24 March 2015

NAHL Group Plc
("NAHL" or the "Group")

Final Results

Results ahead of market expectations

NAHL, the leading UK consumer marketing business focused on the UK legal services market, announces its Final Results for the year ended 31 December 2014.

Financial Highlights

- Revenue from continuing operations[1] up 10.4% to £43.8m (2013: £39.7m)
- Underlying operating profit[2] up 29.3% to £12.7m (2013: £9.8m)
- Underlying operating profit[2] margin increased by four percentage points to 29% (2013: 25%)
- Excellent cash generation with 97.6% operating cash conversion from continuing operations[1]
- Robust balance sheet with net cash of £1.2m at period end (net debt of £4.8m at 31 December 2013)
- Basic EPS of 20.6p (23.0p from continuing operations)
- Board proposed final dividend of 10.7p, giving total dividend of 15.7p

Operational Highlights

- Strong enquiry growth of 15.3% delivered from increased market share in all areas
- 76% of enquiries generated from faster growing non-RTA and medical negligence sectors
- Launched "Stop Nuisance Calls" campaign to drive out unsolicited texts and calls
- Post period end acquisition of Fitzalan Partners extending our core marketing expertise and panel management into another segment of the fragmented consumer legal services sector

Russell Atkinson, CEO of NAHL, commented:
"2014 was an exciting year for the Group with our successful IPO in May and continued robust growth in our revenues, profits and enquiry levels. We were pleased to deliver results ahead of market expectations. The National Accident Helpline brand, supported by the Underdog character, remains the most trusted and recognised brand in the sector.

"The proposed final dividend of 10.7p reflects the highly cash generative and stable nature of our business model as well as the Board's confidence in the Group's future potential.

"The Personal Injury market remains large and fragmented and despite our leadership position, the Group has significant opportunity to continue increasing market share while developing our product offerings.

"Following our acquisition of Fitzalan Partners post the period end, we will continue to focus on a small number of right sized income generative acquisitions that either add value to our core PI business or enable us to extend into related areas of consumer law where we can replicate our model in different markets. The combination of our brand strength, marketing expertise, anticipated enquiry growth and innovative product and service development, means we are well placed to continue our growth in 2015."

Notes

1 Continuing operations excludes the demerged PPI Claimline division and a legacy 'after the event' ("ATE") insurance product used prior to the enactment of The Legal Aid, Sentencing and Punishment of Offenders Act 2012 ("LASPO") on 1st April 2013.

2 Underlying operating profit excludes pre-LASPO ATE items, share-based payments and one-off items.

For further information please call:

NAHL Group PLC Russell Atkinson (CEO) Steve Dolton (CFO)	via FTI Consulting Tel: +44 (0) 20 3727 1000
Investec Bank plc (NOMAD & Joint Broker) Garry Levin David Flin James Ireland David Anderson	Tel: +44 (0) 20 7597 5970
Execution Noble & Co Limited, trading as Espirito Santo Investment Bank (Joint Broker) Harry Stockdale	Tel: +44 (0) 20 7456 9191
FTI Consulting (Financial PR) Oliver Winters Alex Beagley James Styles	Tel: +44 (0) 20 3727 1000

Notes to Editors

NAHL Group

NAHL is a leading UK consumer marketing business focused on the UK legal services market. The core brand – National Accident Helpline ("NAH") was established in 1993 and since then the Group's business has grown to an industry leading position as an outsourced marketing services provider. As the nation's most searched for and trusted personal injury brand NAH, supported by its Underdog character, attracts around 240,000 consumer contacts per annum. The recent acquisition of Fitzalan Partners allows the Group to extend its reach into the conveyancing market using its skill set from its NAH business.

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

Chairman's Statement

Summary of Financial Performance
NAHL Group plc ("NAHL") has performed well in its first year as a listed company, with revenue from continuing operations of £43.8m, up 10.4% (2013: £39.7m). This translated into an increase in underlying operating profit from continuing operations of 29.3%, up from £9.8m to £12.7m.

Underlying profit before tax from continuing operations, before pre-LASPO (Legal Aid, Sentencing and Punishment of Offenders Act 2012) After the Event ("ATE") profits, share based payments and one-off items, also increased to £13.0m (2013: £5.4m). Earnings from continuing operations per share were 23.0p (2013: 25.1p), the reduction due to pre-LASPO ATE profits in 2013, which is a legacy item.

During the period, in line with our strategy post-LASPO, we sold PPI Claimline Limited, resulting in a loss from discontinued operations of £1.0m. Final reported figures are shown in note 3 to the financial statements.

NAHL's business model within the Personal Injury ("PI") sector, operating through our successful National Accident Helpline ("NAH") subsidiary, continues to be highly cash generative, with a 97.6% (2013: 106.3%) conversion of operating profit from continuing operations into cash. The balance sheet is robust and at the period end we had cash of £13.6m (2013: £14.2m). Our balance sheet also shows £5.9m of interest bearing loans and borrowings (2013: £6.9m) and non-interest bearing liabilities of £6.5m (2013: £12.1m) relating to the legacy pre-LASPO ATE product, which we expect will be substantially repaid in 2015 and 2016, giving an effective adjusted net cash position of £1.2m (2013 net debt of £4.8m) at 31 December 2014.

Final Dividend
The Board proposes, subject to approval of shareholders at the Annual General Meeting to be held on 27 May 2015, a final dividend of 10.7p per share payable on 31 May 2015 to ordinary shareholders registered on 24 April 2015. Together with our interim dividend already paid of 5.0p per share, this takes total proposed distributions to 15.7p per share representing 68% of earnings from continuing operations per share of 23.0p.

Business Review
The Group's results reflect a strong trading performance, both in terms of our enquiry generation and the affordability of those enquiries to our panel law firms ("PLFs"). Enquiry generation shows volume up 15.3%. Pleasingly, the mix of enquiries has continued to trend towards the higher value categories, and about 76% of the Group's enquiries are generated from the faster growing non-Road Traffic Accident ("RTA") and medical negligence sectors.

Revenue growth from enquiry generation (referred to as solicitor income) is up 11.7% on 2013. This growth is derived from a core UK PI market that continues to be broadly static in terms of overall enquiry volumes and we are confident that we have continued to gain market share. This has been achieved through a combination of factors, from the effectiveness of our Underdog advertising campaigns, through increasing sophistication in our Search Engine Optimisation ("SEO") and digital strategies, to the effective call handling and direct transfer of clients to our PLFs. The Group continues to invest in its multi-channel approach to marketing and NAH, supported by the Underdog, remains the most trusted and recognised brand in the sector.

Revenue from the sale of products (medicals, insurance, insight and costs), which are related to the various services required by our PLFs to run a case efficiently, was up 2.1% in 2014. This is in part a reflection of the decline in products related to pre-LASPO cases. However, this is more than offset by 11.2% growth in our continuing products.

Looking ahead, our aim is to see the Group's continuing product income grow in line with solicitor income.

Board Appointment
In November 2014, I was delighted to welcome Gillian Kent to the Board. Gillian has significant digital experience from her time as CEO of MSN (Microsoft) UK and of Propertyfinder.com, and brings valuable expertise to the Board as we look to other lead generation opportunities.

Acquisition of Fitzalan Partners ("Fitzalan")
The acquisition of Fitzalan, completed in February 2015 for a cash consideration of up to £4.3m, provides us with a platform to use our lead generation and SEO expertise in a sector with close parallels to our core PI business. Conveyancing is a significant sector in the personal legal services market, and we are excited about the opportunities that this acquisition brings. We expect Fitzalan to be immediately earnings enhancing and to broaden our platform for delivering long term, sustainable growth.

We look forward to working with the Fitzalan team and continuing their impressive growth story.

Looking Forward
Our results continue to demonstrate the importance and value of our well recognised and trusted NAH brand, and the strength and expertise of our marketing strategy. We have continued to generate increasing numbers of high quality enquiries for our PLFs. Early signs from the beginning of 2015 are encouraging and we have started the year in line with our expectations.

Our strategy of working across the wider personal legal services market is gaining momentum and we expect growth from our core PI market and a positive contribution from Fitzalan in the conveyancing market.

The business has seen considerable change during 2014 and delivered excellent results. I would like to thank our many stakeholders and our employees in particular for their continued support and contribution to our success.

We look forward to 2015 with enthusiasm.

Steve Halbert
Chairman
23 March 2015

Chief Executive's Report

Overview

2014 was an important year for NAHL as we took the step to become a quoted company. Throughout the year trading remained strong and we are delighted to report results ahead of market expectations. The growth achieved is testimony to the professionalism of our team and the continued support that we receive from our consumers, our PLF's and our partners.

The PI market has undoubtedly gone through a period of dramatic change in the last few years. The new regulatory regime is now well embedded. NAH goes from strength to strength on the back of a single minded approach to serving our PLFs and retaining our position as the UK's leading consumer business in the PI market. Our focus on quality and our passion for providing access to justice for those with a valid injury claim remains at the core of our proposition.

Results

For the past 20 years we have been committed to our ethical approach in a challenging sector. 2014 saw a significant growth in the NAH business with a 15.3% increase in enquiries driving a 10.4% increase in revenue and a 29.3% operating profit improvement. This growth resulted from improved operational efficiency, more effective marketing, and in RTA, an increase in business driven by market consolidation, as many small claims management companies ceased operating in the PI market. Our brand leadership enabled us to take advantage of this and increase our share in all of the key sectors in which we operate. Our enquiry growth has also been strong in our target sectors of non-RTA and medical negligence which has enabled us to retain the high quality mix of enquiries that our PLFs value.

Market Overview

The PI market is estimated at approximately £3bn[1] and has approximately one million claims per annum. The market remains relatively flat, although medical negligence is growing at 12.4%[1] and non-RTA at 7.1% pa[1]. The market has seen some consolidation; however, it remains fragmented with our overall share at an estimated 4%[2], with market shares of 1.9% in RTA, 11.6% in non-RTA and 5.8% in medical negligence.

Brand

The cornerstone of our proposition is the NAH brand and its Underdog character which is based on insight into how our consumers feel when making a claim. Throughout 2014 we have continued to strengthen our position within the PI sector as:

• The most trusted brand on TV[3]
• The most searched for online brand by name[4]
• The number one daytime TV and overall online spender[5]
• The number one in internet hits[5]

The strength of the brand positioning and in particular our trust rating has allowed us to continue to lead the way as the market's leading online brand. Our expertise in marketing has helped us to navigate our way through the changing media landscape and make real progress in SEO and social media.

For the past 20 years we have been committed to the highest ethical standards and improving those of the industry in which we operate.

We are particularly passionate about our Stop Nuisance Calls campaign which we launched during 2014 and the Group remains at the forefront of efforts to drive out unsolicited texts and calls which our consumers tell us are a real issue.

1. Source : CRU analysis 2014
2. Source : CRU analysis and management estimates
3. Source : Independent research, The Nursery 2014
4. Source : Google, December 2014
5. Source : Neilsen Media Research

Panel Law Firms

NAH prides itself on the relationships that it has with its PLFs, many dating back over 10 years. Throughout 2014 we have continued to support our panel of leading specialist injury lawyers with data and information that will help them to understand best practice in running cases. This continuing investment in data sharing and advice is designed to improve our partners' profitability and further enhance the attractiveness of our cases.

During 2014, we have evolved and developed our PLF strategy. With increasing enquiries, we work hard to ensure that we are aligned with quality law firms who can handle large volumes of caseloads with the highest calibre of advice to our consumers, while delivering a cost effective service. PLFs need depth of resources, both legal and financial, to cope with constant growth in volumes. The success of our PLFs is closely entwined with our own success and is a significant focus of our attention. During 2014 the average price paid by PLFs was down 3.2%.

The membership of our Panel during 2014 has changed in line with our expectations, although with increasing volumes, we are beginning to explore new partnering arrangements that will allow us to better deal with volume growth. This allows us to develop alternative strategies for dealing with high growth in volumes, cost effectively, while maintaining the quality of our panel.

Products

Providing first class products and services through our key partnership relationships is critical to our PLFs being able to process the case efficiently. In particular ATE is the cornerstone of "no win no fee" and is fundamental to the consumer feeling confident in progressing a case without risk of any legal costs.

The Group's products continue to perform broadly in line with our expectations, although it has become clear that we need to adapt our non-medical negligence ATE product in the light of post-LASPO market practices. As a result we expect to launch a new product in the first half of 2015 that should be better suited to current market risk and pricing, and we expect this will deliver increased volumes during the second half of the year.

We have also trialled and will shortly be launching an enhanced medical negligence screening service. This service will accelerate the case progression and reduce cost risk for our PLFs, and bring more certainty to the legal process. We expect to see material benefit from 2016.

Operations

Our call centre in Kettering dealt with 248,000 consumer contacts in 2014 (2013: 225,000) and is the crucial link between the consumer and the lawyer that will handle their case. Our ability to filter calls and pass on only cases with real merit is critical to the value that our PLFs get from our relationship.

Throughout 2014 we have been successful in eliminating a larger number of spurious and hoax calls while increasing the conversion of leads to enquiries. It is critical that we only pass enquiries that have a significant chance of success to our panel. Calls with higher chances of success are clearly more valuable to our PLFs. We continue to drive improved performance in NAH and our PLFs.

Our IT team has developed web services platforms that result in a seamless electronic data transfer for the consumer without the need to repeat information to the PLF. This is a critical factor in conversion improvements and is an area for continued development going forward.

People

Our people are at the heart of what we do and fundamental to our continued success. Our employee engagement programme has continued throughout 2014 with a number of key initiatives including:

- The launch of our Save As You Earn ("SAYE") share scheme which was taken up by 52% of our staff at the time of IPO.
- Our biannual employee survey which was completed by 89% of staff and showed a significant improvement across all comparable metrics.
- The launch of an award winning employee benefits programme.
- The launch of a new management development programme across the employee base, and a new values programme.

- The award of the Investors in People (IIP) standard.

I am particularly proud of the effort that we put into developing our talent and communicating with our team especially as they are the first point of contact for our consumers

Acquisition
The Group acquired Fitzalan in February 2015 signalling our commitment to strategic growth. Fitzalan was founded in 2011 and provides lead generation services to law firms and surveyors in the residential conveyancing sector. The addition of Fitzalan to the Group allows us to extend our reach into broader legal markets and utilise our advantage and skill set from the PI market to capitalise on the significant growth opportunities already identified. We look forward to the contribution Fitzalan will make to the wider Group and welcome the team to NAHL.

Outlook
We have made good progress throughout 2014 and we intend to continue this journey in 2015 driven by controlled enquiry growth and innovative product and service development.

The PI market remains large and fragmented and despite our leadership position, the Group has plenty of opportunity to continue increasing its market share and develop our product offerings. Whilst we expect the consolidation gains in the RTA market that have contributed to the growth in 2014 to have been largely realised, the opportunity to continue to develop our market share in our key higher value target segments of non-RTA and medical negligence remains.

The continued development of our PLF strategy will ensure that we work with high quality law firms which can take increasing numbers of enquiries. This will ensure we continue to manage volume growth. The development of a new ATE product and the launch of the enhanced medical screening service will ensure we continue to benefit from good returns in the products area.

There are no significant planned regulatory developments that will have any material effect on our progress and our PLFs can continue to develop their business as a result of working with NAH. The NAH brand goes from strength to strength and we are confident this will cement our leadership position even further.

Russell Atkinson
Chief Executive
23 March 2015

Strategic Report

Business model

The UK PI market
NAHL is an industry-leading outsourced marketing services provider. In 2014 using our NAH brand and Underdog character to support an integrated multi-channel marketing strategy we generated around 83,000 qualified PI enquiries (from about 248,000 inbound consumer contacts) for our panel of 50 specialist PLFs. Worth £3bn, the PI market is large and fragmented with approximately one million claims per annum. NAH's focus remains on the higher margin, faster growing segments of medical negligence and non-Road Traffic Accident claims which accounted for 76% of NAH's total vetted enquiries passed on to PLFs in 2014. The UK PI market is relatively flat, but medical negligence is growing at about 12% and non-RTA at about 7% pa. NAH's estimated market shares are 1.9% in RTA, 11.6% in non-RTA and 5.8% in medical negligence.

Gross Leads
Research shows that consumers are not always comfortable dealing directly with a solicitor and the NAH brand provides the consumer with the confidence that they will be given the right support and advice to start their claim. Through the strength and trust generated by the NAH brand and our Underdog character, created for television and online marketing in 2010, we attract contacts each year either via website visits, inbound telephone contact or live web chat. Our contact centre screens out spurious claims and claims where the victim is at-fault, along with hoax calls and duplicates, resulting in a bank of about 110,000 clean leads.

Clean Leads
NAH does not cold call. All inbound consumer leads are generated through NAH's advertising and online activity and come through to a central, UK-based contact centre where they speak to a Legal Service Advisor ("LSA"). The LSA is a well-informed but empathetic intermediary between the consumer and the law firm and helps the consumer to understand if they have a claim. Our LSAs receive extensive training and use specific criteria to filter consumer contacts effectively into qualified enquiries with good prospects of success. With almost two thirds of initial leads being sifted out of the process, about 83,000 enquiries are passed through to our specialist PLFs to proceed with a claim.

Enquiries
Once the lead has been qualified, the enquiry and all related information is transferred via direct electronic transfer to one of 50 specialist law firms on NAH's nationwide panel. The consumer does not have to repeat any information already shared with NAH and this results in improved conversion rates and improved profitability for PLFs. The solicitor then conducts a further risk assessment to decide whether to proceed with the claim and contracts directly with the consumer (thereafter referred to as the claimant). This results in approximately 48,000 running cases.

Strategy
The IPO has positioned NAHL well to move into the next phase of its growth. Over the years the Group has developed into an acknowledged leader in supporting the legal industry by attracting consumers, assessing their needs and providing products and services to support the PLFs. The opportunity exists to grow by further enhancing our offerings and supporting a wider range of legal markets. This growth strategy is based upon the following key areas:

Market Share growth
The legal services market is large and highly fragmented. Despite its leadership position NAHL still has a relatively small market share in both PI and residential conveyancing. This gives us the opportunity to focus on the key growth sectors in PI of non-road traffic (employer, public and occupier liability) and medical negligence to further increase our share. The Group has historically been stronger in these markets which are perceived as more valuable by our PLFs. Further focus on these segments can generate better value from our mix of enquiries.

In addition share growth opportunities also exist at Fitzalan since internet search for conveyancing is at a relatively early stage of its development.

Partnership development
Over the last 18 months we have been working in partnership with our PLFs to develop data sharing across the life of the case. NAH aggregate this data and can use it to share best practice with our partners. This will increase firm profitability and enhance the value of our enquiries. This will allow us to understand the return generated by our PLFs at a granular level and enable us to target our marketing more efficiently.

Providing a broader range of legal services to our PLFs, many of which offer both conveyancing and PI, will further cement our relationships.

Product and service development
Extending the range of products and services, an important driver of our profitability, has a direct impact on our results. By extending our range of services and optimising our commercial arrangements we can further develop this part of our business.

Throughout 2014 we have been developing and testing a new type of medical negligence screening service which will significantly reduce case lengths, handling costs and settlement times for these extremely complex cases. Initial trials have proved successful and this service will gradually be rolled out in 2015.

We have also been investigating the opportunity to aggregate volume of quasi administrative tasks that our PLFs currently perform. These can be outsourced to the Group and completed at a lower cost than an individual firm could negotiate. During 2014 we rolled out our enhanced capture service which takes more data during the initial call and prepares it for our PLFs. This has the benefit of increasing conversion of enquiries as the consumer experience is seamless and the solicitor has knowledge of the consumer thus avoiding repetitive questions.

In addition, Fitzalan presents further exciting opportunities to provide added value services to specialist areas of the residential legal services sector.

Targeted acquisitions
A key benefit of our plc status is the ability to utilise the cash generated in the business to fund acquisitions. NAHL will continue to focus on a small number of right sized income generative acquisitions that either add value to our core personal injury business or enable us to extend into related areas of consumer law where we can replicate our model in different markets, as we have done with Fitzalan.

Acquisition
The acquisition of Fitzalan represents the Group's first move into an adjacent consumer legal service market. Fitzalan was founded in 2011 out of Fridays Property Lawyers, and is based in Hatton Garden, London.

The company is an online marketing specialist targeting home buyers and sellers in England and Wales through its four web based platforms; Fridays Move; In-deed; Surveyor Local and Homeward Legal. Through these platforms, Fitzalan generates confirmed leads for conveyancing and home surveys in England and Wales, and offers these to PLFs and panel surveyors.

The success of the business model lies in Fitzalan's expertise in marketing to a large number of consumers, processing incoming enquiries through a full sales cycle, and converting these into confirmed instructions rather than the partially qualified leads typical of the rest of the market. The conveyancing and surveying panel firms prefer to concentrate on their core skills, and benefit from the expertise of Fitzalan's marketing and sales capability, rather than try to do this themselves. In many respects this proposition is similar to the benefit that NAH offers in the PI market.

Customers are attracted to the proposition due to the assurance provided in dealing with the company's brands:

- Highly competitive fixed fees on conveyancing transactions.
- Enhanced service features such as Search Plus Protection and No Sale No Fee.
- Quality assurance through a comprehensive PLF service level agreement.
- Service mediation in the event of client complaints.
- Advice and information on the conveyancing and surveying process.

Fitzalan currently generates enquiries in the form of incoming calls, online call-back requests and specific leads generated by its web quote engines. Confirmed conveyancing instructions from consumers are then passed to one of over 50 PLFs, who pays Fitzalan a marketing fee per instruction. Additional revenue is generated through agreements that Fitzalan has with related suppliers such as search and surveyor companies, who deliver peripheral services which facilitate the customer instruction.

Fitzalan's surveyor panel comprises around 150 firms of Royal Institute of Chartered Surveyors (RICS) qualified surveyors. The business markets Home Buyer Reports and Building Surveys to both buyers and sellers and provides its survey panel with a steady, controllable workflow, allowing them to plan their workload efficiently.

The acquisition of Fitzalan has a powerful strategic rationale:
- It broadens NAHL's portfolio by providing access to a new market within consumer legal services.
- NAHL has a similar but more mature business model, and can generate real value by bringing their experience to bear in refining and extending Fitzalan's operations.
- There are opportunities to use NAHL's core skill sets and resources to grow a closely related business.

Despite the fact that there were over 1.2m[1] residential property transactions in 2014, both the conveyancing and the home surveying markets are fragmented. There is significant potential to continue to grow Fitzalan's market share (which is less than 1%), and at the same time develop new sources of business that can significantly enhance both market share and bottom line growth in future years.

By order of the board

Russell Atkinson
Chief Executive
23 March 2015

1430 Montagu Court
Kettering Parkway
Kettering
Northants
NN15 6XR

1. Source : Land registry data 2014

Chief Financial Officer’s Report

Financial review

Trading results

	2014 **£m**	2013 £m
Operating profit (excluding share based payments, one off items and pre-LASPO ATE)	**12.7**	9.8
Share based payments	**(0.3)**	-
One off costs	**(0.6)**	-
Pre-LASPO ATE operating profit	**-**	9.4
Total operating profit	**11.8**	19.2
Financial income	**0.6**	0.3
Financial expense	**(0.3)**	(4.8)
Profit before tax	**12.1**	14.7

Operating profit from continuing activities and before share based payments, one off items and pre-LASPO ATE increased by 29.3% to £12.7m. This was driven by good revenue growth and an improvement in our gross profit margins. Efficient marketing, improved performance from SEO and an increase in the number of enquiries due in part to market consolidation in RTA allowed us to reduce the cost per enquiry to our PLFs by 3.2% yet still enjoy an increase in the overall gross margin from 41.9% to 45.5%.

Our business model and control of central costs ensures that increases in gross margin convert well into operating profit and as a result our return on sales increased from 24.7% to 29.0%; we remain on track to achieve our target of 30.0%. After allowing for share based payments, one off IPO related items and financial income and expense the business returned a profit before tax of £12.1m which is ahead of market expectations.

Taxation
The Group’s tax charge of £2.6m (2013: £4.4m) represents an effective tax rate (“ETR”) of 21.5% (2013: 29.9%). The 8.4 percentage point decrease in the ETR represents a combination of reduced tax rates in the U.K, the repayment of loan notes in 2013, which were not fully deductible, and £480k of financial income in 2014 which is not a taxable income to the Group.

Earnings per share (“EPS”) and Dividend
Basic EPS is calculated on the total profit of the Group and most closely relates to the ongoing cash which will be attributable to shareholders and in turn the Group’s ability to fund its dividend programme. The remuneration committee uses the same metric in assessing the remuneration of its executive directors. The Group also has a number of share options outstanding (see note 11 of the financial statements) which results in a Diluted EPS. Basic EPS for the year was 20.6p (2013: 23.0p) the reduction is as a result of the pre-LASPO ATE profits and Diluted EPS was 20.2p (2013: 22.5p).

The directors have proposed a final dividend of 10.7p reflecting the Group’s stated policy of paying out two thirds of its retained earnings. The ability to pay this level of dividend is due to the solid financial performance for the year, a robust balance sheet with positive net cash and the ongoing cash generative nature of the business. With the 5.0p interim dividend paid in October 2014 the full year dividend will be 15.7p. The full year dividend per share is covered 1.5 times by the continuing operations EPS of 23.0p.

Operating Cash Generation

	2014 £m	2013 £m
Operating profit (excluding share based payments, one off items and pre-LASPO ATE)	**12.7**	9.8
Depreciation	**0.2**	0.2
Working capital movements (excluding discontinued activities)	**(0.5)**	0.4
Net operating cash generated from operating activities	**12.4**	10.4
Net operating cash generated as a percentage of operating profits	**97.6%**	106.3%

NAHL's business model is very cash generative and we continue to return an operating cash conversion in excess of 90% of operating profits. In 2014 the level was 97.6% (2013 106.3%). A major factor in our conversion is that our solicitor income is fully paid by direct debit within the month of invoice and our commissions earned on our product offerings are also received in a timely manner.

Balance Sheet

	2014 £m	2013 £m
Net Assets		
Goodwill	**39.9**	39.9
Adjusted net cash:		
Cash and cash equivalents	**13.6**	14.2
Borrowings	**(5.9)**	(6.9)
Other payables relating to discontinued pre-LASPO ATE product	**(6.5)**	(12.1)
Total adjusted net cash	**1.2**	(4.8)
Other net liabilities	**(4.9)**	(4.9)
Total net assets	**36.2**	30.2

The Group's net assets at 31 December 2014 were £36.2m (2013: £30.2m) reflecting the retained earnings for the year and the changes in the financial structure implemented as part of the IPO. The significant balance sheet items are Goodwill, Adjusted net cash (which includes cash and cash equivalents, borrowings and other payables relating to a legacy pre-LASPO ATE product) and other net liabilities.

Goodwill

The Group's Goodwill of £39.9m (2013: £39.9m) arises from the business acquisition of NAH. Management reviewed the Goodwill value for impairment as at 31 December 2014 and believes there are no indications of impairment.

Adjusted net cash

The Group considers that its adjusted net cash comprises cash and cash equivalents, other interest bearing loans and borrowings and other payables relating to a legacy pre-LASPO ATE product. At 31 December 2014 adjusted net cash was £1.2m (2013: adjusted net debt £4.8m).

Cash and cash equivalents
At 31 December 2014 the Group had £13.6m of cash and cash equivalents (2013: £14.2m). Since the year end the Group has utilised £3.0m of this to fund the initial consideration for the acquisition of Fitzalan (with a further amount of up to £1.3m to be paid by 31 December 2015) but still retains a healthy level of cash. All of the Group's cash is held in its trading entities and the Group takes advantage of medium term deposit rates in maximising its interest returns.

Other interest bearing loans and borrowings
At 31 December 2014 the Group had £5.9m of other interest bearing loans and borrowings (2013: £6.9m). The Group refinanced its borrowing arrangements during the year so that £2.95m of this is due on 31 December 2015 and £2.95m on 31 December 2016. The current rate of interest payable on these borrowings is 2.5% above LIBOR.

Other payables relating to a discontinued pre-LASPO ATE product
At 31 December 2014 the Group had £6.5m of other payables relating to a legacy pre-LASPO ATE product (2013: £12.1m). This amount is repayable to Allianz for previously received commissions when certain of the policies either fail or are abandoned. The provision is calculated using actuarial rates and is likely to be materially repaid by the end of 2016.

Risks
The Board has ultimate responsibility for setting the Group's risk appetite and for effective management of risk. An annual assessment of key risks is performed by the Executive Directors and presented to the Board. A risk register is maintained and regularly reviewed by the Executive Directors. All risks take into consideration the likelihood of the event occurring and the impact of that event. Once the risks have been assessed appropriate mitigation actions are determined for each key risk identified.

Principal Risk	Description	Mitigation
Regulatory	The Group and its PLFs are subject to an extensive regulatory and legal framework. This includes the need to comply with the provisions of the LASPO and regulation by either the Claims Management Regulation Unit (CMRU) or the Solicitors Regulation Authority (SRA). Regulations and laws are open to change and in the event either the Group or its PLFs fails to make the necessary changes then corrective action may be required.	The Group will continue to monitor regulatory and legal developments and use these to underpin its strategic and competitive response and ensure compliance with its obligations. It will also continue to work with its PLFs to ensure they comply with relevant regulations. The business model has proven to be adaptable and resilient to change over a number of years and the business has continued to develop through the various regulatory changes.
Market and competition	The Group operates in a competitive market and although a number of competitors have left the market in 2014 the Group could still face competition from other consumer marketing businesses in the legal services market. The Group is also reliant on the PI sector for the majority of its revenue and profits.	The Group has historically taken market share and with its strong brand and leadership positions acting as a continued barrier to entry the Group will continue to compete effectively against the competition. The recent acquisition of Fitzalan supports the Groups strategy to develop into other chosen legal markets through targeted acquisitions which helps to mitigate its reliance on the PI sector.

PLFs	The Group is dependent upon its PLFs to take its enquiries each month and to pay for these enquiries prior to the satisfactory completion of the case by the PLF. Any termination by the PLF of this relationship or any significant change in the financial situation of the PLF could have a material impact on the financial performance of the Group.	The Group continues to provide its PLFs with high quality enquiries that ensure the PLF maximizes its financial performance. The Group has a number of panel relationships and ensures that no single PLF accounts for more than 20% of the Group's business each month. The Group continues to explore new PLF relationships to ensure there is a replacement PLF available in the event of termination of any existing relationship.
Reliance on TV and online marketing	The Group relies upon its TV and online marketing strategy to retain its market leading position in the PI sector. Any significant change in technology, cost increases, changes to search engine algorithms or terms of services could impact the Groups ability to maintain its high rankings on search results and ultimately lead it to having to spend more resource and expenditure to meet its financial results.	The Group has extensive experience of managing its marketing strategy through a combination of internal marketing experts and external agencies. The relationships with the external agencies go back many years and ensure the Group has flexibility and the speed required to react to the potential risks outlined.
Brand reputation	The Group's success and results are dependent in part on the strength and reputation of the Group and its NAH brand. The Group relies on its brands which includes NAH and on its advertising character, the Underdog, and is exposed to the risk of the brand being tarnished via any significant adverse publicity.	Brand performance is tracked and measured on an ongoing basis to ensure that it remains ahead of competitors and delivers compelling messages which drive consumer contacts. The Group is also active in public affairs and thought leadership, effectively lobbying in areas of importance to the sector, demonstrated through activities such as the Stop Nuisance Calls campaign. This ensures the Group maintains its brand trust ratings and thus its reputation.
Dependence on key personnel	The Group's future growth and success depends, in part, upon the leadership and performance of its Executive Directors and senior management team. The loss of any key individual or the inability to attract appropriate personnel could impact on its ability to execute its business strategy successfully which could negatively impact upon the Group's future performance.	The Group maintains competitive and attractive employment terms and conditions, fully empowering key individuals and allowing them to maximise their job satisfaction. The Group incentivises key management through annual incentive plans in the short term and through share options for medium and long term retention.

Equity restructure

It is the Board's intention at its AGM to seek shareholder approval to restructure its merger reserve and share premium accounts through the normal court procedures. This ensures that the Group has maximum flexibility to access reserves within the Group to support its future dividend policy.

The Group has performed well in 2014 and has a robust balance sheet with adjusted net cash. Our strong cash generation metrics mean we will continue to have good levels of cash in order to fund our stated dividend policy and to acquire good earnings accretive businesses in the legal services market.

Steve Dolton
Chief Financial Officer
23 March 2015

Consolidated statement of comprehensive income

for the year ended 31 December 2014

	Note	**2014** **£000**	2013 £000
Continuing Operations			
Revenue (excluding pre-LASPO ATE)	2	**43,848**	39,717
Pre-LASPO ATE revenue[1]	2	**-**	9,406
Total revenue	1,2	**43,848**	49,123
Cost of sales		**(23,885)**	(23,090)
Gross profit		**19,963**	26,033
Administrative expenses	4	**(8,190)**	(6,819)
Operating profit (excluding share based payments, one-off items and pre-LASPO ATE)		**12,713**	9,829
Share based payments	11	**(288)**	7
One off items	5	**(652)**	-
Pre-LASPO ATE operating profit	2	**-**	9,378
Total operating profit	2	**11,773**	19,214
Financial income	6	**590**	332
Financial expense	7	**(291)**	(4,805)
Profit before tax		**12,072**	14,741
Taxation	8	**(2,594)**	(4,411)
Profit from continuing operations		**9,478**	10,330
Discontinued Operation			
Loss from discontinued operation, net of tax	3	**(1,005)**	(872)
Profit for the year and Total comprehensive income		**8,473**	9,458

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

		2014	2013 (Adjusted)
		p	p
Basic earnings per share (p)			
Group	12	**20.6**	23.0
Continuing operations	12	**23.0**	25.1
Diluted earnings per share (p)			
Group	12	**20.2**	22.5
Continuing operations	12	**22.6**	24.6

Discontinued earnings per share are shown in Note 12. Comparatives for earnings per share have been adjusted as described in note 12.

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

Consolidated statement of financial position

At 31 December 2014

	Note	2014 £000	2013 £000
Non-current assets			
Goodwill		**39,897**	39,897
Property, plant and equipment		**186**	371
Deferred tax asset		**77**	61
		40,160	40,329
Current assets			
Trade and other receivables		**3,725**	3,168
Cash and cash equivalents		**13,637**	14,249
Assets classified as held for sale	3	**-**	3,138
		17,362	20,555
Total assets		**57,522**	60,884
Current liabilities			
Other interest-bearing loans and borrowings	9	**(2,950)**	(6,789)
Trade and other payables		**(7,688)**	(7,838)
Other payables relating to legacy pre-LASPO ATE product	2	**(6,511)**	(12,086)
Tax payable		**(1,248)**	(3,107)
Liabilities classified as held for sale	3	**-**	(843)
		(18,397)	(30,663)
Non-current liabilities			
Other interest-bearing loans and borrowings	9	**(2,951)**	(70)
Total liabilities		**(21,348)**	(30,733)
Net assets		**36,174**	30,151
Equity			
Share capital	10	**103**	231
Share Option Reserve		**288**	-
Interest in own shares		**-**	(14)
Share premium		**49,533**	100
Merger reserve		**(50,000)**	-
Retained earnings		**36,250**	29,834
Total equity		**36,174**	30,151

These financial statements were approved by the board of directors on 23 March 2015 and were signed on its behalf by:

JR Atkinson
Director

Company registered number: 08996352

Consolidated statement of changes in equity

for the year ended 31 December 2014

	Share capital	Share option reserve	Interest in own shares	Share premium	Merger reserve	Retained earnings	Total equity
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Balance at 1 January 2013	**231**	**-**	**(14)**	**100**	**-**	**20,383**	**20,700**
Total comprehensive income for the							
Profit for the year	-	-	-	-	-	9,458	9,458
Total comprehensive income	-	-	-	-	-	9,458	9,458
Transactions with owners, recorded directly in							
Equity-settled share based payment	-	-	-	-	-	(7)	(7)
Balance at 31 December 2013	**231**	**-**	**(14)**	**100**	**-**	**29,834**	**30,151**
Total comprehensive income for the							
Profit for the year	-	-	-	-	-	8,473	8,473
Total comprehensive income	-	-	-	-	-	8,473	8,473
Transactions with owners, recorded directly in							
Issue of deferred share *(note 13)*	-	-	-	50,000	(50,000)	-	-
Disposal of assets held for sale *(note 13)*	-	-	-	(1,500)	-	-	(1,500)
Issue of new ordinary shares *(note 13)*	3	-	-	861	-	-	864
Share based payments (*note 11*)	-	288	-	-	-	-	288
Other transactions with owners *(note 13)*	(131)	-	14	72	-	-	(45)
Dividends paid	-	-	-	-	-	(2,057)	(2,057)
Balance at 31 December 2014	**103**	**288**	**-**	**49,533**	**(50,000)**	**36,250**	**36,174**

Consolidated cash flow statement

for the year ended 31 December 2014

	Note	2014 £000	2013 £000
Cash flows from operating activities			
Continuing operations			
Profit for the year		**9,478**	10,330
Adjustments for:			
Depreciation	*4*	**212**	245
Financial income	*6*	**(590)**	(332)
Financial expense	*7*	**291**	4,805
Share based payments	*11*	**288**	(7)
Taxation	*8*	**2,594**	4,411
		12,273	19,452
Increase in trade and other receivables		**(557)**	(1,818)
Increase/(decrease) in trade and other payables		**40**	(113)
Decrease in other payables relating to legacy pre-LASPO ATE product		**(5,575)**	(3,177)
		6,181	14,344
Interest paid		**(443)**	(3,050)
Tax paid		**(4,469)**	(3,133)
Net cash from operating activities – continuing operations		**1,269**	8,161
Net cash from operating activities – discontinued operations[1]	*3*	**(654)**	711
Net cash from operating activities		**615**	8,872
Cash flows from investing activities			
Continuing operations			
Acquisition of property, plant and equipment		**(27)**	(177)
Interest received		**110**	332
Income from crystallisation of contingent asset	*5*	**480**	-
Net cash from investing activities – continuing operations		**563**	155
Net cash used in investing activities – discontinued operations	*3*	**-**	(3,629)
Net cash used in investing activities		**563**	(3,474)
Cash flows from financing activities			
Continuing operations			
New share issue		**819**	-
Repayment of borrowings		**(996)**	(28,322)
Dividends paid		**(2,057)**	-
Net cash used in financing activities – continuing operations		**(2,234)**	(28,322)
Net cash used in financing activities – discontinued operations	*3*	**250**	2,902
Net cash used in financing activities		**(1,984)**	(25,420)
Net decrease in cash and cash equivalents		**(806)**	(20,022)
Cash and cash equivalents at 1 January		**14,443**	34,465
Cash and cash equivalents at 31 December[2]	*15*	**13,637**	14,443

[1] Net cash from operating activities, discontinued operations, includes operating cashflows of £444,000 from discontinued operations and £210,000 of costs borne by the Group.

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

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of preparation

Consolidated financial statements

This preliminary financial information does not constitute statutory accounts for the Group for the financial periods ended 31 December 2014 and 31 December 2013, but has been derived from those accounts. Statutory accounts for the financial period ended 31 December 2014 will be delivered following the Company's annual general meeting. The auditors have reported on those accounts and their reports were unqualified and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The Consolidated Financial Statements for the year ended 31 December 2014 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The consolidated financial information has been prepared on a going concern basis and under the historical cost convention.

The first consolidated financial statements which were prepared under IFRS as adopted by the European Union, are the Historical Financial Information included within the AIM Admission Document. A copy of these financial statements can be obtained from the Group's website www.nahlgroupplc.co.uk. The date of transition to IFRS was 1 January 2011, and disclosures concerning the transition from UK GAAP to IFRS are detailed in note 24 of the AIM Admission Document. Therefore, the consolidated financial statements for the year ended 31 December 2014 do not constitute the first IFRS financial statements of the Group, and accordingly no associated disclosures are provided.

The Directors have prepared cash flow forecasts for the period until December 2016. Based on these, the Directors confirm that there are sufficient cash reserves to fund the business for the period under review, and believe that the Group is well placed to manage its business risk successfully. For this reason they continue to adopt the going concern basis in preparing the financial statements.

The share capital relating to NAHL Group plc is a result of a share for share exchange with the shareholders of the Consumer Champion Group Limited. There was no change of control as a result of the transaction.

Basis of consolidation

The financial statements represent a consolidation of the Company and its subsidiary undertakings as at the Statement of Financial Position date and for the year then ended. In accordance with IFRS 10 the definition of control is such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has the rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. All subsidiary undertakings in which the Group has a greater than 50 percent shareholding have been consolidated in the Group's results.

The consolidated financial information incorporates the results of business combinations using the purchase method. In the Group statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Group statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases. Acquisition costs are expensed as incurred. This policy does not apply on the acquisition of Consumer Champion Group Limited for which reverse acquisition accounting has been applied.

Use of judgements and estimates

The preparation of financial statements in conformity with IFRSs requires management to make judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

Revenue, other than pre-LASPO ATE income, is not considered to be a key judgement or estimate as the revenue recognised is equal to the cash received with no further clawback or commitments. All solicitors income cash is collected by direct debit in the month within which it is billed.

Judgements

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

Intangible assets

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

Estimates

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

Impairment of goodwill

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

Contingent consideration

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

Recoverability of trade receivables

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

Deferred tax

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

Revenue recognition

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

New standards, interpretations and amendments not yet effective

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

- *IFRS 9: Financial Instruments - Effective for annual reporting periods beginning on or after 1 January 2018, with early application permitted.*
- *IFRS 15: Revenue from Contracts with Customers - Effective for annual reporting periods beginning on or after 1 January 2017, with early application permitted.*
- *Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation - Effective for annual reporting periods beginning on or after 1 January 2016, with early application permitted*.
- *Amendments to IAS 19: Defined Benefit Plans; Employee Contributions - Effective for annual reporting periods beginning on or after 1 July 2014, with early application permitted.*
- *Amendments to IFRSs: Annual Improvements to IFRSs 2010-2012 Cycle - Effective for annual reporting periods beginning on or after 1 July 2014, with limited exceptions.* Earlier application is permitted. The Annual Improvements to IFRSs 2010-2012 Cycle include a number of amendments to various IFRSs such as; IFRS 2 *'Share-based Payment'*, IFRS 3 *'Business Combinations'*, IFRS 8 *'Operating Segments'*, IFRS 13 *'Fair Value Measurement'*, IAS 16 *'Property, Plant and Equipment'*, IAS 38 *'Intangible Assets'* and IAS 24 *'Related Party Disclosures'.*
- *Amendments to IFRSs: Annual Improvements to IFRSs 2011-2013 Cycle - Effective for annual reporting periods beginning on or after 1 July 2014, with early application permitted.* The Annual Improvements to IFRSs 2011-2013 Cycle include a number of amendments to various IFRSs such as; IFRS 3 *'Business Combinations'*, IFRS 13 *'Fair Value Measurement'* and IAS 40 *'Investment Property'*.

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

Going concern

The Group had cash balances of £13,637,000 (*2013: £14,443,000*), net assets of £36,174,000 (*2013: £30,151,000)* and net current liabilities of £1,035,000 (*2013: £10,108,000*) as at each year end.

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully. As part of the normal management process, detailed projections of future trading are prepared, which includes the impact for possible changes in market or regulatory conditions. Based on these projections the Board remains very positive about the Group's short and longer term prospects.

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

Revenue

Revenue relating to solicitor income (including recharged costs), means income received for the provision of enquiries to solicitor firms on a cost-plus model. Revenue recognised is equal to the cash received with no further clawback or commitments. All cash is collected by direct debit in the month within which it is billed.

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

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

Revenue relating to PPI Claimline Limited has been included as a discontinued operation, as a decision was made by the directors to sell this major line of business on 15 May 2014. Revenue is recognised on confirmation of successful completion of a claim.

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

Goodwill

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

Employee share schemes

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

Non-current assets held for sale and Discontinued operations

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

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

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

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

2 Operating segments

	Solicitor income	Products	Pre-LASPO ATE	Other segments	One-off items	Total - continuing	PPI Claimline (disc.)	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Year ended 31 December 2014								
Revenue	38,445	5,403	-	-	-	43,848	1,506	45,354
Depreciation and amortisation	(212)	-	-	-	-	(212)	(31)	(243)
Operating profit/(loss)	9,020	5,301	-	(1,608)	(940)	11,773	(232)	11,541
Financial income						590	-	590
Financial expenses						(291)	-	(291)
Profit/(loss) before tax						12,072	(232)	11,840
Trade receivables	3,126	50	-	-	-	3,176	-	3,176
Segment liabilities	(5,565)	(878)	(6,511)	(1,245)	-	(14,199)	-	(14,199)
Capital expenditure	27	-	-	-	-	27	-	27
Year ended 31 December 2013								
Revenue	34,423	5,294	9,406	-	-	49,123	12,245	61,368
Depreciation and amortisation	(245)	-	-	-	-	(245)	(4,969)	(5,214)
Operating profit/(loss)	5,588	5,256	9,378	(1,008)	-	19,214	(3,494)	15,720
Financial income						332	2,903	3,235
Financial expenses						(4,805)	(88)	(4,893)
Profit/(loss) before tax						14,741	(679)	14,062
Trade receivables	2,373	508	-	-	-	2,881	1,130	4,011
Segment liabilities	(3,976)	(312)	(12,086)	(3,550)	-	(19,924)	(843)	(20,767)
Capital expenditure	177	-	-	-	-	177	-	177

Geographic information

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

Operating segments

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

Solicitor income – Revenue from the provision of enquiries to the panel law firms, based on a cost plus margin model, (based on fixed fee for the period to 31 March 2013).

Products – Commissions received from providers for the sale of additional products by them to the panel law firms.

Pre-LASPO ATE – Revenue is commissions received from the insurance provider for the use of 'after the event' policies by panel law firms. From 1 April 2013, this product was no longer available as a result of LASPO regulatory changes. Included in the balance sheet is a liability that has been separately identified due to its material value. This balance is commissions received in advance that are due to be paid back to the insurance provider. No interest is due on this liability.

Other segments – Costs that are incurred in managing group activities or not specifically related to a product and including share based payments.

One-off items – Costs for the payment of employee bonuses relating to admission of the company to AIM.

PPI Claimline (discontinued) – Provision of claims management services focused on recovery of mis-sold payment protection insurance. This business was sold on 15 May 2014.

Cash flows from operating activities – Continuing operations

A reconciliation of operating profit to cash generation from operations for Continuing operations has been presented below separately identifying net cash flows relating to Continuing products (comprising cash flows associated with solicitor income, products and other segments), the Pre- LASPO ATE product segment and cash flows within Continuing operations that related to the PPI Claimline division, which is now discontinued.

For the period ended 31 December 2014, one off items have also been separately identified.

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

12 months ended 31 December 2014	**Continuing products £000**	**Pre-LASPO ATE £000**	**Sub-total £000**	**One off items £000**	**Total £000**
Operating profit	12,425	-	12,425	(652)	11,773
Equity-settled share based payments	288	-	288	-	288
Underlying operating profit	12,713	-	12,713	(652)	12,061
Depreciation	212	-	212	-	212
Increase in trade/other receivables	(557)	-	(557)	-	(557)
Increase in trade/other payables	40	-	40	-	40
Decrease in liabilities relating to pre-LASPO ATE product	-	(5,575)	(5,575)	-	(5,575)
Net cash flows from operating activities before interest and tax	**12,408**	**(5,575)**	**6,833**	**(652)**	**6,181**

12 months ended 31 December 2013	**Continuing products £000**	**Pre-LASPO ATE £000**	**Sub-total £000**	**PPI Claimline related £000**	**Total £000**
Operating profit	9,836	9,378	19,214	-	19,214
Equity-settled share based payments	(7)	-	(7)	-	(7)
Underlying operating profit	9,829	9,378	19,207	-	19,207
Depreciation	245	-	245	-	245
Decrease/(increase) in trade/other receivables	487	-	487	(2,305)	(1,818)
Decrease in trade/other payables	(113)	-	(113)	-	(113)
Decrease in liabilities relating to pre-LASPO ATE product	-	(3,177)	(3,177)	-	(3,177)
Net cash flows from operating activities before interest and tax	**10,448**	**6,201**	**16,649**	**(2,305)**	**14,344**

3 Non-current assets held for sale and discontinued operation

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

On the 15 May 2014, the division was sold for £1,500,000 resulting in a loss on disposal of £563,000.

Trading results of the discontinued operation

	2014 £000	2013 £000
Revenue	**1,506**	12,245
Administrative expenses	**(1,738)**	(15,739)
Financial income	**-**	2,903
Financial expense	**-**	(88)
Loss before tax	**(232)**	(679)
Tax on loss	**-**	(193)
Loss for the year	**(232)**	(872)

Loss from discontinued operations

	2014 £000	2013 £000
Proceeds		
Capital reduction	**1,500**	-
Disposal		
Net assets at 31 December 2013	**2,295**	-
Loss in the period	**(232)**	-
	2,063	-
Loss on disposal	**(563)**	-
Other losses attributable to discontinued operations		
Loss in the period	**(232)**	(872)
Reorganisation costs	**(98)**	-
Fees relating to disposal	**(112)**	-
	(442)	(872)
Total loss from discontinued operations	**(1,005)**	(872)

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

	2014 £000	2013 £000
Impairment of goodwill	**-**	4,888
Depreciation of property, plant and equipment	**31**	81
Operating leases – land and buildings	**49**	115
Operating leases – other	**-**	5
Early settlement of contingent consideration	**-**	(2,902)

Assets and liabilities held for sale/disposal group

	2014 £000	2013 £000
Assets classified as held for sale/disposal group:		
Intangible assets	-	1,265
Property, plant and equipment	-	96
Trade and other receivables	-	1,583
Cash and cash equivalents	-	194
	-	3,138
Liabilities classified as held for sale / disposal group:		
Trade and other payables	-	(843)
	-	2,295

Cash flow statement for discontinued operations

	2014 £000	2013 £000
Cash flows from operating activities		
Discontinued operations		
Loss for the year	**(1,005)**	(872)
Adjustments for:		
Depreciation, amortisation and impairment	**31**	4,969
Financial income	-	(2,903)
Financial expense	-	88
Taxation	-	193
	(974)	1,475
Decrease in trade and other receivables	**1,583**	1,038
Decrease in trade and other payables	**(843)**	(1,599)
Cost borne by Group company	**(210)**	-
	(444)	914
Interest paid	-	(10)
Tax paid	-	(193)
	(444)	711
Cash flows from investing activities		
Discontinued operations		
Interest received	-	1
Acquisition of subsidiary	-	(3,630)
Net cash from investing activities	-	(3,629)
Cash flows from financing activities		
Discontinued operations		
Funding from group companies	**250**	-
Early settlement of contingent consideration	-	2,902
Net cash from financing activities	**250**	2,902
Net decrease in cash and cash equivalents	**(194)**	(16)
Cash and cash equivalents at 1 January	**194**	210

Cash and cash equivalents at 31 December	**-**	194

Intangible assets

	Customer Related intangibles £000	Goodwill £000	Total £000
Cost			
At 1 January 2014	312	6,153	6,465
Disposal	(312)	(6,153)	(6,465)
At 31 December 2014	**-**	**-**	**-**
Amortisation and impairment			
At 1 January 2014	312	4,888	5,200
Disposal	(312)	(4,888)	(5,200)
At 31 December 2014	**-**	**-**	**-**
Net book value			
At 31 December 2013	-	1,265	1,265
At 31 December 2014	**-**	**-**	**-**

4 Administrative expenses and auditor's remuneration*

Included in consolidated statement of comprehensive income are the following:

	2014 £000	2013 £000
Depreciation of property, plant and equipment	**212**	245
Operating leases – land and buildings	**120**	170
Operating leases – other	**40**	57
Auditors remuneration	**352**	133

The analysis of auditors' remuneration is as follows:	**2014**	2013
	£000	£000
Audit services - statutory audit	**58**	38
Other assurance services	**8**	-
Taxation compliance	**8**	13
Taxation advisory services	**5**	-
Corporate finance services	**270**	82
Other assurance & non-audit services	**3**	-
Total non-audit remuneration	**294**	95

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

5 One off items

As a result of the admission to AIM, income was realised on the crystallisation of an asset that was contingent on an exit event. This contingent asset arose as a result of the award of shares to employees by the Employee Benefit Trust ('EBT') under the EMI scheme creating loans repayable on exit. This income totalled £480,000. Under the trust rules this cash and any previously recognised cash in the EBT is required to be used for the benefit of employees. As a result, companywide bonuses were paid in recognition of the successful completion of the IPO. The costs of these bonuses have been included in the consolidated statement of comprehensive income as one-off items totalling £652,000 (*2013: £nil*). The £480,000 income received for the contingent asset has been detailed in note 6.

6 Financial income*

	2014 £000	2013 £000
Bank interest income	**110**	332
Income from crystallisation of contingent asset (note 5)	**480**	-
	590	332

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

7 Financial expense*

	2014 £000	2013 £000
On bank loans	**157**	415
On loan notes	**-**	1,705
Dividends on preference shares	**134**	6
Unwinding of loan note discounting	-	64
Loss on settlement of loan notes	**-**	2,609
Bank charges	**-**	6
Total finance expense	**291**	4,805

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

8 Taxation

Recognised in the consolidated statement of comprehensive income	**2014 £000**	2013 £000
Current tax expense (excluding tax on discontinued operation)		
Current tax on income for the period	**2,610**	4,393
Adjustments in respect of prior periods	**-**	(1)
Total current tax (excluding tax on discontinued operation)	**2,610**	4,392
Deferred tax expense		
Origination and reversal of temporary differences	**(16)**	12
Adjustments in respect of prior periods	**-**	(3)
Effects of change in standard rate of corporation tax	**-**	10

Total deferred tax (excluding tax on discontinued operation)	**(16)**	19
Tax expense in income statement (excluding tax on discontinued operation)	**2,594**	4,411
Current tax expense from discontinued operation		
Current tax on income for the period	**-**	193
Tax from discontinued operation	**-**	193
Total tax charge	**2,594**	4,604

Reconciliation of effective tax rate

	2014	2013
	£000	£000
Profit for the year	**8,473**	9,458
Total tax expense (including tax on discontinued operations)	**2,594**	4,604
Profit excluding taxation	**11,067**	14,062
Tax using the UK corporation tax rate of 21.5% (2013: 23.25%)	**2,379**	3,269
Amortisation, impairment and unwinding of discounting not deductible for tax purposes	**-**	1,669
Non-chargeable gain	**-**	(675)
Income disallowable for tax purposes	**(104)**	-
Non-deductible expenses	**296**	249
Short term timing differences for which no deferred tax is recognised	**39**	125
Effects of change in standard rate of corporation tax	**-**	10
Adjustments in respect of prior periods	**-**	(4)
Change in recognised temporary differences	**(16)**	-
Recognition of tax effect of previously unrecognised tax losses	**-**	(39)
Total current tax charge (including tax on discontinued operations)	**2,594**	4,604

Changes in tax rates and factors affecting the future tax charge

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and to 20% (effective 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

The deferred tax asset at 31 December 2013 has been calculated based on the rates of 20% substantively enacted at the balance sheet date.

9 Other interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's other interest-bearing loans and borrowings, which are measured at amortised cost.

	2014 £000	2013 £000
Current liabilities		
Current portion of secured bank loans	**2,950**	6,789
	2,950	6,789
Non-current liabilities		
Secured bank loans	**2,951**	-
Shares classified in CCG Limited as debt	**-**	70
	2,951	70
Total other interest-bearing loans and borrowings	**5,901**	6,859

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value 2014 £000	Carrying amount 2014 £000	Face value 2013 £000	Carrying amount 2013 £000
Loan A	**GBP**	**3.00% above Libor**	**2014**	**-**	**-**	926	921
Loan B	**GBP**	**3.50% above Libor**	**2014**	**-**	**-**	5,901	5,868
Bank Loan	**GBP**	**2.50% above Libor**	**2016**	**5,901**[1]	**5,901**	-	-
Shares classified as debt	**GBP**	**8%**	**2014**	**-**	**-**	70	70
				5,901	**5,901**	6,897	6,859

1. The loan of £5,901,000 is payable 50% on 30 December 2015 and 50% on 30 December 2016. Interest is payable at 2.5% above LIBOR.

10 Share Capital

	2014	2013
Number of shares		
41,150,000 ‘A’ ordinary shares of £0.0025 each	**41,150,000**	-
125,000 ‘A’ ordinary shares of £0.50 each *(cancelled)*	**-**	125,000
75,000 ‘B’ ordinary shares of £0.50 each *(cancelled)*	**-**	75,000
67,533 ‘C’ ordinary shares of £1 each *(cancelled)*	**-**	67,533
37,092 ‘D’ ordinary shares of £1 each *(cancelled)*	**-**	37,092
25,663 ‘E’ ordinary shares of £1 each *(cancelled)*	**-**	25,663
40,957 ‘F’ ordinary shares of £0.01 each *(cancelled)*	**-**	40,957
69,000 ‘A’ preference shares of £1 each *(cancelled)*	**-**	69,000
1,000 ‘B’ preference shares of £1 each *(cancelled)*	**-**	1,000
	41,150,000	411,245

	£000	£000

Allotted, called up and fully paid		
41,150,000 'A' ordinary shares of £0.0025 each	**103**	-
125,000 'A' ordinary shares of £0.50 each *(cancelled)*	**-**	63
75,000 'B' ordinary shares of £0.50 each *(cancelled)*	**-**	38
67,533 'C' ordinary shares of £1 each *(cancelled)*	**-**	68
37,092 'D' ordinary shares of £1 each *(cancelled)*	**-**	37
25,663 'E' ordinary shares of £1 each *(cancelled)*	**-**	25
40,957 'F' ordinary shares of £0.01 each *(cancelled)*	**-**	-
69,000 'A' preference shares of £1 each *(cancelled)*	**-**	69
1,000 'B' preference shares of £1 each *(cancelled)*	**-**	1
	103	301
Shares classified as liabilities	**-**	70
Shares classified in equity	**103**	231
	103	301

The share for share exchange includes all share classes with the exception of 'A' preference shares and 'B' preference shares.

11 Share based payments

During the year, share options of employees in the shares of Consumer Champion Group Limited vested as the change of control vesting condition was met as a result of the placing of shares on AIM. All options held at the 31 December 2013 were exercised.

The Group now operates 3 employee share plans as follows:

SAYE plan
The SAYE plan is available to all employees. Options may be satisfied by newly issued Ordinary Shares, Ordinary Shares purchased in the market by an employees' trust or by the transfer of Ordinary Shares held in treasury.

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

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

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

Grant date/employees entitled/nature of scheme	Number of instruments	Vesting conditions	Contractual life of options
Equity-settled award to 21 employees granted by the parent company on 26 January 2010	5,683 'D' and 'E' shares, and 5,683 'F' shares	Vested on change of control	Vested
Equity-settled award to 8 employees granted by the parent company on 25 August 2010	868 'E' shares and 1,262 'F' shares	Vested on change of control	Vested
Equity-settled award to 26 employees granted by the parent company on 10 October 2011	2,350 'E' shares and 2,350 'F' shares	Vested on change of control	Vested
Equity-settled award to 18 employees granted by the parent company on 1 November 2012	685 'E' shares and 685 'F' shares	Vested on change of control	Vested
Equity-settled award to 3 employees granted by the parent company on 3 December 2012	375 'E' shares and 375 'F' shares	Vested on change of control	Vested
Equity-settled award to 3 employees granted by the parent company on 31 December 2013	1,045 'E' shares and 1,045 'F' shares	Vested on change of control	Vested
SAYE Equity-settled award to 56 employees granted by the parent company on 29 May 2014	270,448 ordinary shares	Performance based	Announcement of 2017 results
LTIP Equity-settled award to 4 employees granted by the parent company on 29 May 2014	790,004 ordinary shares	Performance based	Announcement of 2017 results
EMI Equity-settled award to 9 employees granted by the parent company on 11 December 2014	899,996 ordinary shares	Performance based	Announcement of 2017 results

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

	2014 Weighted average exercise price	**2014 Number of options**	2013 Weighted average exercise price	2013 Number of options
	£	**No.**	£	No.
Outstanding at the beginning of the year	**6.66**	**16,356**	5.98	16,288
Exercised during the year	**(6.66)**	**(16,356)**	-	-
Granted during the year	**1.13**	**1,970,448**	12.01	2,090
Forfeited during the year	**(1.60)**	**(20,700)**	(4.98)	(2,022)
Outstanding at the end of the year	**1.13**	**1,949,748**	6.66	16,356
Exercisable at the end of the year	**-**	**-**	-	-

A charge of £288,000 *(2013: credit of £7,000)* has been made through profit and loss in the current year.

12 Basic earnings per share

The calculation of basic earnings per share at 31 December 2014 is based on profit attributable to ordinary shareholders of £8,473,000 *(2013: £9,458,000)* and a weighted average number of ordinary share outstanding of 41,150,000. As a result of the transactions relating to the IPO on 29 May 2014, the total issued ordinary shares have changed materially. The directors have presented adjusted comparative periods to provide an EPS that gives users a useful comparison for basic and diluted EPS.

Profit attributable to ordinary shareholders (basic)

£000	**2014**	2013
Profit for the year attributable to the shareholders – continuing	**9,478**	10,330
Loss for the year attributable to the shareholders – discontinued	**(1,005)**	(872)
Profit for the year attributable to the shareholders – Total	**8,473**	9,458

Weighted average number of ordinary shares (basic)

Number	Note	**2014**	2013 (Adjusted)
Issued ordinary shares at 1 January	10	**41,150,000**	41,150,000
Weighted average number of ordinary shares at 31 December	10	**41,150,000**	41,150,000

Basic Earnings per share (p)

	2014	2013 (Adjusted)
Group	**20.6**	23.0
Continuing operations	**23.0**	25.1
Discontinued operations	**(2.4)**	(2.1)

The Company has in place share based payment schemes to reward employees. At the 31 December 2014, the LTIP, EMI and SAYE schemes are at a value that would reasonably result in the options being exercised. The total number of options available for these schemes included in the diluted earnings per share calculation is 790,004. There are no other diluting items.

Diluted Earnings per share (p)

	2014	2013 (Adjusted)
Group	**20.2**	22.5
Continuing operations	**22.6**	24.6
Discontinued operations	**(2.4)**	(2.1)

13 Transactions with owners, recorded directly in equity

On the 29 May 2014, NAHL Group plc was admitted to trading on AIM. The steps required to complete this admission have been included within the condensed consolidated statement of changes in equity and have been further explained below:

Issue of deferred share
A deferred share was issued at a premium resulting in the transfer of £50,000,000 from the merger reserve to share premium. NAHL Group plc declared a bonus issue of a single deferred share of £0.0001 (a "Deferred Share") with a share premium £50,000,000. This transaction resulted in £50,000,000 of the

merger reserve being transferred to the share premium account split pro rata between the different classes of shares.

Disposal of assets held for sale
The market value of the group of companies, headed by Seebeck 62 Limited, classified as held for sale was calculated as being £1,500,000 by the directors of the Company. On the 15 May 2014, Seebeck 62 Limited was then demerged via a capital reduction of this value to the share premium account. A same day registration of the reduction of capital at Companies House has been made. Further details of the demerger can be seen in note 3.

Issue of new ordinary shares
On the 29 of May 2014, 1,150,000 new ordinary shares with a par value of £0.0025 were issued. These raised an additional £2,300,000 funds for the Company. The fees relating to this transaction totalled £1,436,000. These costs have been charged as a reduction to share premium resulting in a net increase to share premium of £861,000 and share capital of £3,000.

Other transactions with owners
Included within other transactions with owners are the following transactions resulting in a net impact of £45,000:

- Share capital has been reduced by £131,000. This is the result of £172,000 reduction in the par value of existing shares and the bonus issue of F shares increasing share capital by £41,000. The bonus issue occurred prior to merger where Consumer Champion Group Limited declared a 99 for 1 F share bonus issue to all shareholders using distributable reserves. There was then an F share 1 for 100 consolidation.
- Acquisition accounting for the purchase also resulted in the removal of interest in own shares of £14,000.
- Share premium has been increased to allow the £172,000 reduction in the par value of shares set off by the removal of £100,000 existing share premium as part of the acquisition accounting.

14 Related parties

Transactions with key management personnel

Key management personnel in situ at the 31 December 2014 and their immediate relatives control 13.7 per cent of the voting shares of the Company.

Key management personnel are considered to be the directors of the Company as well as those of National Accident Helpline Limited and any other management serving as part of the Executive team. Detailed below is the total value of transactions with these individuals.

	2014	2013
	£000	£000
Short term employment benefits	**2,307**	2,364
Termination benefits	**150**	-
	2,457	2,364

Some members of key management personnel received loans from the Company for the purchase of Consumer Champion Group Limited shares from the Employee Benefit Trust ('EBT'). These loans were not recognised on the balance sheet as the assets and liabilities of the EBT are recognised on the Company balance sheet. All loans were repaid during 2014. The total value of these loans at 31 December 2013 was £186,000. These loans did not accrue interest.

At 31 December 2014, no loans remained outstanding from key management personnel *(2013: £27,000)*. This loan is included within other receivables and was made to enable the director to purchase shares in the Company. The loan did not accrue interest and was repaid during 2014.

On the 15 May 2014 PPI Claimline Limited (PPI), a previously 100% owned subsidiary, was sold. As a result of the directors of NAHL Group plc continuing to own shares in PPI it is considered to be a related party. Transactions with PPI since the disposal were invoices for services provided by Consumer Champion Group Limited for IT related solutions totalling £2,366. At the 31 December 2014 £360 remained outstanding.

15 Net Debt

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

	2014	2013
	£000	£000
Cash and cash equivalents	**13,637**	14,249
Other interest bearing loans and loan notes - current liabilities	**(5,901)**	(6,789)
Preference shares - non current liabilities	**-**	(70)
Net cash	**7,736**	7,390

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

	2014	2013
	£000	£000
Net decrease in cash and cash equivalents	**(806)**	(20,022)
Cash relating to discontinued operations	**194**	(196)
Cash and cash equivalents net inflow from increase in debt and debt financing	**996**	29,038
Movement in net borrowings resulting from cash flows	**384**	8,820
Other non cash changes	**(38)**	(2,674)
Movement in cash in period	**346**	6,146
Net cash at beginning of period	**7,390**	1,244
Net cash at end of period	**7,736**	7,390

16 Events after the reporting period

On 17 February 2015 the Group acquired the entire share capital of Fitzalan Partners Limited. Due to the proximity of the acquisition date to the release of the annual financial statements, valuations of assets and liabilities acquired along with the disclosures required by IFRS 3 (Revised) have not yet been prepared. Disclosure will be made in future annual financial statements. NAHL Group plc is paying up to £4.3m consideration made up of an initial cash consideration of £3.0m and further cash of up to £1.3m prior to 31 December 2015 dependent on certain conditions being met.

Fitzalan Partners Limited, a UK company founded in 2011, is an online marketing specialist that uses innovative proprietary technology platforms to target home buyers and sellers in England and Wales and offers lead generation services to panel law firms and surveyors in the conveyancing sector.