WH Ireland Group plc

Annual report and accounts 2010

WHI

ESTABLISHED 1872

GROUP

Our key points at a glance

Business summary

- Operating losses ceased in September 2010 such that the year end loss was little changed from that incurred in the first half of the year. Balance sheet strengthened through better trading and asset sales.
- Executive Board further strengthened with appointment of Chief Executive, Paul Compton and significant recruitment in equity sales, trading and compliance.
- Trading results have improved throughout the year and continue into the new year with £25m being raised for clients in the year to date as compared to £16m for the year under review, and the Board views the year ahead with confidence.

Financial statistics

- Group turnover decreased by 25% to £18.4m (2009: £24.6m)
- Full year loss reduced to £0.3m (2009: £2.1m)
- Basic loss per share of 1.25p (2009: 8.95p)
- Equity shareholders' funds decreased to £13.5m (2009: £14.1m), representing approximately 63p per share (2009: 66p)
- Total funds under management and control in the UK increased to £1.64bn (2009: £1.18bn)

Contents

Chairman's statement

Results and dividend

The result for the full year is an operating loss of £0.7m; a considerable recovery from the £1.8m suffered last year. In our interim results we announced an operating loss of £0.6m and we are pleased that the final six months of the year have therefore shown an improvement on the first. It is with regret however that, given the loss incurred in the year, your Directors consider that the payment of a dividend is not justified.

People and growth

It has been a year of transition for WH Ireland as we installed new management, strengthened our teams and created a more cohesive business. Inevitably this had an impact on our financial performance, but with bolstered client relationships and increasing funds under management, the Group has made considerable progress over the past 12 months.

We are delighted that Paul Compton has joined us as Chief Executive, bringing with him a very successful track record as an analyst (UBS/Merrill Lynch), broker (Collins Stewart) and fund manager (Toscafund). He brings to the Group energy, ideas and experience. His FSA registration has now been received and he is fully operational. I would also like to take the opportunity to welcome John Scott (as Executive Director) and Alan Kershaw (as Finance and Operations Director) to the Group Board. I look forward to working with all of them to spur on the advancement of your Company.

The Directors identified certain areas where the Group needed to improve its service and operations, and I am pleased to say that since my last report we have made great strides to recruit in key positions. We were pleased to welcome Steven Astaire and his team from Astaire Securities; and Ruari McGirr and Sebastian Wykeham from St Helens Capital. They have all settled in well and are contributing to our revenues. Since the year end, Simon Doyle and Gary Woolmer have joined us from Westhouse Securities and are Market Making in our in-house stocks which we believe will help us to improve the service we provide for our corporate clients. We are optimistic that these improvements will help us win further high-quality corporate clients, as exemplified by our recent appointment as Nomad and broker to a number of corporate clients including Noble Investments. Elsewhere in the business, our Compliance function has been greatly strengthened with Stephen Cooper joining us from Arden Partners and I am also delighted to announce that Deepak Lalwani has recently confirmed that he will be joining us. Deepak is an expert on India and will strengthen our relationships in this fast growing and capital hungry part of the world economy.

Overall, the structure of the Company is moving from a collection of self interested franchises into a business which is structured to more effectively support our corporate, private and wealth management clients. This ongoing process will be the key to our continued success in a broking sector which offers many opportunities for a well-structured company with motivated and incentivised business producers.

Our people are the bedrock of this business, and I would like to thank the rest of the team throughout the whole of WH Ireland for their continued support and hard work.

Australia

DJ Carmichael (the Australian stockbroking business in which the Company has a 37.28% stake) continues to make progress despite the global economic downturn. It has made a small profit in the year ending 30 November 2010 and its revenues for the first two months of this financial year are encouraging. We have strengthened our relationship with DJ Carmichael and are hopeful that this will result in increasing revenues for both companies. I would like to thank Ian Dorrington, Paul Adams and everybody at DJ Carmichael for their support.

Summary and Outlook

Our Company remains vulnerable to a market downturn and the current high hard/soft commodity prices, levels of inflation and related unrest in the Middle East and North Africa highlight this downside risk. However, over the past year we have, I believe, greatly strengthened our ability to support, nurture and raise funds for exciting smaller companies who will play a very important part in any economic recovery. We have also reduced our indebtedness with the recent sale of our JBCM Holdings shares and the redemption of their loan notes.

I am pleased to report that the first two months of the new financial year have started well for the Group. We have already successfully raised approximately £25m for our clients, compared to only £16m in the year under review; further increased our funds under management and are optimistic about the prospects for the year subject to volatility in the world economy.

Rupert Lowe
Chairman

Chief executive's report

Overview
I joined WH Ireland on 6th September 2010 and assumed the role of Chief Executive on 31st January 2011. As such, I was something of a spectator to the results being reported.

Over the past two years, the Group has set a number of strategic priorities; including reducing costs, improving the balance sheet, and focusing on our core operational strengths. On each of these areas the Group has made significant progress. The Group has instigated some personnel changes during the post September period, which essentially stemmed the losses of the Group, such that the loss for the year of £0.6m was little changed from that incurred in the first half. In tandem with these personnel changes, we also sold off a series of residual equity holdings to reduce Group debt. This process has continued into the current year such that there should be no need to access further equity funds to support the Group in its current form. In summary, the September to November months were a stabilisation period for the Group in earnings and balance sheet terms.

The second half improvement in trading meant that the full year loss was reduced from the £2.1m figure reported in the prior year to £0.3m this year. This remains unacceptable, but was a step in the right direction. Overall, I would say that the year ended with WH Ireland being in much better shape than it has been in recent years, but it is just the 'end of the beginning' rather than cause for congratulation.

Strategy
I have spent much of my time since joining the Company getting to know the business and identifying our strengths. WH Ireland is well positioned to provide a flexible and personalised solution to our retail clients through the Private Clients and Wealth Management teams. With a strong regional network and long history, our aim is to provide an alternative to the 'one size fits all' offerings of the large banks. Our in-house dealing capability allows us to be competitive with discount brokers on a total cost basis, whilst still providing a valuable advisory service. Within Secondary Markets, we have recently recruited a team to enhance our services in this area by offering Contracts For Difference and spread betting capabilities. This tax and capital efficient way of investing offers considerable upside to the Group when leveraged across the existing client base.

Capital Markets provides advice and fund raising capability to small companies. At the year-end we were acting for 68 companies, of which 51 were quoted on AIM. This activity complements our Private Client stockbroking business as there are often good returns to be made from businesses that have fallen under the radar of the major institutions. At a time when many of the major stockbrokers are withdrawing from the sub-£100m market we are specifically setting our stall out to service this audience.

In order to make acceptable returns from this area of the market, one needs to combine broker fees with commissions but also principal trading. To this end, the Company began market making, predominantly for its in-house stocks, in early January 2011 and initial results have been good.

In summary, our strategy is to offer private investors a personalised investment service that sets us apart from the standardised mainstream approach and to service the UK smaller company sector at a time when it is being increasingly ignored by other players. As such, we are confident that we will be able to build a bigger business than we currently have and produce attractive returns. It is my personal belief that in due course, UK tax regulation will have to be altered to encourage small company investment. Should this occur, the Company would be well positioned to grow more rapidly.

The future
With improving trading and an adequate balance sheet we have entered the new financial year in a solid position. Progress to date has been in line with our internal budget and consequently much better than for the previous year. We have many challenges ahead but we should be able to create a substantial company in its chosen areas of activity. One of the great advantages of WH Ireland is that it is small enough to reward results fairly directly. As such, stakeholders who have weathered the dark days should be increasingly well rewarded.

Paul Compton
Chief Executive

Business review

Overview
The WH Ireland Group has one principal operating subsidiary, WH Ireland Limited. This consists of four trading divisions; Private Clients which provides full stockbroking services to retail clients, Wealth Management which provides independent financial advisory services to individuals, Capital Markets which comprises corporate finance and broking services to small and mid-cap companies, and Secondary Trading which consists of stockbroking and research services to Institutional clients.

Although the Group's income is predominantly derived from activities conducted in the UK, a number of retail, institutional and corporate clients are situated worldwide.

During the course of the year under review, the Group's holding in Acceleris plc was sold and its holding in Ultimate Finance Group plc was reduced to a position where it no longer exercised control.

At the year end, the Group had 200 staff (2009: 200) in the United Kingdom.

Key Performance Indicators (KPIs)
The Group uses a number of KPIs to monitor its performance against its financial objectives:

1. Ratio of loss before tax to total revenue:

	30 November 2010	30 November 2009
	%	%
Ratio of loss before tax to revenue	(3.36)	(8.45)

This is an indication of our profit margin on all business areas and demonstrates the improving financial results following the cost-saving measures previously implemented and business growth underway.

2. Funds under management and administration

	30 November 2010	30 November 2009
	£m	£m
Stockbroking discretionary and advisory funds under management	**778**	611
Financial Services advisory assets	**235**	190
Assets under nominee control (not included above)	**623**	377
Total	**1,636**	1,178

This is used as a measure of recurring income streams on an activity basis. It represents a 38.9% increase for the year in respect of funds under management and administration.

3. Recurring income streams

	30 November 2010	30 November 2009
	£m	£m
Value of Group recurring income	**5.41**	5.93

This is used as another key indicator of business activity. This represents a decrease of 8.8%.

Business review

Key Performance Indicators ('KPIs') continued

1. The Board monitors the performance of the Capital Markets division as follows

	30 November 2010	30 November 2009
Number of transactions	**22**	15
Money raised	**£16m**	£20m
Retained clients	**68**	64

Although we experienced a decline in money raised during the year, we were successful in increasing both the number of clients and the number of transactions undertaken. The new financial year has continued to show signs of recovery in capital markets, which indicates an opportunity for a return to more favourable trading conditions.

Results for the financial year

A summary of the income statement for the financial year is set out below:

	30 November 2010	30 November 2009
	£'000	£'000
Revenue	**18,379**	24,618
Administrative expenses	**(19,108)**	(26,449)
Operating loss	**(729)**	(1,831)
Other income and charges	**111**	(249)
Loss before taxation	**(618)**	(2,080)
Taxation	**351**	183
Loss after taxation	**(267)**	(1,897)

Turnover decreased by 25.3%, but the operating loss position has improved from £1.8m in 2009 to £0.7m in 2010. The decrease in revenue from 2009 relates to large one-off transactions in the Secondary Trading division in the previous year and a relatively slight reduction in income in the Private Clients division (see Note 5). Other segmental results show year on year improvements in terms of revenue and profit before tax.

Overall within the Group the cost management initiatives undertaken in previous years have continued to be followed which has resulted in improvements to the expenditure items within the accounts, with a reduced fixed cost base and more alignment of the business performance with variable cost elements.

Future Outlook

The future outlook of the business is discussed in the Chairman's statement on page 1.

Balance Sheet and Capital Structure

Maintaining a strong and liquid balance sheet is a key business objective for the Board. Net assets amounted to £13.5m (2009: £14.1m) and net current assets to £2.7m (2009: £2.8m). The balance sheet is underpinned by the holding of our head office building in the centre of Manchester and our broad investment portfolio.

Risks and Uncertainties

Risk to the business is consistently reviewed and monitored by the Board and senior management. The Group operates a formal Risk Committee to consider risk management issues and advise the Board appropriately on these matters. This enables the Group to foster a culture to highlight the benefits of a risk-based approach to internal control and management of the Group. The Group also maintains an Internal Audit Department that reports directly to the Group Audit Committee.

There are a number of potential risks to the business which the Group monitors through its risk management framework and evaluates through its regulatory reporting assessment processes:

Risks and Uncertainties continued

Financial Risk

A significant element of the Group's income is linked to transaction volumes. Furthermore, the Group has a predominantly fixed cost base which would require time to adjust, in the event of a material, sustained, market downturn.

To mitigate this risk, the Directors ensure that the balance sheet remains strong and suitably liquid and that sufficient regulatory capital is retained within the Group to provide a healthy surplus over regulatory capital requirements. The Group monitors its regulatory capital requirements on a daily basis.

The Group continues to actively seek to increase that proportion of variable cost to total costs in order to limit the impact of a market downturn on the profitability of the Group. Furthermore the Group continues to build its discretionary and managed-advisory service offering to reduce the proportion of its income that is linked to transaction volumes.

Operational Risk

Operational risk is the risk of loss to the Group resulting from inadequate or failed internal processes, people and systems, or from external events.

Business continuity risk is the risk that serious damage or disruption may be caused to the business as a result of a breakdown, from either internal or external sources, in the infrastructure of the Group. This risk is mitigated by the large number of branches from which the Group operates, the Group having its own business continuity and disaster recovery arrangements, including business interruption insurance cover.

The Group has robust systems and controls that are designed to minimise the Group's exposure to operational risk, including acts of fraud and computer crime. Furthermore operational risks are mitigated by the existence of appropriate insurance cover.

The Group recognises the importance of key management and revenue generators and mitigates the risk of reliance on these individuals through key man insurance policies.

Credit Risk

The Board takes active steps to minimise the possibility of credit losses. This includes formal credit management procedures and the close supervision of credit limits and exposures. Formal credit procedures include approval of client limits, approval of material trades, collateral requirements for trading clients and proactive management of overdue accounts. There are formal rules around traded option business including management of margin. Additionally, risk assessments are performed on an ongoing basis during the year on banks and custodians.

Regulatory Risk

The Group operates in a regulated environment. The Group has an independent and well resourced Compliance and Internal Audit department. The Directors monitor changes and developments in the regulatory environment and ensure that sufficient resources are made available for the Group to implement any required changes. The impact of the regulatory environment on the Group's management of its capital is discussed in note 30 of the financial statements.

Resources and Relationships

The Group's most vital resource remains its employees and the Group remains committed to retaining and recruiting quality staff that share our culture and vision. Staff at all levels of the business are heavily focused on delivering a quality service to our clients. To this end the Board continues to embrace the Financial Services Authority (FSA) initiative on Treating Customers Fairly (TCF) and is ensuring that all aspects of TCF continue to be embedded throughout the business.

The Board collates management information to assist in monitoring these non-financial objectives. These include items such as risk appetite monitoring, staff turnover and client complaint data.

Alan Kershaw
Finance & Operations Director

Board of directors and advisors

Rupert Lowe
Non-executive Chairman
Rupert worked for Phillips and Drew between 1981 and 1988, serving on the LIFFE Board between 1985 and1988. He was a member of the Committee who created the FTSE 100 Index before joining Baring Securities in 1988. He worked in Japanese derivatives with Baring Securities before joining Morgan Grenfell in 1990. Between 1996 and 2006 he was Chairman of Southampton Leisure Holdings Plc. He was previously Chairman of The Prince's Trust (South East) and is currently Chairman of Jubilee Group Holdings (Lloyds Insurance) and a number of family related construction businesses including Lowe Holdings Ltd.

Paul Compton
Chief Executive
Paul has 25 years' experience in the Small/Mid Cap sector. He joined WH Ireland from Toscafund Asset Management LLP, the London based hedge fund and asset managers. Previously Paul was Head of Capital Markets at Collins Stewart after working for Merrill Lynch as Head of Capital Goods Research. Paul started his career as a production engineer in the motor industry.

John Scott
Executive Director
John joined the Group in December 2008 from Barclays Wealth and is now the Head of Private Client Stockbroking of WH Ireland Limited, having worked in stockbroking for over 40 years.

Alan Kershaw
Finance and Operations Director
Alan joined the Group as Operations Director of WH Ireland Limited in January 2010 and was appointed to the Group Board in November 2010 following his appointment as Finance Director. He trained as a Chartered Accountant with PwC, qualifying in 1991, and has spent the last 20 years working in a variety of senior management roles in the financial services industry.

Richard Lee
Non-executive Director
Richard is a Non-executive Director having previously been Chairman of WH Ireland Limited. He has been a Director of a number of public companies in a broad spread of industries and is currently a Non-executive Director of Ultimate Finance Group Plc and Wilmslow Finance Holdings Limited.

Roger Lane-Smith
Non-executive Director
Roger was Senior Partner and Chairman of DLA Piper UK from 1998 to 2005 and was appointed a Senior Consultant to the practice in May 2005. He is a Non-executive Director of MS International, Dolphin Capital Investors, Timpsons, Avia Health Informatics and a number of other non-quoted companies.

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Company Secretary and registered office
Dan Bate
11 St James's Square
Manchester M2 6WH

Company number
3870190

Directors' report

The Directors present their annual report on the affairs of the Group, together with the financial statements and Independent Auditors' Report, for the year ended 30 November 2010.

Principal activities
The principal activity of the Company during the year was that of a holding company.

The principal activities of the Group during the year were the provision of stockbroking, wealth management and corporate finance advice, research, products and services to individuals and institutions.

Business review
A review of the business can be found in the Business Review on pages 3 to 5.

Going concern
The financial statements of the Group have been prepared on a going concern basis. In making this assessment, the Directors have prepared detailed financial forecasts for the period to November 2012 which consider the funding and capital position of the Group. Those forecasts make assumptions in respect of future trading conditions, notably the economic environment and its impact on the Group's revenues and costs. In addition to this the nature of the Group's business is such that there can be considerable variation in the timing of cash inflows. The forecasts take into account foreseeable downside risks, based on the information that is available to them at the time of approval of these financial statements.

Certain activities of the Group are regulated by the FSA which is the single statutory regulator for financial services business in the UK and has responsibility for policy, monitoring and discipline for the financial services industry as a whole. The FSA requires the Group's capital resources to be adequate; that is sufficient in terms of quantity, quality and availability, in relation to its regulated activities. The Directors monitor the Group's regulatory capital resources on a daily basis and they are prepared to implement appropriate management actions to address any potential deficit as required, these actions may include cost reductions, regulatory capital optimisation programmes or further capital raising. The Directors consider that, taking account of foreseeable downside risks, regulatory capital requirements will continue to be met.

As set out in note 26, part of the Group's funding is provided by bank loans and overdrafts. Bank loans which were repayable over a 10 to 25 year period at draw down, are secured on the 11 St James's Square property in Manchester. The overdrafts (which are primarily used to facilitate client transactions) are repayable on demand. The Directors are in the final stages of renewing the bank facilities and have received a draft facility letter from the Group's bank, confirming sufficient funding facilities will be available to the Group until 29 February 2012.

Post balance sheet events
After the balance sheet date, JBCM Holdings Limited exercised their right to buy-back the Group's holding of shares in the company and redeemed the loan notes ahead of schedule (see note 19).

Financial instruments and risk management
Details of risks and risk management arising from the Group's financial instruments are set out in note 29 of the financial statements.

Dividends
The Directors do not propose the payment of any ordinary dividend in respect of the current financial year.

Directors' report

Directors
The Directors who held office during the year and their interest in the shares of the Company were as follows:

	At 30 November 2010	At 30 November 2009
RA Ford (resigned 31 August 2010)	**N/A**	150,000
NJ Gurney (resigned 11 November 2010)	**N/A**	—
R Lane-Smith	**26,038**	26,038
REM Lee	**10,267**	10,267
RJG Lowe	**737,356**	687,356
Lord Marland (resigned 22 July 2010)	**N/A**	1,392,359
JMF Padovan (resigned 22 April 2010)	**N/A**	4,415
MA Frame (resigned 11 January 2010)	**N/A**	18,026
JM Scott (appointed 22 July 2010)	**74,575**	N/A
AM Kershaw (appointed 1 November 2010)	**—**	N/A

On 31st January 2011 following FSA approval, the appointment of CP Compton to the Board as Chief Executive was confirmed. CP Compton currently holds 250,000 shares in the Company, with options over a further 2,128,000 shares, further details of which are in the Remuneration Report on pages 11 to 13.

None of the Directors who held office at the end of the financial year had any disclosable interest in the shares of other Group companies.

Full details of Directors' service contracts, remuneration and share interests can be found in the Remuneration Report on pages 11 to 13.

Major shareholdings
At 18 February 2011, the last practicable date prior to the publication of this report, the Company had been notified of the following shareholdings (other than those of the Directors) of 3% or more of the share capital:

	Ordinary shares	%
A Stone	2,030,869	9.64
PA Bell	1,887,061	8.96
ORA (Guernsey) Limited	1,708,568	8.11
Lord J Marland	1,342,859	6.37
Montpellier Group LLC	1,114,348	5.29
D Whelan	1,038,073	4.93
D Ross	932,855	4.43
T Agnew	807,142	3.83

Policy and practice on payment of creditors
During the year no specific standard or code was followed with respect to the payment of suppliers but the Company and Group's policy for the payment of suppliers was as follows:

- payment terms were agreed at the start of the relationship with the supplier and were only changed by agreement;
- standard payment terms to suppliers of goods and services were within 30 days from receipt of a correct invoice for satisfactory goods or services which had been ordered and received unless other terms were agreed in a contract;
- payments were made in accordance with the agreed terms or in accordance with the law if no agreement had been made; and
- suppliers were advised when an invoice was contested without delay and any disputes were settled as quickly as possible.

This will also be the policy for the forthcoming year.

The Company does not have significant trade creditors in the conventional sense, however at the year end for the Group there were 28.13 days' purchases (2009: 19.01 days) in creditors relating to operational expenses.

Directors' report

Environmental matters
The Group recognises its impact on the environment and takes steps to reduce it. Although the Group's activities have only a comparatively small impact, the Directors are aware that environmental risks and uncertainties impact to some extent on all companies and affect investment decisions.

Political and charitable contributions
The Company did not make any political or charitable donations or incur any political expenditure during the year. Within the rest of the Group, WH Ireland Limited made charitable donations of £735 (2009: £130), but made no political donations or incurred any political expenditure.

Contractual arrangements
The Directors have opted not to disclose information about persons with whom the Group has contractual or other arrangements which are essential to the business as they are of the opinion that such disclosure would be prejudicial to the other party.

Employees
It is Group policy that employees should be kept as fully informed regarding the Group's progress and plans for the future as is feasible and practicable through regular communication between management and staff.

The Company policy is to give full and fair consideration to all disabled people who apply for employment, seeks to develop the skills and potential of disabled people, affords them access to training and promotion opportunities and makes every effort to retain in suitable employment those staff who have the misfortune of becoming disabled whilst in the employment of the Group.

Employees are encouraged to be involved in the Company's performance through participation in a share ownership scheme provided by the WH Ireland Employee Benefit Trust. The WH Ireland Employee Benefit Trust held 211,822 shares in the Company (2009: 211,822 shares), representing 1.00% of the called up share capital (2009: 1.00%). The maximum number of shares held at any time during the year was 211,822 shares (2009: 211,822 shares). The nominal value of shares purchased in the year was £nil (2009: £nil).

The Board wishes to express its appreciation to all the staff for the efforts they have made during the last year.

Annual General Meeting (AGM)
The resolutions being proposed at the AGM include usual resolutions dealing with the ordinary business of the AGM together with certain additional special business. A description of the resolutions relating to the special business is set out at the end of the Notice of AGM.

Auditors
The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

In accordance with Section 487 of the Companies Act 2006, a resolution for the re-appointment of BDO LLP as auditors of the Company is to be proposed at the forthcoming AGM.

By order of the Board

D L Bate
Company Secretary
11 St James's Square
Manchester M2 6WH
25 February 2011

Corporate governance

The Board has given consideration to the UK Corporate Governance Code (the Code) issued from time to time by the Financial Reporting Council (FRC).

Although companies traded on AIM are not required to provide corporate governance disclosure, or follow guidelines in its Code, the Directors have chosen to provide certain information on how the Company has adopted various principles of the Code.

The Board and its committees

At the date of this report the Group Board was made up of three Executive and three Non-executive Directors. The Board is responsible for the overall direction and strategy of the Group and meets regularly throughout the year. Under the Company's Articles of Association at every AGM, any directors:

- who have been appointed by the directors since the last AGM; or
- who were not appointed or reappointed at one of the preceding two AGMs,

must retire from office and may offer themselves for reappointment by the members. Accordingly this year, JM Scott, AM Kershaw and CP Compton will retire and offer themselves for reappointment.

The Board has formally established a number of committees and agreed their terms of reference, these committees are as follows:

Remuneration Committee

The principal function of this committee is to determine the policy on Executive appointments and remuneration. The committee consists of the three Non-executive Directors: with R Lane-Smith as Chairman. It is the aim of the committee to attract, retain and motivate high calibre individuals with a competitive remuneration package.

Remuneration for Executives normally comprises basic salary, bonus, benefits in kind and options. Details of the current Directors' remuneration and the Executive Share Option Scheme are given in the Remuneration Report.

Other Executive Directors may be invited to attend the meetings.

Audit Committee

The committee is made up of the three Non-executive Directors: with REM Lee as acting Chairman. It is responsible for reviewing the Company's arrangements with its external and internal auditors, including the cost effectiveness of the audit and the independence and objectivity of the auditors. It also reviews the application and appropriateness of the Company's accounting policies, including any changes to financial reporting requirements brought about by both external and internal requirements and it gives consideration to all major financial announcements made by the Company including its interim and preliminary announcements and annual report and accounts.

The external auditors and other Executive Directors may be invited to attend the meetings.

Risk and Compliance Committee

The committee is made up of the three Non-executive Directors: with R Lane-Smith as Chairman. Its principal terms of reference are to review compliance with all the relevant financial services legislation and regulation, adherence to the Group's own internal procedures and the identification of operational, credit and other financial risks.

Other Executive Directors and Compliance Directors of subsidiary companies may be invited to attend the meetings.

Internal control

The Board has overall responsibility for the system of internal control established by the Group and places considerable importance on maintaining a strong control environment. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Detailed internal control procedures exist throughout the Group's operations and compliance is monitored by management and the Group's Compliance and Internal Audit Departments.

Remuneration report

The Directors present the Directors' Remuneration Report (the "Remuneration Report") for the financial year ended 30 November 2010.

Composition and role of the Remuneration Committee
The Board has established a Remuneration Committee which currently consists of the three Non-executive Directors, chaired by R Lane-Smith.

The committee determines and agrees with the Board the framework and policy of Executive remuneration and the associated costs to the Group and is responsible for the implementation of that policy. The committee determines the specific remuneration packages for each of the Executive Directors and no Director or Senior Executive is involved in any decisions as to his own remuneration. The committee has access to information and advice provided by the Chief Executive and the Finance & Operations Director and has access to independent advice where it considers it appropriate.

This report explains how the Group has applied its policy on remuneration paid to Executive Directors.

Framework and policy on Executive Directors' remuneration
The Group's remuneration policy is designed to provide competitive rewards for its Executive Directors and other Senior Executives, taking into account the performance of the Group and the individual Executives, together with comparisons to pay conditions throughout the markets in which the Group operates. It is the aim of the committee to attract, retain and motivate high calibre individuals with a competitive remuneration package. It is common practice in the industry for total remuneration to be significantly influenced by bonuses.

The remuneration packages are constructed to provide a balance between fixed and variable rewards. Therefore remuneration packages for Executive Directors and Senior Executives normally include basic salary, discretionary bonuses, benefits in kind and options. In agreeing the level of basic salaries and annual bonuses the committee takes into consideration the total remuneration that Executives could receive.

Basic salary
Basic salaries are reviewed on an annual basis or following a significant change in responsibilities. The committee seeks to establish a basic salary for each Executive determined by individual responsibilities and performance, taking into account comparable salaries for similar positions in companies of a similar size in the same market.

Incentive arrangements
1) Annual discretionary bonuses
These are designed to reflect the Group's performance, taking into account the performance of its peers, the market in which the Group operates and the Executive's contribution to that performance.

2) Specific performance related discretionary bonus
These are designed to reward a specific exceptional performance by the Executives which have had a material positive impact on the profitability of the Group and the Executive's contribution to that performance. These bonuses are added to normal salary and subjected to normal PAYE taxation.

3) Carried interest bonus scheme
The Board may at any time at its sole discretion pay a bonus equal to a proportion of the profit on disposal of shares or warrants acquired as a result of corporate finance activities to eligible employees nominated by the Board at its absolute discretion. Any disposal of shares or warrants will be based on normal investment criteria taken in the best interests of the Group. It is the intention that under this scheme no more than 35% of the disposal profits of the relevant shares or warrants would be paid out to the eligible employees. These bonuses are added to normal salary and subjected to normal PAYE taxation.

4) Share options
Under the terms of the Executive Share Option Scheme, options over the Company's shares may be issued on a discretionary basis to Executives within the Group at not less than the prevailing market price. The maximum aggregate subscription price of all options issued to an Executive in any ten year period may not exceed four times the annual remuneration of that Executive. In addition options may not be granted in total in excess of 20% of the share capital of the Company (of all classes) in issue at that time and no individual may have options representing more than 5% of the share capital of the Company (of all classes) in issue at the time.

Other employee benefits
Depending on the terms of their contract certain Executive Directors and Senior Executives are entitled to a range of benefits, including a fully expensed company car, contributions to individual personal pension plans, private medical insurance and life assurance.

Service contracts and notice periods
All Executive Directors are employed on rolling contracts subject to between six and twelve months' notice from either the Executive or the Group, given at any time. The service contracts of the current Executive Directors are available for inspection by any person at the Company's registered office during normal office hours on any day except weekends and bank holidays and at the AGM from 9am on the day of the Meeting until the conclusion of the Meeting. Contracts of employment for Senior Executives are all on a rolling basis subject to notice periods ranging from three to twelve months.

Service contracts do not provide explicitly for termination payments or damages but the Group may make payments in lieu of notice. For this purpose pay in lieu of notice would consist of basic salary and other relevant emoluments for the relevant notice period excluding any bonus.

External appointments undertaken by Executive Directors
In the committee's opinion, experience of other companies' practices and challenges is valuable for the personal development of the Group's Executive Directors and for the Company. It is therefore the Group's policy to allow Executive Directors to accept non-executive directorships at other companies, provided the time commitment does not interfere with the Executive Directors' responsibilities within the Group. Fees are retained by the individual Director.

Non-executive Directors
All Non-executive Directors have a remuneration agreement for an initial period of twelve months and thereafter on a rolling basis subject to three months' notice by either the Non-executive Director or the Group, given at any time.

In the event of termination of their appointment they are not entitled to any compensation. The terms and conditions of appointment of Non-executive Directors are available for inspection by any person at the Company's registered office during normal working hours on any day except weekends or bank holidays and at the AGM from 9am on the day of the Meeting until the conclusion of the Meeting.

Non-executive Directors' fees are determined by the Executive Directors having regard to the need to attract high calibre individuals with the right experience, the time and responsibilities entailed and comparative fees paid in the market in which the Group operates. They are not eligible for pensions and do not participate in the Group's bonus or share schemes.

Remuneration report

Directors' emoluments

The remuneration of each Director, excluding share options and awards, during the year ended 30 November 2010 is detailed in the table below:

	Salary £	Benefits £	Bonus £	**Total for year ended 30 November 2010 £**	Total for year ended 30 November 2009 £	**Pension contribution for year ended 30 November 2010 £**	Pension contribution for year ended 30 November 2009 £
Executive							
JM Scott	30,197	3,285	24,455	**57,937**	—	**9,333**	—
AM Kershaw	7,500	797	—	**8,297**	—	**750**	—
RA Ford	142,800	—	—	**142,800**	201,799	**11,250**	17,500
NJ Gurney	86,160	1,495	—	**87,655**	101,553	**19,198**	10,000
REM Lee	9,525	2,043	—	**11,568**	94,784	**922**	14,784
MA Frame	39,259	383	—	**39,642**	114,386	**876**	14,692
WL Beevers	—	—	—	—	122,223	—	9,302
DW Youngman	—	—	—	—	104,954	—	7,790
Non-executive							
R Lane-Smith	25,000	—	—	**25,000**	25,000	—	—
RJG Lowe	125,000	—	—	**125,000**	100,000	—	—
REM Lee	22,917	—	—	**22,917**	—	—	—
Lord Marland	16,667	—	—	**16,667**	25,000	—	—
JMF Padovan	10,417	—	—	**10,417**	25,000	—	—
R Rudd	—	—	—	—	14,583	—	—
	515,442	8,003	24,455	**547,900**	929,282	**42,329**	74,068

Notes:

1. The highest paid Director for 2010 and 2009 was RA Ford who received total emoluments of £154,050 and £219,299 respectively
2. Included in RA Ford's salary is a £30,000 payment under his compromise agreement.
3. Included in MA Frame's salary is a £30,000 payment under his compromise agreement.

Directors' interests in share options

Full details of options over ordinary shares in the Company held by Executive Directors at 30 November 2010 are shown below:

	Number of options ordinary shares	Date of grant of share option	Exercise price per ordinary share	Exercise period
JM Scott	70,000	16.04.08	108.0p	17.04.11 to 16.04.18
REM Lee	100,000	30.05.02	50.0p	31.05.05 to 30.05.12
REM Lee	20,000	17.03.04	75.0p	18.03.07 to 17.03.14
REM Lee	30,000	25.05.04	70.0p	26.05.07 to 25.05.14

No options were exercised during the year.

1,057,500 options lapsed during the year due to individuals leaving the employ of the Group.

As mentioned in the Directors' report, CP Compton (appointed 31st January 2011) has options over 2,128,000 shares in the Company. These have an exercise price of 36.75p, being the closing mid-market price on 22 July 2010, the date of grant and are exercisable between 06.09.13 and 06.09.20. In the respect of this specific grant, the Remuneration Committee resolved to waive the limits of four times the annual remuneration of the executive, and a holding of more than 5% of the total share capital.

At 30 November 2010 the market price of the Company's shares was 55.00p. The highest daily closing price during the year was 57.50p and the lowest daily closing price was 36.25p.

Statement of directors' responsibilities
In respect of the directors' report and the financial statements

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Website publication
The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Independent auditors' report
To the members of WH Ireland Group plc

We have audited the financial statements of WH Ireland Group plc for the year ended 30 November 2010 which comprise as the group statement of financial position and company balance sheet, the group statement of comprehensive income, the group statement of cash flows, the group statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

Respective responsibilities of Directors and auditors
As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements
In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Parent Company's affairs as at 30 November 2010 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Neil Fung-On
(senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London United Kingdom
25 February 2011

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statement of comprehensive income
For the year ended 30 November 2010

	Note	**Year ended 30 November 2010 £'000**	Year ended 30 November 2009 £'000
Revenue	3 & 5	**18,379**	24,618
Administrative expenses		**(19,108)**	(26,449)
Operating loss	6	**(729)**	(1,831)
Other Income		**45**	29
Investment gains/(losses)		**259**	(300)
Fair value (losses)/gains on investments		**(72)**	37
Finance Income	8	**54**	84
Finance Expense	8	**(90)**	(192)
Share of profit of associates	17	**226**	93
Loss on disposal of associates		**(311)**	—
Loss before tax		**(618)**	(2,080)
Tax credit	9	**351**	183
Loss from continuing operations		**(267)**	(1,897)
Loss on discontinued operations, net of tax	10	—	(216)
Loss for the year		**(267)**	(2,113)
Other comprehensive income:			
Transferred to profit or loss on sale of Property, plant and equipment		**(102)**	—
Valuation (losses)/ gains on available for sale investments		**(192)**	55
Transferred to profit or loss on sale of investments		**(31)**	—
Exchange gains arising on translation of foreign operations		**—**	479
Tax relating to components of other comprehensive income		**60**	114
Total other comprehensive income		**(265)**	648
Total comprehensive income		**(532)**	(1,465)
Loss for the year attributable to:			
Owners of the parent		**(267)**	(2,075)
Non controlling interest	32	**—**	(38)
		(267)	(2,113)
Total comprehensive income attributable to:			
Owners of the parent		**(532)**	(1,507)
Non controlling interest	32	**—**	42
		(532)	(1,465)
Earnings per share for profit to the ordinary equity holders of the parent during the period	12		
Basic		**(1.25)p**	(9.79)p
Diluted		**(1.25)p**	(9.79)p
Continuing operations	12		
Basic		**(1.25)p**	(8.95)p
Diluted		**(1.25)p**	(8.95)p

The notes on pages 21 to 51 form part of these financial statements.

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 not to present the Parent Company Income Statement. The loss after taxation of the Parent Company for the year was £589k (2009: profit of £1,008k).

Consolidated statement of financial position
As at 30 November 2010

	Note	Group		Company	
		As at 30 November 2010 £'000	As at 30 November 2009 £'000	**As at 30 November 2010 £'000**	As at 30 November 2009 £'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	**6,301**	6,813	**1**	1
Goodwill	14	**2,835**	2,909	—	—
Intangible assets	15	**161**	321	—	—
Subsidiaries	16	**—**	—	**2,544**	2,544
Associates	17	**1,156**	1,963	**945**	2,250
Investments	18	**1,483**	1,514	**661**	213
Loan notes receivable	19	**335**	310	**335**	310
Deferred tax asset	20	**930**	643	**14**	24
Subordinated loan	21	**—**	—	—	750
		13,201	14,473	**4,500**	6,092
Current assets					
Trade and other receivables	22	**37,205**	42,673	**4,704**	4,884
Other investments	23	**—**	855	—	—
Corporation tax recoverable		**21**	42	—	—
Cash and cash equivalents	24	**2,439**	4,258	—	1
		39,665	47,828	**4,704**	4,885
Total assets		**52,866**	62,301	**9,204**	10,977
LIABILITIES					
Current liabilities					
Trade and other payables	25	**(36,495)**	(44,628)	**(352)**	(562)
Bank overdraft	24 & 26	**—**	—	**(827)**	(1,033)
Borrowings	26	**(305)**	(419)	**(305)**	(419)
Provisions	28	**(149)**	—	—	—
		(36,949)	(45,047)	**(1,484)**	(2,014)
Non-current liabilities					
Borrowings	26	**(1,930)**	(2,426)	**(1,930)**	(2,426)
Deferred tax liability	20	**(384)**	(273)	—	—
Accruals and deferred income		**(98)**	(297)	—	(74)
Provisions	28	**(20)**	(147)	—	—
		(2,432)	(3,143)	**(1,930)**	(2,500)
Total liabilities		**(39,381)**	(48,190)	**(3,414)**	(4,514)
Total net assets		**13,485**	14,111	**5,790**	6,463
EQUITY					
Share capital		**1,064**	1,064	**1,064**	1,064
Share premium		**5,724**	5,724	**5,724**	5,724
Available-for-sale reserve		**47**	210	**(155)**	(165)
Revaluation reserve		**565**	667	—	—
Other reserves		**1,472**	1,472	**719**	719
Retained earnings		**4,900**	5,261	**(1,275)**	(592)
Treasury shares		**(287)**	(287)	**(287)**	(287)
Total equity		**13,485**	14,111	**5,790**	6,463

The notes on pages 21 to 51 are an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 25 February 2011 and were signed on its behalf by:

R J G Lowe **C P Compton**

Director Director

Consolidated statement of cash flows
For the year ended 30 November 2010

	Note	**Group**		**Company**	
		Year ended 30 November 2010 £'000	Year ended 30 November 2009 £'000	**Year ended 30 November 2010 £'000**	Year ended 30 November 2009 £'000
Operating activities:					
(Loss)/profit for the year		**(267)**	(2,113)	**(589)**	1,008
Adjustments for:					
Depreciation, amortisation and impairment	13,14 & 15	**562**	1,151	**—**	—
Finance income	8	**(54)**	(109)	**(5)**	(5)
Finance expense	8	**90**	199	**83**	143
Taxation	9	**(351)**	(247)	**10**	16
Share of profit of associates	17	**(226)**	(93)	**—**	—
Profit on disposal of associates		**311**	—	**583**	—
Changes in investments		**272**	507	**(18)**	156
Gain on sale of discontinued operations		**—**	(382)	**—**	—
Gain on sale of property, plant and equipment		**(128)**	(171)	**—**	—
Non-cash adjustment for share option charge	34	**(94)**	97	**(94)**	97
Decrease/(increase) in trade and other receivables		**5,468**	211,533	**180**	(70)
(Decrease)/increase in trade and other payables		**(8,332)**	(198,025)	**(284)**	(596)
Decrease/(Increase) in provisions		**22**	(212)	**—**	—
Decrease/(increase) in current asset investments	23	**855**	(757)	**—**	—
Exchange adjustments		**—**	548	**—**	29
Net cash (used in)/generated from operations		**(1,872)**	11,926	**(134)**	778
Income taxes paid/received		**256**	(728)	**—**	—
Net cash (out)/in flows from operating activities		**(1,616)**	11,198	**(134)**	778
Investing activities:					
Proceeds from sale of property, plant and equipment		**291**	250	**—**	—
Proceeds from sale of investments		**823**	—	**202**	—
Interest received	8	**54**	109	**5**	5
Disposal of subsidiary, net of cash acquired	10	**—**	(218)	**—**	705
Purchase of associates	17	**—**	(32)	**—**	(32)
Disposal of associates		**100**	—	**100**	—
Acquisition of property, plant and equipment	13	**(81)**	(203)	**—**	—
Acquisition of investments	18	**(665)**	(133)	**—**	—
Repayment of subordinated loan			—	**750**	—
Purchase of loan notes	19	**(25)**	—	**(25)**	—
Net cash generated from/(used in) investing activities		**497**	(227)	**1,032**	678
Financing activities:					
Proceeds from issue of share capital	31	**—**	101	—	101
Decrease in borrowings	26	**(610)**	(774)	**(610)**	(469)
Interest paid	8	**(90)**	(199)	**(83)**	(143)
Net cash used in financing activities		**(700)**	(872)	**(693)**	(511)
Net (decrease)/increase in cash and cash equivalents		**(1,819)**	10,099	**205**	945
Cash and cash equivalents at beginning of year		**4,258**	(5,841)	**(1,032)**	(1,977)
Cash and cash equivalents at end of year		**2,439**	4,258	**(827)**	(1,032)
Clients' settlement cash		**1,573**	1,969	—	—
Group cash/(overdrafts)		**866**	2,289	**(827)**	(1,032)
Cash and cash equivalents at end of year	24	**2,439**	4,258	**(827)**	(1,032)

The notes on pages 21 to 51 are an integral part of these financial statements.

Consolidated statement of changes in equity
For the year ended 30 November 2010

	Share capital £'000	Share premium £'000	Available-for-sale reserve £'000	Revaluation reserve £'000	Exchange reserve £'000	Other reserves £'000	Retained earnings £'000	Treasury shares £'000	Total equity £'000
Balance at 1 December 2008	1,054	5,633	170	667	31	1,472	7,847	(287)	16,587
Gain arising on available-for-sale investments	—	—	55	—	—	—	—	—	55
Exchange rate adjustments	—	—	—	—	479	—	—	—	479
Deferred taxation	—	—	(15)	—	129	—	—	—	114
Other comprehensive income	—	—	40	—	608	—	—	—	648
Loss after taxation	—	—	—	—	—	—	(2,075)	—	(2,075)
Total comprehensive income	—	—	40	—	608	—	(2,075)	—	(1,427)
Shares issued	10	—	—	—	—	—	—	—	10
Share premium on exercise of options	—	91	—	—	—	—	—	—	91
Amounts owed from shareholders	—	—	—	—	—	—	(608)	—	(608)
Employee share option scheme	—	—	—	—	—	—	97	—	97
Disposal of subsidiary	—	—	—	—	(639)	—	—	—	(639)
Balance at 30 November 2009	1,064	5,724	210	667	—	1,472	5,261	(287)	14,111
Gain arising on available-for-sale investments	—	—	(223)	—	—	—	—	—	(223)
Loss on property revaluation	—	—	—	(102)	—	—	—	—	(102)
Deferred taxation	—	—	60	—	—	—	—	—	60
Other comprehensive income	—	—	(163)	(102)	—	—	—	—	(265)
Loss after taxation	—	—	—	—	—	—	(267)	—	(267)
Total comprehensive income	—	—	(163)	(102)	—	—	(267)	—	(532)
Employee share option scheme	—	—	—	—	—	—	(94)	—	(94)
Balance at 30 November 2010	**1,064**	**5,724**	**47**	**565**	**—**	**1,472**	**4,900**	**(287)**	**13,485**

The total number of authorised ordinary shares is 34.5 million shares of 5p each (2009: 34.5 million shares of 5p each). The total number of issued ordinary shares is 21.3 million shares of 5p each (2009: 21.3 million shares of 5p each).

Company statement of changes in equity
For the year ended 30 November 2010

	Share capital £'000	Share premium £'000	Available-for-sale reserve £'000	Revaluation reserve £'000	Exchange reserve £'000	Other reserves £'000	Retained earnings £'000	Treasury shares £'000	Total equity £'000
Balance at 1 December 2008	1,054	5,633	(162)	—	—	719	(1,089)	(287)	5,868
Loss arising on available-for-sale investments	—	—	(3)	—	—	—	—	—	(3)
Other comprehensive income	—	—	(3)	—	—	—	—	—	(3)
Profit after taxation	—	—	—	—	—	—	1,008	—	1,008
Total comprehensive income	—	—	(3)	—	—	—	1,008	—	1,005
Shares issued	10	—	—	—	—	—	—	—	10
Share premium on exercise of options	—	91	—	—	—	—	—	—	91
Amounts owed from shareholders	—	—	—	—	—	—	(608)	—	(608)
Employee share option scheme	—	—	—	—	—	—	97	—	97
Balance at 30 November 2009	1,064	5,724	(165)	—	—	719	(592)	(287)	6,463
Loss arising on available-for-sale investments	—	—	10	—	—	—	—	—	10
Other comprehensive income	—	—	10	—	—	—	—	—	10
Loss after taxation	—	—	—	—	—	—	(589)	—	(589)
Total comprehensive income	—	—	10	—	—	—	(589)	—	(579)
Employee share option scheme	—	—	—	—	—	—	(94)	—	(94)
Balance at 30 November 2010	**1,064**	**5,724**	**(155)**	—	—	**719**	**(1,275)**	**(287)**	**5,790**

The nature and purpose of each reserve, whether Consolidated or Company only, is summarised below:

Share premium
The share premium is the amount raised on the issue of shares that is in excess of the nominal value of those shares and is recorded less any direct costs of issue.

Available-for-sale reserve
The available-for-sale reserve reflects gains or losses arising from the change in fair value of available-for-sale financial assets except for impairment losses which are recognised in the income statement. When an available-for-sale asset is impaired or derecognised, the cumulative gain or loss previously recognised in the available-for-sale reserve is transferred to the income statement.

Revaluation reserve
The revaluation reserve reflects changes in the fair value of property, plant and equipment until such time as the assets are disposed of. A revaluation surplus is recognised in the revaluation reserve unless it reverses a previous deficit when it is credited to the income statement up to the amount of the previous deficit. A revaluation deficit is charged to the income statement unless it reverses a previous surplus when it is charged to the revaluation reserve up to the amount of the previous surplus.

Exchange reserve
The exchange reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Other reserves
Other reserves comprise a merger reserve of £491k (2009: £491k), a capital redemption reserve of £228k (2009: £228k) and other reserves of £753k (2009: £753k).

Retained earnings
Retained earnings reflect; accumulated income, expenses, gains and losses, recognised in the income statement and the statement of recognised income and expense and is net of dividends paid to shareholders. The cumulative effect of changes in accounting policy is also reflected as an adjustment in retained earnings.

Treasury shares
Purchases of the Company's own shares in the market are presented as a deduction from equity, at the amount paid, including transaction costs. That is, treasury shares are shown as a separate class of shareholders' equity with a debit balance.

Notes to the financial statements
For the year ended 30 November 2010

1. General information
WH Ireland Group plc is a public company incorporated in the United Kingdom. The shares of the Company are listed on the AIM stock exchange. The address of its registered office is 11 St James's Square, Manchester M2 6WH. The Group's principal activities are described in the Business review on pages 3 to 5 and in note 5.

2. Adoption of new and revised standards
In preparing the Group financial statements for the current period, the Group has adopted the following new International Financial Reporting Standards (IFRS), amendments to IFRS and International Financial Reporting Interpretations Committee (IFRIC) Interpretations, which have not had a significant impact on the results or net assets of the Group:

- IFRS 8 - Operating Segments
- IFRS 2 (amended) – Share-based payment – Vesting Conditions and Cancellations
- IAS 1 (revised 2007) – Presentation of Financial Statements
- IFRS 7 (amended) – Improving Disclosures about Financial Instruments
- Improvements to IFRSs (April 2009)

The following standards and interpretations were effective in 2010 but are not relevant to the Group:

- IAS 23 (revised) – Borrowing costs
- IAS 32 (amended) IAS 1 (amended) – Puttable Financial Instruments and Obligations Arising on Liquidation
- IFRIC 15 – Agreements for the Construction of Real Estate
- IFRIC 9 – Embedded Derivatives

The following standards, amendments and interpretations to published standards are not yet effective:

New standard or interpretation	EU Endorsement status	Mandatory effective date (periods beginning)
The following new standards, interpretations and amendments, which have not been applied in these financial statements, are not expected to have an effect on the Group's financial statements, other than on presentation of those statements:		
IFRS 2 (amended) Group Cash Settled Share-based Payment Transactions	Endorsed	1 January 2010
IAS 32 (amended 2009) Classification Of Rights Issues	Endorsed	1 February 2010
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments	Endorsed	1 July 2010
IAS 24 (revised) Related Party Transactions	Endorsed	1 January 2011
IFRIC 14 (amended) Limit on Defined Benefit Asset	Endorsed	1 January 2011
IFRS 9 Financial Instruments	To be confirmed	1 January 2013

3. Significant accounting policies
Basis of consolidation
The consolidated financial statements incorporate the financial statements of WH Ireland Group plc and all its subsidiary undertakings. Subsidiaries are all entities in which the Group has a controlling interest, generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are consolidated from the date on which control is transferred to the Group and are deconsolidated from the date control ceases. Intragroup balances and any unrealised gains or income and expenses arising from intragroup transactions are eliminated on consolidation. Unrealised losses are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment. For the purposes of the consolidated financial statements, uniform accounting policies have been followed by the Group.

In the Company's accounts, investments in subsidiary undertakings and associates are stated at cost less any provision for impairment.

Associates are those entities in which the Group has significant influence, but not control over their financial and operating policies. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases.

3. Significant accounting policies continued

Business combinations

All business combinations are accounted for by applying the purchase method. The purchase method involves recognition, at fair value, of all identifiable assets and liabilities, including contingent liabilities, of the subsidiary at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. The cost of business combinations is measured based on the fair value of the equity or debt instruments issued and cash or other consideration paid, plus any directly attributable costs.

Goodwill arising on a business combination represents the excess of cost over the fair value of the Group's share of the identifiable net assets acquired and is stated at cost less any accumulated impairment losses. Goodwill is tested bi-annually for impairment. Any impairment is recognised immediately in the income statement and is not subsequently reversed. Negative goodwill arising on an acquisition is recognised immediately in the income statement. On disposal of a subsidiary the attributable amount of goodwill that has not been subject to impairment is included in the determination of the profit or loss on disposal.

In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment in the associate.

Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date.

Associates

Associates are those entities in which the Group has significant influence but not control over their financial and operating polices. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates, on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. Any goodwill shown as part of the carrying amount of the investment in an associate is not amortised but instead tested annually for impairment. Where the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate.

Revenue

The Group follows the principles of IAS 18 'Revenue Recognition', in determining appropriate revenue recognition policies. Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow into the Group.

Revenue comprises brokerage commission, investment management fees, corporate finance fees, commission earned from the provision of independent financial advice and interest receivable in the course of ordinary investment management business and is stated net of VAT and foreign sales tax.

- Brokerage commission is recognised when receivable in accordance with the date of the underlying transaction.
- Investment management fees are recognised in the period in which the related service is provided.
- Corporate finance fees comprise the value of services supplied by the Group.
- Advisory fees are recognised when the relevant transaction is completed and retainer fees are recognised over the length of time of the agreement.
- Commission earned from the provision of independent financial advice comprises commission relating to new business written and trail commission earned on existing client business managed by the Group. New business commission is recognised when the relevant transaction is completed and trail commission is recognised over the length of time of the customer policy.
- Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable.

Segment reporting

Following the adoption of IFRS 8, operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, and who has been identified as the Board of Directors, comprising both Executive and Non-executive Directors.

3. Significant accounting policies continued

Foreign currencies

The Company's functional and presentation currency is sterling and the Group's presentational currency is sterling.

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate ruling at the balance sheet date. Exchange differences arising are included in the income statement.

Assets and liabilities of foreign operations are translated at the exchange rates ruling at the balance sheet date. Income and expense items are translated at the average exchange rate for the period. Exchange differences arising from this translation of foreign operations are recognised in a separate component of equity.

Employee benefits

The Group contributes to employees' individual money purchase personal pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The amount charged to the income statement represents the contributions payable to the schemes in respect of the period to which they relate.

Short-term employee benefits are those that fall due for payment within twelve months of the end of the period in which employees render the related service. The cost of short-term benefits is not discounted and is recognised in the period in which the related service is rendered. Short-term employee benefits include cash-based incentive schemes and annual bonuses.

Carried interest bonus scheme

The Group maintains a carried interest bonus scheme under which bonuses may be payable to certain corporate finance personnel when certain warrants or shares acquired as part of a corporate finance transaction are ultimately sold at a profit. Details of this scheme are given in the Remuneration Report on pages 11 to 13. The relevant warrants and shares are included within investments and are revalued at the year end reporting date and a bonus is provided on 35% of the expected profit should the warrants or shares be sold at that revalued amount, being the maximum amount of bonus that may be paid out, inclusive of employer's taxes. The amount of the bonus provision relating to warrants where the expiry date is less than one year is shown in trade and other payables under one year and the balance is shown in trade and other payables over one year.

Share-based payments

The share option programme allows Group employees to receive remuneration in the form of equity-settled share-based payments granted by the Parent Company.

The Group and Company have taken advantage of the transitional provisions of IFRS 2 'Share-based Payment' in respect of equity-settled awards and have applied IFRS 2 only to awards granted after 7 November 2002 that had not vested before 1 December 2006.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value of the options granted is measured using an option valuation model. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date). The cumulative expense recognised for equity-settled transactions, at each reporting date until the vesting date, reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

Where the terms of an equity-settled award are modified, an incremental value is calculated as the difference between the fair value of the re-priced option and the fair value of the original option at the date of re-pricing. This incremental value is then recognised as an expense over the remaining vesting period in addition to the amount recognised in respect of the original option grant.

3. Significant accounting policies continued

Share-based payments continued

Where an equity-settled award is cancelled or settled (that is, cancelled with some form of compensation) it is treated as if it had vested on the date of cancellation and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. Any compensation paid up to the fair value of the award is accounted for as a deduction from equity. Where an award is cancelled by forfeiture, when the vesting conditions are not satisfied, any costs already recognised are reversed (subject to exceptions for market conditions).

In all instances, the charge/credit is taken to the income statement of the Group company by which the individual concerned is employed.

Treasury shares

The costs of purchasing Treasury shares are shown as a deduction against equity. The proceeds from the sale of own shares held increase equity. Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the consolidated income statement.

Income taxes

Income tax on the profit or loss for the periods presented, comprising current tax and deferred tax, is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences, at the balance sheet date, between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The following temporary differences are not provided for:

- goodwill which is not deductible for tax purposes;
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and
- temporary differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised for all deductible temporary differences and unused tax losses only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Leases

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in the income statement, on a straight line basis over the lease term.

Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation.

Depreciation is calculated, using the straight line method, to write down the cost or revalued amount of property, plant and equipment over the assets' expected useful lives, to their residual values, as follows:

Buildings	– 50 years
Computers, fixtures and fittings	– 4 to 7 years

The Group's freehold land is considered to have a residual value equal to or greater than its carrying amounts and therefore the current depreciation charge in respect of freehold land is zero.

3. Significant accounting policies continued

Intangible assets

Intangible assets acquired separately are measured, on initial recognition, at cost. Following initial recognition, intangible assets acquired separately are carried at cost less accumulated amortisation and any accumulated impairment. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Intangible assets are amortised over their useful economic lives. The amortisation period and method for an intangible asset are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method and treated as changes in accounting estimates. Amortisation is calculated on a straight line basis to write down the cost of intangible assets to their residual values over this assessed period.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date when events or circumstances indicate that the assets may be impaired. If any such indication exists or, as in the case of goodwill, when annual impairment testing is required, the asset's recoverable amount is estimated.

The recoverable amount is the higher of the asset's fair value less costs to sell (or net selling price) and its value-in-use. Value-in-use is the discounted present value of estimated future cash inflows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

Impairment is identified at the individual asset level where possible. Where the recoverable amount of an individual asset cannot be identified, it is calculated for the smallest cash-generating unit (CGU) to which the asset belongs. A CGU is the smallest identifiable group of assets that generates cash inflows independently.

When the carrying amount of an asset (or CGU) exceeds its recoverable amount, the asset (or CGU) is considered to be impaired and is written down to its recoverable amount. An impairment loss is immediately recognised as an expense.

Financial assets

Initial recognition

The classification of financial assets at initial recognition depends upon the purpose for which they are acquired and their characteristics. Financial assets are measured initially at their fair value. Financial assets not at fair value through profit or loss include any directly attributable incremental costs of acquisition or issue.

Financial assets classified as available-for-sale

Available-for-sale financial assets are financial assets designated as such on initial recognition or those that do not qualify to be classified in another category. They include equity investments, other than those in subsidiary undertakings and those equities which form part of the carried interest bonus scheme that are held for an indefinite period of time.

After initial measurement, available-for-sale financial assets are subsequently measured at fair value. In the case of listed investments, the fair value represents the quoted bid price of the investment at the balance sheet date. The fair value of unlisted investments is estimated by reference to recent arm's length transactions.

Unrealised gains and losses are recognised directly in equity in the available-for-sale reserve. When an available-for-sale financial asset is disposed of, the cumulative gain or loss previously recognised in equity is recognised in the income statement in profit on disposal of available-for-sale investments. Losses arising from impairment are recognised in the income statement in impairment losses on financial assets and removed from the available-for-sale reserve.

Financial assets held at cost

Unquoted investments where there is no available quote for the relevant instrument are stated at lower of cost and net realisable value. Any profit or loss on sale is credited or charged to the income statement.

3. Significant accounting policies continued

Financial assets continued

Impairment of financial assets

The Group assesses, at each balance sheet date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of financial assets classified as available-for-sale, a significant or prolonged decline in the fair value of the asset is considered in determining whether the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, less any impairment loss previously recognised is removed from equity and recognised in the income statement.

If, in a subsequent period, the fair value of an asset classified as available-for-sale increases, the loss may not be reversed through the income statement. Any increase after an impairment loss has been recognised is treated as a revaluation and is recognised directly in equity.

Loan notes receivable

Loan notes are initially recognised as a financial asset at the fair value of the amount paid. Subsequent to initial recognition, loan notes are measured at amortised cost using the effective interest method.

The loan notes have derivative features embedded within them. Where the economic characteristics and risks of the embedded derivative are not closely related to those of the host instrument, and where changes in value of the host instrument are not reflected in the income statement, the embedded derivative is separated from the host and carried in the balance sheets at fair value within 'derivative financial instruments', with gains and losses on the embedded derivative being recognised in the income statement in 'fair value movements'.

Trade receivables

Trade receivables are measured on initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired.

Other investments

Other investments, which relate to short-term principal positions taken on behalf of clients, are recognised and derecognised on trade date. Other investments are measured at fair value which is determined directly by reference to published prices in an active market where available. Gains or losses arising from changes in fair value or disposal of other investments are recognised through the income statement.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash and bank balances, short-term highly liquid investments with a maturity of three months or less and bank overdrafts repayable on demand. Client settlement balances are included in cash but are separately disclosed in the notes to the financial statements.

Financial liabilities

Bank loans and loan notes are initially recognised as financial liabilities at the fair value of the consideration received. Subsequent to initial recognition, bank loans and loan notes are measured at amortised cost using the effective interest method.

Trade payables

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider that the carrying amount of trade payables approximates to their fair value.

Provisions

A provision is recognised when a present legal or constructive obligation has arisen as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Discontinued operations

The results of discontinued and continuing operations are shown separately on the face of the income statement. A discontinued operation is a CGU or a group of CGUs that has been disposed of and: a) represents a separate major line of business or geographical area of operations; b) is part of a single major line of business or geographical area of operations; or c) is a subsidiary acquired exclusively with a view to resale.

3. Significant accounting policies continued

Employee Benefit Trust (EBT)

The cost of purchasing own shares held by the EBT are shown as a deduction against equity. The proceeds from the sale of own shares held increase equity. Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the consolidated income statement.

4. Critical accounting judgements and key sources of estimation and uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Investments

The fair value of investments that are not traded in an active market are determined by using valuation techniques. The Group uses its judgement to select a variety of methods that are mainly based on market conditions existing at the balance sheet date. In the case of warrants, the fair value is estimated using established valuation models.

Share-based payments

The calculation of the fair value of equity-settled share-based awards and the resulting charge to the income statement require assumptions to be made regarding future events and market conditions. These assumptions include the future volatility of the Company's share price, future dividend yield and the rate at which awards will lapse or be forfeited. These assumptions are then applied to a recognised valuation model in order to calculate the fair value of the awards. The assumptions made are based on relevant historical data, where available, and take into account any knowledge of future market expectations. The fair value attributed to the awards and hence the charge made to the income statement could be materially affected should different assumptions be made to those applied by the Group. Details of these assumptions are set out in note 33.

5. Segment information

IFRS 8 requires indication of operating segments on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker ('CODM') in order to allocate resources to the segment and assess its performance. The CODM has been determined to be the Executive and Non-Executive Directors, as they are principally responsible for evaluating operating segment performance and deciding how to allocate resources to operating segments.

The Group has four main operating divisions; Private Clients, Wealth Management, Capital Markets and Secondary Trading. These four segments represent the Group's reportable segments under IFRS8.

The Private Clients division offers investment management and stockbroking advice and services to individuals. Wealth Management contains our Independent Financial Advisory ("IFA") business, giving advice on and acting as intermediary for a range of financial products. The Capital Markets division provides corporate finance and corporate broking advice and services to companies and acts as Nominated Advisor to clients listed on the Alternative Investment Market ("AIM"). Secondary Trading contains our Institutional Sales and Research business, which carries out stockbroking activities on behalf of companies as well as conducting research into markets of interest to its clients. Each reportable segment has a segment manager who is directly accountable to and maintains regular contact with the CODM. The Head Office segment comprises centrally incurred costs and revenues.

Previously segments were determined and presented in accordance with IAS 14 'Segment Reporting'. The Group's primary format for reporting segment information was business segments, but reporting was also categorised by geographic location, due to a subsidiary located in Australia. During the prior year however, the shareholding in this subsidiary was substantially reduced, to the point at which it became classified as an associate and is no longer separately reported, therefore is not included in the following tables. As the Group's only location in now the UK, geographic reporting is no longer necessary. Comparative information has been restated to reflect the new segments. No customer represents more than ten percent of the Group's revenue.

5. Segment information continued

The following tables represent revenue and profit information for the Group's business segments.

Year ended 30 November 2010	Private Clients £'000	Wealth Management £'000	Capital Markets £'000	Secondary Trading £'000	Head Office £'000	Group £'000
Revenue	**8,783**	**1,667**	**2,801**	**2,395**	**2,734**	**18,379**
Segment result	**2,263**	**(257)**	**367**	**461**	**(3,876)**	**(1,042)**
Other Income	—	—	—	—	**45**	**45**
Investment Income	—	—	**135**	—	**53**	**188**
Finance income	—	—	—	—	**55**	**55**
Finance expense	—	—	—	—	**(90)**	**(90)**
Share of profit of associates	—	—	—	—	**226**	**226**
Loss on discontinued operations, net of tax	—	—	—	—	—	—
Profit/(loss) before taxation	**2,263**	**(257)**	**502**	**461**	**(3,587)**	**(618)**
Taxation	—	—	—	—	**351**	**351**
Profit/(loss) on continuing operations after taxation	**2,263**	**(257)**	**502**	**461**	**(3,236)**	**(267)**

Impairment losses on goodwill (note 14) of £74k can be allocated to the Private Clients segment and is included in the segment result above.

Year ended 30 November 2009	Private Clients £'000	Wealth Management £'000	Capital Markets £'000	Secondary Trading £'000	Head Office £'000	Group £'000
Revenue	**8,496**	**1,263**	**2,464**	**9,637**	**2,758**	**24,618**
Segment result	1,816	(1,003)	(1,087)	2,684	(4,241)	(1,831)
Other Income	—	—	—	—	29	29
Investment Income	—	—	62	—	(325)	(263)
Finance income	—	5	—	—	79	84
Finance expense	—	—	—	—	(192)	(192)
Share of profit of associates	—	—	—	—	93	93
Loss on discontinued operations, net of tax	—	—	—	—	(216)	(216)
Profit/(loss) before taxation	1,816	(998)	(1,025)	2,684	(4,773)	(2,296)
Taxation	—	—	—	—	183	183
Profit/(loss) on continuing operations after taxation	1,816	(998)	(1,025)	2,684	(4,590)	(2,113)

Impairment losses on goodwill (note 14) of £74k and £162k can be allocated to the Private Clients and Wealth Management segments respectively, and are included in the segment results above.

Segment assets and segment liabilities are reviewed by the CODM in a consolidated statement of financial position. Accordingly this information is replicated in the Group Consolidated Statement of Financial Position on page 13. As no measure of assets of liabilities for individual segments is reviewed regularly by the CODM, no disclosure of total assets or liabilities has been made, in accordance with the amendment to paragraph 23 of IFRS 8.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

Notes to the financial statements continued
For the year ended 30 November 2010

6. Operating loss

Group	**Year ended 30 November 2010 £'000**	Year ended 30 November 2009 £'000
Operating loss is stated after charging/(crediting):		
Depreciation of property, plant and equipment	**328**	477
Amortisation of intangible assets	**160**	160
Impairment of goodwill	**74**	514
Profit on disposal of property, plant and equipment	**(128)**	(171)
Foreign exchange differences	**(122)**	30
Operating lease rentals – property	**332**	642
Operating lease rentals – vehicles and equipment	**30**	75
Employee benefit expense (note 7)	**11,642**	21,374
Auditors' remuneration:		
Audit of these financial statements	**24**	25
Amounts payable to the principal auditors and their associates in respect of:		
– audit of financial statements of subsidiaries pursuant to legislation	**23**	75
Amounts payable to the previous auditors and their associates in respect of:		
– other services	—	47
Amounts payable to other auditors and their associates in respect of:		
– audit of financial statements of subsidiaries pursuant to legislation	—	92
– other services	—	9

Amortisation of intangible assets shown above is included in administrative expenses in the consolidated statement of comprehensive income.

Included within employee benefit expense above for the prior year, is £428k relating to non-recurring restructuring costs. An additional £296k was incurred in that year in relation to restructuring, which is also considered to be non-recurring.

7. Employee benefit expense

Group	**Year ended 30 November 2010 £'000**	Year ended 30 November 2009 £'000
Wages and salaries	**7,247**	9,308
Bonuses*	**784**	3,366
Social security costs	**889**	1,572
Other pension costs	**321**	774
	9,241	15,020
Shared commission attachés	**2,495**	6,257
	11,736	21,277
Share options granted to employees	**(94)**	97
	11,642	21,374

*The carried interest bonus scheme credits of £282k (2009: £13k), included in the bonus figure above, are included in administrative expenses.

Notes to the financial statements continued
For the year ended 30 November 2010

7. Employee benefit expense continued
The average number of persons (including Directors) employed during the year was:

	Year ended 30 November 2010 Number of employees	Year ended 30 November 2009 Number of employees
Corporate, dealing and sales	**70**	76
Settlement	**23**	29
Administration	**76**	91
Salaried staff	**169**	196
Shared commission attachés	**22**	53
	191	249

In the prior year 30 of the total salaried members of staff were employed in the Australian subsidiary and 34 of the shared commission attachés. In the current year WHI Australia Pty Limited is held as an associate, thus its employees are no longer included. Shared commission attachés are commission only brokers and therefore do not receive a salary.

The total amount paid to Directors in the year, including social security costs was £0.6m (2009: £1.11m). Full details of Directors' remuneration, including that of the highest paid Director, are disclosed in the Remuneration Report on pages 11 to 13 of these financial statements.

8. Finance income and expense

Group	**Year ended 30 November 2010 £'000**	Year ended 30 November 2009 £'000
Bank interest receivable	**50**	104
Loan note interest receivable	**4**	5
Finance income	**54**	109
Interest payable on bank loans and overdrafts	**90**	199
Finance expense	**90**	199

9. Taxation

Group	**Year ended 30 November 2010 £'000**	Year ended 30 November 2009 £'000
Current tax (credit)/expense:		
United Kingdom corporation tax at 28% (2009: 28%)	**—**	—
Tax on discontinued operation (note 10)	**—**	64
Adjustments in respect of prior years	**(235)**	269
	(235)	333
Deferred tax credit (note 20):		
Origination and reversal of temporary differences	**(69)**	(515)
Effect of change in tax rate	**25**	—
Adjustments in respect of prior years	**(72)**	(1)
	(116)	(516)
Total tax credit in the income statement	**(351)**	(183)

9. Taxation continued

The tax credit for the year and the amount calculated by applying the standard United Kingdom corporation tax rate of 28% (2009: 27.97%) to profit before taxation can be reconciled as follows:

Group	**Year ended 30 November 2010 £'000**	Year ended 30 November 2009 £'000
Loss before taxation	**(618)**	(2,360)
Tax expense using the United Kingdom corporation tax rate of 28% (2009: 27.97%)	**(173)**	(660)
Other expenses not tax deductible	**233**	593
Income not chargeable to tax	**(205)**	(433)
Difference in overseas tax rates	**76**	(8)
Adjustments to current tax in respect of prior years	**(235)**	269
Tax effect of chargeable gains	**—**	(7)
Adjustments to deferred tax in respect of prior years	**(72)**	(1)
Tax on discontinued operation (note 10)	**—**	64
Effect of change in tax rate	**25**	—
Total tax credit in the income statement	**(351)**	(183)

10. Discontinued operations

On 30 September 2009, the Put-call Option in relation to WH Ireland Australia Pty Limited expired, resulting in a charge to the income statement shown as a loss on discontinued operations. Subsequently on 6 November 2009 a 39.35% stake in this subsidiary was sold, reclassifying it as an associate undertaking. The associate is therefore accounted for using the equity method (meaning its results and balance sheet are no longer consolidated into those of the Group) and has been shown as a discontinued operation in the prior period.

The post-tax gain on discontinued operations was determined as follows:

	Year ended 30 November 2009 £'000
Part disposal of stake	
Consideration received:	
Cash	705
Deferred consideration	222
	927
Cash disposed of	923
Net assets disposed (other than cash):	
Property, plant and equipment	205
Intangible assets	199
Trade and other receivables	6,691
Deferred tax asset	772
Investments	28
Trade and other payables	(6,140)
Other financial liabilities	(62)
Share of associate taken under equity accounting	(958)
	1,658
Non controlling interest released	(529)
Foreign exchange reserve released	(639)
	(1,168)
Gain on part disposal of stake	**437**
Loss on expiry of **Put-call Options**	(55)
Total gain on disposal of discontinued operation	**382**

The net cash outflow comprises:	
Cash received	705
Cash disposed of	(923)
	(218)

Notes to the financial statements continued
For the year ended 30 November 2010

10. Discontinued operations continued
The result of the discontinued operation was as follows:

	Year ended 30 November 2009 £'000
Revenue	5,077
Administrative expenses	(5,825)
Operating loss	(748)
Other income	—
Investment income	68
Finance income	25
Finance expense	(7)
Share of profit of associates	—
Loss before tax	(662)
Tax expense	64
Profit on disposal of associate	382
Loss on discontinued operation, net of tax	(216)

The cash flow statement includes the following amounts related to the discontinued operation:

	Year ended 30 November 2010 £'000	Year ended 30 November 2009 £'000
Operating activities	—	677
Investing activities	—	(160)
Financing activities	—	(312)
Net cash from discontinued operations	**—**	205

11. Dividends
No final dividend is proposed in respect of the year ended 30 November 2010. Dividends have been recognised as set out below:

Group	**Year ended 30 November 2010 £'000**	Year ended 30 November 2009 £'000
Final dividend paid in respect of the year ended 30 November 2009 at nil p per share (2008: nil p)	—	—
Interim dividend paid in respect of the year ended 30 November 2010 at nil p per share (2009: nil p)	—	—
	—	—

12. Earnings per share (EPS)
Basic EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares (note 31).

Diluted EPS is the basic EPS, adjusted for the effect of the conversion into fully paid shares of the weighted average number of all employee share options outstanding during the year. Options over 527,855 (2009: 813,963) shares are excluded from the EPS calculation as they are antidilutive. Antidilutive options represent options issued where the exercise price is greater than the average market price for the period.

12. Earnings per share (EPS) continued

Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below:

Group	**Year ended 30 November 2010 000's**	Year ended 30 November 2009 000's
Weighted average number of shares in issue during the period	**21,281**	21,186
Effect of share options	**75**	93
	21,356	21,279

	£'000	£'000
Earnings attributable to ordinary shareholders	**(267)**	(2,075)
Continuing operations	**(267)**	(1,897)
Discontinued operations	**-**	(178)
	(267)	(2,075)

Basic EPS		
Continuing operations	**(1.25)p**	(8.95)p
Discontinued operations	**-p**	(0.84)p
	(1.25)p	(9.79)p
Diluted EPS		
Continuing operations	**(1.25)p**	(8.95)p
Discontinued operations	**-p**	(0.84)p
	(1.25)p	(9.79)p

13. Property plant and equipment

Group	Freehold property £'000	Motor vehicles £'000	Computers, fixtures and fittings £'000	Total £'000
Cost or valuation				
At 1 December 2008	6,592	—	2,247	8,839
Additions	—	—	203	203
Disposals	—	—	(356)	(356)
Exchange rate adjustments	—	—	127	127
Disposal of subsidiary	—	—	(395)	(395)
At 30 November 2009	6,592	—	1,826	8,418
Additions	2	—	79	81
Disposals	(250)	—	(50)	(300)
Exchange rate adjustments	—	—	—	—
Disposal of subsidiary	—	—	—	—
At 30 November 2010	**6,344**	—	**1,855**	**8,199**
Depreciation				
At 1 December 2008	191	—	1,325	1,516
Disposals	—	—	(271)	(271)
Charge for the year	101	—	375	476
Exchange rate adjustments	—	—	75	75
Disposal of subsidiary	—	—	(191)	(191)
At 30 November 2009	292	—	1,313	1,605
Disposals	(11)	—	(24)	(35)
Charge for the year	98	—	230	328
Exchange rate adjustments	—	—	—	—
Disposal of subsidiary	—	—	—	—
At 30 November 2010	**379**	—	**1,519**	**1,898**
Net book values				
At 30 November 2010	**5,965**	—	**336**	**6,301**
At 30 November 2009	6,300	—	513	6,813
At 30 November 2008	6,401	—	922	7,323

Bank borrowings are secured on freehold property for the value of £2,235,034 (2009: £2,845,142) (note 26).

Notes to the financial statements continued
For the year ended 30 November 2010

13. Property plant and equipment continued

Company	Computers, fixtures and fittings £'000	Total £'000
Cost or valuation		
At 1 December 2008	1	1
Additions	—	—
At 30 November 2009	1	1
Additions	—	—
At 30 November 2010	**1**	**1**
Depreciation		
At 1 December 2008	—	—
At 30 November 2009	—	—
At 30 November 2010	**—**	**—**
Net book values		
At 30 November 2010	**1**	**1**
At 30 November 2009	1	1
At 30 November 2008	1	1

14. Goodwill

Group	**Year ended 30 November 2010 £'000**	Year ended 30 November 2009 £'000
Beginning of year	**2,909**	3,430
Put-call Options	**—**	(2)
Disposal of subsidiary	**—**	(61)
Exchange differences	**—**	56
Impairment	**(74)**	(514)
End of year	**2,835**	2,909

Impairment tests for goodwill

Goodwill of the Group is allocated to the following CGUs:

	Stockholm Investments Limited £'000	WH Ireland (Financial Services) Limited £'000	ARE Business and Professional Limited £'000	WH Ireland Limited London £'000	WH Ireland Limited Leeds £'000	WH Ireland Limited Manchester £'000	WH Ireland Limited Cardiff £'000	**Total £'000**
Beginning of year	1,020	898	242	178	253	117	201	**2,909**
Impairment	(74)	—	—	—	—	—	—	**(74)**
End of year	**946**	**898**	**242**	**178**	**253**	**117**	**201**	**2,835**

The Group tests bi-annually for impairment. The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flows based on financial budgets prepared by management covering a three year period and then extrapolated for the following seven years based on relevant estimated growth rates. This cash flow is then discounted by an appropriate cost of capital (currently 10%) in order to estimate their present value.

The key assumptions for the value-in-use calculations are those regarding the discount rate, growth rates and expected changes to revenues and costs in the period. Management has made these assumptions based on past experience and future expectations in the light of anticipated market conditions, combined with the actions taken during the year to streamline the Group's operations whilst maximising revenue potential.

Where the value-in-use exceeds the carrying value of the goodwill asset, it has been concluded that no impairment is necessary.

At 30 November 2009, the Group had goodwill of £1,020k allocated to Stockholm Investments Limited. Whilst this CGU still shows strong results and is forecast to make positive future cash flows, the Directors have had to take into consideration the age of the key personnel intrinsically tied to the goodwill. Although succession planning is in place, the Directors have reviewed the longer term forecasts for this CGU and concede that cash flows could be affected and so have recognised an impairment loss of £74k for the year.

14. Goodwill continued

Impairment tests for goodwill continued

Sensitivity analysis shows that the revenue growth assumption is a key component of the outcome of the recoverable amount. These are currently set between 1.0% and 3.0% depending on the CGU. The following table shows; the current growth assumption, the amounts by which the percentage would have to fall for the outcome to be affected and the headroom, for the three most sensitive CGUs (other CGUs requiring a fall of between 14.3% and 41.7%):

	Current revenue growth assumption %	Required fall in revenue %	Headroom £'000
WH Ireland (Financial Services) Limited	1.0	9.3	297
ARE Business and Professional Limited	1.0	6.7	691
Leeds	3.0	9.3	1,995

15. Intangible assets

	Client relationships £'000	Licences £'000	Total £'000
Cost			
At 1 December 2008	641	112	753
Disposal of subsidiary	—	(144)	(144)
Exchange differences	—	32	32
At 30 November 2009	641	—	641
At 30 November 2010	**641**	—	**641**
Amortisation			
At 1 December 2008	160	6	166
Charge for the year	160	—	160
Disposal of subsidiary	—	(6)	(6)
At 30 November 2009	320	—	320
Charge for the year	160	—	160
At 30 November 2010	**480**	—	**480**
Net book values			
At 30 November 2010	**161**	**—**	**161**
At 30 November 2009	321	—	321
At 30 November 2008	481	106	587

16. Subsidiaries

Company	**Year ended 30 November 2010 £'000**	Year ended 30 November 2009 £'000
Beginning of year	**2,544**	4,590
Disposal of subsidiary	—	(1,863)
Put-call Options adjustment	—	29
Expiry of Put-call Options adjustment	—	(212)
End of year	**2,544**	2,544

Investments in subsidiaries are stated at cost.

16. Subsidiaries continued

The Company's subsidiaries, all of which are included in the consolidated financial statements, are presented below:

Subsidiary	Country of incorporation	Principal activity	Class of shares	Proportion held by Group	Proportion held by Company
WH Ireland Limited	England and Wales	Stockbroking, corporate finance and wealth management	Ordinary	100%	100%
WHI Leasing Limited	England and Wales	Leasing	Ordinary	100%	100%
WH Ireland (Financial Services) Limited	England and Wales	Dormant	Ordinary	100%	—
Readycount Limited	England and Wales	Property	Ordinary	100%	100%
Stockholm Investments Limited	England and Wales	Investment consultancy	Ordinary	100%	100%
WH Ireland (Stockbrokers) Limited	England and Wales	Investment company	Ordinary	100%	100%
ARE Business and Professional Limited	England and Wales	Dormant	Ordinary	100%	—
SRS Business and Professional Limited	England and Wales	Dormant	Ordinary	100%	—
WH Ireland Nominees Limited	England and Wales	Dormant	Ordinary	100%	—
WH Ireland Trustee Limited	England and Wales	Trustee	Ordinary	100%	—
Fitel Nominees Limited	England and Wales	Nominee	Ordinary	100%	—

17. Associates

Investments in associates at 30 November 2010 were as follows:

	Country of incorporation	Principal activity	Class of shares	Proportion held by Group	Proportion held by Company
JBCM Holdings Limited	England and Wales	Holding company	Ordinary	19.78%*	19.78%*
Dart Capital Limited	England and Wales	Investment and financial planning	Ordinary	19.78%*	—
WHI Australia Pty Limited	Australia	Holding company	Ordinary	37.28%	37.28%
DJ Carmichael Pty Limited	Australia	Stockbroking	Ordinary	37.28%	—
Fogbell Nominees Pty Limited	Australia	Nominee	Ordinary	37.28%	—
Overnight Nominees Pty Limited	Australia	Dormant	Ordinary	37.28%	—
Carmichael Capital Markets Pty Limited	Australia	Dormant	Ordinary	37.28%	—

* This investment has been deemed to be an associate as WH Ireland Group plc has a seat on the board of JBCM Holdings Limited and is therefore considered to have significant influence over this company.

On 19 March 2010 WH Ireland Group plc disposed of its Holding in Acceleris plc for £100,000, £25,000 of which was received as loan notes (note 19).

On 14 October 2010 a transaction effected by Ultimate Finance Group plc resulted in the shareholding percentage of WH Ireland Group plc being substantially reduced. This resulted in the Group effectively losing significant influence over the business and accordingly the holding has been reclassified from an associate to an investment.

Group	**Year ended 30 November 2010 £'000**	Year ended 30 November 2009 £'000
Beginning of year	**1,963**	880
Additions	**—**	990
Disposals	**(1,033)**	—
Share of profit	**226**	93
End of year	**1,156**	1,963

17. Associates continued

Summarised financial information in respect of the Group's associates is set out below:

	Year ended 30 November 2010 £'000	Year ended 30 November 2009 £'000
Total assets	**7,236**	55,548
Total liabilities	**(3,235)**	(48,855)
Total net assets	**4,001**	6,693
Group's share of total net assets	**1,320**	1,976

	Year ended 30 November 2010 £'000	Year ended 30 November 2009 £'000
Revenues	**11,073**	11,220
Profits	**424**	78

Company	Year ended 30 November 2010 £'000	Year ended 30 November 2009 £'000
Beginning of year	**2,250**	1,312
Additions	**—**	938
Disposals	**(1,305)**	—
End of year	**945**	2,250

18. Investments

Group

Available-for-sale investments	Quoted £'000	Unquoted £'000	Total £'000
At 1 December 2008	202	809	1,011
Additions	1	—	1
Fair value gain/(loss)	63	(8)	55
Impairment	(74)	(229)	(303)
At 30 November 2009	192	572	764
Additions	102	—	102
Fair value gain/(loss)	33	(225)	(192)
Impairment	18	—	18
Disposals	(235)	—	(235)
At 30 November 2010	**156**	**347**	**457**

Other investments	Quoted £'000	Warrants £'000	Total £'000
At 1 December 2008	539	297	836
Exchange rate adjustments	29	—	29
Additions	79	53	132
Fair value (loss)/gain	(25)	10	(15)
Disposal of subsidiary	(28)	—	(28)
Disposals	(203)	(1)	(204)
At 30 November 2009	391	359	750
Additions	935	250	1,185
Fair value loss	(18)	(77)	(95)
Disposals	(587)	(227)	(814)
At 30 November 2010	**721**	**305**	**1,026**
Total investments 30 November 2010			**1,483**
Total investments 30 November 2009			1,514

18. Investments continued
Company

Available-for-sale investments	Quoted £'000	Total £'000
At 1 December 2008	114	114
Fair value loss	(57)	(57)
At 30 November 2009	57	57
Fair value gain	53	53
Disposals	(71)	(71)
At 30 November 2010	**39**	**39**

Other investments	Quoted £'000	Total £'000
At 1 December 2008	258	258
Fair value loss	(102)	(102)
At 30 November 2009	156	156
Additions*	622	622
Fair value loss	(21)	(21)
Disposals	(135)	(135)
At 30 November 2010	**622**	**622**
Total investments 30 November 2010		**661**
Total investments 30 November 2009		213

* Additions in 2010 represent the investment in Ultimate Finance Group plc, reclassified from associates during the year (see note 17).

Available-for-sale investments, for both the Group and the Company, include equity investments other than those equity investments which form part of the carried interest bonus scheme (note 3) and investments in subsidiaries. Available-for-sale investments are measured at fair value with fair value gains and losses recognised directly in equity in the available-for-sale reserve.

Other investments, in the main, comprise financial assets designated as fair value through profit or loss, for both Group and Company and include equity investments which form part of the carried interest bonus scheme (note 3). Financial assets designated as 'fair value through profit or loss' are measured at fair value with fair value gains and losses recognised directly in the income statement.

Warrants are acquired as part of the carried interest bonus scheme (note 3) and designated as fair value through profit or loss. There is no cash consideration associated with the acquisition.

Fair value, in the case of quoted investments, represents the bid price at the balance sheet date. In the case of unquoted investments, the fair value is estimated by reference to recent arm's length transactions. The fair value of warrants is estimated using established valuation models and the fair value of Put-call Options is formula driven.

19. Loan notes receivable
Loan notes receivable represent £310,000 Unsecured Convertible Loan Notes 2008–2013 issued on 28 February 2008 by JBCM Holdings Limited (note 17). These loan notes were due to be repaid as follows:

27 February 2011	£100,000
27 February 2012	£100,000
27 February 2013	£110,000

Since the year end these loan notes have been repaid at face value (see note 38).

Additions to loan notes receivable in the year, represent £25,000 Unsecured Nil Rate Loan Notes 2020 issued on 19 March 2010 by Acceleris plc (note 17). These loan notes will be repaid as follows:

19 March 2020	£25,000

20. Deferred tax assets and liabilities
Deferred tax is provided for temporary differences, at the balance sheet date, between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes using a tax rate of 28% (2009: 28%). A deferred tax asset is recognised for all deductible temporary differences and unused tax losses only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax assets		Deferred tax liabilities	
Group	**2010 £'000**	2009 £'000	**2010 £'000**	2009 £'000
Property, plant and equipment	**171**	62	**(53)**	(108)
Intangible assets	**33**	140	**—**	(84)
Available-for-sale investments	**—**	—	**(21)**	(81)
Provisions, trade and other payables	**14**	191	**(310)**	—
Losses	**712**	250	**—**	—
	930	643	**(384)**	(273)

	Deferred tax assets		Deferred tax liabilities	
Company	**2010 £'000**	2009 £'000	**2010 £'000**	2009 £'000
Trade and other payables	**14**	24	**—**	—
	14	24	**—**	—

Movements in deferred tax are shown below:

Group	At 1 December 2008 £'000	Recognised in income statement £'000	Foreign exchange movement £'000	Part-disposal of subsidiary £'000	Recognised in equity £'000	At 30 November 2009 £'000	**Recognised in income statement £'000**	**Recognised in equity £'000**	**At 30 November 2010 £'000**
Property, plant and equipment	(1)	(30)	—	(15)	—	(46)	**164**	**—**	**118**
Intangible assets	(9)	65	—	—	—	56	**(23)**	**—**	**33**
Available-for-sale investments	(66)	—	—	—	(15)	(81)	**—**	**60**	**(21)**
Provisions, trade and other payables	282	98	—	(189)	—	191	**(487)**	**—**	**(296)**
Losses	306	383	129	(568)	—	250	**462**	**—**	**712**
	512	516	129	(772)	(15)	370	**116**	**60**	**546**

Company	At 1 December 2008 £'000	Recognised in income statement £'000	At 30 November 2009 £'000	**Recognised in equity £'000**	**At 30 November 2010 £'000**
Trade and other payables	38	(14)	24	**(10)**	**14**
Losses	2	(2)	—	**—**	**—**
	40	(16)	24	**(10)**	**14**

21. Subordinated loan

	Group		Company	
	30 November 2010 £'000	30 November 2009 £'000	**30 November 2010 £'000**	30 November 2009 £'000
Subordinated loan	—	—	—	750

The £750,000 which was owed by WH Ireland Limited was repaid on 19 March 2010 in accordance with the underlying agreement.

22. Trade and other receivables

	Group		Company	
	30 November 2010 £'000	30 November 2009 £'000	**30 November 2010 £'000**	30 November 2009 £'000
Trade receivables	**35,549**	41,312	—	—
Amounts due from Group companies	—	—	**4,417**	4,609
Other receivables	**690**	449	**222**	241
Taxation and social security	—	—	**10**	—
Prepayments and accrued income	**966**	912	**55**	34
	37,205	42,673	**4,704**	4,884

Trade receivables that relate to market transactions are considered to be past due once the date for settlement has passed. Fees and charges owed by clients are generally considered to be past due where they remain unpaid five working days after the relevant billing date. At 30 November 2010, trade receivables (net of provisions for bad and doubtful debts) comprised the following:

	Group		Company	
	30 November 2010 £'000	30 November 2009 £'000	**30 November 2010 £'000**	30 November 2009 £'000
Not past due	**33,964**	38,144	—	—
Up to 5 days past due	**586**	1,509	—	—
From 6 to 15 days past due	**235**	124	—	—
From 16 to 30 days past due	**270**	218	—	—
From 31 to 45 days past due	**(59)**	125	—	—
More than 45 days past due	**553**	1,192	—	—
	35,549	41,312	—	—

Trade receivables that are not past due, or are past due but not impaired, principally relate to market transactions. The date of settlement of market transactions is set at the time that the relevant sale or purchase order is placed with the market. It is expected that, in the normal course of business, certain transactions may not have completed by the settlement date. For example, a shortage of stock in the market may result in an extended settlement period, in which case the order remains outstanding until the required quantity of stock has become available. Such balances that remain outstanding after the settlement date are classified as past due, as appropriate, in the table above, but the extended settlement period does not have an adverse effect on the credit quality of the balances, particularly as the related cash or stock to which the balances relate are retained by the Group and/or the Company until settlement occurs.

The Group has recognised an allowance for doubtful debts of 100% against all receivables over 365 days because historical experience has been that receivables beyond 365 days are not recoverable. Allowances against doubtful debts are recognised against trade receivables between 30 days and 365 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

At 30 November 2010, £328k of the Group's trade receivable balances were impaired and provided for (2009: £1,922k). During the year ended 30 November 2008 the Group suffered a significant bad debt for which a specific provision of £1,057k was made in the accounts. During the year ended 30 November 2009, judgement was obtained against this debtor and the Group received the sale proceeds of two UK properties in the year under review. The debtor has now been declared bankrupt and the Directors are attempting to collect the remainder of the debt with the assistance of the Trustee in Bankruptcy. Given the uncertainty around any further recovery, the debt has been written off and the provision at the balance sheet date in relation to this client has been reduced to £nil (2009:£736k).

The maximum exposure to credit risk, before any collateral held as security, is the carrying value of each class of receivable set out above. Collateral held against trade receivables comprises cash or marketable securities to which the Group has an unconditional right to realise for the purposes of clients' obligations. All such marketable securities must be held in the Group's nominee, Fitel Nominees Limited, and must be marked to market daily.

The Directors consider that the carrying amounts of trade and other receivables approximate their fair value.

22. Trade and other receivables continued

Movements in impairment provisions were as follows:

	Group		Company	
	30 November 2010 £'000	30 November 2009 £'000	**30 November 2010 £'000**	30 November 2009 £'000
At 1 December	**1,922**	2,103	—	—
Amount released from provision due to recovery	**(858)**	(321)	—	—
Amounts written off, previously fully provided	**(1,116)**	—	—	—
Amount charged to the income statement	**380**	140	—	—
At 30 November	**328**	1,922	—	—

The carrying value of trade and other receivable balances are denominated in the following currencies:

	Group		Company	
	30 November 2010 £'000	30 November 2009 £'000	**30 November 2010 £'000**	30 November 2009 £'000
At 1 December				
Sterling	**28,344**	33,518	**4,704**	4,884
Australian dollar	**8,072**	8,457	—	—
Other	**789**	698	—	—
At 30 November	**37,205**	42,673	**4,704**	4,884

23. Other investments

	Group		Company	
	30 November 2010 £'000	30 November 2009 £'000	**30 November 2010 £'000**	30 November 2009 £'000
Current asset investment	—	855	—	—

These represent short-term principal positions taken on behalf of clients as at 30 November and are held at market value. No tax was payable at that value.

In the current year the closing position on current asset investments represent a liability to the Group, and as such is carried within other creditors.

24. Cash, cash equivalents and bank overdraft

		Group		Company	
	Note	**30 November 2010 £'000**	30 November 2009 £'000	**30 November 2010 £'000**	30 November 2009 £'000
Cash and cash equivalents		**2,439**	4,258	—	1
Bank overdraft	26	—	—	**(827)**	(1,033)
		2,439	4,258	**(827)**	(1,032)

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits with banks and financial institutions with a maturity of up to three months and bank overdrafts repayable on demand.

Cash and cash equivalents represent the Group's and the Company's money and money held for settlement of outstanding transactions.

Free money held in trust on behalf of clients is not included in the balance sheet. Free money at 30 November 2010 for the Group was £85,429k (2009: £93,457k). There is no free money held in the Company (2009: £nil).

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25. Trade and other payables

	Group		Company	
	30 November 2010 £'000	30 November 2009 £'000	**30 November 2010 £'000**	30 November 2009 £'000
Trade payables	**33,879**	39,546	—	—
Amounts due to Group companies	—	—	**266**	414
Other payables	**748**	593	**38**	—
Taxation and social security	**283**	643	—	—
Accruals and deferred income	**1,585**	3,846	**48**	148
	36,495	44,628	**352**	562

The Directors consider that the carrying amounts of trade and other payables approximate their fair value.

Accruals and deferred income shown above includes, for the Group, £nil (2009: £45k) and for the Company £nil (2009: £11k) relating to bonuses provided under the carried interest bonus scheme (note 3).

Accruals and deferred income included in non-current liabilities includes, for the Group, £nil (2009: £237k) and for the Company £nil (2009: £75k) relating to bonuses provided under the carried interest bonus scheme (note 3).

26. Borrowings

	Group		Company	
	30 November 2010 £'000	30 November 2009 £'000	**30 November 2010 £'000**	30 November 2009 £'000
Bank overdrafts	—	—	**827**	1,033
Bank loans	**2,235**	2,845	**2,235**	2,845
	2,235	2,845	**3,062**	3,878

The Company has a facility with the Bank of Scotland in respect of a £3m property loan repayable over twenty years at 1.25% above base rate and a £1m working capital facility loan repayable over ten years, with a one year capital repayment holiday, at 2.25% above base. The property loan was drawn down on 4 February 2002 and the working capital facility loan was drawn down on 29 May 2002. The Group has an overdraft facility with the Bank of Scotland for £1m at 3.25% above base rate, which is repayable on demand. The Bank holds the shares of WH Ireland Limited in its nominee company for the beneficial interest of WH Ireland Group plc as security and in addition has a floating charge over the assets of the other trading subsidiaries of the Group.

The Directors are in the final stages of renewing the bank facilities and have received a draft facility letter from the Group's bank, confirming sufficient funding facilities will be available to the Group until 29 February 2012.

These bank overdrafts and loans, at floating interest rates, expose the Group to interest rate risk which is the risk that future cash flows may be adversely affected as a result of changes in interest rates. The management of interest rate risk is discussed at note 29.

Bank loans are repayable as follows:

	Group		Company	
	30 November 2010 £'000	30 November 2009 £'000	**30 November 2010 £'000**	30 November 2009 £'000
Within one year	**305**	419	**305**	419
Within two to five years	**625**	1,540	**625**	1,540
After five years	**1,305**	886	**1,305**	886
	2,235	2,845	**2,235**	2,845

The Directors consider that the carrying amounts of bank overdrafts and loans approximate their fair value.

27. Liability for Put-call Options

	Year ended 30 November 2010 £'000	Year ended 30 November 2009 £'000
Beginning of year	**—**	183
Change in fair value of Put-call Options	**—**	29
Expiry of options	**—**	(212)
End of year	**—**	—

As part of the Group's acquisition of a majority stake in DJ Carmichael Pty Limited there was an option for minority shareholders to put a proportion of their shares to the Group in the period 31 March 2009 to 30 September 2009. The amounts which could be put to the Group under these options varied depending on other purchases of shares made by the Group but at 30 November 2008 represented 12% of the share capital of DJ Carmichael Pty Limited. Additionally, the Group had a Call Option over the full non controlling interest. In combination with the Put Options, the Call Option had the effect of creating a forward purchase agreement over the element of shares covered by the Put Options.

The consideration payable under these options was formula driven and at 30 November 2008 amounted to £183k

The options expired without exercise on 30 September 2009, resulting in a loss of £55k which was charged to the income statement (note 10).

28. Provisions

Group	IFA clawback provision £'000	Complaints provision £'000	Total £'000
At 1 December 2009	19	128	147
Provided during the year	1	179	180
Utilised during the year	—	(158)	(158)
At 30 November 2010	**20**	**149**	**169**

	30 November 2010 £'000	30 November 2009 £'000
Provisions included in current liabilities	**149**	—
Provisions included in non-current liabilities	**20**	147
Provided during the year	**169**	147

The IFA clawback provision relates to any policy cancellations and the resultant potential repayment of past independent financial advisory commission earned, relating mainly to products such as pensions and insurance.

The complaints provision relates to any complaints which may result in cash outflows falling below the insurance excess of £100k. The expected period of settlement of the outstanding complaints provision is six months from the year end.

Notes to the financial statements continued
For the year ended 30 November 2010

29. Financial instruments
Set out below is a summary, by category, of carrying amounts and fair values of all the Group's financial assets and financial liabilities:

	Carrying amount and fair value	
Group	**30 November 2010 £'000**	30 November 2009 £'000
Financial assets		
Available-for-sale investments	**457**	764
Other investments	**1,026**	750
Loan notes receivable	**335**	310
Trade and other receivables	**36,239**	41,761
Current asset investments	—	855
Cash and cash equivalents	**2,439**	4,258
Financial liabilities		
Borrowings	**2,235**	2,845
Trade and other payables	**36,495**	44,628
Bank overdraft	—	—
Accruals and deferred income	**98**	297
Provisions	**169**	147

	Carrying amount and fair value	
Company	**30 November 2010 £'000**	30 November 2009 £'000
Financial assets		
Available-for-sale investments	**39**	57
Other investments	**622**	156
Loan notes receivable	**335**	310
Subordinated loan	—	750
Trade and other receivables	**4,649**	4,850
Cash and cash equivalents	—	1
Financial liabilities		
Borrowings	**2,235**	2,845
Trade and other payables	**784**	562
Bank overdraft	**827**	1,033
Accruals and deferred income	—	74

The significant methods and assumptions used in estimating fair values of financial instruments are summarised below:

Available-for-sale financial assets
Available-for-sale financial assets include equity investments, other than those in subsidiary undertakings. In the case of listed investments, the fair value represents the quoted bid price at the balance sheet date. The fair value of unlisted investments is estimated by reference to recent arm's length transactions.

Other investments
Other investments include warrants and equity investments categorised as fair value through profit or loss. In the case of listed investments, the fair value represents the quoted bid price at the balance sheet date. The fair value of unlisted investments is estimated by reference to recent arm's length transactions. In the case of warrants, the fair value is estimated using established valuation models.

Loan notes receivable
Loan notes receivable are measured at amortised cost using the effective interest method. Their fair value is not materially different to their carrying value.

Trade receivables and payables
The carrying value less impairment provision off trade receivables and payables is assumed to approximate their fair values due to their short-term nature. Trade and other receivables exclude prepayments and accrued income and accruals and deferred income represent liabilities due for settlement after more than one year.

29. Financial instruments continued

Borrowings

Borrowings are measured at amortised cost using the effective interest method.

The table below summarises the Group's main financial instruments by financial asset type:

	30 November 2010			
Group	**Amortised cost £'000**	**Held at fair value as available-for-sale assets £'000**	**Fair value through profit or loss £'000**	**Total £'000**
Financial assets				
Available-for-sale investments	—	**457**	—	**457**
Other investments	—	—	**1,026**	**1,026**
Loan notes receivable	**335**	—	—	**335**
Trade and other receivables	**36,239**	—	—	**36,239**
Current asset investment	—	—	—	—
Cash and cash equivalents	**2,439**	—	—	**2,439**
Financial liabilities				
Borrowings	**2,235**	—	—	**2,235**
Trade and other payables	**36,495**	—	—	**36,495**
Accruals and deferred income	**98**	—	—	**98**
Provisions	**169**	—	—	**169**

	30 November 2009			
Group	Amortised cost £'000	Held at fair value as available-for-sale assets £'000	Fair value through profit or loss £'000	Total £'000
Financial assets				
Available-for-sale investments	—	764	—	764
Other investments	—	—	750	750
Loan notes receivable	310	—	—	310
Trade and other receivables	41,761	—	—	41,761
Current asset investment	—	—	855	855
Cash and cash equivalents	4,258	—	—	4,258
Financial liabilities				
Borrowings	2,845	—	—	2,845
Trade and other payables	44,628	—	—	44,628
Accruals and deferred income	297	—	—	297
Provisions	147	—	—	147

	30 November 2010			
Company	**Amortised cost £'000**	**Held at fair value as available-for-sale assets £'000**	**Fair value through profit or loss £'000**	**Total £'000**
Financial assets				
Available-for-sale investments	—	**39**	—	**39**
Other investments	—	—	**622**	**622**
Loan notes receivable	**335**	—	—	**335**
Subordinated loan	—	—	—	—
Trade and other receivables	**4,649**	—	—	**4,649**
Cash and cash equivalents	—	—	—	—
Financial liabilities				
Borrowings	**2,235**	—	—	**2,235**
Trade and other payables	**784**	—	—	**784**
Bank overdraft	**827**	—	—	**827**
Accruals and deferred income	—	—	—	—

29. Financial instruments continued

Company	30 November 2009 Amortised cost £'000	Held at fair value as available-for-sale assets £'000	Fair value through profit or loss £'000	Total £'000
Financial assets				
Available-for-sale investments	—	57	—	57
Other investments	—	—	156	156
Loan notes receivable	310	—	—	310
Subordinated loan	750	—	—	750
Trade and other receivables	4,850	—	—	4,850
Cash and cash equivalents	1	—	—	1
Financial liabilities				
Borrowings	2,845	—	—	2,845
Trade and other payables	562	—	—	562
Bank overdraft	1,033	—	—	1,033
Accruals and deferred income	74	—	—	74

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and market risk. Market risk comprises currency risk, interest rate risk and other price risk. The Directors review and agree policies for managing each of these risks which are summarised below:

Credit risk
Credit risk is the risk that clients or other counterparties to a financial instrument will cause a financial loss by failing to meet their obligations. Credit risk relates, in the main, to the Group's trading and investment activities and is the risk that third parties fail to pay amounts as they fall due. Formal credit procedures include approval of client limits, approval of material trades, collateral in place for trading clients and chasing of overdue accounts. There are formal rules around traded option business including management of margin. Additionally, risk assessments are performed on banks and custodians.

Maximum exposure
The maximum exposure to credit risk at the end of the reporting period is equal to the balance sheet figure.

Credit Quality
Financial assets that are neither past due nor impaired in respect of trade receivables relate mainly to bonds, equity and gilt trades quoted on a recognised exchange, are matched in the market, and are either traded on a cash against documents basis or against a client's portfolio.

The credit risk on liquid funds, cash and cash equivalents is limited due to deposits being held at the Group's main bank with a credit rating of "-AA", assigned by international credit rating agencies.

There has been no change to the Group's exposure to credit risk or the manner in which it manages and measures the risk during the period.

Liquidity risk
Liquidity risk is the risk that obligations associated with financial liabilities will not be met. The Group monitors its risk to a shortage of funds by considering the maturity of both its financial investments and financial assets (for example, trade receivables) and projected cash flows from operations. The Group's objective is to maintain the continuity of funding through the use of bank overdrafts and loans. At 30 November 2010 the Group had an overdraft facility of £1m (2009: £5.0m), due for renewal on 28 February 2011. The Directors are in the final stages of renewing the bank facilities and have received a draft facility letter from the Group's bank, confirming sufficient funding facilities will be available to the Group until 28 February 2012.

At 30 November 2010 the Company had drawn on £0.8m (2009: £1.0m) of this facility

29. Financial instruments continued

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to currency risk is largely limited to the operations of its Australian associate and the current policy of the Group is that the level of risk does not necessitate the need to use forward foreign exchange contracts. Based on the average exchange rate for the year it is estimated that an increase in the AUD:GBP exchange rate of 10% would result in an increase in the loss before tax of approximately £4k exchange rate of the same amount would result in a decrease in the loss before tax of approximately £5k.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates and amounts receivable on cash deposits. The Group views such exposure to interest rate fluctuations as immaterial. At 30 November 2010 if bank base rates had been 100 basis points higher, profit for the year would have been approximately £24k (2009: £62k) lower. If bank base rates had been 100 basis points lower, profit for the year would have been higher by the same amount.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting all similar financial instruments traded in the market. The Group manages market price risk by monitoring the value of its financial instruments on a monthly basis and reporting these to the Directors and Senior Management. The Group has suffered a significant deterioration in the value of its investments during the course of the year. The risk of further deterioration in prices remains high whilst the market continues to be volatile. The risk of future losses is limited to the fair value of investments as at the year end of £1,483k (2009: £1,514k).

The table below summarises the maturity profile of the Group's financial liabilities at 30 November 2010 based on contractual undiscounted payments:

Group **At 30 November 2010**	**Payable within 1 year £'000**	**Payable in 2 to 5 years £'000**	**Payable after more than 5 years £'000**	**Total contractual payments £'000**
Trade and other payables	**36,495**	—	—	**36,495**
Borrowings	**305**	**625**	**1,305**	**2,235**
Other financial liabilities	**149**	**118**	—	**267**
	36,949	**743**	**1,305**	**38,997**

At 30 November 2009	Payable within 1 year £'000	Payable in 2 to 5 years £'000	Payable after more than 5 years £'000	Total contractual payments £'000
Trade and other payables	44,628	—	—	44,628
Borrowings	419	1,540	886	2,845
Other financial liabilities	—	444	—	444
	45,047	1,984	886	47,917

Company **At 30 November 2010**	**Payable within 1 year £'000**	**Payable in 2 to 5 years £'000**	**Payable after more than 5 years £'000**	**Total contractual payments £'000**
Trade and other payables	**784**	—	—	**784**
Bank overdraft	**827**	—	—	**827**
Borrowings	**305**	**625**	**1,305**	**2,235**
Other financial liabilities	—	—	—	—
	1,916	**625**	**1,305**	**3,846**

29. Financial instruments continued

Company **At 30 November 2009**	Payable within 1 year £'000	Payable in 2 to 5 years £'000	Payable after more than 5 years £'000	Total contractual payments £'000
Trade and other payables	562	—	—	562
Bank overdraft	1,033	—	—	1,033
Borrowings	419	1,540	886	2,845
Other financial liabilities	—	74	—	74
	2,014	1,614	886	4,514

Fair value measurement recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 at fair value measurement are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 fair value measurements are those derived from inputs other than the quoted price included within Level 1 that are observable for the asset or a liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair values measurements are those derived from formal valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial investments available for sale				
Quoted equities	156	—	—	156
Unquoted equities	—	—	301	301
Financial instruments designated at fair value through profit and loss				
Quoted equities	99	—	—	99
Other investments	622	—	305	927
Total	**877**	**—**	**606**	**1,483**

There were no transfers between Level 1 and 2 during the year

	Unquoted equities £'000	Other investments £'000
Balance at 30 November 2009	572	359
Total gains or losses:		
- In profit or loss	—	(77)
- In other comprehensive income	(271)	—
Purchases	—	250
Settlements	—	(226)
Balance at 30 November 2010	**301**	**305**

The table above only includes financial assets. There were no financial liabilities subsequently measured at fair value on Level 3 fair value measurement basis.

Of the total gains or losses for the period included in profit or loss, £72k relates to asset-backed securities held at the balance sheet date. Fair value gains or losses on asset backed securities are included in 'Fair value gains/(losses) on investments.

All gains and losses included in other comprehensive income relate to asset-based securities and unquoted equities held at the balance sheet date, and are reported as 'Valuation gains/(losses) on available for sale investments'.

30. Capital management
The capital of the Group comprises share capital, share premium, retained earnings and other reserves. The total capital at 30 November 2010 amounted to £13.49m for the Group (2009: £14.11m) and £5.79m for the Company (2009: £6.46m). The primary objective of the Group's capital management is to ensure that it maintains a strong capital structure in order to support the development of its business, to maximise shareholder value and to provide benefits for its other stakeholders.

These objectives are met by managing the level of debt and setting dividends paid to shareholders at a level appropriate to the performance of the business.

Certain activities of the Group are regulated by the FSA which is the single statutory regulator for financial services business and has responsibility for policy, monitoring and discipline for the financial services industry as a whole. The FSA requires the Group's resources to be adequate, that is, sufficient in terms of quantity, quality and availability, in relation to its regulated activities.

The Group monitors capital on a daily basis by measuring movements in the Group regulatory capital requirement and through its Internal Capital Adequacy Assessment Process (ICAAP). Compliance with FSA regulatory requirements was maintained during the year and the Group is satisfied that there is and will be sufficient capital to meet these regulatory requirements for the foreseeable future.

31. Treasury shares

Group	**Year ended 30 November 2010 £'000**	Year ended 30 November 2009 £'000
At 1 December and 30 November	**287**	287

The WH Ireland EBT was established in October 1998 for the purpose of holding and distributing shares in the Company for the benefit of the employees. All costs of the EBT are borne by WH Ireland Limited.

At 30 November 2010 the EBT held 211,822 shares in the Company (2009: 211,822 shares), representing 1% of the called up share capital (2009: 1%). There were no movements in this holding in the year.

32. Non controlling interest

Group	**Year ended 30 November 2010 £'000**	Year ended 30 November 2009 £'000
Beginning of year	—	220
Share of loss after tax	—	(38)
Exchange rate adjustments	—	80
Expiry of Put-call Options	—	266
Adjustment on decrease in holding in subsidiary	—	(528)
End of year	—	—

33. Share-based payments

The Group has an unapproved executive share option scheme for the granting of non-transferable options to employees. The exercise price of granted options is equal to the mid price at the date of the grant. Options are equity-settled and conditional on the employee completing three years' service (the vesting period). They are exercisable from the third anniversary of the date of grant and have a contractual option term of ten years.

Movements in the number of share options outstanding that were issued post 7 November 2002 (see note 3) and their related weighted average exercise prices are as follows:

	2010		2009	
	Number of options	**Weighted average exercise price Pence**	Number of options	Weighted average exercise price Pence
Outstanding at beginning of year	**1,530,000**	**101.92**	1,580,000	100.56
Lapsed/surrendered	**(1,157,500)**	**107.05**	(100,000)	71.59
Exercised	—	—	—	—
Granted	**2,128,000**	**36.75**	50,000	69.50
Lapsed	—	—	—	—
Outstanding at end of year	**2,500,500**	**45.52**	1,530,000	101.92
Exercisable at end of year	**125,000**	**71.20**	200,000	71.13

The weighted average share price at the date of exercise, of the options exercised during 2009 was 75.50p. These options were issued prior to 7 November 2002 and are therefore not included in the table above.

The options outstanding at the year end have an exercise price in the range of 36.75p to 108p (2009: 69.5p to 139p).

The assumptions used for the binomial options pricing model in determining the fair value of options in issue were as follows:

Expected life – 5 years (2009: 5 years)

Expected dividend yield – 0.00 – 5.76% (2009: 3.31–5.76%)

The volatility of the Company's share price was estimated as the standard deviations of daily historical continuously compounded returns over a period commensurate with the expected life of the option, back from the date of grant and annualised by the factor of the square root of 252, assuming 252 trading days per year (2009: 252 trading days). For options granted in 2004, volatilities were calculated back to the date of the Group's flotation in July 2000.

The risk-free rate is the yield to maturity on the date of grant of a UK Gilt Strip, with term to maturity equal to the life of the option.

The Group recognised during the year, a total credit of £94k (2009: charge of £97k) relating to share-based payment transactions.

34. Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	30 November 2010 £'000	30 November 2009 £'000	**30 November 2010 £'000**	30 November 2009 £'000
Not later than one year	**250**	324	**—**	—
Later than one year and not later than five years	**707**	893	**—**	—
Later than five years	—	—	**—**	—
	957	1,217	**—**	—

Operating lease payments represent rentals payable for office premises and equipment. Leases are negotiated for an average of eight years. The leases do not contain provisions for contingent rental payments, purchase options or escalation charges and do not impose restrictions beyond the property to which they relate.

35. Capital commitments

Neither the Group nor the Company had any capital commitments at 30 November 2010 (2009: nil).

36. Related party transactions
Group
Transactions between the Company and its subsidiaries, which are related parties, are eliminated on consolidation and are therefore not disclosed here.

The following table sets out the transactions which have been entered into during the year together with any amounts outstanding:

	Related parties	Services rendered to related parties £'000	Purchases/ services from related parties £'000	Amounts owed by related parties £'000	Amounts owed to related parties £'000
Associates	**2010**	**576**	**—**	**—**	**2**
	2009	316	—	7	—
Key management personnel	**2010**	**1**	**—**	**—**	**—**
	2009	2	—	45	209
Other related parties	**2010**	**—**	**—**	**—**	**—**
	2009	—	—	—	—

Services rendered to related parties were on the Group's normal trading terms. Amounts outstanding are unsecured and will be settled in accordance with normal credit terms. No guarantees have been given or received. No provision (2009: £nil) has been made for doubtful receivables in respect of the amounts owed by related parties.

Key management personnel
Key management personnel include Executive and Non-executive Directors of WH Ireland Group plc and all its subsidiaries and their total compensation is shown below:

	Year ended 30 November 2010 £'000	Year ended 30 November 2009 £'000
Short-term employee benefits	**1,545**	2,006
Post-employment benefits	**119**	132
Other long-term benefits	**—**	—
Termination benefits	**60**	147
Share-based payment	**1**	83
	1,725	2,368

Company
The Parent Company receives interest from subsidiaries in the normal course of business. Total interest received during the year was £37k (2009: £65k). In addition, the Parent Company received a management charge of £571k (2009: £2,600k) from its subsidiary WH Ireland Limited. Amounts outstanding at 30 November 2010 and at 30 November 2009 between the Parent Company and subsidiaries are provided in notes 21, 22 and 25.

37. Contingent liabilities
The Group has contingent liabilities in respect of indemnities (principally in respect of certified stock transfers and share certificates) given in the ordinary course of business. No material loss is considered likely to arise in respect of these contingent liabilities.

38. Events after the balance sheet date
No final dividend was proposed in respect of the year ended 30 November 2010.

After the balance sheet date, JBCM Holdings Limited exercised their right to buy-back the Group's holding of shares in the company and redeemed the loan notes ahead of schedule (see note 19).