**WH Ireland Group plc**

Annual report and accounts 2015

## Financial overview

- Group turnover increased by 3% to £30.9m (2014: £30.0m)
- Operating profit of £1.1m before exceptional item (2014: £0.7m)
- Exceptional item relates to an FCA fine of £1.2m
- Operating loss after exceptional item of £0.05m (2014: profit of £0.7m)
- Loss before tax £0.3m (2014: profit before tax £0.5m)
- Basic earnings per share increased to 2.14p before exceptional item (2014: 1.42p)
- Basic earnings per share of (2.81)p (2014: 1.42p)
- Recurring revenue increased by 14% to £11.4m (2014: £10.0m)

## Private Wealth Management

- Assets under management increased by 2% to £2,520m (2014: £2,475m) on a like-for-like basis
- Discretionary assets under management increased by 6% to £767m (2014: £722m)
- Management fee income increased by 32% to £6.5m (2014: £4.9m)
- Commission income fell by 3% to £11.0m (2014: £11.3m)

## Corporate Broking

- Number of retained corporate clients rose to 98 (2014: 93)
- Retainer fee income rose by 5.75% to £3.3m (2014: £3.2m)
- Transaction fees increased by 13% to £5.6m (2014: £4.9m)

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## Chairman's statement

This is my first report to shareholders as Chairman, having previously been a Non-Executive Director of the Company since 2014. I am pleased to be able to report a satisfactory set of year end figures which reflect the changes that have been and which continue to be undertaken by the senior management team. More detail of the past year can be found below and in the Chief Executive Officer`s report.

2015 has witnessed a completion of the rationalisation of the Wealth Management division, with our regional offices and business lines being streamlined so that greater focus is brought to this area of your Company. Further work is being undertaken in reviewing every operational aspect of this business and I will have further detail to report on this issue at the interim stage.

The Corporate Broking division has continued to grow its corporate client list and I am pleased to report that a further three corporate clients have chosen WH Ireland as their Nomad and broker since our year end. We have been involved in a number of successful fund raises during 2015 (e.g. Caretech, Fastjet and Solid State). The fourth quarter, however, has proven to be more challenging than the previous three and this backdrop has continued into the first quarter of 2016 as world markets have declined with concerns over China and the oil price, in particular.

**Board Changes**

At the end of the year we announced that Rupert Lowe had left the Board. Rupert had been a Non-Executive Director for eight years and Chairman for the majority of this period. On behalf of the Board and shareholders, I would like to thank Rupert for his leadership of the Company during this period.

We have also announced today that Jonathan Carey has agreed to join the Board as a Non-Executive Director, subject to shareholder and regulatory approval, effective 29 February 2016. Jonathan has had a long and distinguished career in the City, most recently at Jupiter Asset Management, where he held a number of senior roles including Group Finance and Compliance Director, joint Group Chief Executive and finally, Group Executive Deputy Chairman.

We continue to look to strengthen the Board.

**FCA fine**

We announced last week that we had reached a settlement with the FCA, following a review under Principle 3 of the Code of Conduct regarding Systems and Controls deficiencies concerning the prevention of market abuse. The period to which this review referred was January 2013 until June 2013. Since that period, your Company has undergone significant change in every aspect of its business and this change is being embedded into the culture of the Company. It is uncomfortable to report this transgression to shareholders but it is my, and the Board's, firm belief that a settlement of this issue is in the best long term interest of shareholders and staff. Now that this is resolved, we can all focus our efforts on accelerating change at the Company and delivering returns to shareholders.

**Dividend**

In light of the sanctions imposed by the FCA and the continuing short term challenges of global stock markets, your Board has taken the prudent decision to forego a final dividend. The Board will regularly review the level of dividend payments in the future and the first such review will take place ahead of the interim figures in July.

**Outlook**

Despite a challenging environment for companies as well as private investors, the pipeline in our Corporate division and the continued emphasis upon fee paying discretionary mandates in our Private Wealth Management division, bode well for the future. We will continue to ensure that our cost base is appropriate for a Company of our size but increased compliance costs will be a certainty in the year ahead.

We keep under review the ownership of our Freehold office in Manchester. A strong local property market during the past year has resulted in us exploring the opportunity to realise value by selling the freehold. I will update shareholders as to progress on this matter as and when appropriate.

Finally I would like to thank all our staff across all of our office locations who have contributed to this set of results through their individual hard work and efforts.

**Tim Steel**
Chairman

# Chief Executive Officer's report

**Overview**
The past year will be remembered for the relative strength of the first half of the year against a backdrop of strong equity markets, as opposed to the second half, where weaker and more volatile markets have witnessed the ebbing of investor confidence. The fourth quarter of the year was particularly quiet within our Corporate Broking division.

As I stated in my interim report, much work is and has been undertaken across the Company to bring focus to our client proposition. We completed the withdrawal from our appointed representative relationship with the Private Wealth office in Colwyn Bay and we also closed our regional office in Birmingham. We now service our private clients from seven UK offices and from our international office on the Isle of Man, whilst we service our corporate clients from three UK offices (London, Manchester and Bristol). Within the Private Wealth division, we have closed our dedicated CFD and Spread Betting desk and have ceased to offer an Advisory Dealing service to new private clients. These changes have brought a greater focus to our Private Wealth services, having also ceased to offer Traded Options, Third Party Administration and dedicated Corporate Director dealing during the past two years. During this period we have also exited from seven regional office locations whilst opening two, Milton Keynes and the Isle of Man.

The combined impact of the above changes during the past two years in regard to our reported Assets Under Management and Administration is a reduction of approximately £500m, albeit the revenue generated from these "assets" was in most cases either transactional or undertaken at a gross margin of less than 10 basis points. At the year end, our total assets under Management and Administration amounted to £2.5bn, of which funds managed on a discretionary basis were £767m.

**Private Wealth Management**
As mentioned above, this division has been the subject of much change during the past year as we bring focus to what was a disparate client proposition. A significant proportion of our revenue in this division is now generated by portfolios managed on a discretionary basis and we are focussing our efforts on increasing this both from internal migration from other service levels and from external and organic growth. To this end, we are investing considerably in our marketing efforts and will be launching a refreshed website during the second quarter of the year.

Our International office in the Isle of Man has continued to grow its asset base very successfully and will achieve one of our key milestones of at least £200m of assets for a regional office by our 2016 half year. This success has justified the Board`s decision two years ago to establish an International office and we expect to witness further growth in assets during the year ahead.

During the second half of the year, and as referenced in the Chairman`s statement, we began a review of every aspect of our operational capabilities to ensure that we are able to offer both systems resilience, regulatory clarity and an enhanced client proposition in regard to aspects of Wealth Management, such as client reporting.

**Corporate Broking**
The Corporate Broking division had a successful year with growth being reported in new Corporate clients, retainer income and success fees. Our trading income, primarily from market making activities, remained positive, albeit lower than last year. Considering the market backdrop, this was a good outcome. Merger and Acquisition activity was disappointing, although the pipeline of potential transactions at the beginning of this year has been the strongest for at least three years.

Our core focus in this division remains upon offering a full Nomad and Broking service to our corporate clients and on the selective growth of our corporate client list.

**Outlook**
The significant investment in change that has been made at the Company has helped mitigate some of the impact of the recent market turmoil. Both divisions continue to focus their new business efforts upon fee driven business and our Private Wealth Management offering will continue to work more closely with our Wealth Planning proposition, thereby offering a more holistic Wealth Management service. Our Corporate Broking division continues to look to expand our client list and service our existing clients to the highest industry levels.

During 2015 our recurring revenue as a percentage of total revenue rose to 36%, an increase of 3 percentage points from last year. My target remains to reach a 50% level of recurring revenue across the Group. A lot of the work and success achieved during this past year should result in a further increase in this figure during 2016 and as in past years, I hope to be able to report that both divisions have contributed to this growth.

**Richard Killingbeck**
Chief Executive Officer

## Strategic report

**Overview**
The WH Ireland Group has two principal operating subsidiaries, WH Ireland Limited and WH Ireland (IOM) Limited. WH Ireland Limited consists of two business divisions: Private Wealth Management, which provides bespoke wealth management solutions and independent financial advisory services to retail clients; and Corporate Broking which provides corporate finance, advisory and broking services to small and mid-cap corporate clients, and stockbroking and research services to its institutional client base.

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

At the year end, the Group had 226 staff (2014: 241) in the United Kingdom and 5 (2014: 4) in the Isle of Man.

**Strategy**
The Group's strategic focus remains on continuing to grow our business across the two divisions, with the ultimate objective of becoming the broker of choice in the small and mid-cap company segment and a leading wealth management service provider to retail clients.

The strategy is focused on strengthening our corporate client list and increasing the assets under management in order to achieve the Group's target of 50% recurring revenue through the generation of wealth management fees and corporate retainer income.

**Private Wealth Management**
The Private Wealth Management division of WH Ireland incorporates both investment management services and advice on wealth planning. We offer these services from a number of offices across the UK, including; London, Manchester, Cardiff, Bristol, Poole, Lymington and Milton Keynes. Our international clients are serviced from our Isle of Man office.

We are strong advocates of a personal, bespoke service to all of our clients on the basis that no one private client has exactly the same requirements as another. As the complexity of financial markets and advice increases we are also able to offer specific wealth planning expertise in areas such as pensions and inheritance planning; we also work closely with third party advisors in helping our mutual clients achieve their financial goals.

WH Ireland is one of the few wealth managers to offer three service investment propositions, namely discretionary, advisory and execution only. Increasingly new clients are joining us under a discretionary mandate but we still have substantial assets in both the advisory and the execution only propositions.

The strategy for the ongoing growth in this division is to focus our efforts on building our management fee based assets. This will be achieved by continued personal referrals, selective recruitment of individuals and teams with existing client relationships, and corporate acquisitions of Private Wealth Management businesses. In addition, we are in the process of enhancing our marketing capability which will complement the sources of funds flow above.

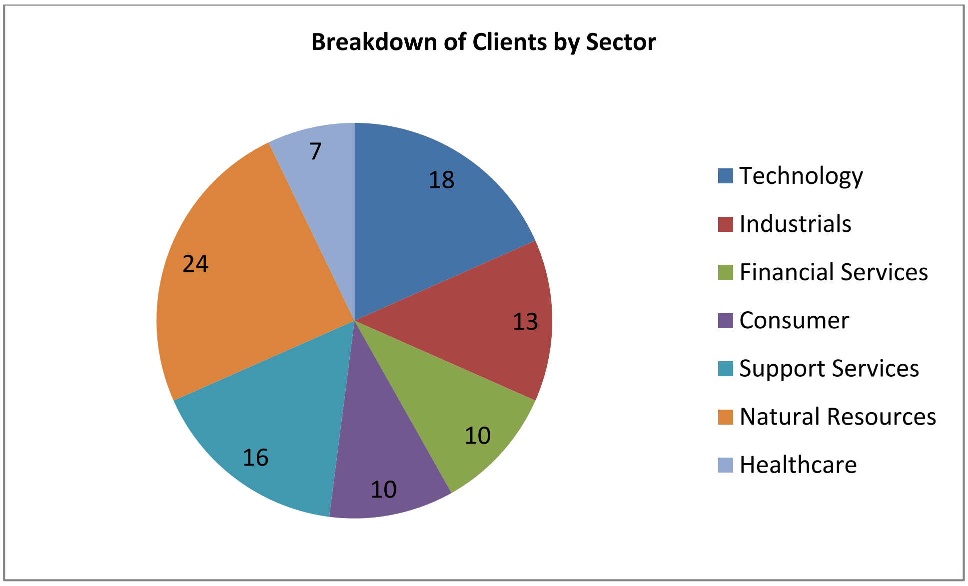
## Strategic report

### Corporate Broking

WH Ireland is one of the largest Nominated Advisers (NOMADs) and Brokers for AIM quoted companies in London. We provide corporate advisory and broking services to 98 Corporate companies, including capital raisings, all aspects of market regulation, acquisition strategy, as well as numerous other general corporate activities. Importantly, the team also benefits from many years of experience in bringing new companies to the public market.

WH Ireland's award-winning Research team provides coverage of our corporate clients, ensuring the investment case is clearly and accurately articulated to the wider investment community. We maintain close contact with both institutional and private client fund managers via our Institutional Sales and Investor Relations teams and help to ensure liquidity in the shares of our corporate clients by offering a market making service. In addition to our London office, we also provide our corporate broking service from offices in Leeds and Bristol.

Our corporate client base is spread across the spectrum of industry sectors, including Technology, Consumer, Support Services, Healthcare, Oil & Gas, Mining and Industrials to name a few. Whilst we have continued to focus upon the development and growth of our client base, we have ensured that this is not to the detriment of client service levels. Recurring retainer income is one of the key financial drivers of this division, which helps us mitigate the volatility of transaction income and ensures that we have a stable team in place from which we can continue to build over the coming years. Our success on this metric is demonstrated by the fact that retainer income has risen once again, by 5.75% in the year (2014: by 6.70%).




Given the well-publicised structural changes taking place in the wider market, the division has developed a robust and sustainable platform from which to build. The business has demonstrated this strength despite this structural shift and challenging market conditions and we continue to focus on providing a first class service to all of our clients. We continue to exercise a selective recruitment policy of hiring experienced individuals to ensure that these high levels of service are maintained as our business grows. Our corporate client list continues to grow and we anticipate attracting further quality companies given our differentiated proposition relative to some of our larger competitors.

On 23rd February 2016, the FCA issued WH Ireland Group plc with a final notice which imposed a financial penalty of £1,200,000 and a restriction on the Corporate Broking Division from taking on new clients in relation to the carrying on of its regulated activities for a period of 72 days. Further details are provided in Note 34 to the financial statements.

## Strategic report

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

***1. Ratio of adjusted operating profit before tax to total revenue***

| | **30 November 2015** | 30 November 2014 |
|---|---|---|
| | **%** | % |
| Ratio of adjusted operating profit before tax to revenue | **2.77** | 1.52 |

***2. Funds under management and advice***

| | **30 November 2015** | 30 November 2014 |
|---|---|---|
| | **£m** | £m |
| Discretionary assets | **767** | 722 |
| Advisory assets | **892** | 952 |
| Execution only assets | **861** | 1,018 |
| Total | **2,520** | 2,692 |
| *Less assets relating to discontinued activities:* | | |
| Third party client administration | **—** | (90) |
| Appointed Representative assets | **—** | (102) |
| Other assets | **—** | (25) |
| **Total** | **2,520** | 2,475 |

This is used as a measure of the potential for revenue generation by type of client assets held in our nominee control.

***3. Recurring income streams***

| | **30 November 2015** | 30 November 2014 |
|---|---|---|
| | **£m** | £m |
| Value of Group recurring income | **11.4** | 10.0 |

This key indicator of business activity includes fee and other ongoing income from retail and corporate clients for the management of their relationship with the Group. This represents an increase of 14.01% (2014: 12.36% increase), largely influenced by an increase in the number of clients in our Corporate Broking division and an increase in our Private Wealth Management division of the number of clients and value of their assets who pay a fee for our services.

***4. Corporate Broking performance***

| | **30 November 2015** | 30 November 2014 |
|---|---|---|
| Number of transactions | **53** | 29 |
| Money raised | **£75m** | £56m |
| Retained corporate clients | **98** | 93 |

## Strategic report

**A reconciliation of the adjusted operating profit is set out below:**

| | 30 November 2015 £'000 |
|---|---|
| **Operating loss** | **(52)** |
| *Add back of one off charges:* | |
| Regulatory fine | 1,200 |
| **Adjusted operating profit** | **1,148** |

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

| | 30 November 2015 £'000 | 30 November 2014 £'000 |
|---|---|---|
| Revenue | **30,884** | 30,043 |
| Administrative expenses | **(30,936)** | (29,353) |
| **Operating (loss)/profit** | **(52)** | 690 |
| *Operating profit before exceptional item* | **1,148** | 690 |
| *Exceptional item – Regulatory fine* | **(1,200)** | - |
| ***Operating (loss)/profit after exceptional item*** | **(52)** | 690 |
| Other income and charges | **(294)** | (234) |
| **(Loss)/profit before tax** | **(346)** | 456 |
| Tax expense | **(335)** | (119) |
| **(Loss)/profit after tax** | **(681)** | 337 |

### Future Outlook

The Board is satisfied that the changes which have continued to be made across the business throughout 2015, and the conclusion of the historic FCA investigation in February 2016, will enable the Group to focus on achieving our strategic goals. These developments will enable the Group to grow both organically, with less distraction and through more effective marketing and a greater product focus, and through value enhancing acquisition from opportunities which the Board hopes to identify in the coming year.

### Dividend

The Board does not propose to pay a dividend in respect of the financial year.

### Statement of Financial Position and Capital Structure

Maintaining a strong and liquid statement of financial position remains a key business objective for the Board, alongside its regulatory capital requirements. Net assets amounted to £12.9m (2014: £13.4m) and net current assets to £7.3m (2014: £8.0m). The statement of financial position is underpinned by the holding of the substantial cash balances (£8.2m) held to facilitate both the day to day business and growth opportunities and the Group's ownership of its freehold property in the Manchester city centre.

The Group raised £1,073,700 on 23rd February 2016 by way of a placing to existing shareholders, for general corporate purposes.

### Risks and Uncertainties

Risk appetite is established by the Board and this is consistently reviewed and monitored by the Board and senior management. The Group, through the operation of its Systems and Controls Committee, considers all of the relevant risk management issues and advise the Board as necessary on such matters. The Group maintains a comprehensive risk register, within its agreed risk management framework, which encourages a risk-based approach to the internal controls and management of the Group. In addition to an independent Internal Audit function, the Group operates a dedicated Risk function. The Internal Audit and Risk functions coordinate their programme of work with both the Compliance department. The Internal Audit function reports directly to the Group's Audit Committee.

## Strategic report

**Risks and Uncertainties continued**

Liquidity and Capital Risk

Whilst a significant element of the Group's revenue continues to be transaction driven, the Group's focus, as outlined above, remains on increasing the recurring element of client driven revenues. The Group continues to look to build its discretionary fee paying client base to better fit the regulatory landscape in which the Group is operating and to reduce the proportion of its income that is linked to transactions.

Whilst the Group has a predominantly fixed cost base, a significant element of which are employment costs that are insensitive to business volumes, the Group has continued to focus on achieving operational efficiencies and reducing the variable costs of the business to maximise profitability and provide operational gearing.

In order to mitigate risk and absorb any volatility in its operating results, the Board has continued to ensure that the statement of financial position remains robust and suitably liquid, and that sufficient regulatory capital is maintained to allow for a healthy surplus over the regulatory minimum capital requirements. The Group calculates and monitors its regulatory capital requirements on a daily basis.

Operational Risk

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

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

The Group seeks to ensure that its risk management framework and control environment is continuously evolving and the Board delegates the day to day monitoring of this to the Group Head of Risk, who sits on the Systems and Controls Committee.

Credit Risk

The Board takes active steps to minimise the incidence of credit losses. This includes formal credit management procedures and the close supervision of credit limits and exposures. Formal credit procedures include the approval of significant client limits, approval of material trades, collateral requirements for trading clients and the proactive management of any overdue accounts. Additionally, risk assessments are performed on an ongoing basis during the year on all deposit taking banks and custodians.

Regulatory Risk

The Group operates in a highly regulated environment both in the UK and the Isle of Man. The Group has independent Risk, Internal Audit and Compliance departments, resourced with appropriately qualified and experienced individuals. 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. Note 34 provides a description of the final notice issued by the FCA on 23rd February 2016.

**Resources and Relationships**

The Group's most valuable 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 Conduct Authority.

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

By order of the Board

**Dan Cowland**
Finance Director

## Board of Directors

**Tim Steel**
**Non-Executive Chairman (acting)**
Tim worked for Robert Fleming & Co between 1974 and 1979, firstly as an Investment Research Analyst before becoming an Investment Manager. In 1980, he moved to Cazenove & Co where he worked in a variety of roles including Head of UK Institutional Sales and latterly as vice-Chairman of Cazenove Capital Management, before retiring in 2009. In 2008 he became Non-Executive Chairman of Castle Alternative Invest, a fund of hedge funds, listed on the Swiss Stock Exchange. Since 2013, he has been Chairman of a private equity boutique, Committed Capital, financing small UK private companies. Tim was appointed to the Board of WH Ireland in March 2014 and became acting Chairman in December 2015.

**Richard Killingbeck**
**Chief Executive Officer**
Richard joined the Group in September 2012 bringing with him over 25 years of investment management and private banking experience. Richard was appointed to the Board in December 2012, and was appointed to the role of Chief Executive Officer in January 2013.
During the past 25 years he has held senior fund management positions in the management of both institutional and private client accounts. In 2001, whilst at Singer and Friedlander Investment Management, he was appointed the CEO of the business, a position he held until 2005. He then undertook a number of senior management roles at Close Brothers Asset Management and then more recently at Credit Suisse Private Bank. Richard is also Chairman of Bankers Investment Trust PLC.

**Dan Cowland**
**Finance Director**
Dan is a Fellow of the ICAEW, having qualified as a Chartered Accountant with Ernst & Young in 1997. After five years within the Banking and Capital Markets group, he moved to the WestLB owned Panmure Gordon business where he spent seven years in various finance roles, latterly as the Head of Finance. Dan performed senior finance roles at Lehman Brothers and Macquarie Bank before joining Shore Capital Stockbrokers as Finance Director in 2010. Dan joined WH Ireland in March 2014 as Finance Director.

**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.

## Advisers

**Nominated Adviser**
***Spark Advisory Partners***
5 St. John's Lane
London, EC1M 4BH

**Broker**
***WH Ireland Limited***
11 St James's Square
Manchester, M2 6WH

**Auditors**
***BDO LLP***
55 Baker Street
London, W1U 7EU

**Bankers**
***Bank of Scotland plc***
2nd Floor,1 Lochrin Square
92-98 Fountainbridge
Edinburgh, EH3 9QA

**Financial PR Advisors**
***Novella Communications***
19 Buckingham Gate
London, SW1E 6LB

**Company Secretary**
***Katy Mitchell***

**Registered Office**
24 Martin Lane
London, EC4R 0DR

**Company number**
*3870190*

## Directors' report

The Directors present their annual report on the affairs of the Group, together with the financial statements and Independent Auditors' Report, for the year ended 30 November 2015.

**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 wealth management and corporate finance advice, research, products and services to the private clients and small and medium sized companies.

**Strategic report**
A review of the strategy of the Group can be found in the Strategic Report on pages 3 to 7.

**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 2017 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 the Directors at the time of the approval of these financial statements.

Certain activities of the Group are regulated by the Financial Conduct Authority (FCA) which is the statutory regulator for financial services business in the UK and has responsibility for policy, monitoring and discipline for the financial services industry. The FCA 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.

The Directors most recently renewed the Group's banking facilities in February 2016. As an evergreen facility there is no requirement to update the agreement annually, although a formal review of facilities is undertaken at least annually.

**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**
A dividend of 2p per share for 2014 was paid in the year. The Directors do not propose to pay a dividend for 2015 (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 2015** | At 30 November 2014 |
|---|---:|---:|
| RJG Lowe* | **1,074,856** | 1,074,856 |
| RW Killingbeck | **910,000** | 890,000 |
| DJ Cowland | **10,000** | 10,000 |
| TM Steel | **-** | - |
| REM Lee | **30,267** | 30,267 |

*Rupert Lowe resigned from the Board on 1 December 2015.

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 14 to 17.

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 the date of 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*** | % |
|---|---|---|
| Polygon Global Partners LLP* | 4,251,633 | 16.51 |
| Oceanwood Capital Management LLP | 3,636,080 | 14.12 |
| Lord J Marland** | 1,944,359 | 7.55 |
| Alternative Cyber Limited | 1,243,000 | 4.83 |
| RJG Lowe** | 1,074,856 | 4.18 |
| D Ross** | 1,000,000 | 3.88 |

* This interest includes 211,550 shares which are subject to a contract for difference.
** Denotes members of a group of shareholders who are deemed to be a concert party under the Takeover Code and whose total combined shareholding in the Company is 4,689,215. This represents 18.21% of the voting rights in the Company.
*** This includes the shares issued as part of a placing (see note 34) which have been issued and will be admitted to trading on 29 February 2016

In addition, the Company's Employee Share Ownership Trust which is operated by Sanne Trust Company Limited holds 1,989,500 shares as trustees. All rights to vote in respect of these shares have been waived

## 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 24.06 days purchases (2014: 38.63 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 £3,090 (2014: £890), but made no political donations or incurred any political expenditure.

## Qualifying third party indemnity provisions

The company has arranged qualifying third party indemnity for all of its directors.

## 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 FCA 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). In addition, the WH Ireland Group plc Employee Share Ownership Trust (ESOT), which is an Employee Benefit Trust, exists to facilitate the acquisition of shares by employees.

## Directors’ report

**Purchase of own Shares**
At 30 November 2015 1,989,500 shares were held in trust by the ESOT under Joint Ownership Arrangements. Further details are in notes 28 and 29 of the Financial Statements.

**Events after the reporting period**
For details of significant events after the reporting period see note 34.

**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

**Katy Mitchell**
**Company Secretary**
24 Martin Lane
London EC4R 0DR

**26 February 2016**

## 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 consists of two Executive and two 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.

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 two Non-Executive Directors with Tim Steel 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 two 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.

**Internal control**
The Board has overall responsibility for the framework of internal control established by the Group and places considerable importance on maintaining a strong control environment. This framework of internal control 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 through the Group's Compliance Department, Internal Audit Department, Risk Management functions and the Systems and Controls Committee of WH Ireland Limited.

## Remuneration report

The Directors present the Directors' Remuneration Report (the "Remuneration Report") for the financial year ended 30 November 2015.

**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 two Non-Executive Directors, chaired by Tim Steel.

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 Officer and the Finance 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) Share options***

As referred to in the Directors' Report, the Group now has four different share ownership plans; the ESOT, ESOP, CSOP and SAYE scheme.

*ESOT*

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. All costs of the ESOT are borne by the Company or its subsidiary WH Ireland Limited. Currently 1,989,500 shares are held by the ESOT. Joint ownership arrangements have been put in place in relation to certain of these shares between the trustees of the ESOT and a number of employees, including some Directors. The shares carry dividend and voting rights, although these are normally waived by all parties to such arrangements. The joint ownership arrangements create options for the employees to acquire the interest that the trustees of the ESOT has in the jointly owned shares, which lapses when an employee is deemed to be a Bad Leaver. If an employee ceases to be an employee of the Group, otherwise than in the event of critical illness or death, the employee is deemed to be a Bad Leaver.

*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.

# Remuneration report

***3) 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 under the ESOT are not taken into consideration for the purposes of this limit.

In the event of an option holder ceasing to be an employee of the Group, options granted under the CSOP shall lapse (a) on the first anniversary of an option holder's death, (b) on the expiry of 6 months from the date on which an option holder ceases to be an employee of the Group due to injury, disability, retirement or redundancy or (c) immediately on an option holder ceasing to be an employee of the Group for any reason other than those referred to in (a) and (b), unless, and to the extent, the Board exercises its discretion to allow the options to be exercised for a period after the option holder ceases to be an employee of the Group.

*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 under the ESOT are not taken into consideration for the purposes of this limit.

In the event of an employee leaving before the end of the 3 years contract because of redundancy, injury, disability or retirement, the employee will be able to continue saving privately and buy a reduced number of shares (in line with the amount saved) within 6 months of leaving using the savings accrued. If the employee leaves before the end of the 3 years due to resignation, dismissal on grounds of misconduct or not returning after maternity leave, they would not be able to buy any shares and would have their funds returned to them. In the event of death prior to the scheme maturing, the deceased's personal representative(s) would be able to buy a reduced number of shares within 12 months of the death.

**Other employee benefits**

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

**Service contracts and notice periods**

The Executive Directors are employed on rolling contracts subject to six 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 administrative 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.

## Remuneration report

### 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 administrative 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.

### Directors' emoluments

The remuneration of each Director, excluding share options and awards, during the year ended 30 November 2015 is detailed in the table below:

| | Salary £ | Benefits £ | Bonus £ | Compensation for loss of office £ | **Total for year ended 30 November 2015 £** | Total for year ended 30 November 2014 £ | **Pension contribution for year ended 30 November 2015 £** | Pension contribution for year ended 30 November 2014 £ |
|---|---|---|---|---|---|---|---|---|
| **Executive** | | | | | | | | |
| AM Kershaw | — | — | — | — | — | 159,770 | — | 27,333 |
| DJ Cowland | **151,667** | **1,523** | **35,000** | — | **188,190** | 122,123 | **16,683** | 9,788 |
| RW Killingbeck | **220,000** | **2,268** | **80,000** | — | **302,268** | 309,079 | — | 4,375 |
| **Non-Executive** | | | | | | | | |
| RJG Lowe | **100,000** | — | **10,000** | — | **110,000** | 136,000 | **24,000** | — |
| R Lane-Smith | — | — | — | — | — | 27,500 | — | — |
| REM Lee | **30,000** | — | — | — | **30,000** | 30,000 | — | — |
| TM Steel | **30,000** | — | — | — | **30,000** | 20,577 | — | — |
| | **531,667** | **3,791** | **125,000** | — | **660,458** | 805,049 | **40,683** | 41,496 |

The highest paid Director for 2015 and 2014 was RW Killingbeck who received emoluments of £302,268 and £309,079 respectively. Pension contributions of £nil and £4,375 respectively were also paid in respect of RW Killingbeck.

# Remuneration report

### 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 2015 are shown below:

| | Number of options over ordinary shares | Date of grant of share option | Exercise price per ordinary share | Exercise period |
|---|---|---|---|---|
| RW Killingbeck[1] | 1,000,000 | 28.10.13 | 74.50p | 28.10.16 to 27.10.23 |
| RW Killingbeck[2] | 18,292 | 31.05.13 | 49.20p | 01.06.16 to 30.11.16 |
| DJ Cowland[1] | 100,000 | 23.07.14 | 114.50p | 23.07.17 to 22.07.20 |

Notes:

1. These ordinary shares are held by the ESOT under a Joint Ownership Arrangement between the Executive and the Trust, under which the Executive has the ability to exercise an option during the exercise period stated (note 29).
2. These numbers relate to the maximum number of ordinary shares over which the holders are entitled to exercise options 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.

At 30 November 2015 the market price of the Company's shares was 100.5p.

The highest daily closing price during the year was 128.5p and the lowest daily closing price was 81.5p.

## 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 (IFRSs) 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 IFRSs 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 2015 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 (IFRSs) 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

**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 2015 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRSs 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 Strategic Report and 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 Griggs*
*(senior statutory auditor)*
*For and on behalf of BDO LLP, statutory auditor*
*London United Kingdom*

*26 February 2016*

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 2015**

| | Note | **Year ended 30 November 2015 £'000** | Year ended 30 November 2014 £'000 |
|---|---|---|---|
| **Revenue** | 3 & 5 | **30,884** | 30,043 |
| Administrative expenses | | **(30,936)** | (29,353) |
| **Operating (loss)/profit** | 6 | **(52)** | 690 |

| | | |
|---|---|---|
| *Operating profit before exceptional item* | ***1,148*** | *690* |
| *Exceptional item – Regulatory fine* | ***(1,200)*** | *—* |
| ***Operating (loss)/profit after exceptional item*** | ***(52)*** | *690* |

| | Note | 2015 £'000 | 2014 £'000 |
|---|---|---|---|
| Other income | | **—** | 12 |
| Realised investment losses | | **(89)** | (2) |
| Fair value losses on investments | | **(185)** | (221) |
| Finance income | 8 | **21** | 25 |
| Finance expense | 8 | **(41)** | (48) |
| **(Loss)/profit before tax** | | **(346)** | 456 |
| Tax expense | 9 | **(335)** | (119) |
| **(Loss)/profit for the year** | | **(681)** | 337 |
| **Total other comprehensive income** | | **—** | — |
| **Total comprehensive income** | | **(681)** | 337 |
| **Earnings per share** | 11 | | |
| Basic | | **(2.81)p** | 1.42p |
| Diluted | | **(2.81)p** | 1.34p |

The notes on pages 25 to 52 form part of these financial statements.

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

There were no items of other comprehensive income for the current or prior year.

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 not to present the Company Statement of Comprehensive Income. The loss after tax of the Company for the year was £5k (2014: Loss £222k).

# Consolidated and Company statement of financial position
## As at 30 November 2015

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | **As at 30 November 2015 £'000** | As at 30 November 2014 £'000 | **As at 30 November 2015 £'000** | As at 30 November 2014 £'000 |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Goodwill | 13 | **258** | 258 | **—** | — |
| Intangible assets | 14 | **3,586** | 463 | **—** | — |
| Investment in subsidiaries | 15 | **—** | — | **1,711** | 1,711 |
| Property, plant and equipment | 12 | **5,361** | 5,595 | **16** | 23 |
| Investments | 16 | **360** | 579 | **—** | — |
| Loan receivable | 28 | **—** | — | **731** | 763 |
| Subordinated Loan | 17 | **—** | — | **850** | 500 |
| Deferred tax asset | 18 | **298** | 360 | **73** | 48 |
| | | **9,863** | 7,255 | **3,381** | 3,045 |
| **Current assets** | | | | | |
| Trade and other receivables | 19 | **23,312** | 38,345 | **4,712** | 4,590 |
| Other investments | 20 | **1,932** | 890 | **—** | — |
| Cash and cash equivalents | 21 | **8,176** | 7,490 | **—** | — |
| | | **33,420** | 46,725 | **4,712** | 4,590 |
| **Total assets** | | **43,283** | 53,980 | **8,093** | 7,635 |
| **LIABILITIES** | | | | | |
| **Current liabilities** | | | | | |
| Trade and other payables | 22 | **(24,059)** | (37,919) | **(1,040)** | (504) |
| Corporation tax payable | | **(262)** | (308) | **—** | — |
| Borrowings | 23 | **(179)** | (179) | **(179)** | (179) |
| Finance Leases | 31 | **(119)** | (119) | **—** | — |
| Deferred Consideration | 25 | **(262)** | — | **—** | — |
| Provisions | 24 | **(1,200)** | (189) | **—** | — |
| | | **(26,081)** | (38,714) | **(1,219)** | (683) |
| **Non-current liabilities** | | | | | |
| Borrowings | 23 | **(994)** | (1,169) | **(994)** | (1,169) |
| Finance Leases | 31 | **—** | (109) | **—** | — |
| Deferred tax liability | 18 | **(126)** | (205) | **—** | — |
| Accruals and deferred income | | **(330)** | (347) | **—** | — |
| Deferred Consideration | 25 | **(2,863)** | — | **—** | — |
| Provisions | 24 | **(21)** | (21) | **—** | — |
| | | **(4,334)** | (1,851) | **(994)** | (1,169) |
| **Total liabilities** | | **(30,415)** | (40,565) | **(2,213)** | (1,852) |
| **Total net assets** | | **12,868** | 13,415 | **5,880** | 5,783 |
| **EQUITY** | | | | | |
| Share capital | | **1,225** | 1,193 | **1,225** | 1,193 |
| Share premium | | **379** | 101 | **379** | 101 |
| Available-for-sale reserve | | **7** | 7 | **—** | — |
| Other reserves | | **982** | 982 | **229** | 229 |
| Retained earnings | | **11,006** | 11,895 | **4,047** | 4,260 |
| Treasury shares | 28 | **(731)** | (763) | **—** | — |
| **Total equity** | | **12,868** | 13,415 | **5,880** | 5,783 |

The notes on pages 25 to 52 are an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 26 February 2016 and were signed on its behalf by:

**Richard Killingbeck**
Director

**Dan Cowland**
Director

## Consolidated and Company statement of cash flows
**For the year ended 30 November 2015**

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note | **Year ended 30 November 2015 £'000** | Year ended 30 November 2014 £'000 | **Year ended 30 November 2015 £'000** | Year ended 30 November 2014 £'000 |
| **Operating activities:** | | | | | |
| (Loss)/profit for the year | | **(681)** | 337 | **(5)** | (222) |
| Adjustments for: | | | | | |
| Depreciation, amortisation and impairment | 12,13 & 14 | **310** | 474 | **7** | 151 |
| Finance income | 8 | **(21)** | (25) | **—** | — |
| Finance expense | 8 | **41** | 48 | **22** | 25 |
| Tax | 9 | **335** | 119 | **(25)** | (24) |
| Losses/(gains) in investments | | **96** | (202) | **—** | — |
| Non-cash adjustment for share option charge | 7 | **211** | 205 | **211** | 205 |
| Decrease/(increase) in trade and other receivables | | **15,033** | (1,653) | **(90)** | 469 |
| (Decrease)/increase in trade and other payables | | **(13,877)** | 3,158 | **536** | 313 |
| Increase/(decrease)in provisions | | **1,011** | (155) | **—** | — |
| Decrease/(increase) in current asset investments | 20 | **(1,042)** | (43) | **—** | — |
| **Net cash generated from operations** | | **1,416** | 2,263 | **656** | 917 |
| Income taxes paid | | **(398)** | (112) | **—** | — |
| **Net cash inflows from operating activities** | | **1,018** | 2,151 | **656** | 917 |
| **Investing activities:** | | | | | |
| Proceeds from sale of investments | | **904** | 70 | **—** | — |
| Interest received | 8 | **21** | 25 | **—** | — |
| Acquisition of property, plant and equipment | 12 | **(74)** | (261) | **—** | (1) |
| Acquisition of investments | 16 | **(781)** | — | **—** | — |
| **Net cash generated from/(used in) investing activities** | | **70** | (166) | **—** | (1) |
| **Financing activities:** | | | | | |
| Proceeds from issue of share capital | | **360** | 132 | **328** | 113 |
| Repayment of borrowings | 23 | **(175)** | (181) | **(175)** | (174) |
| Capital element of finance leases repaid | 31 | **(109)** | (119) | **—** | — |
| Issue of subordinated loan | | **—** | — | **(350)** | (500) |
| Interest paid | 8 | **(41)** | (48) | **(22)** | (25) |
| Dividends paid | | **(437)** | (325) | **(437)** | (325) |
| **Net cash used in financing activities** | | **(402)** | (541) | **(656)** | (911) |
| **Net increase in cash and cash equivalents** | | **686** | 1,444 | **—** | 5 |
| Cash and cash equivalents at beginning of year | | **7,490** | 6,046 | **(5)** | (10) |
| **Cash and cash equivalents at end of year** | | **8,176** | 7,490 | **(5)** | (5) |

The notes on pages 25 to 52 are an integral part of these financial statements.

## Consolidated statement of changes in equity
### For the year ended 30 November 2015

| Group | 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 2013 | 1,185 | 6 | 7 | 982 | 11,668 | (782) | 13,066 |
| Deferred tax | — | — | — | — | — | — | — |
| Other comprehensive income | — | — | — | — | — | — | — |
| Profit after tax | — | — | — | — | 337 | — | 337 |
| Total comprehensive income | — | — | — | — | 337 | — | 337 |
| **Transaction with owners** | | | | | | | |
| Employee share option scheme | — | — | — | — | 205 | — | 205 |
| Shares options exercised | 8 | 95 | — | — | 10 | 19 | 132 |
| Dividends | — | — | — | — | (325) | — | (325) |
| Balance at 30 November 2014 | 1,193 | 101 | 7 | 982 | 11,895 | (763) | 13,415 |
| Deferred tax | — | — | — | — | — | — | — |
| Other comprehensive income | — | — | — | — | — | — | — |
| Loss after tax | — | — | — | — | (681) | — | (681) |
| Total comprehensive income | — | — | — | — | (681) | — | (681) |
| **Transaction with owners** | | | | | | | |
| Employee share option scheme | — | — | — | — | 211 | — | 211 |
| Shares options exercised | 32 | 278 | — | — | 18 | 32 | 360 |
| Dividends | — | — | — | — | (437) | — | (437) |
| **Balance at 30 November 2015** | **1,225** | **379** | **7** | **982** | **11,006** | **(731)** | **12,868** |

Retained earnings include £10k of ESOT reserve.

At 30 November 2015 the total number of authorised ordinary shares is 34.5million shares of 5p each (2014: 34.5 million shares of 5p each). At 30 November 2015 the total number of issued ordinary shares is 24.5 million shares of 5p each (2014: 23.9 million shares of 5p each). 646,387 shares were issued during the year (2014: 155,977), of which no shares (2014: nil) were held as Treasury (note 28).

## Company statement of changes in equity
### For the year ended 30 November 2015

| Company | 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 30 November 2013 | 1,185 | 6 | — | 229 | 4,592 | — | 6,012 |
| Loss after tax | — | — | — | — | (222) | — | (222) |
| Total comprehensive income | — | — | — | — | (222) | — | (222) |
| Shares options exercised | 8 | 95 | — | — | 10 | — | 113 |
| Employee share option scheme | — | — | — | — | 205 | — | 205 |
| Dividends | — | — | — | — | (325) | — | (325) |
| Balance at 30 November 2014 | 1,193 | 101 | — | 229 | 4,260 | — | 5,783 |
| Loss after tax | — | — | — | — | (5) | — | (5) |
| Total comprehensive income | — | — | — | — | (5) | — | (5) |
| Shares options exercised | 32 | 278 | — | — | 18 | — | 328 |
| Employee share option scheme | — | — | — | — | 211 | — | 211 |
| Dividends | — | — | — | — | (437) | — | (437) |
| **Balance at 30 November 2015** | **1,225** | **379** | — | **229** | **4,047** | — | **5,880** |

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 statement of comprehensive income. 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 statement of comprehensive income.

*Other reserves*
Other reserves comprise a (consolidated) merger reserve of £753k (2014: £753k) and a (consolidated) capital redemption reserve of £229k (2014: £229k).

*Retained earnings*
Retained earnings reflect; accumulated income, expenses, gains and losses, recognised in the statement of comprehensive income and the statement of recognised income and expense and is net of dividends paid to shareholders. It includes £10k of ESOT reserve.

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

# Notes to the financial statements
**For the year ended 30 November 2015**

## 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 Alternative Investment Market (AIM), a market operated by the London Stock Exchange Group plc. The address of its registered office is 24 Martin Lane, London, EC4R 0DR. The Group's principal activities are described in the Strategic Report on pages 3 to 7 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 2014, have had a material effect on the Group's financial statements.

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

*Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38):* The amendment to IAS 16 clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. They also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstance. The issues originated from a submission to the IFRS Interpretations Committee.

*Equity Method in Separate Financial Statements (Amendments to IAS 27):* The amendments introduce an option for an entity to account for its investments in subsidiaries, joint ventures, and associates using the equity method in its separate financial statements. The accounting approach that is selected is required to be applied for each category of investment. The option to present its investments using the equity method result in the presentation of a share of profit or loss, and other comprehensive income, of subsidiaries, joint ventures and associates with a corresponding adjustment to the carrying amount of the equity accounted investment in the statement of financial position. Any dividends received are deducted from the carrying amount of the equity accounted investment, and are not recorded as income in profit or loss.

*IFRS 15 Revenue from Contracts with Customers*: IFRS 15 is intended to clarify the principles of revenue recognition and establish a single framework for revenue recognition. IFRS 15 supersedes IAS 18 Revenue.

The core principle is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The core principle of IFRS 15 is applied through a five step approach:

I. Identify the contract(s) with the customer

II. Identify the performance obligations in the contract

III. Determine the transaction price

IV. Allocate the transaction price

V. Recognise revenue when a performance obligation is satisfied.

Additionally, the new requirements add specific guidance for multiple-element arrangements, contract costs and disclosures. The new requirements especially affect entities in the construction, telecommunication, software and real estate industry.

*IFRS 9 Financial Instruments:* IFRS 9 Financial instruments replaces IAS 39 Financial Instruments: Recognition and Measurement in its entirety. The new IFRS has been developed in several phases. Requirements for the classification and measurement of financial assets were published in November 2009. Following this, in October 2010, the requirements for the classification and measurement of financial liabilities and for the recognition and derecognition of financial assets and financial liabilities, were issued. In November 2013 the IASB published an amendment to IFRS 9 to include the new general hedge accounting model. In July 2014 the project was completed by publishing IFRS 9 Financial Instruments (2014). IFRS 9 (2014) incorporates the final requirements on all three phases of the financial instruments projects – classification and measurement, impairment, and hedge accounting.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets (payments that are Solely Payments of Principal and Interest (SPPI)).

### 2. Adoption of new and revised standards continued

***New standards, interpretations and amendments not yet effective continued***

*IFRS 9 Financial Instruments continued*

The recognition and derecognition requirements for financial assets and financial liabilities are unchanged from those set out in IAS 39. The same is true for many of the requirements in respect of the classification and measurement of financial liabilities, although the requirements relating to financial liabilities measured at fair value have been amended to address the “own credit risk” issue. In this respect, IFRS 9 requires that changes in the fair value of financial liabilities designated as at fair value through profit or loss which relate to changes in own credit risk should generally be recognised directly in other comprehensive income. Where recognising the own credit amount directly in other comprehensive income would create an accounting mismatch, however, the entity may make an irrevocable decision on initial recognition to recognise the entire fair value change in profit or loss instead.

The new hedge accounting model is more principles-based, less complex and provides a better link to risk management and treasury operations than the model in IAS 39 Financial Instruments: Recognition and Measurement. The new model also allows entities to apply hedge accounting more broadly to manage profit or loss mismatches, and as a result reduce ‘artificial’ hedge ineffectiveness that can arise under IAS 39.

IFRS 9 (2014) adds to the existing IFRS 9:

• New impairment requirements for all financial assets that are not measured at fair value through profit or loss with a new ‘expected loss’ impairment model replacing the ‘incurred loss’ model in IAS 39

• Amendments to the previously finalised classification and measurement requirements.

The effective date of the fully completed version of IFRS 9 is for periods beginning on or after 1 January 2018 with retrospective application. Early application is permitted. If an entity’s date of initial application (the start of the period in which IFRS 9 is adopted) is before 1 February 2015, there is a choice of which version of IFRS 9 to adopt (2009, 2010, 2013 or 2014). The 2009 version covered financial assets only, the 2010 version added financial liabilities and derecognition, and the 2013 version added hedge accounting.

In addition, there is an option to early adopt the ‘own credit’ provisions for financial liabilities measured at fair value through profit or loss (FVTPL) under the fair value option without any of the other requirements of IFRS 9. This option will remain available until 1 January 2018.

The amendments are not yet endorsed for use in the EU, expected endorsement is not yet determined.

*IFRS 16 Leases:* IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer (‘lessee’) and the supplier (‘lessor’).

All leases result in a company (the lessee) obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing.

Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Applying that model, a lessee is required to recognise:

a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and

b) depreciation of lease assets separately from interest on lease liabilities in the income statement.

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

IFRS 16 is effective from 1 January 2019. A company can choose to apply IFRS 16 before that date but only if it also applies IFRS 15 Revenue from Contracts with Customers.

IFRS 16 replaces the previous leases Standard, IAS 17 Leases, and related Interpretations.

The amendments are not yet endorsed for use in the EU, expected endorsement is not yet determined.

### 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 2015.

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 10 to 12.

***Basis of consolidation***

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the company considers all relevant facts and circumstances, including:

- The size of the company's voting rights relative to both the size and dispersion of other parties who hold voting rights
- Substantive potential voting rights held by the company and by other parties
- Other contractual arrangements
- Historic patterns in voting attendance.

The consolidated financial statements present the results of the company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

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

***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. Any directly attributable costs relating to business combinations after this date are charged to the statement of comprehensive income 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 annually for impairment. Any impairment is recognised immediately in the statement of comprehensive income and is not subsequently reversed. Negative goodwill arising on an acquisition is recognised immediately in the statement of comprehensive income. 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.

### 3. Significant accounting policies continued

***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 and fees earned from the provision of independent financial advice, interest receivable in the course of ordinary investment management business and rental income 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. This includes non-cash consideration received in the form of shares, loan notes, warrants or other financial instruments recognised at the fair value on the date of receipt.
- Advisory fees are recognised when the relevant transaction is completed and retainer fees are recognised over the length of time of the agreement.
- Commission and fees earned from the provision of independent financial advice comprises commission and fees relating to new business written and trail commission earned on existing client business managed by the Group. New business commission and fees are 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.
- Rental income arises on the letting of property to third parties and is recognised on a straight line basis over the period of the lease.

***Segment reporting***

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer, 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.

***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 reporting period end date. Exchange differences arising are included in the statement of comprehensive income.

***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 statement of comprehensive income 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.

***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 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 statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

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

### 3. Significant accounting policies continued

***Share-based payments continued***

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

In all instances, the charge/credit is taken to the statement of comprehensive income 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 statement of comprehensive income.

***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 statement of comprehensive income.

***Income taxes***

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

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

Deferred tax is provided for temporary differences, at the reporting period end 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 reporting period end 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***

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the statement of comprehensive income over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between principal and interest components so that the interest element of the payment is charged to the statement of comprehensive income over the period of the lease and is calculated so that it represents a constant proportion of the balance of the principal payments outstanding. The principal part reduces the amounts payable to the lessor.

3. **Significant accounting policies continued**

***Leases continued***

Rentals paid under leases which do not result in the transfer to the Company of substantially all the risks and rewards of ownership (operating leases) are charged against income on a straight line basis over the lease term.

***Property, plant and equipment***

Property, plant and equipment is stated at cost less accumulated depreciation and impairment.

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***

<u>*Measurement*</u>

Intangible assets acquired separately are measured, on initial recognition at cost. Following initial recognition, they 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 other than goodwill are amortised over the expected pattern of their consumption of future economic benefits, to write down the cost of the intangible assets to their residual values over this assessed period. 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 or its residual value, are accounted for by changing the amortisation period or method and treated as changes in accounting.

<u>*Impairment*</u>

The carrying amounts of the Group's intangible assets are reviewed at each reporting date and 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. Should the recoverable amount of an asset (or CGU) exceed the carrying amount, the amortisation charged in the reporting period is written back to the statement of comprehensive income to the extent that this can be justified by the recoverable amount.

***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 reporting period end date. The fair value of unlisted investments is estimated by reference to similar 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 statement of comprehensive income in profit on disposal of available-for-sale investments. Losses arising from impairment are recognised in the statement of comprehensive income. Any profit or loss on sale is credited or charged to the statement of comprehensive income.

### 3. Significant accounting policies continued

***Financial assets continued***

*Other investments*

Other investments comprise financial assets designated as fair value through profit or loss and 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 reporting period end date. Changes in the value of these other investments are recognised directly in the statement of comprehensive income.

*Impairment of financial assets*

The Group assesses, at each reporting period end 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 statement of comprehensive income.

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 statement of comprehensive income. Any increase after an impairment loss has been recognised is treated as a revaluation and is recognised directly in equity.

***Loan receivables***

Loan receivables are initially recognised at fair value. Subsequent to initial recognition, loan notes are measured at amortised cost using the effective interest rate method.

***Trade receivables***

Trade receivables are measured on initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income 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 statement of comprehensive income.

***Cash and cash equivalents***

For the purpose of the cash flow statement, cash and cash equivalents comprise cash and bank balances and short-term highly liquid investments with an original maturity of three months or less. 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 rate 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.

***Deferred consideration***

Deferred consideration is recognised at the discounted present value of amounts payable. Subsequent to initial recognition, it is rebased over the period in which the consideration is payable, with the unwinding of the discount being taken to the statement of comprehensive income as an interest expense.

### 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 values 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 reporting period end 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 statement of comprehensive income 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 statement of comprehensive income 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
The Group has two operating segments, Private Wealth Management and Corporate Broking.

The Private Wealth Management division offers investment management advice and services to individuals and contains our Wealth Planning business, giving advice on and acting as intermediary for a range of financial products. The Corporate Broking 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") and 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.

All divisions are located in the UK or the Isle of Man. Each reportable segment has a segment manager who is directly accountable to and maintains regular contact with the Chief Executive Officer.

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 2015 | Private Wealth Management £'000 | Corporate Broking £'000 | Head Office £'000 | Other Group Companies £'000 | Group £'000 |
|---|---|---|---|---|---|
| **Revenue** | **20,594** | **9,936** | **—** | **354** | **30,884** |
| **Segment result** | **445** | **414** | **(1,200)** | **289** | **(52)** |
| Executive Board cost | 286 | 286 | (786) | 214 | — |
| Other Income | — | — | — | — | — |
| Investment losses | (8) | (82) | — | 1 | (89) |
| Fair value losses on investments | (12) | (173) | — | — | (185) |
| Finance income | 19 | — | — | 2 | 21 |
| Finance expense | (13) | (6) | — | (22) | (41) |
| **Profit/(loss) before tax** | **717** | **439** | **(1,986)** | **484** | **(346)** |
| Tax expense | (175) | (107) | — | (53) | (335) |
| **Profit/(loss) for the year** | **542** | **332** | **(1,986)** | **431** | **(681)** |

### 5. Segment information continued

| Year ended 30 November 2014 | Private Wealth Management £'000 | Corporate Broking £'000 | Head Office £'000 | Other Group Companies £'000 | Group £'000 |
|---|---|---|---|---|---|
| Revenue | 20,328 | 9,538 | — | 177 | 30,043 |
| Segment result | 229 | 616 | — | (155) | 690 |
| Executive Board cost | 347 | 347 | (897) | 203 | — |
| Other Income | 12 | — | — | — | 12 |
| Investment gains | — | (2) | — | — | (2) |
| Fair value gains on investments | (24) | (197) | — | — | (221) |
| Finance income | 22 | 1 | — | 2 | 25 |
| Finance expense | (17) | (6) | — | (25) | (48) |
| Profit/(loss) before tax | 570 | 759 | (897) | 25 | 456 |
| Tax (expense)/income | (31) | (181) | — | 93 | (119) |
| Profit/(loss) for the year | 539 | 578 | (897) | 118 | 337 |

Segment assets and segment liabilities are reviewed by the Chief Executive Officer in a consolidated statement of financial position. Accordingly this information is replicated in the Group Consolidated Statement of Financial Position on page 21. As no measure of assets or liabilities for individual segments is reviewed regularly by the Chief Executive Officer, 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)/profit

| Group | **Year ended 30 November 2015 £'000** | Year ended 30 November 2014 £'000 |
|---|---|---|
| **Operating (loss)/profit is stated after charging/(crediting):** | | |
| Depreciation of property, plant and equipment | **308** | 306 |
| Impairment of goodwill | **—** | 142 |
| Amortisation of intangibles | **2** | 26 |
| Operating lease rentals – property | **472** | 440 |
| Operating lease rentals – vehicles and equipment | **45** | 1 |
| Employee benefit expense (note 7) | **19,805** | 18,875 |
| Regulatory fine (note 24) | **1,200** | — |
| Restructuring and non-recurring legal and regulatory costs | **—** | 758 |
| Other administrative expenses | **9,005** | 8,707 |
| | | |
| **Auditors' remuneration:** | | |
| Audit of these financial statements | **18** | 17 |
| Amounts payable to the principal auditors and their associates in respect of: | | |
| – audit of financial statements of subsidiaries pursuant to legislation | **66** | 58 |
| – audit related assurance services | **15** | 23 |
| **Total** | **30,936** | 29,353 |

Other administrative expenses are incurred in the ordinary course of the business and do not include any non-recurring items.

# Notes to the financial statements
**For the year ended 30 November 2015**

## 7. Employee benefit expense

| Group | **Year ended 30 November 2015 £'000** | Year ended 30 November 2014 £'000 |
|---|---|---|
| Wages and salaries | **11,172** | 10,123 |
| Bonuses | **2,999** | 3,112 |
| Social security costs | **1,735** | 1,582 |
| Other pension costs | **574** | 450 |
| | **16,480** | 15,267 |
| Shared commission agents | **3,114** | 3,403 |
| | **19,594** | 18,670 |
| Share options granted to employees (note 30) | **211** | 205 |
| | **19,805** | 18,875 |

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

| | **Year ended 30 November 2015** | Year ended 30 November 2014 |
|---|---|---|
| Executive and senior management | **10** | 9 |
| Corporate Broking | **36** | 34 |
| Private Wealth Management | **84** | 79 |
| Support staff | **82** | 78 |
| Salaried staff | **212** | 200 |
| Shared commission agents | **19** | 32 |
| **Total** | **231** | 232 |

Shared commission agents are commission-only brokers and therefore do not receive a salary.

The total amount paid to Directors in the year, including social security costs was £0.8m (2014: £0.9m). Full details of Directors' remuneration, including that of the highest paid Director, are disclosed in the Remuneration Report on pages 14 to 17 of these financial statements.

## 8. Finance income and expense

| Group | **Year ended 30 November 2015 £'000** | Year ended 30 November 2014 £'000 |
|---|---|---|
| Bank interest receivable | **21** | 24 |
| Other interest | **—** | 1 |
| **Finance income** | **21** | 25 |
| | | |
| Interest payable on bank loans | **22** | 25 |
| Interest payable on finance leases | **18** | 17 |
| Other interest | **1** | 6 |
| **Finance expense** | **41** | 48 |

### 9. Tax expense

| Group | **Year ended 30 November 2015 £'000** | Year ended 30 November 2014 £'000 |
|---|---|---|
| Current tax expense: | | |
| United Kingdom corporation tax at 20.33% (2014: 21.67%) | **292** | 292 |
| Adjustment in respect of prior years | **61** | (4) |
| | **353** | 288 |
| Deferred tax expense (note 18): | | |
| Current year | **(57)** | (182) |
| Effect of change in tax rate | **20** | 2 |
| Adjustments in respect of prior years | **19** | 11 |
| | **(18)** | (169) |
| **Total tax expense in the statement of comprehensive income** | **335** | 119 |

The tax expense for the year and the amount calculated by applying the standard United Kingdom corporation tax rate of 20.33% (2014: 21.67%) to profit before tax can be reconciled as follows:

| Group | **Year ended 30 November 2015 £'000** | Year ended 30 November 2014 £'000 |
|---|---|---|
| (Loss)/profit before tax | **(346)** | 456 |
| Tax expense using the United Kingdom corporation tax rate of 20.33% (2014: 21.67%) | **(70)** | 99 |
| Other expenses not tax deductible | **393** | 126 |
| Income not chargeable to tax | **(90)** | (6) |
| Impact of share options | **(34)** | (25) |
| Revaluation of investments | **(26)** | (156) |
| Adjustments in respect of prior years | **80** | 7 |
| Difference in overseas tax rates | **62** | 75 |
| Effect of other tax rates/credits | **20** | 2 |
| Effect of marginal relief | **—** | (3) |
| **Total tax expense in the statement of comprehensive income** | **335** | 119 |

### 10. Dividends

A final dividend of 2p per share was paid during the year in respect of 2014. No dividend is proposed in respect of 2015.

# Notes to the financial statements
**For the year ended 30 November 2015**

### 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. In a year when the company presents positive earnings attributable to ordinary shareholders, 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 2015 000's** | Year ended 30 November 2014 000's |
|---|---|---|
| Weighted average number of shares in issue during the period | **24,287** | 23,763 |
| Effect of dilutive share options | **705** | 1,308 |
| | **24,992** | 25,071 |
| | **£'000** | £'000 |
| Earnings attributable to ordinary shareholders | **(681)** | 337 |
| **Basic EPS** | | |
| Continuing operations | **(2.81)p** | 1.42p |
| **Diluted EPS** | | |
| Continuing operations | **(2.81)p** | 1.34p |

### 12. Property, plant and equipment

| Group | **Freehold Property £'000** | **Computers, fixtures and fittings £'000** | **Total £'000** |
|---|---|---|---|
| **Cost** | | | |
| At 1 December 2013 | 6,394 | 3,128 | 9,522 |
| Additions | — | 261 | 261 |
| At 30 November 2014 | 6,394 | 3,389 | 9,783 |
| Additions | — | 74 | 74 |
| **At 30 November 2015** | **6,394** | **3,463** | **9,857** |
| **Depreciation and impairment** | | | |
| At 1 December 2013 | 1,644 | 2,238 | 3,882 |
| Charge for the year | — | 306 | 306 |
| At 30 November 2014 | 1,644 | 2,544 | 4,188 |
| Charge for the year | — | 308 | 308 |
| **At 30 November 2015** | **1,644** | **2,852** | **4,496** |
| **Net book values** | | | |
| **At 30 November 2015** | **4,750** | **611** | **5,361** |
| At 30 November 2014 | 4,750 | 845 | 5,595 |
| At 30 November 2013 | 4,750 | 890 | 5,640 |

Bank borrowings are secured on freehold property for the value of £1,167,926 (2014: £1,343,215) (note 23).

The valuation of the property has been performed under the intrinsic method on the basis of rental returns. The freehold property at 11 St James's Square, Manchester was valued by Lambert Smith Hampton as at 30 November 2013. They reported that its Market Value, as defined in the Valuation Standards of the Royal Institute of Chartered Surveyors, was £4.75m. At 30 November 2015, the carrying value of the freehold property on a historical cost basis less accumulated depreciation amounted to £5,528,906 (2014: £5,626,796).

At 30 November 2015, the carrying value of property, plant and equipment held under finance leases amounted to £139,488 (2014: £258,118).

### 12. Property, plant and equipment continued

| Company | Computers, fixtures and fittings £'000 | Total £'000 |
|---|---|---|
| **Cost** | | |
| At 1 December 2013 | 32 | 32 |
| Additions | 1 | 1 |
| At 30 November 2014 | 33 | 33 |
| Additions | — | — |
| **At 30 November 2015** | **33** | **33** |
| **Depreciation and impairment** | | |
| At 1 December 2013 | 1 | 1 |
| Charge for the year | 9 | 9 |
| At 30 November 2014 | 10 | 10 |
| Charge for the year | 7 | 7 |
| **At 30 November 2015** | **17** | **17** |
| **Net book values** | | |
| **At 30 November 2015** | **16** | **16** |
| At 30 November 2014 | 23 | 23 |
| At 30 November 2013 | 31 | 31 |

### 13. Goodwill

| Group | Year ended 30 November 2015 £'000 | Year ended 30 November 2014 £'000 |
|---|---|---|
| Beginning of year | **258** | 400 |
| Impairment | — | (142) |
| **End of year** | **258** | 258 |

***Impairment tests for goodwill***

Goodwill of the Group is allocated to the following CGUs (Cash Generating Unit):

| | Stockholm Investments Ltd £'000 | Total £'000 |
|---|---|---|
| At 1 December 2013 | 400 | 400 |
| Impairment | (142) | (142) |
| At 30 November 2014 | 258 | 258 |
| Impairment | — | — |
| **At 30 November 2015** | 258 | 258 |

The Group tests at least annually for goodwill impairment. The recoverable amount of a CGU is determined based on value-in-use calculations as it is considered to be higher than its fair value less costs to sell. 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 (2014: 2%) and 0% for costs (2014:0%). This is then adjusted for the anticipated wind-down in the client books acquired at 5% per annum. This net cash flow is then discounted by an appropriate cost of capital of 5% (2014: 10%) in order to estimate their present value.

### 13. Goodwill continued

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.

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 reporting period end 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 book. However, if this were to grow to a wind-down of 14% per annum, the recoverable amount after five years would be £nil.

### 14. Intangible assets

| | Client relationships £'000 |
|---|---|
| **Cost** | |
| At 1 December 2013 | 1,161 |
| Additions | — |
| At 30 November 2014 | 1,161 |
| Additions | 3,125 |
| **At 30 November 2015** | **4,286** |
| | |
| **Amortisation** | |
| At 1 December 2013 | 672 |
| Charge for the year | 26 |
| At 30 November 2014 | 698 |
| Charge for the year | 2 |
| **At 30 November 2015** | **700** |
| | |
| **Net book values** | |
| **At 30 November 2015** | **3,586** |
| At 30 November 2014 | 463 |
| At 30 November 2013 | 489 |

The addition to client relationships relates to the purchase of client books within WH Ireland Limited and are valued at the estimated discounted amount payable (note 25).

### 15. Subsidiaries

| **Company** | **Year ended 30 November 2015 £'000** | Year ended 30 November 2014 £'000 |
|---|---|---|
| Beginning of year | **1,711** | 1,828 |
| Additions | — | 25 |
| Impairment | — | (142) |
| **End of year** | **1,711** | 1,711 |

Investments in subsidiaries are stated at cost less impairment.

### 15. Subsidiaries

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 | Wealth Management and Corporate Broking | Ordinary | 100% | 100% |
| WH Ireland (IOM) Limited | Isle of Man | Wealth Management | 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% |
| 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 | Nominee | Ordinary | 100% | — |
| WH Ireland Trustee Limited | England & Wales | Trustee | Ordinary | 100% | — |
| Fitel Nominees Limited | England & Wales | Nominee | Ordinary | 100% | — |

### 16. Investments

***Group***

| **Available-for-sale investments** | Quoted £'000 | Unquoted £'000 | Total £'000 |
|---|---|---|---|
| At 1 December 2013 | — | 347 | 347 |
| Fair value loss | — | (100) | (100) |
| Net transfers out | — | (149) | (149) |
| Disposals | — | (5) | (5) |
| At 30 November 2014 | — | 93 | 93 |
| Fair value loss | — | (53) | (53) |
| **At 30 November 2015** | **—** | **40** | **40** |

| **Other investments** | Quoted £'000 | Warrants £'000 | Total £'000 |
|---|---|---|---|
| At 30 November 2013 | 76 | 24 | 100 |
| Additions | 75 | 347 | 422 |
| Fair value gain/(loss) | 52 | (167) | (115) |
| Net transfers in | 149 | — | 149 |
| Disposals | (68) | (2) | (70) |
| At 30 November 2014 | 284 | 202 | 486 |
| Additions | 781 | 553 | 1,334 |
| Fair value gain/(loss) | (137) | (459) | (596) |
| Disposals | (788) | (116) | (904) |
| **At 30 November 2015** | **140** | **180** | **320** |
| **Total investments at 30 November 2015** | **140** | **220** | **360** |
| Total investments at 30 November 2014 | 284 | 295 | 579 |

There was a transfer of £172k from unquoted investments to quoted investments and a transfer of £23k from quoted investments to unquoted investments during the previous year.

Available-for-sale investments include equity investments other than those in subsidiary undertakings. 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 and include warrants and equity investments. 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 statement of comprehensive income.

Warrants may be received during the ordinary course of business and are designated as fair value through profit or loss. There is no cash consideration associated with the acquisition.

### 16. Investments continued

Fair value, in the case of quoted investments, represents the bid price at the reporting period end 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.

### 17. Subordinated Loan

| Company | **Year ended 30 November 2015 £'000** | Year ended 30 November 2014 £'000 |
|---|---|---|
| Beginning of year | 500 | — |
| Additions | 350 | 500 |
| **End of year** | **850** | 500 |

An interest free, subordinated loan was issued to WH Ireland (IOM) Limited on 31 March 2014 and a further advance of £350k was made during the year.

### 18. Deferred tax assets and liabilities

Deferred tax is provided for temporary differences, at the reporting period end date, between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes using a tax rate of 20.33% (2014: 21.67%). A deferred tax asset is recognised for all deductible temporary differences and unutilised 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** | **2015 £'000** | 2014 £'000 | **2015 £'000** | 2014 £'000 |
| Property, plant and equipment | **36** | 85 | **(93)** | (95) |
| Intangible assets | **189** | 228 | **—** | — |
| Share options | **73** | 47 | **—** | — |
| Available-for-sale investments | **—** | — | **(3)** | (29) |
| Provisions | **—** | — | **(30)** | (81) |
| | **298** | 360 | **(126)** | (205) |

| | Deferred tax assets | | Deferred tax liabilities | |
|---|---|---|---|---|
| **Company** | **2015 £'000** | 2014 £'000 | **2015 £'000** | 2014 £'000 |
| Share options | **73** | 47 | — | — |
| Property, plant and equipment | **—** | 1 | — | — |
| | **73** | 48 | — | — |

Movements in deferred tax are shown below:

| Group | At 1 December 2013 £'000 | Recognised in income statement £'000 | Recognised in equity £'000 | At 30 November 2014 £'000 | **Recognised in income statement £'000** | **Recognised in equity £'000** | **At 30 November 2015 £'000** |
|---|---|---|---|---|---|---|---|
| Property, plant and equipment | 21 | (31) | — | (10) | **(47)** | **—** | **(57)** |
| Intangible assets | 243 | (15) | — | 228 | **(37)** | **—** | **191** |
| Share options | 24 | 23 | — | 47 | **(78)** | **—** | **(31)** |
| Available-for-sale investments | (186) | 157 | — | (29) | **26** | **—** | **(3)** |
| Provisions | (117) | 36 | — | (81) | **153** | **—** | **72** |
| Tax losses | — | — | — | — | | **—** | |
| | **(15)** | **170** | **—** | **155** | **17** | **—** | **172** |

| Company | At 1 December 2013 £'000 | Recognised in income statement £'000 | At 30 November 2014 £'000 | **Recognised in income statement £'000** | **At 30 November 2015 £'000** |
|---|---|---|---|---|---|
| Share options | 24 | 23 | 47 | **26** | **73** |
| Property, plant and equipment | — | 1 | 1 | **(1)** | **—** |
| | 24 | 24 | 48 | **25** | **73** |

### 19. Trade and other receivables

| | Group | | Company | |
|---|---|---|---|---|
| | **30 November 2015 £'000** | 30 November 2014 **£'000** | **30 November 2015 £'000** | 30 November 2014 **£'000** |
| Trade receivables | **20,197** | 34,972 | **—** | — |
| Amounts due from Group companies | **—** | — | **4,661** | 4,540 |
| Other receivables | **340** | 374 | **12** | 7 |
| Prepayments and accrued income | **2,775** | 2,999 | **39** | 43 |
| | **23,312** | 38,345 | **4,712** | 4,590 |

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 2014, trade receivables (net of provisions for impairment and doubtful debts) comprised the following:

| | Group | | Company | |
|---|---|---|---|---|
| | **30 November 2015 £'000** | 30 November 2014 £'000 | **30 November 2015 £'000** | 30 November 2014 £'000 |
| Not past due | **19,278** | 32,374 | **—** | — |
| Up to 5 days past due | **88** | 850 | **—** | — |
| From 6 to 15 days past due | **11** | 171 | **—** | — |
| From 16 to 30 days past due | **262** | 267 | **—** | — |
| From 31 to 45 days past due | **65** | 646 | **—** | — |
| More than 45 days past due | **493** | 664 | **—** | — |
| | **20,197** | 34,972 | **—** | — |

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 2015, £180k (2014: £272k) of the Group's trade receivable balances were impaired and provided for.

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 reporting period end date was £24.2m (2014: £8.9m).

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 2015 £'000** | 30 November 2014 £'000 | **30 November 2015 £'000** | 30 November 2014 £'000 |
| At 1 December | **272** | 964 | **—** | — |
| Amount released from provision due to recovery | **(229)** | (276) | **—** | — |
| Amounts written off, previously fully provided | **(215)** | (760) | **—** | — |
| Amount charged to the statement of comprehensive income | **352** | 344 | **—** | — |
| **At 30 November** | **180** | 272 | **—** | — |

### 19. Trade and other receivables continued

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

| | Group | | Company | |
|---|---|---|---|---|
| | **30 November 2015 £'000** | 30 November 2014 £'000 | **30 November 2015 £'000** | 30 November 2014 £'000 |
| Sterling | **23,085** | 37,322 | **4,712** | 4,590 |
| Euro | **95** | 16 | **—** | — |
| US Dollar | **74** | 641 | | |
| Other | **58** | 366 | **—** | — |
| | **23,312** | 38,345 | **4,712** | 4,590 |

### 20. Other investments

| | Group | | Company | |
|---|---|---|---|---|
| | **30 November 2015 £'000** | 30 November 2014 £'000 | **30 November 2015 £'000** | 30 November 2014 £'000 |
| Current asset investment | **1,932** | 890 | **—** | — |

These represent short-term principal positions taken on behalf of clients as at 30 November 2015 and are held at market value. No tax was payable at that value.

### 21. Cash and cash equivalents

| | Group | | Company | |
|---|---|---|---|---|
| | **30 November 2015 £'000** | 30 November 2014 £'000 | **30 November 2015 £'000** | 30 November 2014 £'000 |
| Cash and cash equivalents | **8,176** | 7,490 | **—** | — |

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

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

Money held on behalf of clients is not included in the statement of financial position. Client money at 30 November 2015 for the Group was £97,579k (2014: £107,168k). There is no client money held in the Company (2014: £nil).

### 22. Trade and other payables

| | Group | | Company | |
|---|---|---|---|---|
| | **30 November 2015 £'000** | 30 November 2014 £'000 | **30 November 2015 £'000** | 30 November 2014 £'000 |
| Trade payables | **19,976** | 33,538 | **—** | — |
| Amounts due to Group companies | **—** | — | **968** | 435 |
| Other payables | **928** | 1,425 | **32** | 22 |
| Tax and social security | **549** | 578 | **—** | — |
| Accruals and deferred income | **2,606** | 2,378 | **40** | 47 |
| | **24,059** | 37,919 | **1,040** | 504 |

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

### 23. Borrowings

| | Group | | Company | |
|---|---|---|---|---|
| | **30 November 2015 £'000** | 30 November 2014 £'000 | **30 November 2015 £'000** | 30 November 2014 £'000 |
| Bank loans | **1,173** | 1,348 | **1,173** | 1,348 |

The Company has a £3m property loan with the Bank of Scotland, repayable over twenty years at 1.25% above base rate. The loan was drawn down on 4 February 2002. The Bank has a floating charge over the assets of the other trading subsidiaries of the Group.

This bank loan, at floating interest rates, exposes 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.

### 23. Borrowings

Bank loans are repayable as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **30 November 2015 £'000** | 30 November 2014 £'000 | **30 November 2015 £'000** | 30 November 2014 £'000 |
| Within one year | **179** | 179 | **179** | 179 |
| Within two to five years | **701** | 789 | **701** | 789 |
| After five years | **293** | 380 | **293** | 380 |
| | **1,173** | 1,348 | **1,173** | 1,348 |

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

### 24. Provisions

| Group | IFA clawback provision £'000 | Complaints provision £'000 | Regulatory fine £'000 | Total £'000 |
|---|---|---|---|---|
| At 1 December 2014 | 21 | 189 | — | 210 |
| Provided during the year | — | — | 1,200 | 1,200 |
| Utilised during the year | — | (189) | — | (189) |
| **At 30 November 2015** | **21** | **—** | **1,200** | **1,221** |

| | **30 November 2015 £'000** | 30 November 2014 £'000 |
|---|---|---|
| Provisions included in current liabilities | **1,200** | 189 |
| Provisions included in non-current liabilities | **21** | 21 |
| | **1,221** | 210 |

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.

The Regulatory fine relates to an FCA enforcement investigation which was instigated in April 2014 and concluded in February 2016. See note 34 for additional information.

### 25. Deferred consideration

Deferred consideration represents the amounts payable over a three year period from September 2016 to October 2019, for certain client relationships (note 14).

| Group | Client relationships £'000 |
|---|---|
| At 1 December 2014 | — |
| Acquired during the year | 3,125 |
| **At 30 November 2015** | **3,125** |

| | **30 November 2015 £'000** | 30 November 2014 £'000 |
|---|---|---|
| Included in current liabilities | **262** | — |
| Included in non-current liabilities | **2,863** | — |
| | **3,125** | — |

### 26. Financial risk management

The fair value of all of the Group's and the Company's financial assets and liabilities approximated its carrying value at the reporting period end date. The carrying amount of non-current financial instruments, including floating interest rate borrowing, is not significantly different from the fair value of these instruments based on discounted cash flows.

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 reporting period end 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 reporting period end 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.

***Trade receivables and payables***

The carrying value less impairment provision of trade receivables and payables is assumed to approximate their fair values due to their short-term nature.

***Borrowings***

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

The tables below summarise the Group's main financial instruments by financial asset type:

| | 30 November 2015 | | | |
|---|---|---|---|---|
| **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 | **—** | **40** | **—** | **40** |
| Other investments | **—** | **—** | **320** | **320** |
| Trade and other receivables | **23,312** | **—** | **—** | **23,312** |
| Cash and cash equivalents | **8,176** | **—** | **—** | **8,176** |
| **Financial liabilities** | | | | |
| Trade and other payables | **23,143** | **—** | **—** | **23,143** |
| Finance leases | **119** | **—** | **—** | **119** |
| Borrowings | **1,173** | **—** | **—** | **1,173** |
| Accruals | **316** | **—** | **—** | **316** |
| Deferred consideration | **3,125** | **—** | **—** | **3,125** |
| Provisions | **1,221** | **—** | **—** | **1,221** |

| | 30 November 2014 | | | |
|---|---|---|---|---|
| **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 | — | 93 | — | 93 |
| Other investments | — | — | 486 | 486 |
| Trade and other receivables | 38,345 | — | — | 38,345 |
| Cash and cash equivalents | 7,490 | — | — | 7,490 |
| **Financial liabilities** | | | | |
| Trade and other payables | 37,012 | — | — | 37,012 |
| Finance leases | 228 | — | — | 228 |
| Borrowings | 1,348 | — | — | 1,348 |
| Accruals | 347 | — | — | 347 |
| Provisions | 210 | — | — | 210 |

### 26. Financial risk management continued

The tables below summarise the Company's main financial instruments by financial asset type:

| | 30 November 2015 | | | |
|---|---|---|---|---|
| **Company** | **Amortised cost £'000** | **Held at fair value as available-for-sale assets £'000** | **Fair value through profit or loss £'000** | **Total £'000** |
| **Financial assets** | | | | |
| Subordinated Loan | **850** | **—** | **—** | **850** |
| Trade and other receivables | **4,712** | **—** | **—** | **4,712** |
| **Financial liabilities** | | | | |
| Trade and other payables | **1,040** | **—** | **—** | **1,040** |
| Borrowings | **1,173** | **—** | **—** | **1,173** |

| | 30 November 2014 | | | |
|---|---|---|---|---|
| **Company** | Amortised cost £'000 | Held at fair value as available-for-sale assets £'000 | Fair value through profit or loss £'000 | Total £'000 |
| **Financial assets** | | | | |
| Subordinated Loan | 500 | — | — | 500 |
| Trade and other receivables | 4,590 | — | — | 4,590 |
| **Financial liabilities** | | | | |
| Trade and other payables | 504 | — | — | 504 |
| Borrowings | 1,348 | — | — | 1,348 |

***Risks***

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 statement of financial position figure. Impairment policy and information on collateral held against trade receivables can be found in note 19. There were no other past due, impaired or unsecured debtors.

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 risk management 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 where necessary, which are reviewed annually with the Group's Banker, the Bank of Scotland. Items considered are limits in place with counterparties which the bank are required to guarantee, payment facility limits, as well as the need for any additional borrowings.

The Directors most recently renewed the Group's banking facilities in February 2016. As an evergreen facility there is no requirement to update the agreement annually, although a formal review of facilities is undertaken at least annually.

The table below summarises the maturity profile of the Group's financial liabilities at 30 November 2015 based on contractual undiscounted payments:

| | **At 30 November 2015** | | | |
|---|---|---|---|---|
| **Group** | **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 | **23,143** | **—** | **—** | **23,143** |
| Finance leases | **136** | **—** | **—** | **136** |
| Borrowings | **202** | **790** | **331** | **1,323** |
| Accruals | **—** | **316** | **—** | **316** |
| Deferred consideration | **262** | **2,863** | **—** | **3,125** |
| Other financial liabilities | **1,200** | **21** | **—** | **1,221** |
| | **24,943** | **3,990** | **331** | **29,264** |

| | At 30 November 2014 | | | |
|---|---|---|---|---|
| Group | 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 | 37,012 | — | — | 37,012 |
| Borrowings | 202 | 790 | 437 | 1,429 |
| Finance leases | 136 | 125 | — | 261 |
| Other financial liabilities | 189 | 21 | — | 210 |
| | 37,539 | 936 | 437 | 38,912 |

The table below summarises the maturity profile of the Company's financial liabilities at 30 November 2015 based on contractual undiscounted payments:

| | **At 30 November 2015** | | | |
|---|---|---|---|---|
| **Company** | **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 | **1,040** | **—** | **—** | **1,040** |
| Borrowings | **202** | **790** | **331** | **1,323** |
| | **1,242** | **790** | **331** | **2,363** |

| | At 30 November 2014 | | | |
|---|---|---|---|---|
| Company | 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 | 504 | — | — | 504 |
| Borrowings | 202 | 790 | 437 | 1,429 |
| | 706 | 790 | 437 | 1,933 |

### 26. Financial risk management continued

*Market Risk*

*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 maximum exposure to currency risks is not significant and therefore sensitivity analysis has not been performed.

*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 2015 if bank base rates had been 100 basis points higher, profit for the year would have been approximately £13k (2014: £14k) 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 other 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 £360k (2014: £579k).

*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).

| | **At 30 November 2015** | | | |
|---|---|---|---|---|
| | **Level 1 £'000** | **Level 2 £'000** | **Level 3 £'000** | **Total £'000** |
| **Financial investments available for sale** | | | | |
| Unquoted equities | **—** | **—** | **40** | **40** |
| **Financial instruments designated at fair value through profit and loss** | | | | |
| Quoted equities | **140** | **—** | **—** | **140** |
| Other investments | **—** | **—** | **180** | **180** |
| **Total** | **140** | **—** | **220** | **360** |

| | At 30 November 2014 | | | |
|---|---|---|---|---|
| | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
| **Financial investments available for sale** | | | | |
| Unquoted equities | — | — | 93 | 93 |
| **Financial instruments designated at fair value through profit and loss** | | | | |
| Quoted equities | 284 | — | — | 284 |
| Other investments | — | — | 202 | 202 |
| Total | 284 | — | 295 | 579 |

There was a transfer of £nil (2014:£172k) from level 3 to level 1 and a transfer of £nil (2014:£24k) from level 1 to level 3 during the year.

### 26. Financial risk management continued

| | Unquoted equities £'000 | Other investments £'000 |
|---|---|---|
| Balance at 1 December 2013 | 347 | 24 |
| Total gains or losses in statement of comprehensive income | (100) | (167) |
| Purchases | — | 347 |
| Settlements | (5) | (2) |
| Transfer out | (172) | — |
| Transfer in | 23 | — |
| Balance at 30 November 2014 | 93 | 202 |
| Total gains or losses in statement of comprehensive income | (53) | (459) |
| Purchases | — | 553 |
| Settlements | — | (116) |
| Transfer out | — | — |
| Transfer in | — | — |
| **Balance at 30 November 2015** | **40** | **180** |

### 27. Capital management

The capital of the Group comprises share capital, share premium, retained earnings and other reserves. The total capital at 30 November 2015 amounted to £12.9m for the Group (2014: £13.4m) and £5.9m for the Company (2014: £5.8m). 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 FCA which is the statutory regulator for financial services business and has responsibility for policy, monitoring and discipline for the financial services industry. The FCA 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 FCA 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. See note 34 for further detail.

### 28. Treasury shares

| **Group** | **Year ended 30 November 2015 £'000** | Year ended 30 November 2014 £'000 |
|---|---|---|
| At 1 December | **763** | 782 |
| Disposals (note 29) | **(32)** | (19) |
| At 30 November | **731** | 763 |

At 30 November 2015 no shares in the Company were held in Treasury (2014: nil shares). At 30 November 2015 no shares in the Company were held in the EBT (2014: nil shares) and the ESOT held 1,989,500 shares (2014: 2,077,000). This represents 8% of the called up share capital (2014: 9%).

### 29. Employee Benefit Trusts

The WH Ireland EBT was established in October 1998 and the WH Ireland Group plc Employee Share Ownership Trust (ESOT) was established in October 2011, both for the purpose of holding and distributing shares in the Company for the benefit of the employees. All costs of the EBT and ESOT are borne by the Company or its subsidiary WH Ireland Limited.

Joint Ownership Arrangements (the "JOE Agreements") are in place in relation to 1,650,000 shares between the trustees of the ESOT and a number of employees including RW Killingbeck and DJ Cowland (the "Employees"). Under the JOE Agreements, the option for the Employees to acquire the interest that the trustees of the ESOT has in the jointly owned shares, lapses when an employee is deemed to be a Bad Leaver. If an Employee ceases to be an employee of the Group, other than in the event of critical illness or death, the Employee is deemed to be a Bad Leaver.

A further 427,000 shares were held by the ESOT at the start of the year, with 87,500 of those being issued to satisfy the exercise of share options during the year. At 30 November 2015 the ESOT therefore held 339,500 shares, not under a JOE Arrangement.

The shares carry dividend and voting rights, although these have been waived by all parties to the New JOE Agreements. Due to the consolidation of the ESOT into the Group accounts, these shares are shown in Treasury (note 28). Due to the nature of these arrangements, the options contained in the JOE Agreements are accounted for as share based payments (note 30).

### 30. Share-based payments

The Group had three schemes for the granting of non-transferable options to employees during the reporting period; the approved Company Share Ownership Plan (CSOP) and two Save as You Earn Schemes (SAYE and SAYE 2). In addition, options are held in the ESOT (note 29). Details of these schemes can be found in the Remuneration Report on pages 14 to 17. SAYE matured during the period.

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

| | 30 November 2015 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **CSOP** | | **SAYE** | | **ESOT** | | **SAYE 2** | |
| | **Options** | **WAEP** | **Options** | **WAEP** | **Options** | **WAEP** | **Options** | **WAEP** |
| Outstanding at beginning of year | 493,316 | 65.74p | 606,352 | 46.00p | 1,650,000 | 78.14p* | 448,658 | 49.20p |
| Granted | — | — | — | — | — | — | — | — |
| Expired/forfeited | (5,000) | 84.50p | (391) | 46.00p | — | — | (71,949) | 49.20p |
| Exercised | (107,500) | 65.31p | (605,961) | 46.00p | — | — | (4,878) | 49.20p |
| **Outstanding at end of year** | **380,816** | **65.62p** | — | — | **1,650,000** | **78.14p*** | **371,831** | **49.20p** |
| **Exercisable at end of year** | **380,816** | **65.62p** | — | — | — | — | — | — |

| | 30 November 2014 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | ESOP | | CSOP | | SAYE | | ESOT | | SAYE 2 | |
| | Options | WAEP | Options | WAEP | Options | WAEP | Options | WAEP | Options | WAEP |
| Outstanding at beginning of year | 125,000 | 71.20p | 785,985 | 66.22p | 736,263 | 46.00p | 1,500,000 | 74.50p* | 481,217 | 49.20p |
| Granted | — | — | — | — | — | — | 150,000 | 114.50p | (5,487) | 49.20p |
| Expired/forfeited | — | — | (241,669) | 69.14p | (115,238) | 46.00p | — | — | (27,072) | 49.20p |
| Exercised | (125,000) | 71.20p | (51,000) | 57.00p | (14,673) | 46.00p | — | — | — | — |
| Outstanding at end of year | — | — | 493,316 | 65.74p | 606,352 | 46.00p | 1,650,000 | 78.14p* | 448,658 | 49.20p |
| Exercisable at end of year | — | — | 493,316 | 65.74p | — | — | — | — | — | — |

*The weighted average exercise price for the 1,500,000 share options may vary if certain performance conditions are met.

## 30. Share-based payments continued

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

| | 30 November 2015 | | |
|---|---|---|---|
| | CSOP | ESOT | SAYE 2 |
| Pricing model | Black Scholes | Monte Carlo | Black Scholes |
| Date of grant | 02/11/11-24/05/12 | 28/10/13 | 01/05/13 |
| Share price at grant(p) | 56.5-83.0 | 74.5-114.50 | 60.0 |
| Exercise price (p) | 57.0-84.5 | 0.0-114.5 | 49.2 |
| Expected volatility (%) | 32.6332-33.2130 | 40.0000-39.0000 | 41.6919 |
| Expected life (years) | 5 | 5 | 3 |
| Risk-free rate (%) | 1.2993-0.7999 | 1.1900-1.9300 | 0.3106 |
| Expected dividend yield (%) | 0.00 | 0.67-1.29 | 0.83 |

| | 30 November 2014 | | | | | |
|---|---|---|---|---|---|---|
| | ESOP | CSOP | SAYE | ESOT | ESOT | SAYE 2 |
| Pricing model | Binomial | Black Scholes | Black Scholes | Black Scholes | Monte Carlo | Black Scholes |
| Date of grant | 17/03/04-16/04/08 | 02/11/11-24/05/12 | 24/11/11 | 06/09/10 | 28/10/13 | 01/05/13 |
| Share price at grant(p) | 70.5-102.5 | 56.5-83.0 | 49.5 | 37.0 | 74.5-114.50 | 60.0 |
| Exercise price (p) | 70.0-108.0 | 57.0-84.5 | 46.0 | 36.8 | 0.0-114.5 | 49.2 |
| Expected volatility (%) | 35.9234-38.6057 | 32.6332-33.2130 | 35.1465 | 34.2086 | 40.0000-39.0000 | 41.6919 |
| Expected life (years) | 5 | 5 | 3 | 5 | 5 | 3 |
| Risk-free rate (%) | 4.166-5.135 | 1.2993-0.7999 | 1.2121 | 1.8875 | 1.1900-1.9300 | 0.3106 |
| Expected dividend yield (%) | 3.31-4.41 | 0.00 | 0.00 | 0.00 | 0.67-1.29 | 0.83 |

The weighted average share price at the date of exercise, of the options exercised during 2015 was 99.45p.

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 (2014: 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 a total net debit of £211k during the year (2014: £205k), relating to share-based payment transactions.

## 31. Leasing commitments

### Finance leases

The net carrying value of these assets at 30 November 2015 was £139,488 (2014: £228,341).

| **Group** | Minimum Lease payments | | | |
|---|---|---|---|---|
| **The present value of future lease payments are analysed as:** | Capital £'000 | Interest £'000 | **2015 £'000** | 2014 £'000 |
| Within one year | 119 | 17 | **136** | 136 |
| Greater than one year but less than five years | - | - | **-** | 125 |
| **Total minimum lease payments** | 119 | 17 | **136** | 261 |
| less finance charge | | | **(17)** | (33) |
| **Present value of minimum lease payments** | | | **119** | 228 |

| **Group** | **30 November 2015 £'000** | 30 November 2014 £'000 |
|---|---|---|
| *Disclosed as:* | | |
| Current finance lease payable | **119** | 119 |
| Non-current finance lease payable | **-** | 109 |
| **Total finance lease payable** | **119** | 228 |

### 31. Leasing commitments continued
**Operating lease commitments**

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

| | Group | | Company | |
|---|---|---|---|---|
| | **30 November 2015 £'000** | 30 November 2014 £'000 | **30 November 2015 £'000** | 30 November 2014 £'000 |
| Not later than one year | **424** | 445 | **—** | — |
| Later than one year and not later than five years | **1,442** | 1,450 | **—** | — |
| Later than five years | **1,054** | 1,394 | **—** | — |
| | **2,920** | 3,289 | **—** | — |

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
Capital commitments of the Group at 30 November 2015 were £nil (2014: £4k). Capital commitments of the Company at 30 November 2015 were £nil (2014: £nil)

### 33. Related party transactions
***Group***

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 (2014: £nil) has been made for impaired receivables in respect of the amounts owed by related parties.

Key management personnel include Executive and Non-Executive Directors of WH Ireland Group plc and all its subsidiaries. They are able to undertake transactions in stocks and shares in the ordinary course of the Group's business, for their own account and are charged for this service, as with any other client. The transactions are not material to the Group in the context of its operations, but may result in cash balances on the Directors' client accounts owing to or from the Group at any one point in time. The charges made to these individuals and the cash balances owing from/due to them are disclosed in the table below. There are no other material contracts between the Group and the Directors.

Other related parties include services provided to a Group subsidiary, WH Ireland Limited, by a non-Group company in which RJG Lowe was a director.

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

| | | Services rendered to related parties £'000 | Purchases/ services from related parties £'000 | Amounts owed to related parties £'000 |
|---|---|---|---|---|
| Key management personnel | **2015** | **3** | **—** | **46** |
| | 2014 | 1 | 1 | 127 |
| Other related parties | **2015** | **—** | **2** | **—** |
| | 2014 | — | — | — |

The total compensation of key management personnel is shown below:

| | **Year ended 30 November 2015 £'000** | Year ended 30 November 2014 £'000 |
|---|---|---|
| Short-term employee benefits | **1,524** | 1,814 |
| Post-employment benefits | **84** | 103 |
| Termination benefits | **—** | 125 |
| Share-based payment | **117** | 17 |
| | **1,725** | 2,059 |

### 33. Related party transactions continued

***Company***

The Parent Company receives interest from subsidiaries in the normal course of business. Total interest received during the year was £22k (2014: £25k). In addition, the Parent Company received a management charge of £361k (2014: £442k) from its subsidiary WH Ireland Limited. WH Ireland Limited also charged the Parent Company £15k (2014: £nil) for broker services.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation. The captions in the primary statements of the Parent Company include amounts attributable to subsidiaries. These amounts have been disclosed in aggregate in the notes 19 and 22 and in detail in the following table:

| | Amounts owed by related parties | | Amounts owed to related parties | |
|---|---|---|---|---|
| | **2015 £'000** | 2014 £'000 | **2015 £'000** | 2014 £'000 |
| Readycount Limited | **4,146** | 4,121 | **—** | — |
| WH Ireland (IOM) Limited | **39** | 13 | **—** | — |
| Stockholm Investments Limited | **408** | 406 | **—** | — |
| WH Ireland Limited | **—** | — | **951** | 418 |
| WH Ireland Trustee Limited | **—** | — | **17** | 17 |
| | **4,593** | 4,540 | **968** | 435 |

### 34. Events after the reporting period

In April 2014, the FCA instigated an enforcement investigation into WH Ireland Limited, the principal operating subsidiary of WH Ireland Group plc, in respect of its control procedures required by Principle 3 of the FCA Rules of Business. The investigation was in relation to the period between 1st January 2013 until 19th June 2013.

On 23rd February 2016, the FCA issued WH Ireland Group plc with a final notice which imposed a financial penalty of £1,200,000 and a restriction on the Corporate Broking Division from taking on new clients in relation to the carrying on of its regulated activities for a period of 72 days. The effect of this restriction on the performance of the Group is unknown but, as the majority of this division's revenue is generated from its existing client base, the Directors do not believe it will be substantial.

On 23rd February 2016, WH Ireland Group plc placed 1,193,000 ordinary shares from its authorised share capital at an issue price of 90p.

On 23rd February 2016, WH Ireland Group plc subscribed for 518,425 ordinary shares in WH Ireland Limited at an issue price of £4.

**Company number: 03870190**

**WH IRELAND GROUP PLC**
**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of WH Ireland Group plc (the "**Company**") will be held at the offices of the Company, 24 Martin Lane, London EC4R 0DR on Thursday 31 March 2016 at 10.00 a.m. to consider and, if thought fit, to pass the following resolutions, of which resolutions 1 to 6 inclusive will be proposed as ordinary resolutions and resolutions 7 and 8 will be proposed as special resolutions. Resolutions 7 and 8 are items of special business.

**ORDINARY BUSINESS**

1 To receive the Company's annual accounts for the financial year ended 30 November 2015 together with the directors' report, the directors' remuneration report and the auditors' report on those accounts.

2 To re-appoint BDO LLP as auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company to be held in 2017 and to authorise the directors to fix their remuneration.

3 To re-elect R W Killingbeck, who was not appointed or reappointed at one of the preceding two annual general meetings and retires in accordance with article 28 of the articles of association of the Company and who, being eligible, offers himself for re-election as a director.

4 To re-elect REM Lee, who was not appointed or reappointed at one of the preceding two annual general meetings and retires in accordance with article 28 of the articles of association of the Company and who, being eligible, offers himself for re-election as a director.

5 To elect J H D Carey, who was appointed as a director since the last annual general meeting and retires in accordance with article 28 of the articles of association of the Company and who, being eligible, offers himself for re-election as a director.

6 That, in substitution for any equivalent existing and unexercised authorities and powers, the directors of the Company be and they are hereby generally and unconditionally authorised for the purpose of section 551 of the Companies Act 2006 (the "**Act**") to exercise all or any of the powers of the Company to allot shares of the Company or to grant rights to subscribe for, or to convert any security into, shares of the Company (such shares and rights being together referred to as "**Relevant Securities**"):-

(a) up to an aggregate nominal value of £429,078 to such persons at such times and generally on such terms and conditions as the directors may determine (subject always to the articles of association of the Company); and

(b) comprising equity securities (as defined in section 560(1) of the Act) up to an aggregate nominal amount of £858,156 (such amount to be reduced by any allotments made under paragraph (a) above) in connection with a rights issue in favour of ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings and the directors may make such arrangements or exclusions as they consider necessary or appropriate to deal with fractional entitlements or any legal or practical difficulties under the laws of any territory or the requirements of any recognised regulatory body or stock exchange in any territory,

provided that these authorities shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next annual general meeting of the Company or on the date which is 6 months after the next accounting reference date of the Company (if earlier) save that the directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require such securities to be allotted after the expiry of such period and the directors of the Company may allot such securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

## SPECIAL BUSINESS

7 That, subject to and conditional upon the passing of resolution 6 and in substitution for any equivalent existing and unexercised authorities and powers, the directors of the Company be and are hereby empowered pursuant to sections 570 and 573 of the Act to allot equity securities (as defined in section 560(1) of the Act) for cash pursuant to the authority conferred upon them by resolution 6 and/or where the allotment constitutes an allotment of equity securities by virtue of section 560(3) of the Act, as if section 561 of the Act did not apply to any such allotment provided that this authority and power shall be limited to:

(a) the allotment of equity securities in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (b) of resolution 6, by way of a rights issue only) in favour of ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings and the directors may make such arrangements or exclusions as they consider necessary or appropriate to deal with fractional entitlements or any legal or practical difficulties under the laws of any territory or the requirements of any recognised regulatory body or stock exchange in any territory; and

(b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of £64,362 (representing approximately 5 per cent. of the current issued share capital of the Company),

provided that these authorities shall, unless previously renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next annual general meeting of the Company or on the date which is 6 months after the next accounting reference date of the Company (if earlier) save that the directors of the Company may, before the expiry of such period, make an offer or agreement which would or might require such securities to be allotted after the expiry of such period and the directors of the Company may allot such securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

8 **THAT** the Company be and is hereby generally and unconditionally authorised for the purpose of section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares in the capital of the Company ("**Ordinary Shares**") provided that:

(a) the maximum number of Ordinary Shares which may be purchased is 2,574,469 (representing approximately 10 per cent. of the Company's issued share capital);

(b) the minimum price (exclusive of expenses) which may be paid for each Ordinary Share is its nominal value;

(c) the maximum price (exclusive of expenses) which may be paid for each Ordinary Share shall not be more than the higher of: (i) an amount equal to 105 per cent. of the average of the middle market quotations for an Ordinary Share as derived from the Daily Official List of London Stock Exchange plc for the 5 business days immediately preceding the day on which the Ordinary Share in question is purchased; and (ii) an amount equal to the higher price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share as derived from the London Stock Exchange Trading System;

(d) unless previously renewed, revoked or varied, the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company to be held in 2017 or, if earlier, on the date which is 12 months after the date of the passing of this resolution; and

(e) the Company may make a contract or contracts to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which contract or contracts will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

**BY ORDER OF THE BOARD**

…………………………………..
Katy Mitchell
Secretary
**Date:** 29 February 2016
**Registered office:**
24 Martin Lane, London, EC4R 0DR

**NOTES**:

1 A member of the Company entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to exercise any of his rights to attend, speak and vote at that meeting on his behalf. A proxy need not be a member of the Company. Completion and return of a form of proxy (or any CREST Proxy Instruction, as described in paragraphs 8 to 10 below) will not preclude a member from attending the meeting and voting in person, if they so wish.

2 If a member appoints more than one proxy, each proxy must be entitled to exercise the rights attached to different shares. If you submit more than one valid proxy appointment in respect of the same shares, the appointment received last before the latest time for the receipt of proxies will take precedence.

3 A proxy may only be appointed using the procedures set out in these notes and the notes to the form of proxy. To validly appoint a proxy, a member must complete, sign and date the enclosed form of proxy and deposit it at the office of the Company's registrars, Neville Registrars, at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, by 10.00 a.m. on 29 March 2016 (or, in the event that the meeting is adjourned, not less than 48 hours, excluding non-working days, before the time fixed for the holding of the adjourned meeting). Any power of attorney or any other authority under which the form of proxy is signed (or a duly certified copy of such power or authority) must be enclosed with the form of proxy.

4 In order to revoke a proxy appointment, a member must sign and date a notice clearly stating his intention to revoke his proxy appointment and deposit it at the office of the Company's registrars, Neville Registrars, at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA prior to commencement of the meeting. If the revocation is received after the time specified, the original proxy appointment will remain valid unless the member attends the meeting and votes in person.

5 Any corporation which is a member of the Company may authorise one or more persons (who need not be a member of the Company) to attend, speak and vote at the meeting as the representative of that corporation. A certified copy of the board resolution of the corporation appointing the relevant person as the representative of that corporation in connection with the meeting must be deposited at the office of the Company's registrars, Neville Registrars, at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA prior to the commencement of the meeting. If the revocation is received after the time specified, the original corporate representative appointment will remain valid unless the member attends the meeting and votes in person.

6 In the case of joint holders, where more than one of the joint holders purports to appoint a proxy in respect of the same shares, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company’s register of members in respect of the joint holding (the first named being the most senior).

7 The right to vote at the meeting shall be determined by reference to the register of members of the Company. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only those persons whose names are entered on the register of members of the Company at 6.00 p.m. on 29 March 2016 (or, in the event of any adjournment, at 6.00 p.m. on the date which is two days prior to the adjourned meeting) shall be entitled to attend and vote in respect of the number of shares registered in their names at that time. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend and/or vote at the meeting.

8 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual (available via www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

9 In order for a proxy appointment or instruction made by means of the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("**Euroclear**") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (ID 7RA11) by the latest time for proxy appointments set out in paragraph 3 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

10 CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

11 As at 29 February 2016, being the date of this notice, the Company's issued share capital consisted of 25,744,685 ordinary shares of 5 pence each, carrying one vote each and, therefore, the total number of voting rights in the Company as at 29 February 2016 were 25,744,685.

12 You may not use any electronic address (within the meaning of section 333(4) of the Companies Act 2006) provided in this notice or in any related documents (including the form of proxy and the annual report and accounts) to communicate with the Company for any purposes other than those expressly stated.

13 Your personal data includes all data provided by you, or on your behalf, which related to you as a shareholder, including your name and contact details, the votes you cast and your reference number (as attributed to you by the Company or its registrars). The Company determines the purposes for which, and the manner in which, your personal data is to be processed. The Company and any third party to which it discloses the data (including the Company's registrars) may process your personal data for the purposes of compiling and updating the Company's records, fulfilling its legal obligations and processing the shareholder rights you exercise.

**EXPLANATORY NOTES**:

Resolutions 1 to 6 are proposed as ordinary resolutions. For each of these to be passed, more than half of the votes cast must be in favour of the relevant resolution. Resolutions 7 and 8 are proposed as special resolutions. For each of these resolutions to be passed, at least three quarters of the votes cast must be in favour of the resolution.
An explanation of each of the resolutions is set out below:

**Resolution 1 – Annual Report and Accounts**

The Directors are required to present to the annual general meeting (the "AGM" or "Meeting") the audited accounts and the Directors' and Auditors' Reports for the financial year ended 30 November 2015.

**Resolutions 2 – Auditors**

The Company is required to appoint an auditor at every general meeting of the Company at which accounts are presented to shareholders. The appointment of BDO LLP as auditors of the Company terminates at the conclusion of this Annual General Meeting. This resolution proposes the re-appointment of BDO LLP as the auditors of the Company. It is normal practice for a company's directors to be authorised to agree how much the auditors should be paid and Resolution 2 grants this authority to the directors.

**Resolutions 3 to 5 – Re-election of Directors**

Article 28.1 of the Company's articles of association requires any directors who have been appointed by the Board since the last annual general meeting and any directors who were not appointed or reappointed at one of the preceding two annual general meetings to retire from office. Any such director is entitled to offer himself for re-election.

**Resolution 6 – Directors' power to allot relevant securities**

Resolution 6 is proposed to renew the directors' power to allot shares. Resolution 6(a) seeks to grant the directors authority to allot, pursuant to section 551 of the Act, shares or grant rights to subscribe for or to convert any security into shares in the Company up an aggregate nominal value of £429,078, which is equal to one third of the nominal value of the current issued ordinary share capital of the Company as at 29 February 2016 (being the date of this notice).

In accordance with The Investment Association's Share Capital Management Guidelines (the "Guidelines"), Resolution 6(b) seeks to grant the directors authority to allot ordinary shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal value of £858,156 as reduced by the nominal amount of any shares issued under Resolution 6(a).

This amount (before any reduction) represents two thirds of the nominal value of the current issued ordinary share capital of the Company as at 29 February 2016 (being the date of this notice).

Unless previously renewed, revoked or varied, the authorities sought under paragraphs (a) and (b) of this resolution will expire at the conclusion of the next annual general meeting of the Company or the date which is 6 months after the next accounting reference date of the Company (whichever is the earlier).

The Directors have no present intention of exercising either of the authorities under this resolution, but the Board wishes to ensure that the Company has maximum flexibility in managing the financial resources of the Company.

As at the date of this notice, no shares are held by the Company in treasury.

**Resolution 7 – Partial disapplication of pre-emption rights on equity issues for cash**

Resolution 7 is to approve the partial disapplication of pre-emption rights in respect of the allotment of equity securities for cash. The passing of this resolution (together with resolution 6) would allow the directors to allot shares for cash and/or sell treasury shares without first having to offer such shares to existing shareholders in proportion to their existing holdings.

The authority would be limited to:

(a) allotments or sales in connection with pre-emptive offers; or

(b) otherwise up to an aggregate nominal amount of £64,362 which represents approximately 5 per cent. of the nominal value of the current issued ordinary share capital of the Company as at 29 February 2016 (being the date prior of this notice).

The Directors confirm that they will only allot shares representing more than 5 per cent. of the issued ordinary share capital of the Company for cash pursuant to the authority referred to in (b) above, where that allotment is in connection with an acquisition or specified capital investment (within the meaning given in the Pre-Emption Group's Statement of Principles published in March 2015 (the "Principles")) which is announced contemporaneously with the allotment, or which has taken place in the preceding six month period and is disclosed in the announcement of the allotment.

Unless previously renewed, revoked or varied, the authority will expire on the conclusion of the next annual general meeting of the Company or on the date which is 6 months after the next accounting reference date of the Company (whichever is the earlier).

**Resolution 8 – Authority for the market purchase by the Company of its own shares**

The authority sought by resolution 8 limits the number of shares that could be purchased to a maximum of 2,574,469 ordinary shares (equivalent to 10 per cent. of the Company's issued ordinary share capital as at 29 February 2016 (being the date of this notice)) and sets a minimum and maximum price.

Unless previously renewed, revoked or varied, the authority will expire at the conclusion of the annual general meeting of the Company to be held in 2017 or, if earlier, on the date which is 12 months after the date of the passing of the resolution.

The Directors have no present intention of exercising the authority to purchase the Company's ordinary shares but will keep the matter under review, taking into account the financial resources of the Company, the Company's share price and future funding opportunities. The Directors will exercise this authority only when to do so would be in the best interests of the Company and of its shareholders generally, and could be expected to result in an increase in earnings per share of the Company. Any purchases of ordinary shares would be by means of market purchase through the London Stock Exchange.

Any shares the Company buys under this authority may either be cancelled or held in treasury. Treasury shares can be re-sold for cash, cancelled or used for the purposes of employee share schemes. No dividends are paid on shares whilst held in treasury and no voting rights attach to treasury shares. The Directors believe that it is desirable for the Company to have this choice as holding the purchased shares as treasury shares would give the Company the ability to re-sell or transfer them in the future and so provide the Company with additional flexibility in the management of its capital base.