	255
Cash and cash equivalents	30
Total assets	**286**
Trade and other creditors	(169)
Total liabilities	**(169)**
Net assets	**117**

The gain on disposal is calculated as:

	£000
Consideration received or receivable:	
Cash	**117**
Fair value of contingent consideration	**-**
Total disposal consideration	**117**
Carrying amount of net assets sold	**(117)**
Gain on sale before income tax	**-**
Income tax expense on gain	**-**
Gain on sale after income tax	**-**

The results of these discontinued operations are included in the 2023 results up to the date of disposal, and are presented as follows:

Consolidated statement of comprehensive income:

	31 December 2024 £000	31 December 2023 £000
Revenue	**-**	**269**
Expenses	**-**	**(318)**
(Loss)/profit before taxation	**-**	**(49)**
Taxation	**-**	**-**
(Loss)/profit after taxation attributable to owners of the parent company	**-**	**(49)**

Consolidated cash flow statement:

	31 December	31

	2024 **£000**	December 2023 £000
Cash flows from operating activities	**-**	23
Cash flows from investing activities	**-**	-
Cash flows from financing activities	**-**	-
Net cash inflow	**-**	23