WH Ireland Group plc

Annual report and accounts 2011

Our key points at a glance

Operational summary

- Significant new client wins during the period, with an increase of over 500% in funds raised for corporate clients
- New fund launched to benefit from the Enterprise Investment Scheme legislation
- Number of significant new hires made to strengthen the team across Private Wealth Management and Corporate Broking divisions

Financial summary

- Group turnover increased by 25.9% to £23.1m (2010: £18.4m)
- Full year adjusted* profit before tax £2.2m (2010: loss £0.3m)
- Full year statutory loss before tax £1.4m (2010: £0.7m)
- Adjusted* earnings per share of 9.33p (2010: 0.08p)
- Basic loss per share of 8.00p (2010: 1.75p)
- Year-end cash balances increased to £7.4m (2010: £2.4m)

* Adjusted profit / (loss) before tax is stated after adding back impairments to property and goodwill and loss on disposal of associates.

Contents

Chairman's statement

It is pleasing to be able to report to our shareholders that the Group has delivered a successful outcome for the year ended 30 November 2011. In the financial period we have improved our cash reserves, our adjusted profitability and our turnover.

During the course of the year under review we have considerably strengthened our client base, in the process raising £100 million to help some exciting small companies to finance their business against the backdrop of a severely dysfunctional banking market. We have improved our position relative to many of our competitors, attracted many new and able members of staff to join our existing team and, at the same time, overhauled and simplified the incentive structure for existing staff resulting in a more transparent and fairer reward for those who produce our revenues. The process of improving the service provision whilst reducing costs continues and includes investment in a new and more comprehensive IT platform. Credit for the progress we have made should be given to all our staff, as it is their energy and drive that propels our progress.

The new Enterprise Investment Scheme (EIS) legislation introduced in the 2011 budget by George Osborne plays to the strengths of a broker such as WH Ireland with both private and corporate clients. With this in mind, we have set up a fund to allow our private clients to benefit from the tax breaks available when we invest their money in fast growing and exciting AIM listed companies. We are very enthusiastic about this area of our business and would encourage any shareholders who are interested to view our website (www.wh-ireland.co.uk) and contact us for further details or a presentation.

It is now clear that many of our competitors allowed their fixed cost base to become excessive. The recent prolonged downturn has exposed this weakness and, as a result, many broking companies have either been closed down or forced to merge. These pressures have been exacerbated by an increasingly expensive regulatory environment and have resulted in many very talented people losing their jobs. The result is that we are now able to recruit such people on sensible and fair incentive packages with the recent stability of WH Ireland making us an attractive place to work. The old adage that "wealth is created in booms but dynasties are made in depressions" may be overstating the case but I believe success is based on positive momentum and on that basis we have the conditions to continue our progress.

The new financial year has started well in terms of revenue, new clients and also new members of staff. The Sovereign debt situation in Europe continues to be a concern to the fragile economic recovery. The resolution of this malaise will not be straightforward, as the current situation in Greece exemplifies. However, with Bond yields at historically very low levels, quantitative easing and an equity market which offers some attractive yields in the current low interest rate environment, there are grounds for some optimism.

There are some exciting small companies who need investment in order to grow and WH Ireland is very well placed to help them, together with our private clients and wealth management clients. As a part of our ongoing development, I am pleased that we have been successful in our recent acquisition from Pritchard Stockbrokers Limited of 8,000 active private clients with £400m of non cash assets under management. This will result in some hard work to integrate this business, but will serve to continue the growth of our regionally based private client business, thereby balancing the growth of WH Ireland.

Rupert Lowe
Chairman

Chief Executive's report

In a year which the Chief Executive of one of our main competitors described as being, "Maybe the worst operating climate for almost a century", I am pleased to say that WH Ireland has performed well.

Revenues increased by 26% from £18.4m to £23.1m, and the adjusted profit before tax increased from £(0.3)m to £2.2m. The statutory loss before tax, which includes the write downs of goodwill and property and the loss on disposal of associates, increased from £0.7m to £1.4m. These figures are explained further in the business review on page 4.

Perhaps more importantly this improvement was reflected in cash balances rising by over 200% from £2.4m to £7.4m; funds raised for corporate clients rising by over 500% from £16m to £97m and 14 new brokerships being won. Since the year end, new quoted client wins and new fundraisings have continued.

The Group's focus was improved during the year with the sale of the remaining 37% of WHI Australia Pty Limited, the holding company of DJ Carmichael Pty Limited. Whilst the Australian stockbroking market offers many opportunities, the Board did not feel it was appropriate for a relatively small group such as ours to continue with such a broad spread of interests. The mainstream fund management business was also closed to continue to focus these efforts and overall 34 people left the Group in the year, with termination costs being incurred against administration expenses.

The dislocation that has and is occurring in the small company broking sector has created a fertile environment for client wins, but also has freed up high quality staff. Without incurring any headhunter fees we have made ten significant hires from Altium, Religaire, Collins-Stewart, Investec and Westhouse in recent months. Our Corporate Broking team is now scaled to handle over 100 clients, a level at which we would have achieved critical mass.

Our Private Clients division continued to provide solid earnings, with funds under nominee control of £1.4bn. The recent acquisition of the client list from Pritchard Stockbrokers Limited should increase this figure by 25% and we are also expanding our regional office team as a result. Progress was made in the Wealth Management division and your Board remains confident in the validity of building up this activity alongside the well established Private Client stock broking offering, particularly with the likely impact of the Retail Distribution Review (RDR) on small independents.

During the course of the year the Government focused on the EIS as a means of stimulating the small company sector. Incentives were improved and the size of company to which they applied was increased with effect from April 2012 onwards. WH Ireland is at the forefront of developments in this field, which it sees as being beneficial to all divisions of the Group.

Despite the uncertainties in the markets, your Board is confident of progress in the year ahead. As such we will seek shareholder approval for an ongoing share buy back programme. The achievements of the past year could not have been made without the efforts of our staff. Their confidence in the firm's future was shown by a 56% take up in our new Save as You Earn scheme and numerous employee purchases. Focused on small company Corporate Broking and on Private Wealth Management, well financed and growing both organically and through acquisition, WH Ireland has a strong future.

Paul Compton
Chief Executive

Business review

Overview
The WH Ireland Group has one principal operating subsidiary, WH Ireland Limited. During the year under review this company has consisted 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. Since the year end we have combined these four divisions into Private Wealth Management (formerly Private Clients and Wealth Management) and Corporate Broking (formerly Capital Markets and Secondary Trading).

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 37.28% holding in WHI Australia Pty Limited, the holding company of DJ Carmichael Pty Limited, the Australian stock broking business, was sold. In addition the Group's holding in Ultimate Finance Group plc was disposed of. These investment realisations enabled the Company to repay its bank overdraft.

The Group has also reviewed the basis of the carrying value of the goodwill from historic acquisitions made. As a result of changes in the attribution of clients to specific advisors, and a review of the ability to specifically identify the ongoing income streams associated with these acquisitions, the Group has written down the carrying value of goodwill by £2.2m. In addition the triennial external valuation of the Group's head office in Manchester has resulted in a write down of the carrying value of this asset to £4.7m.

At the year end, the Group had 193 staff (2010: 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 and adjusted profit / (loss) before tax to total revenue:

	30 November 2011	30 November 2010
	%	%
Ratio of loss before tax to revenue	**(6.23)**	(3.36)
Ratio of adjusted profit / (loss) before tax to revenue	**9.56**	(1.82)

This is an indication of our profit margin on all business areas and highlights the improving underlying financial results following the business growth underway, which is otherwise masked by the one-off transactions referred to above. A reconciliation between the results reported in the consolidated statement of comprehensive income and the adjusted results can be seen in the table on page 4.

2. Funds under management and administration

	30 November 2011	30 November 2010
	£m	£m
Stockbroking discretionary and advisory funds under management	**682**	778
Financial Services advisory assets	**229**	235
Assets under nominee control (not included above)	**450**	623
Total	**1,361**	1,636

This is used as a measure of recurring income streams on an activity basis. It represents a 16.8% decrease for the year in respect of funds under management and administration, which includes the transfer out of the assets of Dart Capital (a third party client) which at November 2010 comprised assets under nominee control of £145m.

3. Recurring income streams

	30 November 2011	30 November 2010
	£m	£m
Value of Group recurring income	**5.96**	5.41

This is used as another key indicator of business activity. This represents an increase of 10.17%, largely influenced by the increase in the number of Nomad clients.

Business review

Key Performance Indicators ('KPIs') continued

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

	30 November 2011	30 November 2010
Number of transactions	**35**	22
Money raised	**£97m**	£16m
Retained quoted clients	**62**	57

During the year, we were successful in increasing both the number and in particular, the value of transactions undertaken for our corporate clients. The KPI for the number of retained clients has been amended to reflect our increasing focus on quoted clients. This focus is also shown in the growth in the number of these retained clients in the year.

Results for the financial year

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

	30 November 2011	30 November 2010
	£'000	£'000
Revenue	**23,142**	18,379
Administrative expenses	**(24,191)**	(19,210)
Operating loss	**(1,049)**	(831)
Other income and charges	**(392)**	111
Loss before taxation	**(1,441)**	(720)
Taxation	**(246)**	351
Loss after taxation	**(1,687)**	(369)

Turnover increased by 25.9%, with a notable improvement in the Capital Markets division. The increase in Administrative Expenses and the net Other charges incurred, are dominated by the transactions listed above relating to corporate disposals and asset write-downs. Without these one-off type transactions, the loss before taxation of £1.4m would have been a profit before taxation of £2.2m, a reconciliation of which can be seen in the table below:

	30 November 2011	30 November 2010
	£'000	£'000
Loss before taxation	**(1,441)**	(720)
Add back goodwill impairment	**2,152**	74
Add back property impairment	**1,171**	—
Add back loss on disposal of associate	**331**	311
Adjusted profit / (loss) before taxation	**2,213**	(335)

With the exception of Wealth Management, other segmental results (note 5) show year-on-year improvements in terms of revenue, although profit before tax has been affected by these impairments.

Overall within the Group the cost management initiatives previously undertaken have been continued with a simplification of the incentive schemes for revenue generating staff and a constant theme of looking to obtain better service for less cost.

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 remains a key business objective for the Board, alongside its regulatory obligations in this regard. Net assets amounted to £12.0m (2010: £13.5m) and net current assets to £7.0m (2010: £2.7m). The balance sheet is underpinned by the holding of our head office building in the centre of Manchester and by the cash balances that have been realised during the past year which have been used to facilitate the business growth plans.

Business review

Risks and Uncertainties

Risk to the business is consistently reviewed and monitored by the Board and senior management. The Group operates a formal Risk & Compliance 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's 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.

<u>Financial Risk</u>

Whilst a significant element of the Group's income continues to be linked to transaction volumes, the Group's focus remains on increasing the recurring income element of the fees obtained from clients, as this enables both our clients and the firm to more easily manage expectations. The Group also continues to seek to build its discretionary and managed-advisory service offering to reduce the proportion of its income that is linked to transaction volumes.

The Group has a predominantly fixed cost base which potentially could require time to adjust, although the Group has continued to increase the proportion of variable cost to total costs in order to limit the impact of any further market downturn on the profitability of the Group.

To mitigate risk in these areas, the Directors have taken steps in the year to realise certain longer term investments as mentioned above, which has enabled the Group to continue to ensure that the balance sheet remains strong and suitably liquid and that sufficient regulatory capital is retained to provide a healthy surplus over regulatory capital requirements. The Group monitors its regulatory capital requirements on a daily basis.

<u>Operational Risk</u>

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 number of branches across the UK from which the Group operates, and the Group having its own business continuity and disaster recovery arrangements, which includes business interruption insurance cover.

The Group seeks to ensure that its risk management and control environment is continuously challenging the status quo in order to seek to maintain and develop its systems and controls which are designed to minimise the Group's exposure to operational risk, including acts of fraud and computer crime. Operational risks are additionally mitigated by the existence of appropriate insurance cover.

<u>Credit Risk</u>

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 significant 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.

<u>Regulatory Risk</u>

The Group operates in a regulated environment. The Group has independent and well resourced Compliance and Internal Audit departments. 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 27 of the financial statements.

Resources and Relationships

The Group's most vital resource remains its staff 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. The Board continues to strive to deliver a service throughout the Group which is in compliance with both the letter and the spirit of the principles of the Financial Services Authority.

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

Alan Kershaw
Finance & Operations Director

Board of directors and advisers

Rupert Lowe
Non-executive Chairman
Rupert worked for Phillips and Drew between 1981 and 1988, serving on the LIFFE Board between 1985 and 1988. 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 a director of Appleclaim Insurance Holdings Limited (Lloyds Insurance) following the sale of Jubilee Group Holdings Limited to Ryan Specialty Group last year. He is also a director of a number of family related construction businesses specialising in Mechanical, Electrical and Data installation.

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.

Alan Kershaw
Finance and Operations Director
Alan joined the Group from JP Morgan Asset Management in January 2010. 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.

John Scott
Head of Private Clients
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.

Richard Lee
Non-Executive Director
Richard is a strategy consultant with wide business experience. In his early career he worked in two stockbroking firms in the research and corporate finance departments. He has been Chairman or Non Executive Director of eleven quoted companies and a number of private companies in Banking, Finance, Invoice Factoring, Recruitment Packaging, Healthcare and a broad range of industrial areas. He was previously a member of the Investment committee of the Lazard North West Unit Trust. Prior to becoming a Non-Executive Director he was Chairman of WH Ireland 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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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 2011.

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 2014 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 the approval of these financial statements.

Certain activities of the Group are regulated by the Financial Services Authority (FSA) which is currently 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 have developed appropriate scenario tests and corrective management plans which they are prepared to implement 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 24, part of the Group's funding is provided by bank loans. 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 Directors have renewed the bank facilities confirming sufficient funding facilities will be available to the Group until 28 February 2013.

Post balance sheet events
On 29 February 2012, the Company announced that its wholly owned subsidiary, WH Ireland Limited, had acquired certain assets from Pritchard Stockbrokers Limited and its wholly owned subsidiary, Prism Nominees Limited. Further details can be found in note 35 to these financial statements.

Financial instruments and risk management
Details of risks and risk management arising from the Group's financial instruments are set out in note 26 of the financial statements.

Dividends
No dividends were paid or proposed in the year. See note 10.

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

	At 30 November 2011	At 30 November 2010
RJG Lowe	**1,064,856**	737,356
CP Compton	**1,110,348**	250,000
JM Scott	**124,575**	74,575
R Lane-Smith	**26,038**	26,038
REM Lee	**10,267**	10,267
AM Kershaw	**20,000**	—

Further details of Directors' service contracts, remuneration and share interests and Directors' interests in options over the Company's shares can be found 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.

Directors' report

Major shareholdings

At 15 March 2012, 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	2,055,869	8.81
Chase Nominees Limited	2,035,084	8.72
JIM Nominees Limites	1,875,047	8.03
Lord J Marland	1,644,359	7.04
D Whelan	1,038,073	4.45
HSBC Global Custody Nominee (UK) Limited	922,855	3.95
T Agnew	807,142	3.46

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 24.46 days' purchases (2010: 28.13 days) in creditors relating to operational expenses.

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 made.

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 £1,325 (2010: £735), 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

Our employees are vital to the continued success of the Group. The Group and our employees are committed to delivering a quality service which meets our own expectations, those of the FSA and those of our clients wherever possible.

Employees are kept informed of and consulted regularly on key issues affecting them and the Group by the intranet and 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 Group's performance through participation in a Save as You Earn (SAYE) Scheme and by invitation to either the Unapproved Executive Share Option Plan (ESOP) or the Approved Company Share Option Plan (CSOP). The SAYE scheme and CSOP were introduced during the year. Also introduced in the year was the WH Ireland Group plc Employee Share Ownership Trust (ESOT), which is an Employee Benefit Trust set up to facilitate the acquisition of shares by employees.

Directors' report

Purchase of own Shares

During the year the Company, through the ESOT, acquired 2,128,000 shares (2010: nil) in the Company. The shares are held in trust by the ESOT under a Joint Ownership Arrangement with CP Compton, a Director of the Company. Further details are in note 29 of the Financial Statements.

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 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
24 Martin Lane, London EC4R 0DR

22 March 2012

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, Rupert Lowe and Roger Lane-Smith, 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 Roger 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 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 Richard Lee as 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, internal 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 Roger 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 2011.

Composition and role of the Remuneration Committee
As detailed within the Corporate Governance report, the Board has established a Remuneration Committee which currently consists of the three Non-executive Directors, chaired by Roger 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) 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) Performance related contractual incentive scheme
These are designed to reward performance by employees across the Group.

3) Carried interest bonus scheme
In previous years the Group operated a Carried Interest Bonus scheme, but with effect from 1 June 2011 this was replaced by the contractual incentive scheme above. Under the old scheme the Board could 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.

4) Share options
As referred to in the Directors' Report, the Group now has three different share ownership plans; the ESOP, CSOP and SAYE scheme.

ESOP
Under the terms of the ESOP, 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. These rules can be overridden by the Remuneration Committee if considered appropriate.

4) Share options continued

CSOP

Under the terms of the CSOP, options over the Company's shares may be granted on a discretionary basis to employees of the Group (including directors who are required to devote at least 25 hours per week to their duties, but excluding any employee who has more than a 25% interest in the Company's ordinary share capital or assets at the time of grant or has done so in the twelve months prior to grant) at a price which is not less than the market value of the shares at the date of grant. Performance conditions may be imposed in respect of options at the discretion of the Board. The maximum aggregate exercise price for all unexercised CSOP options (granted under the CSOP or any other CSOP operated by the Group) held by an individual at any one time must not exceed £30,000. In addition, options may not be granted if such grant would result in the total number of shares which have been issued or transferred out of treasury in satisfaction of options granted under any share plan operated by the Group in the ten year period ending with the proposed grant date, plus the number of shares which remain capable of issue or transfer out of treasury under existing options granted, to exceed 10% of the Company's issued share capital. Any options granted to or held by CP Compton are not taken into consideration for the purposes of this limit.

SAYE

Under the terms of the SAYE, employees of the Group (including directors who are required to devote at least 25 hours per week to their duties but excluding any employee who has more than a 25% interest in the Company's ordinary share capital or assets at the time of grant or has done so in the twelve months prior to grant) may be invited to apply for an option to be granted to them at a price which is not less than 80% of the market value of the shares at the date of grant. Invitations issued must be extended to all eligible employees. Employees enter into a savings contract under which they agree to save a certain amount of salary each month for a specified period with a view to using those savings to buy shares under the terms of the option. Options may not be granted if such grant would result in the total number of shares which have been issued or transferred out of treasury in satisfaction of options granted under any share plan operated by the Group in the ten year period ending with the proposed grant date, plus the number of shares which remain capable of issue or transfer out of treasury under existing options granted, to exceed 10% of the Company's issued share capital. Any options granted to or held by CP Compton are not taken into consideration for the purposes of this limit.

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 three 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 from the Human Resources department at the Group's head 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 from the Human Resources department at the Group's head 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.

Remuneration report

Directors' emoluments

The remuneration of each Director, excluding share options and awards, during the year ended 30 November 2011 is detailed in the table below:

	Salary £	Benefits £	Bonus £	**Total for year ended 30 November 2011 £**	Total for year ended 30 November 2010 £	**Pension contribution for year ended 30 November 2011 £**	Pension contribution for year ended 30 November 2010 £
Executive							
CP Compton[1]	**144,167**	**71,522**	**—**	**215,689**	—	**8,167**	—
JM Scott	**96,863**	**3,557**	**106,556**	**206,976**	57,937	**28,000**	9,333
AM Kershaw	**90,000**	**1,563**	**—**	**91,563**	8,297	**9,000**	750
RA Ford[2]	**—**	**—**	**—**	**—**	142,800	**—**	11,250
NJ Gurney	**—**	**—**	**—**	**—**	87,655	**—**	19,198
REM Lee	**—**	**—**	**—**	**—**	11,568	**—**	922
MA Frame[3]	**—**	**—**	**—**	**—**	39,642	**—**	876
Non-executive							
R Lane-Smith	**25,000**	**—**	**—**	**25,000**	25,000	**—**	—
RJG Lowe	**129,167**	**—**	**—**	**129,167**	125,000	**—**	—
REM Lee	**25,000**	**—**	**—**	**25,000**	22,917	**—**	—
Lord Marland	**—**	**—**	**—**	**—**	16,667	**—**	—
JMF Padovan	**—**	**—**	**—**	**—**	10,417	**—**	—
	510,197	**76,642**	**106,556**	**693,395**	547,900	**45,167**	42,329

Notes:

1. Included in CP Compton's benefits for the current year is £70,224 of gain on shares awarded to the WH Ireland Group plc Employee Share Ownership Trust under a Joint Ownership Agreement (note 29).
2. Included in RA Ford's salary for the prior year is a £30,000 payment under his compromise agreement.
3. Included in MA Frame's salary for the prior year is a £30,000 payment under his compromise agreement.

The highest paid Director for 2011 was JM Scott who received total emoluments of £234,976 and the highest paid director for 2010 was RA Ford who received total emoluments of £154,050.

Directors' interests in share options

Full details of options over ordinary shares in the Company held by Executive and Non-Executive Directors at 30 November 2011 are shown below:

	Number of options ordinary shares	Date of grant of share option	Exercise price per ordinary share	Exercise period
CP Compton[1]	2,128,000	22.07.10	36.75p	06.09.13 to 06.09.20
JM Scott	45,000	02.11.11	57.00p	02.11.14 to 02.11.21
AM Kershaw	45,000	02.11.11	57.00p	02.11.14 to 02.11.21
REM Lee	100,000	30.05.02	50.00p	31.05.05 to 30.05.12
REM Lee	20,000	17.03.04	75.00p	18.03.07 to 17.03.14
REM Lee	30,000	25.05.04	70.00p	26.05.07 to 25.05.14
CP Compton[2]	19,565	24.11.11	46.00p	24.11.14
JM Scott[2]	19,565	24.11.11	46.00p	24.11.14
AM Kershaw[2]	19,565	24.11.11	46.00p	24.11.14

Notes:

1. Shares are held by the ESOT under a Joint Ownership Arrangement between CP Compton and the Trust, under which CP Compton has the ability to exercise the option during the exercise period stated (note 29).
2. Options are the maximum entitled under the Group's SAYE scheme, if the individuals continue to contribute at the amount defined in their savings contract.

No options were exercised by directors during the year.

78,000 options were surrendered during the year. In addition CP Compton's option over 2,128,000 shares was cancelled with the equivalent number of ordinary shares being purchased by the ESOT. The option referred to above was then granted by the ESOT using the same terms and conditions as the original.

At 30 November 2011 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 2011 which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statement of cash flows, the consolidated and company 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 (the Company) affairs as at 30 November 2011 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 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 Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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

22 March 2012

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 2011

	Note	**Year ended 30 November 2011 £'000**	Year ended 30 November 2010 £'000 (as restated, note 36)
Revenue	3 & 5	**23,142**	18,379
Administrative expenses		**(24,191)**	(19,210)
Operating loss	6	**(1,049)**	(831)
Other income		**27**	45
Investment (losses) / gains		**(13)**	259
Fair value losses on investments		**(141)**	(72)
Finance income	8	**63**	54
Finance expense	8	**(60)**	(90)
Share of profit of associates	16	**63**	226
Loss on disposal of associates		**(331)**	(311)
Loss before tax		**(1,441)**	(720)
Tax (expense) / credit	9	**(246)**	351
Loss for the year		**(1,687)**	(369)
Other comprehensive income:			
Valuation gains / (losses) on available for sale investments		**182**	(192)
Transferred to profit or loss on sale of investments		**(30)**	(31)
Tax relating to components of other comprehensive income		**(34)**	60
Total other comprehensive income		**118**	(163)
Total comprehensive income		**(1,569)**	(532)
Loss for the year attributable to:			
Owners of the parent		**(1,687)**	(369)
Total comprehensive income attributable to:			
Owners of the parent		**(1,569)**	(532)
Earnings per share for profit to the ordinary equity holders of the parent during the period	11		
Basic		**(8.00)p**	(1.75)p
Diluted		**(8.00)p**	(1.75)p

The notes on pages 21 to 49 form part of these financial statements.

All results for the current and prior year relate to continuing operations

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 not to present the Company Income Statement. The loss after taxation of the Company for the year was £399k (2010: £589k).

Consolidated and Company statement of financial position
As at 30 November 2011

	Note	Group		Company	
		As at 30 November 2011 £'000	As at 30 November 2010 £'000 (As restated, note 36)	**As at 30 November 2011 £'000**	As at 30 November 2010 £'000 (As restated, note 36)
ASSETS					
Non-current assets					
Property, plant and equipment	12	**4,957**	6,301	**—**	1
Goodwill	13	**683**	2,835	**—**	—
Intangible assets	14	**—**	161	**—**	—
Subsidiaries	15	**—**	—	**2,544**	2,544
Associates	16	**—**	1,156	**—**	945
Investments	17	**942**	1,483	**—**	661
Loan receivable	29	**—**	—	**782**	—
Loan notes receivable	18	**25**	335	**25**	335
Deferred tax asset	19	**689**	930	**53**	14
		7,296	13,201	**3,404**	4,500
Current assets					
Trade and other receivables	20	**26,656**	37,205	**5,243**	4,704
Other investments	21	**418**	—	**—**	—
Corporation tax recoverable		**33**	21	**—**	—
Cash and cash equivalents	22	**7,366**	2,439	**31**	—
		34,473	39,665	**5,274**	4,704
Total assets		**41,769**	52,866	**8,678**	9,204
LIABILITIES					
Current liabilities					
Trade and other payables	23	**(27,193)**	(36,495)	**(341)**	(352)
Bank overdraft	24	**—**	—	**—**	(827)
Borrowings	24	**(238)**	(305)	**(238)**	(305)
Provisions	25	**(65)**	(149)	**—**	—
		(27,496)	(36,949)	**(579)**	(1,484)
Non-current liabilities					
Borrowings	24	**(1,689)**	(1,930)	**(1,689)**	(1,930)
Deferred tax liability	19	**(421)**	(384)	**—**	—
Accruals and deferred income		**(144)**	(98)	**—**	—
Provisions	25	**(21)**	(20)	**—**	—
		(2,275)	(2,432)	**(1,689)**	(1,930)
Total liabilities		**(29,771)**	(39,381)	**(2,268)**	(3,414)
Total net assets		**11,998**	13,485	**6,410**	5,790
EQUITY					
Share capital		**1,171**	1,064	**1,171**	1,064
Share premium		**6,406**	5,724	**6,406**	5,724
Available-for-sale reserve		**165**	47	**—**	(155)
Other reserves		**1,472**	1,472	**719**	719
Retained earnings		**3,853**	5,465	**(1,599)**	(1,275)
Treasury shares	29	**(1,069)**	(287)	**(287)**	(287)
Total equity		**11,998**	13,485	**6,410**	5,790

The notes on pages 21 to 49 are an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 22 March 2012 and were signed on its behalf by:

R J G Lowe — Director

C P Compton — Director

Consolidated and Company statement of cash flows
For the year ended 30 November 2011

	Note	Group		Company	
		Year ended 30 November 2011 £'000	Year ended 30 November 2010 £'000 (As restated, note 36)	**Year ended 30 November 2011 £'000**	Year ended 30 November 2010 £'000 (As restated, note 36)
Operating activities:					
Loss for the year		**(1,687)**	(369)	**(399)**	(589)
Adjustments for:					
Depreciation, amortisation and impairment	12,13 & 14	**3,846**	562	**1**	—
Finance income	8	**(63)**	(54)	**(1)**	(5)
Finance expense	8	**60**	90	**53**	83
Taxation	9	**246**	(351)	**(39)**	10
Share of profit of associates	16	**(63)**	(226)	**—**	—
Loss on disposal of associates		**331**	311	**10**	583
Changes in investments		**664**	272	**—**	(18)
Gain on sale of property, plant and equipment		**3**	(26)	**—**	—
Non-cash adjustment for share option charge	7	**75**	(94)	**75**	(94)
Decrease / (increase) in trade and other receivables		**10,547**	5,468	**(539)**	180
Decrease in trade and other payables		**(9,256)**	(8,332)	**(11)**	(284)
(Increase) / decrease in provisions		**(83)**	22	**—**	—
(Increase) / decrease in current asset investments	21	**(418)**	855	**—**	—
Net cash generated from / (used in)operations		**4,202**	(1,872)	**(850)**	(134)
Income taxes (paid) / received		**(14)**	256	**—**	—
Net cash in / (out) flows from operating activities		**4,188**	(1,616)	**(850)**	(134)
Investing activities:					
Proceeds from sale of property, plant and equipment		**—**	291	**—**	—
Proceeds from sale of investments		**1,273**	823	**816**	202
Interest received	8	**63**	54	**1**	5
Disposal of associates		**888**	75	**935**	75
Acquisition of property, plant and equipment	12	**(191)**	(81)	**—**	—
Acquisition of investments	17	**(1,243)**	(665)	**—**	—
Repayment of subordinated loan		**—**	—	**—**	750
Redemption of loan notes	18	**310**	—	**310**	—
Net cash generated from investing activities		**1,100**	497	**2,062**	1,032
Financing activities:					
Proceeds from issue of share capital		**7**	—	**7**	—
Proceeds from issue of share capital to EBT	29	**—**	—	**782**	—
Loan to EBT	29	**—**	—	**(782)**	—
Decrease in borrowings	24	**(308)**	(610)	**(308)**	(610)
Interest paid	8	**(60)**	(90)	**(53)**	(83)
Net cash used in financing activities		**(361)**	(700)	**(354)**	(693)
Net increase / (decrease) in cash and cash equivalents		**4,927**	(1,819)	**858**	205
Cash and cash equivalents at beginning of year		**2,439**	4,258	**(827)**	(1,032)
Cash and cash equivalents at end of year		**7,366**	2,439	**31**	(827)
Clients' settlement cash		**3,683**	1,573	**—**	—
Group cash / (overdrafts)		**3,683**	866	**31**	(827)
Cash and cash equivalents at end of year	22	**7,366**	2,439	**31**	(827)

During the year ended 30 November 2010, the Company disposed of its holding in an associate, Acceleris plc for £100,000; £25,000 of which was received in the form of loan notes (note 18). The disposal of associates in the previous year above therefore, reflects net cash proceeds of £75,000.

The notes on pages 21 to 49 are an integral part of these financial statements.

Consolidated statement of changes in equity
For the year ended 30 November 2011

	Share capital £'000	Share premium £'000	Available-for-sale reserve £'000	Other reserves £'000	Retained earnings £'000	Treasury shares £'000	Total equity £'000
Balance at 1 December 2009 (as restated, note 36)	1,064	5,724	210	1,472	5,928	(287)	14,111
Gains arising on available-for-sale investments	—	—	(223)	—	—	—	(223)
Deferred taxation	—	—	60	—	—	—	60
Other comprehensive income (as restated, note 36)	—	—	(163)	—	—	—	(163)
Loss after taxation (as restated, note 36)	—	—	—	—	(369)	—	(369)
Total comprehensive income (as restated, note 36)	—	—	(163)	—	(369)	—	(532)
Employee share option scheme	—	—	—	—	(94)	—	(94)
Balance at 30 November 2010	1,064	5,724	47	1,472	5,465	(287)	13,485
Gains arising on available-for-sale investments	—	—	152	—	—	—	152
Deferred taxation	—	—	(34)	—	—	—	(34)
Other comprehensive income	—	—	118	—	—	—	118
Loss after taxation	—	—	—	—	(1,687)	—	(1,687)
Total comprehensive income	—	—	118	—	(1,687)	—	(1,569)
Shares options exercised	1	6	—	—	—	—	7
Shares issued to ESOT (note 29)	106	676	—	—	—	(782)	—
Employee share option scheme	—	—	—	—	75	—	75
Balance at 30 November 2011	**1,171**	**6,406**	**165**	**1,472**	**3,853**	**(1,069)**	**11,998**

The total number of authorised ordinary shares is 34.5 million shares of 5p each (2010: 34.5 million shares of 5p each). The total number of issued ordinary shares is 23.4 million shares of 5p each (2010: 21.3 million shares of 5p each). 2,143,218 shares were issued during the year (2010: nil), of which 2,128,000 (2010: nil) are held as Treasury (note 28).

Company statement of changes in equity
For the year ended 30 November 2011

	Share capital £'000	Share premium £'000	Available-for-sale reserve £'000	Other reserves £'000	Retained earnings £'000	Treasury shares £'000	Total equity £'000
Balance at 1 December 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
Loss arising on available-for-sale investments	—	—	155	—	—	—	155
Other comprehensive income	—	—	155	—	—	—	155
Loss after taxation	—	—	—	—	(399)	—	(399)
Total comprehensive income	—	—	155	—	(399)	—	(244)
Share options exercised	1	7	—	—	—	—	8
Shares issued to EBT	106	675	—	—	—	—	781
Employee share option scheme	—	—	—	—	75	—	75
Balance at 30 November 2011	**1,171**	**6,406**	**—**	**719**	**(1,599)**	**(287)**	**6,410**

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.

Other reserves
Other reserves comprise a (consolidated) merger reserve of £1,244k (2010: £1,244k) and a (consolidated) capital redemption reserve of £228k (2010: £228k).

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.

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 5th Floor, 24 Martin Lane, London EC4R 0DR. 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
No new standards, interpretations and amendments effective for the first time from 1 December 2010, have had a material effect on the Group's financial statements.

New standards, interpretations and amendments not yet effective
The following new standard, not been applied in these financial statements, will or may have an effect on the Group's future financial statements:

- *IFRS 9 Financial Instruments:* IFRS 9 will eventually replace IAS 39 in its entirety. However, the process has been divided into three main components (classification and measurement, impairment and hedge accounting) and it is considered unlikely that the new standard will be endorsed until all of these components are in their final form. While the current standard is largely incomplete, its eventual adoption may result in changes to the classification and measurement of the Group's financial instruments, including any impairment thereof.
- *IFRS 12 Disclosure of Interests in Other Entities:* IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities.

  The standard will require the Group and Company to disclose information that helps users to assess the nature and financial effects of its relationship with other entities. Specifically, the disclosures are intended to help users:
    - understand the judgements and assumptions made when deciding how to classify its involvement with another entity;
    - understand the interest that non-controlling interests have in consolidated entities; and
    - assess the nature of the risks associated with interests in other entities.

The following new standards have not been applied in these financial statements, and are not expected to have material effect on the Group's or Company's future financial statements:

- *IFRS 10 Consolidated Financial Statements*
- *IFRS 13 Fair Value Measurement*

3. Significant accounting policies
Basis of preparation
The financial statements of the Group and the Company have been prepared in accordance with IFRS as adopted in the European Union, and their interpretations adopted by the IASB or the IFRIC or their predecessors, which had been approved by the European Commission at 30 November 2011.

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

The accounts have been prepared on a Going Concern basis as in the opinion of the Directors, at the time of approving the financial statements there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Further details can be found within the Directors' Report on pages 7 to 9.

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.

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. On 1 December 2009, the Group adopted IFRS3 (Revised) and therefore any directly attributable costs relating to business combinations after this date are charged to the income statement in the period in which they are incurred.

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 biannually 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

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.
- Fees contingent upon the outcome of a project are recognised on an accruals basis, when it is reasonably certain that it will be received.

Segment reporting

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

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.

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

In previous years the Group maintained 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 programmes allows Group employees to receive remuneration in the form of equity-settled share-based payments granted by the 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.

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.

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.

3. Significant accounting policies continued

Employee Share Ownership Trust (ESOT)

The Company has established an ESOT. The assets and liabilities of this trust comprise shares in the Company and loan balances due to the Company. The Group includes the ESOT within these consolidated Financial Statements and therefore recognises a Treasury shares reserve in respect of the amounts loaned to the ESOT and used to purchase shares in the Company. Any cash received by the ESOT on disposal of the shares it holds, will be used to repay the loan to the Company.

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

Property, plant and equipment is stated at the lower of cost less accumulated depreciation, or valuation.

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.

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.

3. Significant accounting policies continued

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 may be in quoted or unquoted entities.

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.

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.

Other investments

These include warrants and quoted investments obtained as a result of a corporate finance transaction. Warrants are valued by taking the mean of the results from three different methods; Black Scholes with short-term volatility, Black Scholes with longer-term volatility and an Empirical model. Quoted investments are valued at the quoted bid price at the balance sheet date. Changes in the value of these other investments are recognised directly in the income statement.

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.

3. Significant accounting policies continued

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 an original 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.

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

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and 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 30.

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.

In the year under review, the Group had four main operating divisions; Private Clients, Wealth Management, Capital Markets and Secondary Trading, all located in the UK.

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 Adviser 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.

No customer represents more than ten percent of the Group's revenue.

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

Year ended 30 November 2011	**Private Clients £'000**	**Wealth Management £'000**	**Capital Markets £'000**	**Secondary Trading £'000**	**Head Office £'000**	**Group £'000**
Revenue	**8,960**	**1,134**	**5,106**	**4,578**	**3,364**	**23,142**
Segment result before impairments	**1,750**	**(642)**	**2,059**	**378**	**(1,271)**	**2,274**
Impairment of goodwill	**(759)**	**(1,140)**	**—**	**(253)**	**—**	**(2,152)**
Impairment of property	**—**	**—**	**—**	**—**	**(1,171)**	**(1,171)**
Segment result	**991**	**(1,782)**	**2,059**	**125**	**(2,442)**	**(1,049)**
Other Income	**—**	**—**	**—**	**—**	**27**	**27**
Investment Income	**—**	**—**	**132**	**(246)**	**(40)**	**(154)**
Finance income	**—**	**—**	**—**	**—**	**63**	**63**
Finance expense	**—**	**—**	**—**	**—**	**(60)**	**(60)**
Share of profit of associates	**—**	**—**	**—**	**—**	**63**	**63**
Loss on disposal of associate	**—**	**—**	**—**	**—**	**(331)**	**(331)**
Profit/(loss) before taxation	**991**	**(1,782)**	**2,191**	**(121)**	**(2,720)**	**(1,441)**
Taxation	**—**	**—**	**—**	**—**	**(246)**	**(246)**
Profit/(loss) on continuing operations after taxation	**991**	**(1,782)**	**2,191**	**(121)**	**(2,966)**	**(1,687)**

Year ended 30 November 2010 (as restated, note 39)	**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	2,733	18,379
Segment result before impairments	2,337	(257)	367	461	(3,665)	(757)
Impairment of goodwill	(74)	—	—	—	—	(74)
Segment result	2,263	(257)	367	461	(3,665)	(831)
Other Income	—	—	—	—	45	45
Investment Income	—	—	135	—	52	187
Finance income	—	—	—	—	54	54
Finance expense	—	—	—	—	(90)	(90)
Share of profit of associates	—	—	—	—	226	226
Loss on disposal of associate	—	—	—	—	(311)	(311)
Profit/(loss) before taxation	2,263	(257)	502	461	(3,689)	(720)
Taxation	—	—	—	—	351	351
Profit/(loss) on continuing operations after taxation	2,263	(257)	502	461	(3,338)	(369)

5. Segment information continued

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 17. As no measure of assets or liabilities for individual segments is reviewed regularly by the CODM, no disclosure of total assets or liabilities has been made.

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

6. Operating loss

Group	**Year ended 30 November 2011 £'000**	Year ended 30 November 2010 £'000 (As restated note 36)
Operating loss is stated after charging/(crediting):		
Depreciation of property, plant and equipment	**361**	328
Impairment of property, plant and equipment	**1,171**	—
Amortisation of intangible assets	**161**	160
Impairment of goodwill	**2,152**	74
Profit on disposal of property, plant and equipment	**(1)**	(26)
Foreign exchange differences	**—**	(122)
Operating lease rentals – property	**211**	332
Operating lease rentals – vehicles and equipment	**18**	30
Employee benefit expense (note 7)	**13,669**	11,642
Auditors' remuneration:		
Audit of these financial statements	**25**	24
Amounts payable to the principal auditors and their associates in respect of:		
– audit of financial statements of subsidiaries pursuant to legislation	**61**	23

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

7. Employee benefit expense

Group	**Year ended 30 November 2011 £'000**	Year ended 30 November 2010 £'000
Wages and salaries	**7,382**	7,247
Bonuses*	**1,888**	784
Social security costs	**1,140**	889
Other pension costs	**294**	321
	10,704	9,241
Shared commission attachés	**2,890**	2,495
	13,594	11,736
Share options granted to employees (note 30)	**75**	(94)
	13,669	11,642

*The carried interest bonus scheme credits of £nil (2010: £282k), included in the bonus figure above, are included in administrative expenses.

The average number of persons (including Directors) employed during the year was:

	Year ended 30 November 2011 Number of employees	Year ended 30 November 2010 Number of employees
Corporate, dealing and sales	**70**	70
Settlement	**27**	23
Administration	**68**	76
Salaried staff	**165**	169
Shared commission attachés	**22**	22
	187	191

Notes to the financial statements continued
For the year ended 30 November 2011

7. Employee benefit expense continued
Shared commission attachés are commissioned-only brokers and therefore do not receive a salary.

The total amount paid to Directors in the year, including social security costs was £0.8m (2010: £0.6m). 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 2011 £'000**	Year ended 30 November 2010 £'000
Bank interest receivable	**62**	50
Loan note interest receivable	**1**	4
Finance income	**63**	54
Interest payable on bank loans and overdrafts	**60**	90
Finance expense	**60**	90

9. Taxation

Group	**Year ended 30 November 2011 £'000**	Year ended 30 November 2010 £'000
Current tax expense / (credit):		
United Kingdom corporation tax at 26.67% (2010: 28%)	—	—
Adjustments in respect of prior years	—	(235)
	—	(235)
Deferred tax expense / (credit) (note 19):		
Origination and reversal of temporary differences	**354**	(69)
Effect of change in tax rate	**35**	25
Adjustments in respect of prior years	**(143)**	(72)
	246	(116)
Total tax expense / (credit) in the income statement	**246**	(351)

The tax expense for the year and the amount calculated by applying the standard United Kingdom corporation tax rate of 26.67% (2010: 28%) to profit before taxation can be reconciled as follows:

Group	**Year ended 30 November 2011 £'000**	Year ended 30 November 2010 £'000
Loss before taxation	**(1,441)**	(618)
Tax expense using the United Kingdom corporation tax rate of 26.67% (2010: 28%)	**(384)**	(173)
Other expenses not tax deductible	**755**	233
Income not chargeable to tax	**(16)**	(205)
Difference in overseas tax rates	—	76
Adjustments to current tax in respect of prior years	—	(235)
Tax effect of chargeable gains	—	—
Adjustments to deferred tax in respect of prior years	**(143)**	(72)
Effect of other tax rates/credits	**(1)**	-
Effect of change in tax rate	**35**	25
Total tax expense / (credit) in the income statement	**246**	(351)

10. Dividends
No interim or final dividends were paid or proposed in either year.

11. 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 28).

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 251,076 (2010: 527,855) 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.

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

Group	**Year ended 30 November 2011 000's**	Year ended 30 November 2010 000's (as restated, note 36)
Weighted average number of shares in issue during the period	**21,074**	21,070
Effect of dilutive share options	**2,346**	75
	23,420	21,145
	£'000	£'000
Earnings attributable to ordinary shareholders	**(1,687)**	(369)
Add back goodwill impairment	**2,152**	74
Add back property impairment	**1,171**	—
Add back loss on disposal of associate	**331**	311
Adjusted earnings attributable to ordinary shareholders	**1,967**	16
Basic EPS		
Continuing operations	**(8.00)p**	(1.75)p
Diluted EPS		
Continuing operations	**(8.00)p**	(1.75)p
Adjusted EPS from continuing operations		
Basic	**9.33p**	0.08p
Diluted	**8.40p**	0.07p

12. Property plant and equipment

Group	Freehold property £'000	Computers, fixtures and fittings £'000	Total £'000
Cost or valuation			
At 1 December 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
Additions	—	191	191
Disposals	—	(4)	(4)
Disposal of subsidiary	—	—	—
At 30 November 2011	**6,344**	**2,042**	**8,386**
Depreciation			
At 1 December 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
Disposals	—	(1)	(1)
Charge for the year	98	263	361
Impairments	1,167	4	1,171
Disposal of subsidiary	—	—	—
At 30 November 2011	**1,644**	**1,785**	**3,429**
Net book values			
At 30 November 2011	**4,700**	**257**	**4,957**
At 30 November 2010	5,965	336	6,301
At 30 November 2009	6,300	513	6,813

Bank borrowings are secured on freehold property for the value of £1,927,028 (2010: £2,235,034) (note 24).

The freehold property at 11 St James's Square, Manchester was valued by Lambert Smith Hampton on 30 November 2011. They have reported that its Market Value, as defined in the Valuation Standards of the Royal Institute of Chartered Surveyors, is £4.7m. The Group therefore has recognised the above impairment to the carrying value.

Company	Computers, fixtures and fittings £'000	Total £'000
Cost or valuation		
At 1 December 2009	1	1
Additions	—	—
At 30 November 2010	1	1
Additions	—	—
At 30 November 2011	**1**	**1**
Depreciation		
At 1 December 2009	—	—
At 30 November 2010	—	—
Charge for the year	**1**	**1**
At 30 November 2011	**1**	**1**
Net book values		
At 30 November 2011	—	—
At 30 November 2010	1	1
At 30 November 2009	1	1

13. Goodwill

Group	Year ended 30 November 2011 £'000	Year ended 30 November 2010 £'000
Beginning of year	**2,835**	2,909
Impairment	**(2,152)**	(74)
End of year	**683**	2,835

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	946	898	242	178	253	117	201	**2,835**
Impairment	(263)	(898)	(242)	(178)	(253)	(117)	(201)	**(2,152)**
End of year	**683**	—	—	—	—	—	—	**683**

The Group tests at least annually for goodwill 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 remaining useful economic life based on relevant estimated growth rates of 2% for revenue and 5% for costs. 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 this and last year to streamline the Group's operations whilst maximising revenue potential.

During the year a number of key staff responsible for the acquired cash generating units left the Group. Also Management noted that there was significant reduction in the originally acquired client base. Accordingly the Directors have undertaken a full review of the impairment during the year, which is based on the reduced revenues and contribution of the CGUs attributable to the above factors. Year-on-year originally acquired client base reductions of 5% to 13% was estimated, which is incorporated within the cash flow forecasts. The impairments have been allocated to business segments as disclosed in note 5.

Where the value-in-use exceeds the carrying value of the goodwill asset, it has been concluded that no impairment is necessary. However, where this is not the case, goodwill is written down to the net present value of cash flows at the balance sheet date.

Sensitivity analysis shows that the client wind-down variable is now the key component of the outcome of the recoverable amount of Stockholm Investments Limited, the remaining CGU. This has been set at 5% per annum based on the historic movement in the client bank. However, if this were to grow to a wind-down of 18% per annum, the recoverable amount after five years would be £nil.

14. Intangible assets

	Client relationships £'000
Cost	
At 1 December 2009	641
At 30 November 2010	641
At 30 November 2011	**641**
Amortisation	
At 1 December 2009	320
Charge for the year	160
At 30 November 2010	480
Charge for the year	161
At 30 November 2011	**641**
Net book values	
At 30 November 2011	**—**
At 30 November 2010	161
At 30 November 2009	321

15. Subsidiaries

Company	Year ended 30 November 2011 £'000	Year ended 30 November 2010 £'000
Beginning of year	**2,544**	2,544
Increase investment in subsidiary	—	—
End of year	**2,544**	2,544

Investments in subsidiaries are stated at cost.

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 & Wales	Stockbroking, corporate finance and wealth management	Ordinary	100%	100%
WHI Leasing Limited	England & Wales	Leasing	Ordinary	100%	100%
WH Ireland (Financial Services) Limited	England & Wales	Dormant	Ordinary	100%	—
Readycount Limited	England & Wales	Property	Ordinary	100%	100%
Stockholm Investments Limited	England & Wales	Investment consultancy	Ordinary	100%	100%
WH Ireland (Stockbrokers) Limited	England & Wales	Investment company	Ordinary	100%	100%
ARE Business and Professional Limited	England & Wales	Dormant	Ordinary	100%	—
SRS Business and Professional Limited	England & Wales	Dormant	Ordinary	100%	—
WH Ireland Nominees Limited	England & Wales	Dormant	Ordinary	100%	—
WH Ireland Trustee Limited	England & Wales	Trustee	Ordinary	100%	—
Fitel Nominees Limited	England & Wales	Nominee	Ordinary	100%	—

16. Associates

On 25 February 2011 WH Ireland Group plc disposed of its Holding in JBCM Holdings Limited for £150,000.

On 20 May 2011 WH Ireland Group plc disposed of its Holding in the share capital of its associate WHI Australia Pty Limited, the holding company of the Perth based stockbroking company, DJ Carmichael Pty Limited. The consideration received totaled £960,099.

Group	Year ended 30 November 2011 £'000	Year ended 30 November 2010 £'000
Beginning of year	**1,156**	1,963
Additions	—	—
Disposals	**(1,219)**	(1,033)
Share of profit	**63**	226
End of year	—	1,156

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

	Year ended 30 November 2011 £'000	Year ended 30 November 2010 £'000
Total assets	—	7,236
Total liabilities	—	(3,235)
Total net assets	—	4,001
Group's share of total net assets	—	1,320

16. Associates continued

For the period to disposal:	**Year ended 30 November 2011 £'000**	Year ended 30 November 2010 £'000
Revenues	**3,759**	11,073
(Losses) / profits	**(169)**	424

Company	**Year ended 30 November 2011 £'000**	Year ended 30 November 2010 £'000
Beginning of year	**945**	2,250
Additions	**—**	—
Disposals	**(945)**	(1,305)
End of year	**—**	945

17. Investments

Group

Available-for-sale investments	Quoted £'000	Unquoted £'000	Total £'000
At 1 December 2009	192	572	764
Additions	102	—	102
Fair value gain/(loss)	33	(225)	(192)
Impairment	18	—	18
Disposals	(235)	—	(235)
At 30 November 2010	110	347	457
Additions	4	—	4
Fair value loss	(1)	—	(1)
Impairment	(34)	(38)	(72)
Disposals	(67)	—	(67)
At 30 November 2011	**12**	**309**	**321**

Other investments	Quoted £'000	Warrants £'000	Total £'000
At 1 December 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
Additions	945	294	1,239
Fair value loss	(124)	(129)	(253)
Disposals	(1,192)	(199)	(1,391)
At 30 November 2011	**350**	**271**	**621**
Total investments 30 November 2011			**942**
Total investments 30 November 2010			1,483

17. Investments continued

Company

Available-for-sale investments	Quoted £'000	Total £'000
At 1 December 2009	57	57
Fair value gain	53	53
Disposals	(71)	(71)
At 30 November 2010	39	39
Fair value loss	(1)	(1)
Disposals	(38)	(38)
At 30 November 2011	**—**	**—**

Company

Other investments	Quoted £'000	Total £'000
At 1 December 2009	156	156
Additions*	622	622
Fair value loss	(21)	(21)
Disposals	(135)	(135)
At 30 November 2010	622	622
Additions	—	—
Fair value gain	130	130
Disposals	(752)	(752)
At 30 November 2011	**—**	**—**
Total investments 30 November 2011		**—**
Total investments 30 November 2010		661

* Additions in 2010 represent the investment in Ultimate Finance Group plc, reclassified from associates during the year (see note 16).

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.

18. Loan notes receivable

Loan notes receivable represent £25,000 Unsecured Nil Rate Loan Notes 2020 issued on 19 March 2010 by Acceleris plc. These loan notes are due to be repaid in full on 19 March 2020.

Loan notes, £310,000, issued by JBCM Holdings Limited were repaid in the year when WH Ireland Group plc sold the holding in JBCM Holdings Limited (note 16).

19. 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 26.67% (2010: 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	**2011 £'000**	2010 £'000	**2011 £'000**	2010 £'000
Property, plant and equipment	**119**	171	**(74)**	(53)
Intangible assets	**370**	33	**—**	—
Gains on investments	**—**	—	**(52)**	—
Available-for-sale investments	**—**	—	**(55)**	(21)
Provisions, trade and other payables	**2**	14	**(240)**	(310)
Losses	**198**	712	**—**	—
	689	930	**(421)**	(384)

	Deferred tax assets		Deferred tax liabilities	
Company	**2011 £'000**	2010 £'000	**2011 £'000**	2010 £'000
Trade and other payables	**—**	14	**—**	—
Losses	**53**	—	**—**	—
	53	14	**—**	—

Movements in deferred tax are shown below:

Group	At 1 December 2009 £'000	Recognised in income statement £'000	Recognised in equity £'000	At 30 November 2010 £'000	**Recognised in income statement £'000**	**Recognised in equity £'000**	**At 30 November 2011 £'000**
Property, plant and equipment	(46)	164	—	118	**(72)**	**—**	**46**
Intangible assets	56	(23)	—	33	**337**	**—**	**370**
Gains on investments	—	—	—	—	**(52)**	**—**	**(52)**
Available-for-sale investments	(81)	—	60	(21)	**—**	**(34)**	**(55)**
Provisions, trade and other payables	191	(487)	—	(296)	**57**	**—**	**(239)**
Losses	250	462	—	712	**(514)**	**—**	**198**
	370	116	60	546	**(244)**	**(34)**	**268**

Company	At 1 December 2009 £'000	**Recognised in income statement £'000**	At 30 November 2010 £'000	**Recognised in income statement £'000**	**At 30 November 2011 £'000**
Trade and other payables	24	(10)	14	**(14)**	**—**
Losses	—	—	—	**53**	**53**
	24	(10)	14	**39**	**53**

20. Trade and other receivables

	Group		Company	
	30 November 2011 £'000	30 November 2010 £'000	**30 November 2011 £'000**	30 November 2010 £'000
Trade receivables	**25,053**	35,549	—	—
Amounts due from Group companies	**—**	—	**5,211**	4,417
Other receivables	**524**	690	**1**	222
Taxation and social security	**—**	—	**17**	10
Prepayments and accrued income	**1,079**	966	**14**	55
	26,656	37,205	**5,243**	4,704

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 2011, trade receivables (net of provisions for bad and doubtful debts) comprised the following:

	Group		Company	
	30 November 2011 £'000	30 November 2010 £'000	**30 November 2011 £'000**	30 November 2010 £'000
Not past due	**23,151**	33,964	**—**	—
Up to 5 days past due	**1,263**	586	**—**	—
From 6 to 15 days past due	**171**	235	**—**	—
From 16 to 30 days past due	**(14)**	270	**—**	—
From 31 to 45 days past due	**65**	(59)	**—**	—
More than 45 days past due	**417**	553	**—**	—
	25,053	35,549	**—**	—

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 2011, £285k of the Group's trade receivable balances were impaired and provided for (2010: £328k). 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 ended 30 November 2010. The debtor has 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 was written off in the prior year, leaving no provision on the balance sheet. There have been no significant developments on this matter in the year under review.

20. Trade and other receivables continued

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 fair value of collateral held at the balance sheet date was £73.4m.

The Group did not need to exercise its right to realise any collateral during the year under review.

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

Movements in impairment provisions were as follows:

	Group		Company	
	30 November 2011 £'000	30 November 2010 £'000	**30 November 2011 £'000**	30 November 2010 £'000
At 1 December	**328**	1,922	**—**	—
Amount released from provision due to recovery	**(129)**	(858)	**—**	—
Amounts written off, previously fully provided	**—**	(1,116)	**—**	—
Amount charged to the income statement	**156**	380	**—**	—
At 30 November	**355**	328	**—**	—

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

	Group		Company	
	30 November 2011 £'000	30 November 2010 £'000	**30 November 2011 £'000**	30 November 2010 £'000
Sterling	**18,771**	28,344	**5,243**	4,704
Australian dollar	**7,000**	8,072	—	—
Other	**885**	789	—	—
	26,656	37,205	**5,243**	4,704

21. Other investments

	Group		Company	
	30 November 2011 £'000	30 November 2010 £'000	**30 November 2011 £'000**	30 November 2010 £'000
Current asset investment	**418**	—	—	—

These represent short-term principal positions taken on behalf of clients as at 30 November 2011 and are held at market value. No tax was payable at that value.

In the prior year the closing position on current asset investments represented a liability of £58k to the Group, and so was recognised within other creditors.

22. Cash, cash equivalents and bank overdraft

		Group		Company	
	Note	**30 November 2011 £'000**	30 November 2010 £'000	**30 November 2011 £'000**	30 November 2010 £'000
Cash and cash equivalents		**7,366**	2,439	**31**	—
Bank overdraft	24	—	—	—	(827)
		7,366	2,439	**31**	(827)

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 2011 for the Group was £80,758k (2010: £85,429k). There is no free money held in the Company (2010: £nil).

23. Trade and other payables

	Group		Company	
	30 November 2011 £'000	30 November 2010 £'000	**30 November 2011 £'000**	30 November 2010 £'000
Trade payables	**24,143**	33,879	—	—
Amounts due to Group companies	**—**	—	**258**	266
Other payables	**710**	748	**38**	38
Taxation and social security	**536**	283	—	—
Accruals and deferred income	**1,804**	1,585	**45**	48
	27,193	36,495	**341**	352

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

24. Borrowings

	Group		Company	
	30 November 2011 £'000	30 November 2010 £'000	**30 November 2011 £'000**	30 November 2010 £'000
Bank overdrafts	—	—	—	827
Bank loans	**1,927**	2,235	**1,927**	2,235
	1,927	2,235	**1,927**	3,062

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 Bank has a floating charge over the assets of the other trading subsidiaries of the Group.

The Directors have received a renewed facility letter from the Group's bank, confirming sufficient funding facilities will be available to the Group until 28 February 2013.

These bank 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 26.

Bank loans are repayable as follows:

	Group		Company	
	30 November 2011 £'000	30 November 2010 £'000	**30 November 2011 £'000**	30 November 2010 £'000
Within one year	**238**	305	**238**	305
Within two to five years	**584**	625	**584**	625
After five years	**1,105**	1,305	**1,105**	1,305
	1,927	2,235	**1,927**	2,235

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

25. Provisions

Group	IFA clawback provision £'000	Complaints provision £'000	Total £'000
At 1 December 2010	20	149	169
Provided during the year	1	86	87
Utilised during the year	—	(170)	(170)
At 30 November 2011	**21**	**65**	**86**

	30 November 2011 £'000	30 November 2010 £'000
Provisions included in current liabilities	**65**	149
Provisions included in non-current liabilities	**21**	20
Provided during the year	**86**	169

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 relevant insurance excess. The expected period of settlement of the outstanding complaints provision is six months from the year end.

26. Financial instruments

The fair value of all of the Group's and the Company's financial assets and liabilities approximated its carrying value at the balance sheet date.

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.

Notes to the financial statements continued
For the year ended 30 November 2011

26. 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 2011			
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	—	**321**	—	**672**
Other investments	—	—	**621**	**271**
Loan notes receivable	**25**	—	—	**25**
Trade and other receivables	**26,656**	—	—	**26,656**
Cash and cash equivalents	**7,366**	—	—	**7,366**
Financial liabilities				
Borrowings	**1,927**	—	—	**1,927**
Trade and other payables	**27,193**	—	—	**27,193**
Accruals and deferred income	**144**	—	—	**144**
Provisions	**89**	—	—	**89**

	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
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

26. Financial instruments continued
Borrowings continued

Company	Amortised cost £'000	Held at fair value as available-for-sale assets £'000	Fair value through profit or loss £'000	Total £'000
	30 November 2011			
Financial assets				
Available-for-sale investments	—	—	—	—
Other investments	—	—	—	—
Loan notes receivable	**25**	—	—	**25**
Trade and other receivables	**5,243**	—	—	**5,243**
Cash and cash equivalents	**31**	—	—	**31**
Financial liabilities				
Borrowings	**1,927**	—	—	**1,927**
Trade and other payables	**341**	—	—	**341**
Bank overdraft	—	—	—	—

Company	Amortised cost £'000	Held at fair value as available-for-sale assets £'000	Fair value through profit or loss £'000	Total £'000
	30 November 2010			
Financial assets				
Available-for-sale investments	—	39	—	39
Other investments	—	—	622	622
Loan notes receivable	335	—	—	335
Trade and other receivables	4,704	—	—	4,704
Cash and cash equivalents	—	—	—	—
Financial liabilities				
Borrowings	2,235	—	—	2,235
Trade and other payables	352	—	—	352
Bank overdraft	827	—	—	827

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.

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

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 "A", assigned by Standard and Poor's.

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.

26. Financial instruments continued

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 facilities. At 30 November 2011 the Group had no requirement for an overdraft facility (2010: £1m). The Directors have received a renewed facility letter from the Group's bank, confirming sufficient funding facilities will be available to the Group until 28 February 2013.

At 30 November 2011 the Company did not require an overdraft facility (2010: £0.8m drawn).

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 was largely limited to the operations of its Australian associate; however this was divested during the year so the Group's currency risk at 30 November 2011 was considered to be low.

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 2011 if bank base rates had been 100 basis points higher, profit for the year would have been approximately £21k (2010: £24k) 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 disposed of a number of its investments during the course of the year, which has helped mitigate risk. However, the risk of 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 £942k (2010: £1,483k).

The table below summarises the maturity profile of the Group's financial liabilities at 30 November 2011 based on contractual undiscounted payments:

26. Financial instruments continued

Group	At 30 November 2011			
	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	**27,039**	—	—	**27,039**
Borrowings	**238**	**584**	**1,105**	**1,927**
Other financial liabilities	**65**	**165**	—	**230**
	27,342	**749**	**1,105**	**29,196**

	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

Company	At 30 November 2011			
	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	**341**	—	—	**341**
Bank overdraft	—	—	—	—
Borrowings	**238**	**584**	**1,105**	**1,927**
	579	**584**	**1,105**	**2,268**

	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
	1,916	625	1,305	3,846

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).

26. Financial instruments continued

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial investments available for sale				
Quoted equities	12	—	—	12
Unquoted equities	—	—	309	309
Financial instruments designated at fair value through profit and loss				
Quoted equities	350	—	—	350
Other investments	—	—	271	271
Total	**362**	—	**580**	**942**

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

	Unquoted equities £'000	Other investments £'000
Balance at 30 November 2010	347	305
Total gains or losses:		
- In profit or loss	(38)	(129)
- In other comprehensive income	—	—
Purchases	—	294
Settlements	—	(199)
Balance at 30 November 2011	**309**	**271**

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'.

27. Capital management

The capital of the Group comprises share capital, share premium, retained earnings and other reserves. The total capital at 30 November 2011 amounted to £12.0m for the Group (2010: £13.49m) and £6.41m for the Company (2010: £5.79m). 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.

28. Treasury shares

Group	Year ended 30 November 2011 £'000	Year ended 30 November 2010 £'000
At 1 December	**287**	287
Additions (note 29)	782	—
At 30 November	**1,069**	287

At 30 November 2011 2,339,822 shares in the Company were held in Treasury (2010: 211,822 shares). At 30 November 2011 the EBT held 211,822 shares in the Company (2010: 211,822 shares) and the ESOT held 2,128,000 shares (2010: nil). Together this represents 10% of the called up share capital (2010: 1%).

29. Employee Benefit Trusts

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.

The WH Ireland Group plc Employee Share Ownership Trust (ESOT) was established on 19 October 2011 for the purpose of holding and distributing shares in the Company for the benefit of the employees. Costs of the ESOT are borne by the Company or its subsidiary WH Ireland Limited.

During the year, the Company made a loan of £782k to the ESOT. 2,128,000 shares were then issued by the Company and purchased by the ESOT for £782k. These shares are held in Trust by the ESOT under a Joint Ownership Arrangement with CP Compton. The shares carry dividend and voting rights, although these have been waived by both parties to the Arrangement. Due to the consolidation of the Trust into the Group accounts, these shares are shown in Treasury (note 28). Due to the nature of the Arrangement, the options are accounted for as share based payments (note 30) and replace options over the same number of shares previously awarded to CP Compton under the ESOP.

30. Share-based payments

The Group now has three schemes for the granting of non-transferable options to employees; the unapproved executive share option scheme (ESOP), the approved Company Share Ownership Plan (CSOP) and a Save as You Earn Scheme (SAYE). In addition, options are held in the ESOT (note 29). Details of these schemes can be found in the Remuneration Report on pages 11 to 13.

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 (WAEP) are as follows:

	30 November 2011							
	ESOP		**CSOP**		**SAYE**		**ESOT**	
	Options	**WAEP**	**Options**	**WAEP**	**Options**	**WAEP**	**Options**	**WAEP**
Outstanding at beginning of year	2,500,500	45.52	—	—	—	—	—	—
Lapsed/surrendered	(2,363,000)	43.84	—	—	—	—	—	—
Exercised	—	—	—	—	—	—	—	—
Granted	—	—	662,500	57.0p	995,846	46.0p	2,128,000	36.75
Outstanding at end of year	**137,500**	**74.55**	**662,500**	**57.0p**	**995,846**	**46.0p**	**2,128,000**	**36.75**
Exercisable at end of year	**137,500**	**74.55**	**—**	**—**	**—**	**—**	**—**	**—**

	30 November 2010							
	ESOP		CSOP		SAYE		ESOT	
	Options	WAEP	Options	WAEP	Options	WAEP	Options	WAEP
Outstanding at beginning of year	1,530,000	101.92	—	—	—	—	—	—
Lapsed/surrendered	(1,157,500)	107.05	—	—	—	—	—	—
Exercised	—	—	—	—	—	—	—	—
Granted	2,128,000	36.75	—	—	—	—	—	—
Outstanding at end of year	2,500,500	45.52	—	—	—	—	—	—
Exercisable at end of year	125,000	71.20	—	—	—	—	—	—

30. Share-based payments continued

The pricing models used to value these options and their inputs are as follows:

	30 November 2011			
	ESOP	**CSOP**	**SAYE**	**ESOT**
Pricing model	**Binomial**	**Black Scholes**	**Black Scholes**	**Black Scholes**
Date of grant	**17/03/04-16/04/08**	**02/11/11**	**24/11/11**	**06/09/10**
Share price at grant (p)	**70.5-102.5**	**56.5**	**49.5**	**37.0**
Exercise price (p)	**70.0-108.0**	**57.0**	**46.0**	**36.8**
Expected volatility (%)	**35.9234-38.6057**	**32.6332**	**35.1465**	**34.2086**
Expected life (years)	**5**	**5**	**3**	**5**
Risk-free rate (%)	**4.166-5.135**	**1.2993**	**1.2121**	**1.8875**
Expected dividend yield (%)	**3.31-4.41**	**0.00**	**0.00**	**0.00**

	30 November 2010			
	ESOP	CSOP	SAYE	ESOT
Pricing model	Binomial	N/A	N/A	N/A
Date of grant	17/03/04-16/04/08	—	—	—
Share price at grant (p)	70.5-102.5	—	—	—
Exercise price (p)	70.0-108.0	—	—	—
Expected volatility (%)	35.9234-38.6057	—	—	—
Expected life (years)	5	—	—	—
Risk-free rate (%)	4.166-5.135	—	—	—
Expected dividend yield (%)	3.31-4.41	—	—	—

The weighted average share price at the date of exercise, of the options exercised during 2011 was 50.00p. These options were issued prior to 7 November 2002 and are therefore not included in the table above.

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 (2010: 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 net charge of £75k (2010: charge of £94k) relating to share-based payment transactions.

31. Operating lease commitments

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

	Group		Company	
	30 November 2011 £'000	30 November 2010 £'000	**30 November 2011 £'000**	30 November 2010 £'000
Not later than one year	**273**	250	—	—
Later than one year and not later than five years	**618**	707	—	—
Later than five years	—	—	—	—
	891	957	—	—

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

32. Capital commitments

The Group signed an agreement for a total of £596k plus VAT with a supplier of IT equipment and services on 21 November 2011. This has been financed over a five year period, the commencement date for which was 15 December 2011. The total amount payable under this arrangement is £682k plus VAT, with an end-of-term payment of £150 plus VAT to purchase the equipment. Under IAS 17, this arrangement has been assessed as a finance lease, with the asset and liability being recognised from 15 December 2011.

In the prior year there were no such commitments.

Capital commitments in the Company at 30 November 2011 were £nil (2010:£nil)

33. 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.

Key management personnel include Executive and Non-executive Directors of WH Ireland Group plc and all its subsidiaries.

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	**2011**	**278**	**—**	**—**	**—**
	2010	572	—	—	2
Key management personnel	**2011**	**17**	**—**	**165**	**38**
	2010	8	—	—	458
Other related parties	**2011**	**—**	**—**	**—**	**—**
	2010	—	—	—	—

Services rendered to related parties were on the Group's normal trading terms in an arms' length transaction. Amounts outstanding are unsecured and will be settled in accordance with normal credit terms. No guarantees have been given or received. No provision (2010: £nil) has been made for doubtful receivables in respect of the amounts owed by related parties.

The Directors of the Group and its subsidiaries undertake transactions in stocks and shares in the ordinary course of the Group's business for their own account. The transactions are not material to the Group in the context of its operations. £165k was outstanding in respect of these transactions at 30 November 2011 (2010: £nil). This amount was in the normal course of the stock settlement process and was fully secured against stocks held in dematerialised form in CREST and was cleared on 1 December 2011. There are no other material contracts between the Group and the Directors.

The total compensation of key management personnel is shown below:

	Year ended 30 November 2011 £'000	Year ended 30 November 2010 £'000
Short-term employee benefits	**1,380**	1,545
Post-employment benefits	**78**	119
Termination benefits	**8**	60
Share-based payment	**88**	1
	1,554	1,725

Company

The Parent Company receives interest from subsidiaries in the normal course of business. Total interest received during the year was £34k (2010: £37k). In addition, the Parent Company received a management charge of £712k (2010: £571k) from its subsidiary WH Ireland Limited. Amounts outstanding at 30 November 2011 and at 30 November 2010 between the Parent Company and subsidiaries are provided in notes 20 and 23.

34. 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.

35. Events after the balance sheet date

On 29 February 2012, the Company announced that its wholly owned subsidiary, WH Ireland Limited, had acquired certain assets from Pritchard Stockbrokers Limited and its wholly owned subsidiary, Prism Nominees Limited, for a cash consideration of up to £500,000 plus VAT. The assets include a substantial part of Pritchard Stockbrokers Limited's client list consisting of approximately 8,000 active private clients and, as part of the transaction, the non-cash assets under management relating to those clients, valued at approximately £400 million, will transfer to the control of WH Ireland Limited. In the financial year ended 30 June 2011, the assets generated a loss of approximately £6,000 for Pritchard Stockbrokers Limited.

The total consideration payable to Pritchard Stockbrokers Limited is structured as follows:

- £250,000 was paid in cash on completion of the transaction; and
- up to a further £250,000 in cash will be paid subject to the assets being successfully transferred to WH Ireland Limited within an agreed timeframe and subject to adjustments relating to costs incurred by WH Ireland Limited, on behalf of Pritchard Stockbrokers Limited, in relation to effecting the transfer of the assets.

The Directors' best estimates of the costs directly attributable to the acquisition were £15,500.

The transaction will increase WH Ireland Limited's number of private-client stockbroking clients by approximately 50% and total assets under management by approximately 25%.

On the assumption that the assets are successfully transferred to WH Ireland Limited, the acquisition will give rise to a separately identifiable intangible asset of £500,000 plus VAT

36. Restatement of prior periods

The comparatives have been restated in these financial statements to reflect the following adjustments:

- On transition to IFRS on 1 December 2007, the Group elected to measure certain fixed assets at their fair value and use that fair value as their deemed cost at that date. Accordingly, the revaluation surplus at that time should have been reflected within retained earnings rather than a revaluation reserve. An adjustment has been made to the opening reserves to reflect this, increasing the retained earnings by £667,000 and decreasing the revaluation reserve by £667,000. The adjustment has neither an effect on the total comprehensive income nor the total net assets at either the current or previous reporting dates; therefore the opening balance sheet at 30 November 2009 is not presented as a result of this restatement.

- In the six month period ended 31 May 2010 and the year to 30 November 2010, the Group incorrectly reported a transfer to profit or loss on sale of property, plant and equipment of £102,000 within both other comprehensive income and profit for the year. IAS 16 requires that the gain on the disposal of property, plant and equipment is the difference between the net disposal proceeds and the carrying amount of the asset. Accordingly, the comparative information has been restated to reflect this change. This has resulted in the loss for the six month period to 31 May 2010 and for the year ended 30 November 2010 increasing by £102,000 with a corresponding reduction to the loss from other comprehensive income. The adjustment had neither an effect on the total comprehensive income nor the total net assets at either the current or previous reporting dates.