

# WH IRELAND



## Annual Report & Financial Statements

31 March 2021

---



Helping you see the bigger picture

# Contents

<b>4</b>	Company information
<b>5</b>	Financial highlights
<b>6</b>	Divisional highlights
<b>7</b>	Chair's statement
<b>8</b>	Chief Executive's statement
<b>10</b>	Strategic report
<b>18</b>	Directors' report
<b>23</b>	Corporate governance
<b>31</b>	Remuneration report
<b>35</b>	Statement of Directors' responsibilities
<b>36</b>	Independent Auditor's report
<b>43</b>	Consolidated statement of comprehensive income
<b>44</b>	Consolidated and Company statement of financial position
<b>46</b>	Consolidated and Company statement of cash flow
<b>48</b>	Consolidated and Company changes in equity
<b>50</b>	Notes to the financial statements



## About WH Ireland Group plc

---

### WH Ireland Group plc

WH Ireland Group plc aims to provide a high quality service in both its business areas with the Wealth Management Division providing investment solutions for individuals, families and charities and with the Capital Markets Division being the leading firm for growth companies seeking quality corporate advice and investment capital. These two divisions are supported by a central resource that provides Compliance, HR, Finance and Marketing expertise. Together the two divisions provide a stable and sustainable stream of revenue that can grow.

### Wealth Management

WH Ireland provides independent financial planning advice and discretionary investment management. Our goal is to build long term, mutually beneficial, working relationships with our clients so that they can make informed and effective choices about their money and how it can support their lifestyle ambitions. We can trace our history of helping individuals and their families as well as entrepreneurs, charities and trustees back to 1872. By building a financial plan and investment strategy with us, we believe our clients are free to focus on the important things, like life.

### Capital Markets

Our Capital Markets Division is specifically focused on the public and private growth company marketplace. The team's significant experience in this dynamic segment means that we are able to provide a specialist service to each of its respective participants. For companies, we raise public and private growth capital, as well as providing both day-to-day and strategic corporate advice including M&A advisory. Our tailored approach means that our teams engage with all of the key investor groups active in our market - High Net Worth individuals, Family Offices, Wealth Managers and Funds. Our broking, trading and research teams provide the link between growth companies and this broad investor base.

# Company information

---

## Directors

P A Wale  
P Tansey  
S Ford (appointed 6 August 2020)  
V G Raffé  
S N Lough  
P J Shelley  
A G Buchanan  
H Sinclair (appointed 4 May 2021)  
T M Steel (resigned 19 May 2020)

## Nominated Adviser

Canaccord Genuity Limited  
88 Wood Street  
London  
EC2V 7QR

## Joint Brokers

WH Ireland Limited  
24 Martin Lane  
London  
EC4R 0DR

Canaccord Genuity Limited  
88 Wood Street  
London  
EC2V 7QR

## 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

## Company Secretary

K L Mitchell

## Registered Office

24 Martin Lane  
London  
EC4R 0DR

## Company Number

03870190

## Financial highlights

---

Revenue increased 37% to

**£29.6m**

(2020 FY: £21.6m)

---

215% increase in cash

**£8.2m**

(2020 FY: £2.6m)

---

Group regulatory capital ratio at

**12.6%**

(2020 FY: 10.3%)

---

Earnings per Share

(basic from continuing operations)

**2.47p**

(2020 FY: (loss 7.38p))

---

Profit before tax

**£1.0m profit**

(2020 FY: £3.3m loss)

---

Adjusted EBITDA

**£3.0m**

(2020 FY: £0.9m loss)

---

Group AUM 40% increase to

**£2.1bn**

(2020 FY: £1.5bn)

The above analysis excludes discontinued operations.

---

# Divisional highlights

## Wealth Management

Continued improvement in the quality of the business over the year, with fee income now representing

**76%** (2020 FY: 72%)

of total wealth management income

Despite 3 months of the cost of Harpsden, direct costs have declined by 2%

**£10.9m**

(2020 FY: £11.1m)

WM total AUM increased 33% to

**£1.6bn**

(2020 FY: £1.2bn)

Almost doubled discretionary managed assets

**£1.0bn**

(2020 FY: £0.5bn)

The above analysis excludes discontinued operations.

## Capital Markets

252% increase in funds raised to

**£236m**

(2020 FY: £67m)

Welcomed 21 new quoted corporate clients to end year at

**82**

(2020 FY: 74)

**Top 3**

Nomad

**Top 5**

Corporate Broker

# Chair's statement

---

## Review and Outlook

This financial year saw further progress at WH Ireland, with the first profit in five years providing clear evidence of the extent of the change delivered. Perhaps most importantly, the WH Ireland team now have a robust platform on which to build a much bigger business, that can deliver sustainable growth. Our ambition, that we laid out last October, to grow our discretionary assets under management to £3bn and our Capital Markets Division into a business that can grow revenue to £20m a year, is very much on track. Our discretionary funds under management have continued to increase, despite the sale of our IOM business during the year. This has been helped by the acquisition of Harpsden, by the return of the group to net inflows and more positive markets. Our Capital Markets business has made significant progress as the combination of a growing client base and a successful return to the IPO market drove increased revenue.

We have continued to make good progress on improving the Group's efficiency, whilst investing in our people and capabilities. The changes made in our Wealth Management business, alongside our first acquisition, have ensured we have an attractive proposition to help grow our discretionary assets under management. We believe we have established an operating structure that allows us to grow assets with very little additional cost.

We have restructured the way we incentivise our people across the group. There is now considerable equity ownership across employees, and there are clear targets that support our overall long-term strategy. Growth in discretionary funds under management with good client outcomes in our wealth business and growth in profitability in our Capital Markets Division are the most important drivers of our approach to remuneration.

We are focused on building differentiated propositions for our customers that take advantage of broader market trends. In Capital Markets we have strengthened our ability to distribute public and private equity to high net worth individuals, ultra-high net worth individuals and family offices as well as hiring sector expertise in areas that we believe will see significant capital requirements in both the private and public markets. Our focus on supporting growth companies as they access capital is evidenced by our return to the IPO market, and by a resurgence in our private funding business. Building out our private funding business will be a priority for the group this year.

Philip Shelley  
Chair



In Wealth Management we have strengthened our financial planning and investment management capabilities as well as our operational capability. The improvement in profitability and fund flows is a testament to the detailed and hard work done by all in the division and we believe this year we will see the benefits more clearly.

As we grow, become more profitable and increase our balance sheet and capital strength it has been important to ensure that we build a strong central expertise to support both divisions. Our strengthened capabilities in HR, Compliance, and M&A will be important to our expansion.

It has been particularly pleasing that as a group we have been able to operate successfully during a period of significant uncertainty. Our ability to deliver a meaningful profit, whilst ensuring we build a business that has the right resources to grow at such a challenging time has only been possible due to the hard work, professionalism, and determination of our talented team.

I would like to thank the Board for the huge progress we have been able to make in such a short time and in such a challenging environment. In particular I would like to thank Victoria Raffé, who has been a Non-Executive Director for 4 years, and who proved to be an invaluable source of expertise over that period, and Alistair Buchanan, who has been a Non-Executive Director for 2 years, and who was an important steward during a challenging time. I wish Victoria and Alistair well for the future. I would also like to welcome Helen Sinclair, who brings a wealth of experience in private markets as well as a strong understanding of the risks companies face as they grow. Both these areas will be key to us as we develop our business.

Finally, I would like to thank our customers and our shareholders for their support. We would not have been able to achieve what we have without their loyalty.

We very much look forward to building on this strong foundation as we focus on the targets we set in October 2020, of managing £3bn of Discretionary Funds whilst delivering a 20% margin, and of achieving revenues of £20m from our Capital Markets Division.

# Chief Executive's statement

---

## Overview

WH Ireland has had a significant year of progress despite the serious challenges posed following the outbreak of the Covid pandemic. It has been a year of milestones achieved against targets set and I thank all our employees, clients, customers and business partners for their support. These targets included the necessary reduction in costs, the refreshing of the management team, the building of a robust control framework, a return to sustainable profits and then to start the process of growing the business, including acquisitions, back to acceptable levels of return for our shareholders. However, we still need to remain focused to ensure that we retain the benefits of those achievements, especially the retention of our people, our control framework and the support of our customers as we look to build on this first profitable year in five years.

## The Year 2020/2021

The start of the financial year was unprecedented, following the market turmoil created by the onset of the Covid-19 pandemic. Our employees reacted superbly and moved smoothly to a remote working model, as well as accepting some tough changes to remuneration. The investment in new people and teams was successful, as it enabled us to take advantage of a stronger market to double the Capital Markets Division revenue to £16.3m (2020: £7.9m). Wealth Management continued its successful drive to improve quality of earnings with an increase in the proportion of its assets under discretionary management, and by making its first acquisition, Harpsden, in December 2020. Despite the challenging market levels, revenue of £13.3m was relatively stable (2020: £13.8m). It is now recovering well with higher market levels and as we complete the integration of Harpsden. Overall revenue for the Group rose 37% to £29.6m (2020: £21.6m). Administrative expenses rose 15% to £28.4m (2020: £24.7m) and within this, fixed costs reduced by £1.5m to £20.0m (2020: £21.5m). Exceptional items were £0.6m (2020: £1.0m).

## Clients

Our clients are at the heart of everything that we do. Our central mission is to provide excellent service to our corporate, institutional and private clients, and this remains our priority. I would like to take the opportunity to thank all our clients for their loyalty and patience as we have worked through the inevitable disruption from the scale and pace of change we have instigated this year.



Phillip Wale  
CEO

We now have a platform that is better able to provide the quality of service that will differentiate us in the future and which has shown it is sufficiently robust to successfully navigate challenges as significant as Covid-19.

## Staff

There are excellent people within the Group and we continue to attract new individuals and teams across both divisions, though I continue to monitor the head count required by the new, simplified business. I thank all our members of staff for their commitment and hard work in the past year as they managed the uncertainty and challenges of the new working model since the onset of the Covid-19 pandemic. Group headcount at 158, has increased from 148 in 2020 due primarily to the acquisition of Harpsden Wealth Management Ltd with its headcount of 19.

## Shareholders

I am delighted with the support, both in terms of capital investment and guidance, received from our major shareholders and thank them and the new investors who have joined and supported WH Ireland in our most recent placing in December 2020 that made our first acquisition possible.

## Capital

Last year we were clear that there was no need to raise further capital to replenish the Group's capital position and that we would only do so for growth reasons. We were delighted to see the level of support received from both existing and new shareholders in raising £5.3m in December 2020 for the acquisition of Harpsden. This capital raise combined with the profits for the year has increased total equity to £15.1m (2020: £8.5m). Cash at the year-end of £8.2m has increased 215% over the year (2020: £2.6m). The group has no debt. Against the forecasts set out and agreed with the business and approved by the Board, the Directors believe that these levels are sufficient to take WH Ireland to the next phase of development.



# Chief Executive's statement

---

## Wealth Management (WM)

This has been a pivotal year for WM. Following a year of cost reduction, legacy system elimination and control framework improvement, coupled with the rationalisation of non-optimal teams and offices and the repricing of the WM offerings, the division was able to grow with the acquisition of Harpsden. The team at Harpsden have developed an excellent business serving its local area with professionalism and care. It brought both £250m of discretionary assets and a profitable business that, once the integration is complete, will provide clients with better value products and pricing.

Total Group assets under management have increased to £2.1bn (2020: £1.5bn) including £1.6bn in WM net of outflows in execution-only assets through a combination of market level rises amounting to £334m, and the Harpsden acquisition which added £250m of discretionary managed assets. Discretionary managed assets increased 81% to £1.0bn (2020: £0.5bn).

## Capital Markets Division (CMD)

CMD is a new division and incorporates the Corporate and Institutional Broking business. CMD is led by Fraser Marshall who joined in December 2020. CMD strengthened its position as a top five AIM broker and top three Nomad by client numbers. During the year CMD welcomed 21 new clients and it increased its number of retained corporate clients to 82 (2020: 74). Fixed costs were reduced by changing the remuneration structure at the start of the year. Base salaries were reduced and a variable pay structure introduced. Gross transaction fees more than doubled to £9.6m (2020: £3.3m) as the team completed 42 transactions raising £236m for clients (2020: 24 and £67m respectively).

The drive to strengthen our capabilities continued into 2021 with selective hires across all departments. This has continued in the new financial year. The increased number of private growth capital transactions completed in the year was particularly pleasing, and we will continue to invest in this area.

## Looking forward

The group has faced a unique combination of challenges throughout the year. The business and our employees have performed extremely well, and the result is the delivery of our first profit in five years. Pleasingly, the targets I set over the past 3 years are being met as we enter the growth phase in our plan to return the Company to sustainable profitability, and over the next three years to achieve meaningful levels of growth in AUM and in profitability. The year has started well with the final stages of the Harpsden integration proceeding better than we had expected and with the Capital Markets Division continuing the progress it made last year. We therefore look forward with confidence to the remainder of the year.

# Strategic report

## Overview

The WH Ireland Group has two principal operating subsidiaries, WH Ireland Limited and Harpsden Wealth Management Limited.

WH Ireland Limited consists of two business divisions: Wealth Management (WM), which provides wealth management solutions and independent financial advisory services to retail clients and the Capital Markets Division (CMD), which provides public and private growth capital, day-to-day and strategic corporate advice, broking, trading and equity research to Funds, High Net Worth individuals and Family Offices.

Total assets managed by the Group are £2.1bn (2020: £1.5bn excluding discontinued businesses). Of this total, £1.6bn is held in the WM division with a further £0.5bn within CMD's Ultra High Net Worth business.

Harpsden Wealth Management Limited (Harpsden) was acquired by the Company in December 2020 and provides wealth management services to retail clients.

The Group's income is predominantly derived from activities conducted in the UK with a number of retail, high net worth, ultra-high net worth, family office, institutional and corporate clients.

At the year-end, the Group had 158 staff (2020: 148) in the UK.

## Strategy summary

The Group's strategic focus is on becoming a leading advice-driven wealth management service provider to retail clients and the leading capital markets business in the growth company market place. Over the next three years we aim to build the discretionary assets we manage to £3bn and build a Capital Markets business that can sustainably deliver annual revenue of £20m.

In WM the Group aims to improve the value of discretionary assets under management using our enhanced capabilities and customer proposition as well as through add-on acquisitions. In CMD the strategy is to focus on growing our corporate client list by investing in new teams and sector capability that build on our already strong distribution in public and private markets. Together this will grow revenue and profitability significantly as well as maximising the Group's recurring revenue as wealth management fees and corporate retainers increase.

## Financial Overview

A summary of the Group's performance (including discontinued business) for the financial year is set out below:

	Year to 31 Mar 2021 £'000	Year to 31 Mar 2020 £'000
Revenue	29,559	21,608
Administrative expenses	(28,390)	(24,697)
Expected credit loss	(28)	(44)
<b>Operating profit / (loss)</b>	<b>1,141</b>	<b>(3,133)</b>
<i>Operating profit / (loss) before exceptional items</i>	<i>1,757</i>	<i>(2,163)</i>
<i>Exceptional items</i>	<i>(616)</i>	<i>(970)</i>
<b>Operating profit / (loss) after exceptional items</b>	<b>1,141</b>	<b>(3,133)</b>
Other income and charges	(94)	(183)
(Loss) / profit from discontinued operations	(86)	117
<b>Profit / (loss) before tax</b>	<b>961</b>	<b>(3,199)</b>
Tax	192	-
<b>Profit / (loss) after tax</b>	<b>1,153</b>	<b>(3,199)</b>
Excluding discontinued operations:		
<b>Profit / (loss) before tax</b>	<b>1,047</b>	<b>(3,316)</b>
<b>Profit / (loss) after tax</b>	<b>1,239</b>	<b>(3,316)</b>

# Strategic report

Adjusted EBITDA table is set out below:

	Year to 31 Mar 2021 £'000	Year to 31 Mar 2020 £'000
Profit / (loss) after tax – continuing operations	1,239	(3,316)
(Loss) / profit after tax – discontinued operations	(86)	117
<b>Total</b>	<b>1,153</b>	<b>(3,199)</b>
Interest	95	149
Tax	(192)	-
Depreciation	898	1,044
Amortisation of intangible assets	218	122
Share based payments	90	109
<b>EBITDA</b>	<b>2,262</b>	<b>(1,775)</b>
Project Discovery*	35	268
Restructuring**	129	506
Compliance projects***	18	196
Acquisition related costs – Harpsden	434	-
<b>Adjusted EBITDA including discontinued operations</b>	<b>2,878</b>	<b>(805)</b>
<b>Adjusted EBITDA – continuing operations</b>	<b>2,964</b>	<b>(922)</b>

Notes:

\*On 2 June 2016, the Group entered into a seven year agreement with SEI Investments (Europe) Ltd, to outsource its WM back office operations onto a “Model B” arrangement. This project (“Discovery”) incurred cost overruns. The decommissioning of the legacy systems is now complete and this charge in 2021 will be the last.

\*\*During the period ended 31 March 2021, there were some further personnel restructures.

\*\*\* These costs relate to one off control framework projects.

# Strategic report

## Financial analysis

The changes in the year to 31 March 2021 compared to the results of 2020 were as follows:

**Revenue:** At the start of the year, the WM division faced the challenge of significantly lower markets which reduced AUM levels and therefore management fees. However, this was offset by the move by customers to a discretionary basis of management, a full year of increased yield on discretionary assets, coupled with the contribution of Harpsden in the last quarter. Management fees increased £0.1m to £10.1m. This increase in management fees however, was offset by a reduction in commission of £0.58m to £3.1m to leave WM revenue for the year down 3.6% at £13.3m. (See note 5 and table below). These comparisons exclude any impact of the discontinued Isle of Man business.

	2021 £'000	2020 £'000
Management fees	10,056	9,922
Commissions	3,110	3,688
Other	125	180
<b>Total</b>	<b>13,291</b>	<b>13,790</b>

CMD enjoyed its best ever performance from a strengthened team and higher levels of activity from its increasing number of retained clients. Transaction fees nearly trebled to £9.6m as more than a third of our clients successfully completed equity transactions during the year with an average fee per client equity transaction of £163,000. In addition CMD completed two IPOs during the year and also executed a wide range of Advisory work for its clients. Trading and Commissions revenue more than doubled to £3.3m as client numbers, average client size and our activity levels increased. Retainer revenue increasing 6% to £3.4m. Total revenue for the division therefore rose 106% to £16.3m. (2020: £7.9m) as outlined in the table below.

	2021 £'000	2020 £'000
Transaction fees	9,614	3,260
Retainer fees	3,353	3,151
Equity Commissions and Trading	3,318	1,449
<b>Total</b>	<b>16,285</b>	<b>7,860</b>

Transaction fees are further analysed as follows:

	2021 £'000	2020 £'000
IPOs	2,946	435
Secondary equity issues	3,891	1,741
Other revenue incl. advisory and M&A	2,777	1,084
<b>Total</b>	<b>9,614</b>	<b>3,260</b>

Secondary equity issues include £585,000 in regard to corporates who were not pre-existing clients. (2020: £257,000)

# Strategic report

**Expenses:** Operational costs continue to be managed and this was assisted to some extent by the employees working for a large part of the year from home leading to a reduction in travel and other general costs. Total expenses of £28.5m (2020: £24.9m) comprise administrative expenses of £28.4m, net financing costs of £0.09m and credit loss provisions of £0.03m as set out in page 43 and detailed below:

	2021 £'000	2020 £'000
Cost of sales – third party commissions	4,301	2,273
Fixed non-people costs	8,991	9,593
Fixed people costs	10,988	11,900
Variable people costs	4,232	1,115
<b>Total</b>	<b>28,512</b>	<b>24,881</b>

Direct costs in the business dropped as base level salaries were reduced and replaced by a variable basis of remuneration leading to a reduction in fixed costs of £1.5m to £20.0m (2020: £21.5m) and an increase in variable people costs of £3.1m to £4.2m (2020: £1.1m).

**Exceptional Items:** The costs associated with the retirement of legacy systems declined to the point in March 2020 when the prime legacy platform in Wealth Management was finally retired. There were a number of other restructuring costs incurred in reducing headcount and filling the remaining necessary open slots in the management team. This is the final year of costs associated with the correction of legacy issues. Also included is the acquisition costs relating to Harpsden Wealth Management Ltd of £434K.

**Discontinued Operations:** For the period from 1 April 2020 to the date of sale of the entire shareholding of the Company in WHIreland (IoM) losses of £86k (2020: £117k profit (for the entire period of 2020)) was generated.

**Balance Sheet:** Total Equity at 31 March 2021 of £15.1m (2020: £8.5m) saw a significant increase as the group benefitted from the profit for the year of £1.0m and the acquisition of Harpsden which was satisfied primarily by an issue of new share capital and fund-raise of £5.3m.

**Cash Flows:** Cash increased by £5.6m to £8.2m (2020: £2.6m) on account of profits for the year and favourable movements in the level of net assets. During the year, the Company issued new share capital to raise £5.3m in order to satisfy the cost of acquisition of Harpsden.

## Wealth Management

The Wealth Management division incorporates both investment management services and advice on financial planning. These services are offered from offices across the UK including London, Manchester, Cardiff, Poole and Henley.

The strategy for the ongoing growth in this division is to focus our efforts on discretionary portfolios. This will be achieved by continued personal referrals, selective recruitment of individuals and teams with existing client relationships and, as illustrated by the successful acquisition in December 2020 of Harpsden, further corporate acquisitions of quality Wealth Management businesses.

Total Group AUM at 31 March 2021 was £2.1bn (2020: £1.5bn, excluding discontinued IoM business). This comprised £1,274m on our custody platform SEI with a further £292m managed on a discretionary basis by Harpsden which will largely migrate to SEI in July 2021, the two of these totalling £1.566bn. See table below. This total is further supplemented by £41m positioned for WM clients on external providers (2020: £123m) and, £521m (2020: £312m) managed by the Ultra High Net Worth desk within CMD.

A key priority in the year has been on growing our Discretionary AUM which has almost doubled to £1.0bn (2020: £0.5bn). The acquisition of Harpsden added £250m of assets, whilst our efforts to transfer advisory clients to discretionary delivered further gains. Net flows were broadly flat during the year, although it was particularly pleasing to see net inflows in the second half of the year as our continuing work on improving our proposition paid off.

# Strategic report

WM funds flow table for the year:

	Discretionary	Advisory	Execution Only	Custody*	Total
	£m	£m	£m	£m	£m
As at 1 April 2020	529.1	210.4	241.3	104.3	1,085.1
Inflows	82.9	6.2	64.4	24.7	178.3
Outflows	(67.2)	(112.0)	(54.7)	(47.9)	(281.8)
Harpden Acquisition	250.0	-	-	-	250.0
Service switches	37.5	(52.0)	14.5	-	-
Market Performance	126.9	79.2	96.2	31.9	334.2
<b>SEI at 31 March 2021</b>	<b>959.3</b>	<b>131.8</b>	<b>361.7</b>	<b>113.0</b>	<b>1,565.8</b>
External platforms	-	41.0	-	-	41.0
<b>Total WM AUM at 31 March 2021</b>	<b>959.3</b>	<b>172.8</b>	<b>361.7</b>	<b>113.0</b>	<b>1,606.8</b>

\*Custody represents discretionary managed assets held on our SEI platform by New Horizons LLP a company with whom revenues are shared (2020: £96.8m discretionary). Note that underlying growth in discretionary assets under management is represented by the sum of net inflows, net service switches and market performance.

## Capital Markets

Our Capital Markets Division is specifically focused on the public and private growth company marketplace. The team's significant experience in this dynamic segment means that we are able to provide a specialist service to each of its respective participants. For companies, we raise public and private growth capital, as well as providing both day-to-day and strategic corporate advice. Our tailored approach means that our teams engage with all of the key investor groups active in our market - High Net Worth Individuals, Family Offices, Wealth Managers and Funds. Our broking, trading and research teams provide the link between growth companies and this broad investor base.

## Key Performance Indicators

The key targets of the Directors over the financial year have been to continue the good work from the turnaround period of the last 2 years including the keen focus on cost reduction but also to weather the COVID-19 induced market turbulence whilst moving the Group into its next stage; growth. The growth of WM by acquisition coupled with the excellent performance from CMD has helped to dramatically improve the performance and resilience of the business.

### 1. RATIO OF ADJUSTED EBITDA TO TOTAL REVENUE

	31 Mar 2021	31 Mar 2020
	%	%
Ratio of adjusted EBITDA to revenue	10	(4)

### 2. EXPENSES

	31 Mar 2021	31 Mar 2020
	%	%
Ratio of expenses to total revenue	97	115
Cost of sales – third party commissions	£4.3m	£2.3m
Fixed non people costs	£9.0m	£9.6m
Fixed people costs	£11.0m	£11.9m
Variable people costs	£4.2m	£1.1m

This does not include discontinued operations

# Strategic report

## 3. STAFF NUMBERS

	31 Mar 2021	31 Mar 2020
Average staff numbers over the year excluding Harpsden and IoM	136	159
Total staff at year end date including Harpsden excluding IoM	158	148
Comprising:		
CMD	40	38
WM	66	76
Board and support	33	34
Harpsden	19	-

## 4. ASSETS UNDER MANAGEMENT AND ADVICE

	31 Mar 2021	31 Mar 2020
	£m	£m
Discretionary assets	959	529
Advisory assets	132	210
Execution only assets	362	241
Custody and external assets	154	228
Total WM	1,607	1,208
CMD	521	312
<b>Total</b>	<b>2,128</b>	<b>1,520</b>

The table above includes Harpsden but excludes IoM

## 5. RATIO OF DISCRETIONARY TO TOTAL FUNDS

	31 Mar 2021	31 Mar 2020
	%	%
Ratio of discretionary to total funds (excludes Custody, External and CMD assets)	66	54

## 6. RECURRING INCOME STREAMS

	Year ended 31 Mar 2021	Year ended 31 Mar 2020
	£m	£m
Value of recurring income represented by management fees and retainers	13	13
% of revenue recurring	45	61

## 7. CAPITAL MARKETS

	Year ended 31 Mar 2021	Year ended 31 Mar 2020
Number of equity transactions	42	24
WHI corporate client funds raised	£236m	£67m
Proportion of retained corporate clients transacting	30%	22%
Average fee per client equity transaction incl. IPO	£163,000	£91,000
Retained corporate clients	82	74
Average retainer fee	£42,993	£41,737
Average market capitalisation per client	£81m	£58m

# Strategic report

## Dividends

The Board does not propose to pay a dividend in respect of the financial year (2020: £nil).

## Statement of Financial Position and Capital Structure

Maintaining a strong and liquid statement of financial position remains a key objective for the Board, alongside its regulatory capital requirements. The Group regulatory capital ratio was 12.6% (2020: 10.3%). Total net assets were £15.1m (2020: £8.5m) and net current assets £5.8m (2020: £6.5m). Cash balances at year-end were £8.2m (2020: £2.6m).

## Risks and Uncertainties

Risk appetite is established, reviewed and monitored by the Board. The Group, through the operation of its Committee structure, considers all relevant risks and advises the Board as necessary. The Group maintains a comprehensive risk register as part of its risk management framework encouraging a risk-based approach to the internal controls and management of the Group. The Group operates an Internal Audit coordinated by the Finance department. Internal Audit reports directly to the Audit Committee.

### *Liquidity and capital risk*

As noted in the Chief Executive's Report, the Group's focus is on managing the costs of its business and returning it to profitability whilst increasing the proportion of recurring revenue including the building of its discretionary fee paying client base to better fit the regulatory environment in which it operates.

The Group has historically had a predominantly fixed cost base which in recent years has been allowed to increase leading to the recorded losses but decisive action has been taken in reducing costs to achieve operational efficiencies and to aid the return to profitability.

To mitigate risk, the Board continues to focus on ensuring that the financial position remains robust and suitably liquid with sufficient regulatory capital being maintained over the minimum common equity tier 1 capital requirements. Regulatory capital and liquid assets are monitored 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 as a result of a breakdown or interruption, from either internal or external sources, of the business of the Group. This risk is mitigated in part by the number of branches across the UK and the Group having business continuity and disaster recovery arrangements including business interruption insurance.

The Group seeks to ensure that its risk management framework and control environment is continuously evolving which Compliance and Risk monitor on an ongoing basis.

### *Credit risk*

The Board takes active steps to minimise credit losses including formal new business approval, and the close supervision of credit limits and exposures and the proactive management of any overdue accounts. Additionally, risk assessments are performed on an ongoing basis on all deposit taking banks and custodians and our outsourced relationships.

### *Regulatory risk*

The Company operates in a highly regulated environment in the UK and until August 2020, in the Isle of Man. The Group has Internal Audit and Compliance and Risk functions resourced with appropriately qualified and experienced individuals. The Directors monitor changes and developments in the regulatory environment and ensure that sufficient resources are 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 28 of the financial statements.

## Section 172 Statement

### *Broader Stakeholder Interests*

Directors of the Group must consider Section 172 of the Companies Act 2006 which requires them to act in the way that would most likely promote the success of the Group for the benefit of all its stakeholders. The Board and its committees consider who its key stakeholders are, the potential impact of decisions made on them taking into account a wider range of factors, including the impact



# Strategic report

---

on the Company's operations and the likely consequences of decisions made in the long term. The Group's key stakeholders, material issues and how the Board and the Group have engaged with them during the year is set out below.

## **Employees**

The CEO and his management team on behalf of the Board engage with employees through a variety of methods including periodic all staff notifications of updates, information and points of interest, staff forums, group meetings and Town Hall meetings. The majority of reductions in headcount over the year has been achieved by natural means such as leavers not being replaced as we became more efficient and in general this reduction has not impacted morale.

## **Shareholders**

Our shareholders have been pivotal in supporting the Group and its new management team and Board in their plan to turnaround the Group and return it to a far healthier state. The Board recognise and frequently discuss the importance of good, open and constructive relationships with both new potential as well as existing shareholders and is committed to this communication. The way in which this has been achieved during the year has been by our Chief Executive Officer, supported by the management team, maintaining regular contact and meetings with individual and institutional shareholders, both existing and potential new ones, and communicating and discussing shareholders' views with the Board. The support from existing shareholders and the investment made in the Company by new shareholders is indicative of their support of the overall plan and its progress over the year. Further actions such as the disposal of the Isle of Man subsidiary have been welcomed as further signs of simplifying the offering and focusing on that plan. A number of Board members and employees also hold the Group's shares and regular communications are provided. The Group's strategy and results are presented to shareholders through meetings following announcements of the final and interim results. Shareholders are also invited to meet the Board and management team, all of whom attend, the Annual General Meeting. For this year, on account of the current pandemic challenges, shareholders are however recommended not to attend. The annual report and accounts for the year ended 31 March 2021 along with all past accounts, regulatory communications and other material is set out on the Group's website at <https://www.whirelandplc.com/investor-relations>.

## **Regulators**

The Board recognises the past history of the Group in this regard and is absolute in its insistence on continuous and open communication with our regulators at the Financial Conduct Authority ("FCA") as well as with the London Stock Exchange. Regular ongoing dialogue has continued through the CEO and CFO with the FCA who receive regular Management information. The FCA have approved the appointments of each member of the new Management team and the Board members where required.

## **Clients**

Our clients are fundamental to the business of the Group and the Board recognise that their interests are of paramount importance. Management of the WM division and CMD closely engage with clients to understand their objectives so that the service provided by the business is the most appropriate. In WM the clients profile and the suitability of the investment strategy provided is frequently challenged by the professional investment managers and this is supplemented by a second line of review from management and our compliance team. It is recognised that the status of our clients can and does change in line with the environment and this has been particularly challenging this year with the pandemic and its influence on the investment markets. Vulnerable clients in particular are identified and discussed at Board and at Committee level to ensure that they are provided with the best possible advice.

On the CM side of the business the Group's objective is also to achieve the best outcome and this applies equally to Institutional clients as well as corporate ones. Regular contact is maintained with them across all departments including corporate broking, corporate finance, trading and research. Our investor relations team arrange meetings with investors, undertake site visits and organise events for a wide range of our clients' teams.

## **Community and Suppliers**

The Board through its Executive Directors is keenly focused on its key supplier relationships especially those of an outsourced variety and constantly challenges and reviews its arrangements. The Group openly encourages its branches and employees to engage in local charitable, community groups and other causes.

Each of the Board members consider that they have acted together, in good faith in a way most likely to promote the success of the Group for the benefit of its broader range of stakeholders as a whole taking into account section 172 (1) (a-f) of the Companies Act 2006.

By Order of the Board

P Tansey

**Finance Director**

15 July 2021

# 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 31 March 2021.

## 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 September 2022 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.

The Directors have conducted full and thorough assessments of the Group's business and the past financial year has provided a thorough test of those assessments and the resilience of the business. The significant market turbulence following the start of the Covid-19 crisis and the subsequent 'lock-down' presented a range of challenges to the business and its support groups. Fundamental changes were made by management to the cost structure including placing a number of staff on furlough leave and accessing government grants, totalling £180,000, for part of the financial year. No staff remained on furlough from 30 June 2021. The business reacted well and with increasing levels of recurring revenue supplementing a buoyant performance by CM returned twelve consecutive months of profit.

Whilst there always remains uncertainty over what the future impact will be on the economy, the business has been successful in increasing its resilience. Firstly, by executing its first acquisition in WM that has increased the total value of Assets Under Management and importantly the proportion of that total represented by discretionary managed assets and secondly, the CM business has been appointed by several new clients and completed a record number of transactions.

Certain activities of the Group are regulated by the Financial Conduct Authority, 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. Further actions open to the Directors include incremental cost reductions, regulatory capital optimisation programmes or further capital raising. The Directors are aware of the new UK Investment Firm Prudential Regime coming into effect in January 2022. Initial calculations currently indicate a lower capital requirement.

An analysis of the potential downside impacts was conducted as part of the going concern assessment to assess the potential impact on revenue, asset values with a particular focus on the more variable component parts of our overall revenue, corporate finance fees and commission. Furthermore, reverse stress tests were modelled to assess what level the Group's business would need to be driven down to before resulting in a liquidity crisis or a breach of regulatory capital. That modelling concluded that transactional, non-contractual revenue would need to decline by more than 60% from management's forecasts to create such a crisis situation within eighteen months' time.

Based on all the aforementioned, the Directors believe that regulatory capital requirements will continue to be met and that the Group has sufficient liquidity to meet its liabilities for the next twelve months and that the preparation of the financial statements on a going concern basis remains appropriate.

## Likely future developments

The initial stages of turning around the Group focussed on the reduction of costs to not only a lower absolute level but further, to reduce the proportion of total costs represented by fixed costs burdening the business. Whilst the cost reduction over the year is significant, further reductions have been identified. Management are resolute in their commitment to act on these further reductions. The elimination of legacy systems in both divisions has resulted in a simpler and less risky business model that is well positioned to support a growing business, as stated in the chief executive's statement, the next stages include continuing to grow the business in the coming year.

# Directors' report

## Financial instruments and risk management

Details of risks and risk management arising from the Group's financial instruments are set out in note 27 of the financial statements.

## Dividends

The Directors do not propose to pay a dividend for 2021 (2020: £nil) (note 11).

## Directors

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

	Year ended 31 Mar 2021 Number of shares	Year ended 31 Mar 2020 Number of shares
P A Wale	130,000	75,000
P Tansey	18,000	18,000
S Ford (appointed 6 August 2020)	479,217	314,765
V G Raffé	54,165	33,333
S N Lough	464,999	319,167
P J Shelley	1,458,409	760,411
A G Buchanan	218,749	208,333
T M Steel (resigned 19 May 2020)	25,000	25,000

Further details of Directors' service contracts, remuneration, share interests and interests in options over the Company's shares can be found in the Remuneration Report on page 31.

## 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*	18,576,022	29.95
M & G Investments Limited	9,240,000	14.90
Oceanwood Capital Management LLP	6,869,097	11.08
Hargreave Hale Limited	3,789,583	6.11
M Lawson	2,835,646	4.57
Sanne Fiduciary Services Limited (as trustee for the WHI ESOT)	2,189,500	3.50

\*including 1,310,278 held by way of Contracts for Difference

As set out above, the Company's Employee Share Ownership Trust (ESOT), the trustee for which is Sanne Fiduciary Services Limited, holds 2,189,500 shares. All rights to receive dividends in respect of these shares have been waived. Further details are in notes 30 and 31 of the Financial Statements. On 18 May 2021 the ESOT, for which Sanne is the trustee, entered into an ESOT Share Purchase Plan (The Plan) to acquire ordinary shares of 5p in the capital of the Company. It is the Company's and the ESOT's intention that any ordinary shares acquired will be used to satisfy the awards made to employees of the Company or the Group. Purchases will be limited to a maximum of 50,000 shares or a maximum value of £40,000 each month and the Plan, unless renewed, will terminate on 1st May 2023.

## Political Contributions

The Group and Company did not make any political donations or incur any political expenditure during the year (2020: nil).

## Qualifying Third Party Indemnity Provisions

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

# Directors' report

---

## Employees

Our employees are vital to the success of the Group. The Group and its 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 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 and 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.

## Events after the Reporting Period

On 18 May 2021 the ESOT, for which Sanne is the trustee, entered into an ESOT Share Purchase Plan (The Plan) to acquire ordinary shares of 5p in the capital of the Company. It is the Company's and the ESOT's intention that any ordinary shares acquired will be used to satisfy the awards made to employees of the Company or the Group. Purchases will be limited to a maximum of 50,000 shares or a maximum value of £40,000 each month and the Plan, unless renewed, will terminate on 1st May 2023.

## 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 all the resolutions is set out within the Notice of AGM document.

## 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 they ought to have taken as a Director to make themselves 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.

After 10 years of service it was agreed that BDO LLP would retire following the completion of this year's audit. A panel of Directors was charged with the responsibility of selecting new replacement auditors and a selection process was run in early 2021. The result of this process is, and in accordance with the Companies Act 2006, a resolution for the appointment of RSM UK Audit LLP as auditors of the Company to be proposed at the forthcoming AGM.

# Directors' report

## Directors' Biographies



### Phillip Wale

#### *Chief Executive Officer*

Phillip began his career in UK Gilt Edged & convertible bonds, spending ten years at Goldman Sachs in New York and then London, as co-head of pan-European equities. He managed the equity businesses at Commerzbank and then at Knight Securities, where he was appointed European CEO. In 2004 he moved into fund management as CIO of a multi-strategy hedge fund, returning to the sell-side in 2007 with Collins Stewart working closely with the expansion of the wealth management product. Phillip joined Seymour Pierce, the corporate & institutional broker and wealth manager, in 2010 and was appointed its Chief Executive Officer in 2011. Between 2012 and 2016 he was Chief Executive Officer of Panmure Gordon & Co. Prior to joining WH Ireland in August 2018, Phillip was Head of Fixed Income (Europe) at Cantor Fitzgerald Europe.



### Philip Tansey

#### *Chief Financial Officer*

Between 2011 and 2017, Philip, a Chartered Accountant, was Chief Financial Officer of Panmure Gordon and before that, from 2008, was Managing Director of the NASDAQ quoted US inter-dealer Broker, BGC Partners Inc. During his career he has also worked at Deutsche Bank, CSFB, CIBC Wood Gundy, Salomon Brothers and BDO Stoy Hayward.



### Stephen Ford

#### *Executive Director, Head of Wealth Management*

Stephen Ford is an experienced PLC and company director in the wealth and investment management sector who joined WH Ireland in February 2019 as Head of Wealth Management. Stephen was previously Executive Director of City Asset Management for two years up until December 2018. Prior to that, he spent 16 years at Brewin Dolphin, where between 2013 and 2016 he was Head of Wealth & Investment Management. Stephen is a Chartered Wealth Manager and a Chartered Alternative Investment Analyst.



### Victoria Raffé

#### *Non-Executive Director*

Victoria Raffé has had an extensive City career, latterly as a Regulator with positions as Director of the Authorisations Division and Executive Committee member at the Financial Conduct Authority ("FCA"). Previously she held various senior level roles with the Financial Services Authority ("FSA") and before that had roles at KPMG, Prudential and Fidelity. She currently holds non-executive directorships with Starling Bank, Growth Street and Inbotiqa, and sits on the Public Interest Body of PwC. Victoria was appointed to the Board of WH Ireland in January 2017.



### Helen Sinclair

#### *Non-Executive Director*

Helen is a highly experienced non-executive director having served on a number of audit, remuneration and investment committees. Prior to her focus on non-executive director roles, Helen co-founded and ran Matrix Private Equity (now Mobeus Equity Partners LLP); a successful private equity firm, with a focus on SMEs. Helen has a thirty-year track record as an investor, board member and board observer in a range of sectors, including early stage technology/digital media, retail and consumer and financial services with considerable expertise in alternative asset management. Helen was appointed to the Board of WH Ireland in May 2021.

# Directors' report

---

## Simon Lough

### *Non-Executive Director*



After graduating from Oxford University, Simon joined Kleinwort Benson in 1984, moving to work in their Tokyo office in 1986. In 1991, he joined Banca della Svizzera Italiana, working in Tokyo and then their London office. In 1996, Simon left investment banking, joining, and co-investing, in the forerunner of the Heartwood wealth management business. His managerial role initially entailed establishing a London office for the growing business. He subsequently headed both the client and investment teams, before becoming Chief Executive in November 2008. In May 2013, Heartwood became a wholly owned subsidiary of Handelsbanken and Simon continued as Chief Executive until July 2014 and subsequently left on the third anniversary of its acquisition.

From 2013-16, he was also a member of the Financial Conduct Authority's Smaller Business Practitioner Panel, nominated by the Wealth Management Association (now called PIMFA – Personal Investment Management & Financial Advice Association) to represent the wealth management sector.

## Philip Shelley

### *Non-Executive Director, Chair*



After graduation from Edinburgh University, where he read Civil Engineering, Phil served in the Armed Forces as an Officer in the Royal Green Jackets. He joined UBS in 1995 where he worked in Corporate Broking and Equity Capital markets for 15 years, culminating as Head of Corporate Broking. He joined Goldman Sachs in 2010 where he ran the Corporate Broking and Equity Capital Markets team before joining Barclays as Vice Chairman of the Investment Bank. In September last year he set up Arlington Capital Markets Ltd. The firm advises both listed FTSE companies, private companies preparing for listing or sale and companies planning to IPO.

During his career of nearly 25 years Phil has advised many UK and European companies on equity, debt and mergers and acquisitions.

## Alistair Buchanan

### *Non-Executive Director*



Alistair was formerly CEO of Ofgem, the UK's gas and electricity markets' regulator, for ten years and a partner at KPMG, where he was also UK Chairman of Power & Utilities. He trained as a Chartered Accountant at KPMG before becoming an award-winning energy sector analyst and head of research for banks in London and New York.

Alistair is currently a NED at Thames Water (where he Chairs the Strategy Committee and is a member of audit committee), and a NED at Electricity North West Limited (where he sits on the Valuation committee). In the past he has served on the Boards of Durham University and Scottish Water, and also currently serves on the board of Atlas Holdings Corp. He was awarded the CBE in 2008.

The Directors' report is approved by the Board on 15 July 2021 and signed on its behalf by:

**P Tansey**

Director

# Corporate governance

The Directors of the Company have always endeavoured to apply the highest level of Corporate Governance, and have done so by seeking to comply with the QCA Corporate Governance Code for Smaller Companies. On 8 March 2018, the London Stock Exchange issued revised rules for AIM-quoted companies, within which there is a requirement for AIM quoted companies to apply a recognised corporate governance code from September 2018 and incorporate details of how it complies with that Code in both its Annual Report and on its website.

The Company has chosen to apply the QCA Corporate Governance Code published in April 2018 (the “QCA Code”) and this Corporate Governance report is based upon the QCA Code.

The principal means of communicating the Company’s application of the QCA Code are this Annual Report and the Corporate Governance section on the Company’s website ([www.whirelandplc.com](http://www.whirelandplc.com)).

This statement has been collectively prepared by the Board of Directors of the Company (the “Board”). The Board refers to the QCA Corporate Governance Code as a useful guide to assist in articulating how the Company approaches and applies good corporate governance.

This report sets out the Company’s application of the Code, by the Board, and where appropriate, cross references other sections of the Annual Report. Where the Company’s practices depart from the expectations of the Code, the Board has given an explanation as to why.

The QCA Code is constructed around ten broad principles and a set of disclosures which notes appropriate arrangements for growing companies and requires companies who have adopted the QCA Code to provide an explanation about how they are meeting those principles through the prescribed disclosures. In the table below, the Board explains how it has applied them.

QCA Code Principle	How it should be applied	How the company applies it
1. Establish a strategy and business model which promotes long-term value for shareholders	The board must be able to express a shared view of the company’s purpose, business model and strategy. It should go beyond the simple description of products and corporate structures and set out how the company intends to deliver shareholder value in the medium to long-term. It should demonstrate that the delivery of long-term growth is underpinned by a clear set of values aimed at protecting the company from unnecessary risk and securing its long-term future.	Page 10 of the Company’s Annual Report for the period ended 31 March 2021 sets out its Strategy summary, which is to focus on continuing to grow the business across the two business divisions of Wealth Management and Capital Markets, with the ultimate objective of becoming the corporate broker of choice in the small and mid-cap company segment and a leading advice-driven wealth management service provider to retail clients.  The risks that attach to this strategy and how such risks are mitigated are set out at page 16 of WHI’s annual report for the period ended 31 March 2021.
2. Seek to understand and meet shareholder needs and expectations	Directors must develop a good understanding of the needs and expectations of all elements of the company’s shareholder base.  The board must manage shareholders’ expectations and should seek to understand the motivations behind shareholder voting decisions	The Board is committed to regular shareholder dialogue with both its institutional and retail shareholders.  The principal opportunity for the Board to meet shareholders is at the Company’s AGM, to which shareholders are encouraged to attend in normal circumstances.  The Company also has a dedicated email address which investors can use to contact the Company ( <a href="mailto:enquiries@whirelandplc.com">enquiries@whirelandplc.com</a> ). The CEO is responsible for reviewing all communications

# Corporate governance

QCA Code Principle	How it should be applied	How the company applies it
3. Take into account wider stakeholder and social responsibilities and their implications for long-term success	<p>Long-term success relies upon good relations with a range of different stakeholder groups both internal (workforce) and external (suppliers, customers, regulators and others). The board needs to identify the company's stakeholders and understand their needs, interests and expectations.</p> <p>Where matters that relate to the company's impact on society, the communities within which it operates or the environment have the potential to affect the company's ability to deliver shareholder value over the medium to long-term, then those matters must be integrated into the company's strategy and business model.</p> <p>Feedback is an essential part of all control mechanisms. Systems need to be in place to solicit, consider and act on feedback from all stakeholder groups</p>	<p>received from shareholders and determining the most appropriate response.</p> <p>To date, all responses from shareholders as to the procedures in place for dialogue have been positive.</p> <p>The Company's assessment of its key resources and relationships is set out on pages 19 to 20 of WHI's annual report for the period ended 31 March 2021.</p> <p>The Directors believe that, in addition to its shareholders, the main stakeholders of the Company are its clients, its employees, the communities in which it operates and its two regulators (the London Stock Exchange and the FCA).</p> <p>The Company dedicates significant time to understanding and acting on the needs and requirements of each of these Groups by way of meetings dedicated to obtaining feedback. The Company is also a member of certain organisations, such as the Quoted Companies Alliance, which encourages and facilitates active dialogue with some of the Company's key stakeholders.</p> <p>Linked to this, the Company endeavours to build relationships with those local communities in which it operates and some of those initiatives it has invested in, in recent years, are set out in the Company's CSR section of its website. At the same time the Company is endeavouring to adopt an Environmental, Social and Governance ("ESG") framework within the next twelve months incorporating objectives to minimise the Company's environmental impact; to engage staff and suppliers and to build on the CSR initiatives the Company is already working on to more broadly support the communities in which we operate.</p>
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation	<p>The board needs to ensure that the company's risk management framework identifies and addresses all relevant risks in order to execute and deliver strategy; companies need to consider their extended business, including the company's supply chain, from key suppliers to end-customer.</p>	<p>Pages 75 to 80 of the Company's Annual Report for the period ended 31 March 2021 set out the risks to the Company's business and outlook, and how such risks are minimised.</p> <p>Given the areas in which the Company operates, risk is a particular focus.</p>



# Corporate governance

QCA Code Principle	How it should be applied	How the company applies it
	<p>Setting strategy includes determining the extent of exposure to the identified risks that the company is able to bear and willing to take (risk tolerance and risk appetite).</p>	<p>The Company employs a Head of Compliance and Risk, which is a full time position within the Company and who is tasked with risk identification, assessment, management and the measurement of risk and threats to, the business. These risks are recorded within the Company's risk register and cover all categories including human capital risk, regulatory risk, conduct (client) risk, competition, financial risk, IT and operational resilience risk and legal risk. Each risk is ranked on impact and likelihood and mitigating strategies are identified. In addition, the Executive Committee which is formed of the Executive Directors, the Heads of the business divisions, a representative from HR and the Head of Compliance and Risk meet to assess and monitor these risks; and discuss any new emerging risks arising in the day to day business.</p>
<p>5. Maintain the board as a well-functioning, balanced team led by the chair</p>	<p>The board members have a collective responsibility and legal obligation to promote the interests of the company, and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the chair of the board.</p> <p>The board (and any committees) should be provided with high quality information in a timely manner to facilitate proper assessment of the matters requiring a decision or insight.</p> <p>The board should have an appropriate balance between executive and non-executive directors and should have at least two independent non- executive directors. Independence is a board judgement.</p>	<p>All strategic decisions are decided by the Board acting collectively.</p> <p>The Board consists of four Non-Executive Directors (with a fifth Non-Executive Director appointed post period end) and three Executive Directors. It is considered that Victoria Raffé, Philip Shelley, Simon Lough, Helen Sinclair and Alistair Buchanan are independent Non-Executive Directors.</p> <p>All Executive Directors are full time Directors of the Company and the Non-Executive Directors are expected to commit at least one day a month to the Company in addition to their attendance at board meetings.</p> <p>The Board meets approximately 12 times a year. The attendance record of each director is set out on the Company's website.</p>

# Corporate governance

QCA Code Principle	How it should be applied	How the company applies it
	<p>The board should be supported by committees (e.g. audit, remuneration, nomination) that have the necessary skills and knowledge to discharge their duties and responsibilities effectively.</p> <p>Directors must commit the time necessary to fulfil their roles.</p>	<p>Board minutes and related papers are circulated to Directors in good time ahead of the relevant Board meeting(s).</p> <p>The Board has established audit, remuneration, risk, nomination and executive committees which meet regularly in accordance with their terms of reference. The details of these committees, including their terms of reference and composition, are set out below, in this Corporate Governance Report.</p>
<p>6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities</p>	<p>The board must have an appropriate balance of sector, financial and public markets skills and experience, as well as an appropriate balance of personal qualities and capabilities. The board should understand and challenge its own diversity, including gender balance, as part of its composition. The board should not be dominated by one person or a group of people. Strong personal bonds can be important but can also divide a board.</p> <p>As companies evolve, the mix of skills and experience required on the board will change, and board composition will need to evolve to reflect this change.</p>	<p>The Company has eight directors being Phillip Wale, Philip Tansey, Stephen Ford, Victoria Raffé, Philip Shelley, Simon Lough, Alistair Buchanan and Helen Sinclair, who was appointed post the period end. Details of these Directors and their relevant experience, skills and personal qualities are set out at pages 21 to 22 of the Company's Annual Report for the period ended 31 March 2021.</p> <p>The Company periodically holds briefings for the Directors covering regulations that are relevant to their role as Directors of an AIM-quoted company.</p> <p>The Company also has a dedicated Human Resources and Compliance departments and also uses the services of a number of external training providers. The Directors therefore have access to certain in-house seminars and external training courses to assist the Directors in keeping their skills are kept up to date.</p> <p>The Board is supported by Katy Mitchell as Company Secretary and Head of Legal. Katy is a qualified corporate lawyer, a member of ICSA and a senior Qualified Executive within the Capital Markets division of the Group. The Board also engages external legal advisers to advise them, where appropriate and necessary on the legal aspects of any ongoing regulatory queries.</p>
<p>7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement</p>	<p>The board should regularly review the effectiveness of its performance as a unit, as well as that of its committees and the individual directors.</p>	<p>Evaluation of the performance of the Company's Board has historically been implemented in an informal manner, with the exception of the Executive Directors who are assessed annually on performance by the Chair.</p>

# Corporate governance

QCA Code Principle	How it should be applied	How the company applies it
	<p>The board performance review may be carried out internally or, ideally, externally facilitated from time to time.</p> <p>The review should identify development or mentoring needs of individual directors or the wider senior management team.</p> <p>It is healthy for membership of the board to be periodically refreshed. Succession planning is a vital task for boards. No member of the board should become indispensable</p>	<p>At this stage a formalised process has not been adopted. It is intended that the process will be formalised in due course, and details of the process and its results and recommendations will be published at a future date.</p> <p>The Nomination Committee is required to give recommendations to the Directors where there are vacancies or where it is felt that additional directors should be appointed. For new appointments the search for candidates is conducted, and appointments are made, on merit, against objective criteria and with due regard for the benefits of diversity on the Board.</p>
<p>8. Promote a corporate culture that is based on ethical values and behaviours</p>	<p>The board should embody and promote a corporate culture that is based on sound ethical values and behaviours and use it as an asset and a source of competitive advantage.</p> <p>The policy set by the board should be visible in the actions and decisions of the chief executive and the rest of the management team. Corporate values should guide the objectives and strategy of the company.</p> <p>The culture should be visible in every aspect of the business, including recruitment, nominations, training and engagement. The performance and reward system should endorse the desired ethical behaviours across all levels of the company.</p> <p>The corporate culture should be recognisable throughout the disclosures in the annual report, website and any other statements issued by the Company.</p>	<p>The Company's website sets out the Company's approach to corporate responsibility and the Company's values relating to corporate culture. The Company's CSR section of the website sets out the Company's approach to corporate responsibility, the Group's people, its social impact and the impact upon the environment in which it operates.</p> <p>The Board seeks to ensure that all of its employees are aware of the Company's ethical values which embodies seven core values. These are covered in the mandatory induction process for new employees and each employee is also assessed on their adherence to these values in their annual appraisal which influences promotion and reward.</p>
<p>9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board</p>	<p>The company should maintain governance structures and processes in line with its corporate culture and appropriate to its:</p> <ul style="list-style-type: none"> <li>• size and complexity; and</li> <li>• capacity, appetite and tolerance for risk.</li> </ul> <p>The governance structures should evolve over time in parallel with its objectives,</p>	<p>The Board has established Audit, Remuneration, Risk, Nomination and Executive Committees which meet regularly in accordance with their terms of reference. The details of these committees, including their terms of reference and composition, are set out in this Corporate Governance section. This detail also includes the roles and responsibilities of each of the Directors, with all of</p>

# Corporate governance

QCA Code Principle	How it should be applied	How the company applies it
	<p>strategy and business model to reflect the development of the company.</p>	<p>the Non-Executive Directors sitting on each of the sub-committees of the Board.</p> <p>The matters reserved for the Board, are set out in the Board Terms of Reference, and can be summarised as follows:</p> <ul style="list-style-type: none"> <li>• Reviewing, approving and guiding corporate strategy, major plans of action, risk appetite and policies, annual budgets and business plans; setting performance objectives; monitoring, implementation and corporate performance; and overseeing major capital expenditures, acquisitions and disposals;</li> <li>• Monitoring the effectiveness of the Company's governance arrangements and practices, making changes as needed to ensure the alignment of the Company's governance framework with current best practices;</li> <li>• Ensuring that appointments to the Board or its Committees are effected in accordance with the appropriate governance process;</li> <li>• Monitoring and managing potential conflicts of interest of management, Board members, shareholders, external advisors and other service providers, including related party transactions; and overseeing the process of disclosure and communications.</li> <li>• The Board is also responsible for all other matters of such importance as to be of significance to the Group as a whole because of their strategic, financial or reputational implications or consequences.</li> </ul> <p>At this stage the Board believes that the governance framework is appropriate for a Company of its size but it continues to keep this under review.</p>

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and board and all of its stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the company.

The Company is committed to open dialogue with all its stakeholders. The CEO liaises with the Company's principal shareholders, regulators and, where appropriate, clients and relays their views to the wider Board.

# Corporate governance

QCA Code Principle	How it should be applied	How the company applies it
other relevant stakeholders	<p>In particular, appropriate communication and reporting structures should exist between the board and all constituent parts of its shareholder base. This will assist:</p> <ul style="list-style-type: none"> <li>the communication of shareholders' views to the board; and</li> <li>the shareholders' understanding of the unique circumstances and constraints faced by the company.</li> </ul>	<p>On the Company's website shareholders can find all historical regulatory announcements, Interim Reports and Annual Reports. Annual Reports and Annual General Meeting Circulars are posted directly to all registered shareholders or nominees and results of Annual General Meeting votes are also published on the Company's website. As described earlier, the Company also maintains email and phone contacts which shareholders can use to make enquiries or requests.</p>
	<p>It should be clear where these communication practices are described (annual report or website).</p>	<p>At this stage the Board does not publish an Audit Committee Report, but will look to do so in the near future.</p> <p>Following the Company's AGM the results of all votes will be made available on the Company's website.</p>

## The Board and its Committees

At the date of this report the Group Board consists of three Executive and five Non-Executive Directors (with the fifth non-executive director appointed post period end). 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, as follows:

### **Remuneration Committee**

The principal function is to determine the policy on Executive appointments and remuneration. The committee consists of all the Non-Executive Directors with Simon Lough as Chair. 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 (page 31).

Other Executive Directors and Risk Committee members may be invited to attend the meetings and the committee has access to advice from the Head of HR.

### **Audit Committee**

The committee is made up of all the Non-Executive Directors with Alistair Buchanan as Chair. 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

# Corporate governance

---

to all major financial announcements made by the Company including its interim and preliminary announcements and annual report and accounts.

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

## ***Risk Committee***

The committee is made up of all the Non-Executive Directors with Victoria Raffé as Chair. It is responsible for advising the Board on risk appetite, tolerance and strategy, taking into account the current and prospective regulatory and market environment.

The Committee maintains a constant review of both the Group's overall risk assessment processes and the effectiveness of the Group's internal controls and risk management systems. It advises the Board on proposed strategic transactions that may impact the risk profile of the Group.

The Head of Compliance and Risk and the Executive Directors may be invited to attend the meetings.

## ***Nomination Committee***

The committee consists of all the Non-Executive Directors with Philip Shelley as chair. It is the aim of the committee to identify and nominate potential candidates to fill Board vacancies; to consider succession planning and to consider appropriate training for the Board.

## ***Executive Committee***

The committee is made up of the senior management of the Group and is chaired by the CEO. The committee is responsible for oversight of all delegated functions by the Board and the day-to-day operational business. In addition, it is responsible for ensuring the strategy of the Board is implemented and any issues that need to be communicated to the Board are recorded as such. The committee is also responsible for ensuring timely identification and resolution of regulatory and compliance issues, ensuring senior management are aware of significant regulatory matters and to act as a forum to update the Head of Compliance and Risk about organisational change and new business.

## ***Internal control***

The Board has overall responsibility for the framework of internal control established by the Group and places critical 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 and the Executive Committees of both business divisions.

By order of the Board.

Katy Mitchell  
**Company Secretary**  
15 July 2021

# Remuneration report

---

The Directors present the Directors' Remuneration Report (the "Remuneration Report") for the financial year ended 31 March 2021.

## 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 all the Non-Executive Directors, chaired by Simon Lough.

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 their own remuneration. The committee has access to information and advice provided by the CEO and the CFO 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, 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

#### ***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.

#### ***Performance related contractual incentive scheme***

These are designed to reward performance by employees across the Group.

#### ***Share options***

As referred to in the Directors' Report, the Group has five different share ownership plans for employees; CSOP, SAYE, JOE scheme, the 2020 EMI option scheme and an unapproved share option scheme. In addition, to facilitate some of the option exercises, the Company has an ESOT.

### 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 employees. All costs of the ESOT are borne by Group Companies. 2,189,500 shares are held by Sanne Fiduciary Services Limited as trustee of 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.

# Remuneration report

---

## CSOP

Under the terms of the Company Share Option plan, options over the Company's shares may be granted on a discretionary basis to employees of the Group (including Directors) at a price which is not less than the market value of the shares at the date of grant. Performance conditions may be imposed at the discretion of the Board.

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 Save As You Earn scheme, employees of the Group (including Directors) may be invited to apply for an option to be granted to them at a price of 90% of the market value of the shares at the date of grant. Employees enter into a savings contract under which they agree to save a certain amount of salary each month for a specified period, typically 3 years, with a view to using those savings to buy shares under the terms of the option.

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. As at the date of this report there were no SAYE schemes open.

## Unapproved Share Option Scheme

Under the terms of the Unapproved share option scheme, options over the Company's shares may be granted on a discretionary basis to employees and consultants of the Group (including Directors) at a price to be agreed between the Company and the relevant option holder. Under the terms of the options granted, such options vest on the third anniversary of the award dates; are exercisable at the market price at the time the option was issued and are exercisable for ten years after the vesting date.

## JOE Scheme

Under the terms of the Joint Share Option Plan, each option holder holds shares jointly with the ESOT. These shares vest subject to the satisfaction of certain performance criteria agreed between the Company, the ESOT, and the option holder.

## 2020 EMI Option scheme

During the year an Enterprise Management Incentive (EMI) share option scheme was designed and registered with HMRC as an approved EMI scheme. EMI options are a tax efficient way of granting options to employees. The value of options granted is by reference to the current market value (CMV) of the Company's share price at the date of grant and the maximum aggregate value of granted but un-exercised options outstanding at any one time is £3.0m with an individual maximum allowance at any one time to an employee of £250,000.

## 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. Under certain change in control circumstances the notice period can be subject to extension to twelve months. 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.



# Remuneration report

Contracts of employment for Senior Executives are all on a rolling basis subject to notice periods ranging from three to twelve months with certain additional provisions triggered in the event of changes in control of the Company.

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

## External Appointments undertaken by Executive Directors

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

## Non-Executive Directors

All Non-Executive Directors have a letter of appointment 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 as listed on page 4, Company Information, excluding share options and awards, during the year ended 31 March 2021 is set out in the table below:

	Salary	Benefits	Bonus	Total year ended 31-Mar 2021 £	Total year ended 31-Mar 2020 £	Pension contribution year ended 31-Mar 2021 £	Pension contribution year ended 31-Mar 2020 £
<b>Executive</b>							
P Wale	266,667	13,164	75,000	354,831	371,145	26,667	25,000
P Tansey	200,000	2,176	-	202,176	250,559	10,000	10,000
S Ford <sup>1</sup>	200,000	11,316	50,000	261,316	-	-	-
<b>Non-Executive</b>							
VG Raffé	35,833	-	-	35,833	40,000	-	-
SN Lough	35,833	-	-	35,833	40,000	-	-
PJ Shelley	65,833	-	-	65,833	27,744	-	-
AG Buchanan	43,750	-	-	43,750	24,718	-	-
TM Steel <sup>2</sup>	10,000	-	-	10,000	60,000	-	-
	857,916	26,656	125,000	1,009,572	814,166	36,667	35,000

Notes:

<sup>1</sup> Appointed 6 August 2020

<sup>2</sup> Resigned 19 May 2020

# Remuneration report

Further to the announcement of 6 November 2019, the Non-Executive Directors received ordinary shares in the Company in lieu of 25% of the fees that would otherwise be due to be paid to them by the Company.

The highest paid Director for 2021 was P Wale receiving emoluments of £354,831 (2020: P Wale £371,145).

## Directors' Interests in Share Options

Director	Unapproved Options	EMI 2020 Options	<b>Total at 31 March 2021</b>	Total at 31 March 2020
P Wale	500,000	350,000	<b>850,000</b>	500,000
P Tansey	200,000	350,000	<b>550,000</b>	200,000
S Ford	400,000	350,000	<b>750,000</b>	400,000

At 31 March 2021 the market price of the Company's shares was 51.0p.

The highest daily closing price during the year was 51.0p and the lowest daily closing price was 35.0p.

# 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 accounting standards in conformity with the requirements of the Companies Act 2006. 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 Auditor's report to the members of WH Ireland Group plc

## Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2021 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 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.

We have audited the financial statements of WH Ireland Group Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2021 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 notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We have highlighted going concern as a key audit matter based on our assessment of risk and the effect on our audit strategy.

Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting and in response to the key audit matter included:

- Obtaining the Directors' assessment of the going concern assumption applied in the financial statements. Assessing this in light of our understanding of the forecasts, regulatory capital requirements, and current assessment of the impact of Covid-19.
- Assessing the forecast through to September 2022 that has been used to support the going concern assessment, for arithmetical accuracy, challenging management's estimates applied within the forecasts, with reference to historic performance and assessing the consistency of the forecasts with our understanding of the business.
- Reviewing the sensitivity and breakeven analysis of the forecasts, including reverse stress testing, that have been prepared by management, and considering the related impacts on regulatory capital requirements.
- Considering the likelihood of the stress scenarios prepared by management and assessing management's ability to mitigate the impact of these scenarios, should they occur.
- Analysing and challenging conclusions on going concern through discussions with management and the Audit committee.
- Reviewing the disclosures for completeness and accuracy of how management have assessed and concluded on going concern.

# Independent Auditor's report to the members of WH Ireland Group plc

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

## Overview

<b>Coverage</b>	100% (2020: 100%) of Group profit before tax 100% (2020: 100%) of Group revenue 100% (2020: 100%) of Group total assets									
<b>Key audit matters</b>	<table><thead><tr><th></th><th>2021</th><th>2020</th></tr></thead><tbody><tr><td>Going Concern</td><td>Y</td><td>Y</td></tr><tr><td>Business Combination</td><td>Y</td><td>N</td></tr></tbody></table>		2021	2020	Going Concern	Y	Y	Business Combination	Y	N
	2021	2020								
Going Concern	Y	Y								
Business Combination	Y	N								
<b>Materiality</b>	Group financial statements as a whole £427k (2020: £343k) based on 1.5% (2020: 1.6%) of Group revenue									

## An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

We tailored our audit to ensure we have performed sufficient work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and its accounting processes and controls.

The Group manages its operations through subsidiaries of the Parent Company, which includes the main trading entity, WH Ireland Limited, which was considered to be a significant component, as well as other components. The Group audit engagement team carried out full scope audits for the Parent Company and the other significant component. For one non-significant component, the group audit engagement team engaged with a non-BDO member firm to perform specific audit procedures. Other non-significant components represent dormant entities or those with very limited transactions and balances, with the only material balances in these companies being inter-company balances. Specific audit procedures were performed by the Group audit engagement team to cover these balances.

## Our involvement with component auditors

For the work performed by component auditors, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement with component auditors included the following:

- Directing and supervising the work performed by the component auditors, including providing them with detailed group instructions and an appropriate materiality level to use in relation to group materiality;
- Obtaining group reporting memos from the component auditors which summarised their overall approach and their findings in the key risk areas as determined by the group engagement team;
- Meeting with and reviewing the working papers of the component auditors and assessing the reasonableness and impact of their conclusions in key risk areas on the group financial statements.

# Independent Auditor's report to the members of WH Ireland Group plc

---

## *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the conclusions related to going concern section of our report, we have determined the matter below to be the key audit matter to be communicated in our report.

# Independent Auditor's report to the members of WH Ireland Group plc

Key audit matter	How the scope of our audit addressed the key audit matter
<p><b>Business combination</b></p> <p>The Directors have set out the relevant accounting policies on page 50, with detail about judgements in applying those accounting policies and critical accounting estimates on page 56.</p> <p>During the year, the Parent Company acquired a subsidiary, Harpsden Wealth Management Limited. The Parent Company paid cash consideration of £5,385k for the acquisition, with the estimated fair value of further contingent consideration of £1,911k as at the date of acquisition. Intangible assets of £4,225k and goodwill upon consolidation of £3,539k have been recognised in the consolidated statement of financial position in respect of this acquisition. The Parent Company incurred costs of acquisition of £571k in the year, of which £435k were expensed to the profit and loss, and £136k were capitalised.</p> <p>Business combinations are accounted for under IFRS 3 using the purchase method.</p> <p>There is a risk that the business combination is not accounted for in accordance with the requirements of IFRS 3 and that inappropriate estimates or judgements may be applied in determining the valuation of the identifiable net assets at acquisition or the consideration due, resulting in the incorrect net assets and goodwill being recognised in the financial statements.</p> <p>There is also a risk of incomplete disclosures.</p> <p>Further there is a risk that acquisition costs are capitalised without meeting the requirements of IFRS 3 for capitalisation.</p>	<p>We assessed the business combinations policy adopted by the Group for compliance with the requirements of IFRS 3.</p> <p>We assessed management's accounting papers and workings by agreeing these to underlying supporting documentation, including purchase documents for the consideration paid and identification of the acquirer.</p> <p>We assessed the fair value of the consideration including a review the likelihood of meeting the revenue thresholds for the deferred consideration. We also obtained the workings for the identifiable net assets at acquisition date and, where needed, engaged BDO valuation specialists to assist with the assessment of the fair values. We engaged with the component auditors to gain assurance over the net assets acquired by performing an analytical review of the acquisition trial balance and recalculated the goodwill to be recognised.</p> <p>We challenged management on the costs incurred, including whether these were capitalised or expensed in compliance with the requirements of IFRS 3, by understanding the cost incurred and agreeing these back to supporting documents, which included invoices and explanations for the accruals recognised.</p> <p>We reconciled our workings to the trial balance and the financial statements and then checked compliance of the disclosures with the requirements of IFRS 3.</p> <p>Key observations:</p> <p>The business combination is recognised, measured and disclosed in accordance with the requirements of IFRS 3 and the Companies Act 2006.</p>

# Independent Auditor's report to the members of WH Ireland Group plc

## Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below this level will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Materiality</b>	427	343	218	325
<b>Basis for determining materiality</b>	1.5% of Group Revenue	1.6% of Group Revenue	51% of Group materiality	95% of Group materiality
<b>Rationale for the benchmark applied</b>	Considered to be the most appropriate measure of the Group's performance by users of the financial statements as historically the group has been loss making and is yet to establish a track record of profit making.		Capped at 51% of Group materiality given the assessment of the components' aggregation risk.	Capped at 95% of Group materiality given the assessment of the components' aggregation risk.
<b>Performance materiality</b>	298	257	152	244
<b>Basis for determining performance materiality</b>	70% (2020:75%) of materiality due to the impact of carried forward adjustments from the prior year audit, the number and size of anticipated adjustments this year, management's attitude towards adjustments and the number of accounts subject to estimation.			

## Component Materiality

We set materiality for each component of the Group based on a percentage of between 44% and 95% of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £186k to £408k. In the audit of each component, we further applied performance materiality levels of 70% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

## Reporting Threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £17k (2020: £17k) for the Group and £9k (2020: £17k) for the Parent Company. We also agreed to report differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# Independent Auditor's report to the members of WH Ireland Group plc

## Other Companies Act 2006 Reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

<b>Strategic report and Directors' report</b>	<p>In our opinion, based on the work undertaken in the course of the audit:</p> <ul style="list-style-type: none"><li>• the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and</li><li>• the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.</li></ul> <p>In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.</p>
<b>Matters on which we are required to report by exception</b>	<p>We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:</p> <ul style="list-style-type: none"><li>• adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or</li><li>• the Parent Company financial statements are not in agreement with the accounting records and returns; or</li><li>• certain disclosures of Directors' remuneration specified by law are not made; or</li><li>• we have not received all the information and explanations we require for our audit.</li></ul>

## Responsibilities of Directors

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We have obtained an understanding of the legal and regulatory frameworks applicable to the Group and the industry in which it operates, and considered the risk of acts by the Group, contrary to applicable laws and regulations including fraud. We considered the significant laws and regulations to be the Companies Act 2006, the accounting standards and the Financial Conduct Authority's regulations.

# Independent Auditor's report to the members of WH Ireland Group plc

We also communicated the Group-level fraud risks to the component auditor during the planning process to ensure they could allocate sufficient resources to the areas susceptible to fraud. We ensured the component auditor's testing approach for the significant risk areas was appropriately tailored and sufficiently addressed the risks.

We assessed the susceptibility of the financial statements to material misstatement, including fraud and considered the following to be risk areas of potential fraudulent financial reporting, in addition to the risk of fraud through management override of controls, given the high level of judgement and estimation involved: impairment of non-current assets and deferred tax.

Our procedures in response to the above included:

- Reviewing the minutes of board and committee meetings throughout the year, including those held at Group level and for each significant component.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud, at both Group level and for each significant component.
- Completing a disclosure checklist on the financial statements to check compliance with the requirements of the accounting framework and the Companies Act 2006 and agreeing the disclosures to underlying supporting documentation.
- Reviewing correspondence the Group has had with regulators, including the Financial Conduct Authority, to identify whether there have been any instances of non-compliance with laws or regulations.
- Reviewing the basis for management's conclusions on indicators of impairment of non-current assets and determining whether they are reasonable and take into account all relevant available information.
- Reviewing management's assessment of deferred tax and checking the basis is consistent with the cash flow forecasts used to support the going concern assumption.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments in the general ledger, focused on significant judgements made by management and evaluated whether there was any evidence of bias represented a risk of material misstatement due to fraud.
- We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and discussed how and where these might occur and remained alert to any indications of fraud and non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Daniel Taylor (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, United Kingdom  
Date: 15 July 2021

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

# Consolidated statement of comprehensive income

	Note	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
<b>Continuing operations</b>			
Revenue	3&5	29,559	21,608
Administrative expenses	6	(28,390)	(24,697)
Expected credit loss	6	(28)	(44)
<b>Operating profit / (loss)</b>		<b>1,141</b>	<b>(3,133)</b>
<i>Operating profit / (loss) before exceptional items:</i>			
<i>Exceptional items</i>	6	<i>(616)</i>	<i>(970)</i>
<i>Operating profit / (loss) after exceptional items</i>			
		<b>1,141</b>	<b>(3,133)</b>
Realised losses		-	(43)
Finance income	8	2	11
Finance expense	8	(96)	(151)
<b>Profit / (loss) before tax</b>		<b>1,047</b>	<b>(3,316)</b>
Tax income	9	192	-
<b>Profit / (loss) from continuing operations</b>		<b>1,239</b>	<b>(3,316)</b>
Profit / (loss) from discontinued operations	10	(86)	117
<b>Profit / (loss) and total comprehensive income for the year</b>		<b>1,153</b>	<b>(3,199)</b>
<b>Earnings per share</b>			
12			
<b>From continuing operations</b>			
Basic		2.47p	(7.38p)
Diluted		2.07p	(7.38p)
<b>From discontinued operations</b>			
Basic		(0.17p)	0.26p
Diluted		(0.14p)	0.26p
<b>Total</b>			
Basic		2.30p	(7.12p)
Diluted		1.93p	(7.12p)

Notes on pages 50 to 85 are an integral part of these financial statements.

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

# Consolidated and Company statement of financial position

	Note	Group		Company	
		31 March	31 March	31 March	31 March
		2021	2020	2021	2020
		£'000	£'000	£'000	£'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible assets	16	4,764	758	-	-
Goodwill	15	3,539	-	-	-
Investment in subsidiaries	17	-	-	26,448	19,298
Property, plant and equipment	13	511	831	-	-
Investments	18	1,099	278	-	-
Right of use asset	19	1,603	2,474	-	-
Deferred tax asset	21	190	-	-	-
Loan receivable	29	-	-	644	644
		<b>11,706</b>	<b>4,341</b>	<b>27,092</b>	<b>19,942</b>
<b>Current assets</b>					
Trade and other receivables	22	5,156	5,944	56	2,589
Other investments	23	2,490	1,223	-	-
Subordinated Loan	20	-	-	-	985
Cash and cash equivalents	24	8,211	2,580	1,246	-
Assets held for sale	10	-	2,128	-	-
		<b>15,857</b>	<b>11,875</b>	<b>1,302</b>	<b>3,574</b>
<b>Total assets</b>		<b>27,563</b>	<b>16,216</b>	<b>28,394</b>	<b>23,516</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	25	(7,623)	(4,103)	(2,960)	(156)
Lease liability	19	(552)	(629)	-	-
Deferred consideration	26	(1,087)	-	(1,087)	-
Deferred tax liability	21	(799)	-	-	-
Liabilities classified as held for sale	10	-	(704)	-	-
		<b>(10,061)</b>	<b>(5,436)</b>	<b>(4,047)</b>	<b>(156)</b>
<b>Non-current liabilities</b>					
Lease liability	19	(1,506)	(2,274)	-	-
Deferred consideration	26	(909)	-	(909)	-
		<b>(2,415)</b>	<b>(2,274)</b>	<b>(909)</b>	<b>-</b>
<b>Total liabilities</b>		<b>(12,476)</b>	<b>(7,710)</b>	<b>(4,956)</b>	<b>(156)</b>
<b>Total net assets</b>		<b>15,087</b>	<b>8,506</b>	<b>23,438</b>	<b>23,360</b>
<b>Capital and reserves</b>					
Share capital		3,001	2,335	3,001	2,335
Share premium		19,083	14,414	19,083	14,414
Other reserves		981	981	228	228
Retained earnings		(7,334)	(8,580)	1,126	6,383
Treasury shares	29	(644)	(644)	-	-
<b>Shareholders' funds</b>		<b>15,087</b>	<b>8,506</b>	<b>23,438</b>	<b>23,360</b>

# Consolidated and Company statement of financial position

---

The notes on pages 50 to 85 are an integral part of these financial statements.

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 not to present the Company statement of comprehensive income. The loss after tax of the Company for the year was £5,347k (2020: £45k).

These financial statements were approved by the Board of Directors on 15 July 2021 and were signed on its behalf by:

**P Tansey**  
Director

# Consolidated and Company statement of cash flows

	Notes	Group		Company	
		Year ended 31 Mar 2021 £'000	Year ended 31 Mar 2020 £'000	Year ended 31 Mar 2021 £'000	Year ended 31 Mar 2020 £'000
<b>Operating activities:</b>					
Profit / (loss) for the year:					
Continuing operations		1,239	(3,316)	(5,347)	(45)
Discontinuing operations		(86)	117	-	-
		<b>1,153</b>	<b>(3,199)</b>	<b>(5,347)</b>	<b>(45)</b>
Adjustments for:					
Depreciation, amortisation and impairment	13, 15, 18	1,242	1,225	-	-
Finance income	8, 10	(3)	(12)	-	-
Finance expense	8, 10	96	166	-	-
Tax	9	(196)	-	-	-
Losses in investments		-	43	283	-
Non-cash adjustment for share option charge	7	90	109	90	109
Decrease/(increase) in trade and other receivables		1,815	(1,586)	2,533	(128)
Increase/(decrease) in trade and other payables		2,602	(1,304)	2,804	61
Increase in current asset investments	22	(1,706)	(55)	-	-
<b>Net cash generated from/(used in) operations</b>		<b>5,094</b>	<b>(4,613)</b>	<b>363</b>	<b>(3)</b>
Income taxes received/(paid)	9	-	-	-	-
<b>Net cash inflows from operating activities</b>		<b>5,094</b>	<b>(4,613)</b>	<b>363</b>	<b>(3)</b>
<b>Investing activities:</b>					
Cost on disposal of subsidiary undertaking	1	(90)	-	-	-
Interest received	8, 10	3	12	-	-
Investment in subsidiary	16	(4,765)	-	(5,437)	(2,797)
Repayment of deferred consideration	25	-	(1,194)	-	-
Acquisition of property, plant and equipment	13	(201)	(214)	-	-
<b>Net cash (used in)/generated from investing activities</b>		<b>(5,053)</b>	<b>(1,396)</b>	<b>(5,437)</b>	<b>(2,797)</b>
<b>Finance activities:</b>					
Proceeds from issue of share capital		5,335	2,797	5,335	2,797
Proceeds from repayment of subordinated loan		-	-	985	-
Lease liability payments		(898)	(754)	-	-
Interest paid	8	(1)	(2)	-	-
<b>Net cash (used in)/generated from financing activities</b>		<b>4,436</b>	<b>2,041</b>	<b>6,320</b>	<b>2,797</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>4,477</b>	<b>(3,968)</b>	<b>1,246</b>	<b>(3)</b>
Cash and cash equivalents at beginning of year		3,734	7,702	-	3
Cash and cash equivalents at end of year		<b>8,211</b>	<b>3,734</b>	<b>1,246</b>	-

# Consolidated and Company statement of cash flows

## Notes to the Statement of Cash Flows (Direct Method and Indirect Method)

### Reconciliation of Group cash and cash equivalents at the end of the year:

	Year ended 31 Mar 2021
<b>Group</b>	<b>£'000</b>
Cash and cash equivalents from continuing operations	8,211
Cash and cash equivalents from discontinuing operations	-
<b>Cash and cash equivalents at end of year</b>	<b>8,211</b>

	Year ended 31 Mar 2020
<b>Group</b>	<b>£'000</b>
Cash and cash equivalents from continuing operations	2,580
Cash and cash equivalents from discontinuing operations	1,154
<b>Cash and cash equivalents at end of year</b>	<b>3,734</b>

### Reconciliation of Group and Company liabilities arising from financing activities in the year:

	As at 1 April 2020	Correction of calculation	Cash flows	Non-cash changes	As at 31 Mar 2021
<b>Group</b>	£'000	£'000	£'000	£'000	£'000
Lease liability	3,223	(369)	(898)	102	2,058
	<b>3,223</b>	<b>(369)</b>	<b>(898)</b>	<b>102</b>	<b>2,058</b>

### Reconciliation of Group and Company liabilities arising from financing activities in the prior year:

	As at 1 April 2019	Transition to IFRS 16	Cash flows	Non-cash changes	As at 31 Mar 2020
<b>Group</b>	£'000	£'000	£'000	£'000	£'000
Lease liability	-	3,811	(754)	166	3,223
	-	<b>3,811</b>	<b>(754)</b>	<b>166</b>	<b>3,223</b>

There are no Company liabilities arising from financing activities.

The notes on pages 50 to 85 are an integral part of these financial statements.

## Consolidated and Company changes in equity

Group	Share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Treasury shares £'000	Total equity £'000
Balance at 1 April 2019	2,044	11,908	981	(5,524)	(644)	8,765
Loss and total comprehensive income for the year	-	-	-	(3,199)	-	(3,199)
Employee share option scheme	-	-	-	109	-	109
New share capital issued	291	2,506	-	-	-	2,797
Other movements	-	-	-	34	-	34
Balance at 31 March 2020	2,335	14,414	981	(8,580)	(644)	8,506
Profit and total comprehensive income for the year	-	-	-	1,153	-	1,153
Employee share option scheme	-	-	-	90	-	90
New share capital issued	666	4,669	-	-	-	5,335
Other movements	-	-	-	3	-	3
<b>Balance at 31 March 2021</b>	<b>3,001</b>	<b>19,083</b>	<b>981</b>	<b>(7,334)</b>	<b>(644)</b>	<b>15,087</b>

The notes on pages 50 to 85 are an integral part of these financial statements.

Retained earnings include £10k ESOT reserve.

At 31 March 2021 the total number of issued ordinary shares is 62.02 million shares of 5p each (2020: 48.70 million shares of 5p each). 13.32 million shares were issued during the period (2020: 5.80 million).



# Consolidated and Company changes in equity

Company	Share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Treasury shares £'000	Total equity £'000
Balance at 1 April 2019	2,044	11,908	228	6,319	-	20,499
Loss and total comprehensive income for the year	-	-	-	(45)	-	(45)
Employee share option scheme	-	-	-	109	-	109
New share capital issued	291	2,506	-	-	-	2,797
Other movements	-	-	-	2	-	2
Balance at 31 March 2020	2,335	14,414	228	6,385	-	23,362
Loss after tax	-	-	-	(5,347)	-	(5,347)
Employee share option scheme	-	-	-	90	-	90
Deferred tax on employee share options	-	-	-	-	-	-
New share capital issued	666	4,669	-	-	-	5,335
Other movements	-	-	-	(2)	-	(2)
<b>Balance at 31 March 2021</b>	<b>3,001</b>	<b>19,083</b>	<b>228</b>	<b>1,126</b>	<b>-</b>	<b>23,438</b>

The notes on pages 50 to 85 are an integral part of these financial statements.

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.

## Other reserves

Other reserves comprise a (consolidated) merger reserve of £753k (2020: £753k) and a (consolidated) capital redemption reserve of £228k (2020: £228k).

## 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, shares are shown as a separate class of shareholders' equity with a debit balance. This includes shares in the company held by the EBT or ESOT, both of which are consolidated within the consolidated figures.

# Notes to the financial statements

---

## 1. General information

WH Ireland Group plc is a public company incorporated in the United Kingdom. The shares of the Company are traded 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.

### *Basis of preparation*

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out in note 3. The policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements are presented in British Pounds (GBP), which is also the Group's functional currency. Amounts are rounded to the nearest thousand, unless otherwise stated. These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Despite the uncertainty created by Brexit and Covid-19, the performance over the financial year has been significantly above our stressed scenario analysis. Decisive actions around cost reductions combined with a strong CMD performance ensured that the Group was not just able to meet its regulatory capital requirement but build its surplus during the year. An analysis of potential negative scenarios were conducted as part of the going concern review to assess the potential impact on revenue, asset values with a particular focus on the more variable component parts of our overall revenue, corporate finance fees and commission. Furthermore, reverse stress tests were modelled to determine when a liquidity crisis or a breach of regulatory capital in the Group would occur. The results of these stress tests provide comfort to the Directors that the business is sufficiently robust and resilient.

Based on the above, the Group continues to adopt the going concern basis in preparing the financial statements. This is discussed in more detail in the Directors' Report.

## 2. Adoption of new and revised standards

There have been no new standards which have been adopted during the year.

## 3. Significant accounting policies

### *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.

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 until the date on which control ceased.

In the Company's accounts, investments in subsidiary undertakings 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 before or after the acquisition 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. 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.

# Notes to the financial statements

---

## 3. Significant accounting policies (continued)

### *Discontinued operations*

The Group present its results from its discontinued operations separately from its continuing operations. In line with IFRS 5, an operation is classed as discontinued if it has been or in the process of being disposed, represents either a separate major line of business or a geographical area of operations or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operation.

### *Assets and liabilities held for sale*

An asset or liability is classified as held for sale if it's carrying value is intended to be recovered through its sale rather than its continuing use, management is committed to a plan to sell, the asset is available for immediate sale, an active programme to locate a buyer has been initiated, the sale is highly probable within 12 months of classification as held for sale and the actions required to complete the transaction indicate it is unlikely it will be significantly changed or withdrawn. Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment losses is recognised through the consolidated comprehensive income.

### *Revenue*

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow into the Group. It is measured based on the consideration specified in a contract with a customer.

Revenue comprises: brokerage commission, investment management fees, corporate finance fees, commission and fees earned from the provision of independent financial advice.

- Brokerage commission is recognised when receivable in accordance with the date of the underlying transaction. It is a variable fee based on a percentage of the transaction and therefore performance obligation is satisfied at the date of the underlying transaction to which the brokerage relates.
- Investment management fees are recognised in the period in which the related service is provided. It is a variable fee based on the average daily market value of assets under management and is invoiced on a calendar quarter basis in arrears. The performance obligation is satisfied over time as the contractual obligations are on ongoing throughout the period under contract. The revenue accrued but not yet invoiced is recognised as a contract asset.
- Corporate finance advisory fees are fixed fees agreed on a deal by deal basis and might include 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 and therefore the performance obligation is satisfied at a point in time when the Group has fully completed the performance obligations per the contract.
- Retainer fees are recognised over the length of time of the agreement. Fees are fixed and invoiced quarterly in advance based on the agreed engagement letter. The performance obligation is satisfied over time as the contractual obligations are on ongoing throughout the period under contract. The deferred revenue is recognised as a contract liability.
- Corporate placing commissions are variable fees agreed on a deal by deal basis based on a percentage of the funds raised as part of a transaction. 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. Given that fees related to this work are success based, there is a significant risk of reversal of the variable revenue and therefore the performance obligation is satisfied at a point in time when the transaction is completed. The combination of corporate placing commissions and corporate finance advisory fees are referred to as corporate success fees.

### *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.

# Notes to the financial statements

---

## 3. Significant accounting policies (continued)

### *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 repriced option and the fair value of the original option at the date of re-pricing. This incremental value is then recognised as an expense over the remaining vesting period in addition to the amount recognised in respect of the original option grant.

Where an equity-settled award is cancelled or settled (that is, cancelled with some form of compensation) it is treated as if it had vested on the date of cancellation and any expense not yet recognised for the award is recognised immediately.

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

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

# Notes to the financial statements

## 3. Significant accounting policies (continued)

### *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 (note 21).

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. A deferred tax asset has been recognised, £190k (2020: £nil).

### *Plant and equipment*

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 plant and equipment over the assets' expected useful lives, to their residual values, as follows:

Computers, fixtures and fittings	–	4 to 7 years
----------------------------------	---	--------------

### *Intangible assets*

#### *Measurement*

Intangible assets with finite useful lives that are 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 as follows:

Client relationships	–	10 years
----------------------	---	----------

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.

#### *Impairment*

The carrying amounts of the Group's intangible assets, excluding goodwill, are reviewed when there is an indicator of impairment 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. 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.

# Notes to the financial statements

## 3. Significant accounting policies (continued)

### *Intangible assets (continued)*

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. Any subsequent reversal of impairment credited to the statement of comprehensive income shall not cause the carrying amount of the intangible asset to exceed the carrying amount that would have been determined had no impairment been recognised.

### *Leased assets*

#### *Measurement and recognition of leases as a lessee*

For any new lease contracts entered into on or after 1 April 2019, as permitted under IFRS 16, the Group recognises a right of use asset and a lease liability except for:

- Leases with a term of 12 months or less from the lease commencement date
- Leases of low value assets

Lease liabilities are measured at the present value of the unpaid lease payments discounted using an incremental borrowing rate.

Right of use assets are initially measured at the amount of the lease liabilities plus initial direct costs, costs associated with removal and restoration and payments previously made. Right of use assets are amortised on a straight line basis over the term of the lease.

Lease liabilities are subsequently increased by the interest charge using the incremental borrowing rate and reduced by the contractual payments.

### *Financial instruments*

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

### *Financial assets and liabilities*

Investments are recognised and derecognised on the trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Assets and liabilities are presented net where there is a legal right to offset and an intention to settle in that way.

The three principal classification categories for financial assets are: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

# Notes to the financial statements

---

## 3. Significant accounting policies (continued)

### *Financial instruments (continued)*

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Assets held at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at OCI are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

### *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.

### *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.

# Notes to the financial statements

---

## 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:

### *Amortisation and impairment of non-financial assets*

As noted above, the Group estimates the useful economic lives of intangible assets, in order to calculate the appropriate amortisation charge. This is done by the Directors using their knowledge of the markets and business conditions that generated the asset, together with their judgement of how these will change in the foreseeable future.

Where an indicator of impairment exists, value in use calculations are performed to determine the appropriate carrying value of the asset. The value in use calculation requires the Directors to estimate the future cash flows expected to arise for the CGU and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise (see note 16).

Goodwill is subject to an annual impairment review which is done by comparing the balance value with the recoverable amount of the asset or its CGU. The recoverable amount is the higher of the value in use and fair value to sell less costs.

### *Acquisitions*

When an acquisition arises, it is the Group's policy to allocate the consideration to the fair value of identifiable assets and liabilities with any surplus representing goodwill. The determination of fair value of assets and liabilities requires significant accounting judgements and estimates. In determining the intangible assets, WH Ireland Group plc have outsourced this exercise to Smith & Williamson. The determination of the fair values is therefore based upon both a combination of Smith and Williamson's expertise and management's estimates. The calculation of the intangible assets is based mainly on customer relationships and brand. A MEEM approach has been used to estimate the fair value of the customer relationships and a relief from royalty approach has been adopted to estimate the fair value of the brand. In arriving at their estimates, the following assumptions were made: revenue growth of 2%, attrition rate of 3% for larger clients and 10% for smaller clients, discount rate of 13.5%.

The Multi period excess earnings method (MEEM) is a variant of the discounted cash flow technique. Under the MEEM, the fair value of the intangible asset reflects the present value of the projected stream of cash flows that will be generated by the asset (e.g. contracts/ relationships) over its life.

### *Investments in subsidiaries*

Where an indicator of impairment exists, management uses its judgement to assess the carrying value of the asset by determining the fair value by independent assessment of the carrying value of the business units and by comparative analysis against other similar businesses in the peer group. The carrying value of investments in subsidiaries at 31 March 2021 was £26.4m (see note 17).

### *Going Concern*

Management has used its judgement and knowledge of the business in preparing detailed financial forecasts for the period to September 2022 which consider the funding and capital position of the Group. 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 (see note 1).

The level of cash and regulatory capital is continuously monitored by the Group and the stressed forecast prepared to September 2022 reviewed on a regular basis. This is to ensure that if there is any risk to liquidity and capital position, decisive actions could be taken immediately.



# Notes to the financial statements

## 5. Segment information

The Group has two principal operating segments, Wealth Management (WM) and Capital Markets Division (CMD) and a number of minor operating segments that have been aggregated into one operating segment.

The WM 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 CMD provides corporate finance and corporate broking advice and services to companies and acts as Nominated Adviser (Nomad) to clients traded 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. 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 majority of the Group's revenue originates within the UK with a non-material element originating overseas in the Isle of Man which has been included in "Other Group companies" for the period of the year up until the sale of the IoM entity in August 2020.

The following tables represent revenue and cost information for the Group's business segments:

	WM	CMD	Head Office	Harpsden	Other Group Companies	Group	Less Discontinued Operations	Continuing Operations
Year to 31 March 2021	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	12,509	16,285	-	782	467	30,043	(484)	29,559
Direct costs	(10,266)	(11,503)	-	(649)	(1,328)	(23,746)	427	(23,319)
<b>Contribution</b>	<b>2,243</b>	<b>4,782</b>	<b>-</b>	<b>133</b>	<b>(861)</b>	<b>6,297</b>	<b>(57)</b>	<b>6,240</b>
Indirect costs	-	-	(3,708)	-	-	(3,708)	-	(3,708)
<b>Segment results</b>	<b>2,243</b>	<b>4,782</b>	<b>(3,708)</b>	<b>133</b>	<b>(861)</b>	<b>2,589</b>	<b>(57)</b>	<b>2,532</b>
Executive board cost	93	93	(855)	-	-	(669)	-	(669)
Investment losses	-	-	-	-	(137)	(137)	137	-
Depreciation	-	-	(503)	(1)	(6)	(510)	6	(504)
Amortisation	-	-	(218)	-	-	(218)	-	(218)
Finance income	-	1	1	-	-	2	-	2
Finance expense	(73)	(22)	-	(1)	-	(96)	-	(96)
<b>Profit / (loss) before tax</b>	<b>2,263</b>	<b>4,854</b>	<b>(5,283)</b>	<b>131</b>	<b>(1,004)</b>	<b>961</b>	<b>86</b>	<b>1,047</b>
Tax	6	-	190	(4)	-	192	-	192
<b>Profit / (loss) for the year</b>	<b>2,269</b>	<b>4,854</b>	<b>(5,093)</b>	<b>127</b>	<b>(1,004)</b>	<b>1,153</b>	<b>86</b>	<b>1,239</b>

\* Other Group companies include WH Ireland (IOM) Limited, WH Ireland Group plc. Discontinued operations are included in other Group companies.

# Notes to the financial statements

## 5. Segment information (continued)

Year to 31 March 2020	WM	CMD	Head Office	Other Group Companies	Group	Less Discontinued Operations	Continuing Operations
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	13,790	7,860	-	1,213	22,863	(1,255)	21,608
Direct costs	(11,085)	(7,674)	-	(1,070)	(19,829)	1,105	(18,724)
<b>Contribution</b>	<b>2,705</b>	<b>186</b>	<b>-</b>	<b>143</b>	<b>3,034</b>	<b>(150)</b>	<b>2,884</b>
Indirect costs			(4,501)	-	(4,501)	-	(4,501)
<b>Segment result</b>	<b>2,705</b>	<b>186</b>	<b>(4,501)</b>	<b>143</b>	<b>(1,467)</b>	<b>(150)</b>	<b>(1,617)</b>
Executive board cost	125	125	(1,162)	-	(912)	-	(912)
Investment losses	-	(43)	-	-	(43)	-	(43)
Depreciation	-	-	(482)	(17)	(499)	17	(482)
Amortisation	-	-	(122)	-	(122)	-	(122)
Finance income	-	-	11	1	12	(1)	11
Finance expense	(65)	(28)	(58)	(17)	(168)	17	(151)
<b>Profit / (loss) before tax</b>	<b>2,765</b>	<b>240</b>	<b>(6,314)</b>	<b>110</b>	<b>(3,199)</b>	<b>(117)</b>	<b>(3,316)</b>
Tax	-	-	-	-	-	-	-
<b>Profit / (loss) for the year</b>	<b>2,765</b>	<b>240</b>	<b>(6,314)</b>	<b>110</b>	<b>(3,199)</b>	<b>(117)</b>	<b>(3,316)</b>

\* Other Group companies include WH Ireland (IOM) Limited and WH Ireland Group plc. Discontinued operations are included in other Group companies.

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 44. 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.

Revenue disaggregated by division and timing of recognition below:

Year to 31 March 2021	WM	CMD	Head Office	Harpsden	Other Group Companies	Group	Less Discontinued Operations	Continuing Operations
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Point in time	3,358	12,604	-	61	35	16,059	(53)	16,006
Over time	9,151	3,681	-	721	431	13,984	(431)	13,553
<b>Total</b>	<b>12,509</b>	<b>16,285</b>	<b>-</b>	<b>782</b>	<b>466</b>	<b>30,042</b>	<b>(484)</b>	<b>29,559</b>

Year to 31 March 2020	WM	CMD	Head Office	Other Group Companies	Group	Less Discontinued Operations	Continuing Operations
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Point in time	4,034	4,571	-	77	8,682	(119)	8,563
Over time	9,756	3,289	-	1,136	14,181	(1,136)	13,045
<b>Total</b>	<b>13,790</b>	<b>7,860</b>	<b>-</b>	<b>1,213</b>	<b>22,863</b>	<b>(1,255)</b>	<b>21,608</b>

# Notes to the financial statements

## 6. Operating profit/(loss)

Group	Year ended 31 Mar 2021 £'000	Year ended 31 Mar 2020 £'000
<b>Operating profit / (loss) is stated after charging/(crediting):</b>		
Depreciation of property, plant and equipment	504	482
Amortisation of intangibles	218	122
Operating lease rentals – property	-	-
IFRS 16 depreciation (note 19)	393	562
Impairment of intangibles	-	-
Employee benefit expense (note 7)	19,260	14,365
Exceptional costs	616	970
Other administrative expenses	7,224	8,071
<b>Auditors' remuneration:</b>		
Audit of these financial statements	52	25
Amounts payable to the principal auditors and their associates in respect of:		
- audit of financial statements of subsidiaries pursuant to legislation	106	78
- audit related assurance services	17	22
	28,390	24,697
Expected credit loss (note 22)	28	44
<b>Total</b>	<b>28,418</b>	<b>24,741</b>

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

Exceptional items totalling £616,000 (2020: £970,000) are shown below:

	Year to 31 Mar 2021 £'000	Year to 31 Mar 2020 £'000
Project Discovery*	35	268
Restructuring**	129	506
Compliance projects***	18	196
Acquisition of Harpsden Wealth Management Ltd	434	-
<b>Total</b>	<b>616</b>	<b>970</b>

### Notes:

\*As announced on 2 June 2016, the Group entered into a seven year agreement with SEI Investments (Europe) Ltd, to outsource its Wealth Management back office operations and move to a "Model B" arrangement. On account of a number of unforeseen obstacles, significant cost has been incurred in both internal and external resources dedicated to this project ("Project Discovery") as the project moves to conclude the transfer of clients and assets from the prior legacy platforms over to SEI.

\*\* During the year ending 31 March 2021, there were some further personnel restructures. During the year ended 31 March 2020, there were some personnel restructures and a one off project on cost reduction was undertaken. The costs of these changes, in respect of both short term consultancy costs and fixed employment related costs, are considered by the Board to be non-trading and exceptional in nature.

\*\*\* During the year ending 31 March 2021 and 31 March 2020, the Group incurred various costs in relation to one off control framework enhancements.

# Notes to the financial statements

## 7. Employee benefit expense

Group	Year ended 31 Mar 2021 £'000	Year ended 31 Mar 2020 £'000
Wages and salaries	9,162	10,690
Bonuses	3,801	432
Social security costs	1,634	1,583
Other pension costs	401	442
	<b>14,998</b>	<b>13,147</b>
Non salaried staff	4,301	1,315
Other administrative expenses	19,299	14,462
Charge for share options granted to employees	90	109
Less amounts included within Restructuring and non-recurring costs	(129)	(206)
	<b>19,260</b>	<b>14,365</b>

The Group claimed £180,000 of grants during the year from the UK Government through the Coronavirus Job Retention Scheme. No staff remained on furlough from 30 June 2021.

Non-salaried staff are commission-only brokers and therefore do not receive a salary.

Company	Year ended 31 Mar 2021 £'000	Year ended 31 Mar 2020 £'000
Wages and salaries	167	226
Bonuses	-	-
	<b>167</b>	<b>226</b>

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

Group	Year ended 31 Mar 2021	Year ended 31 Mar 2020
Executive and senior management	8	7
Capital Markets division	35	34
Wealth Management	64	59
Support staff	24	50
Salaried staff	<b>131</b>	<b>150</b>
Non salaried staff	8	9
Total	<b>139</b>	<b>159</b>

  

Company	Year ended 31 Mar 2021	Year ended 31 Mar 2020
Executive and senior management	5	5
	<b>5</b>	<b>5</b>

The total amount paid to Directors in the period, including social security costs was £1.0m (2020: £1.0m). Full details of Directors' remuneration, including that of the highest paid Director, are disclosed in the Remuneration Report on pages 31-34 of these financial statements.

# Notes to the financial statements

## 8. Finance income and expense

Group	Year ended 31 Mar 2021 £'000	Year ended 31 Mar 2020 £'000
Bank interest receivable	2	11
Other interest	-	-
Finance income	2	11
Interest payable on lease liability	95	149
Other interest	1	2
<b>Finance expense</b>	<b>96</b>	<b>151</b>

## 9. Tax expense

Group	Year ended 31 Mar 2021 £'000	Year ended 31 Mar 2020 £'000
Current tax expense:		
United Kingdom corporation tax at 19% (2020: 19%)	-	-
Adjustment in respect of prior years	-	-
Total current tax	-	-
Deferred tax expense (note 21):		
Current year	192	-
Effect of change in tax rate	-	-
Adjustment in respect of prior years	-	-
Total deferred tax	192	-
Total tax in the statement of comprehensive income	192	-
Equity items:		
Deferred tax movement arising on acquisition	(799)	-
Total tax in the statement of equity	(607)	-

# Notes to the financial statements

## 9. Tax expense (continued)

The tax expense for the year and the amount calculated by applying the standard United Kingdom corporation tax rate of 19% (2020: 19%) to profit before tax can be reconciled as follows:

Group	Year ended 31 Mar 2021 £'000	Year ended 31 Mar 2020 £'000
Profit / (loss) before tax	1,047	(3,316)
Tax expense using the United Kingdom corporation tax rate of 19% (2020: 19%)	199	(630)
Other expenses not tax deductible	4,845	71
Income not chargeable to tax	(4,753)	-
Impact of share options	-	21
Movement in unrecognised deferred tax	(522)	568
Adjustments in respect of prior years	-	-
Difference in overseas tax rates	39	(30)
Effect of other tax rates/credits	-	-
Total tax credit in the statement of comprehensive income	(192)	-

## 10. Discontinued operations and assets & liabilities held for sale

The Group announced its intention to sell its subsidiary WH Ireland (IOM) Limited on 29 June 2020, and the sale subsequently completed on 21 August 2020. In accordance with IFRS 5 non-current assets held for sale and discontinued operations, the results for WH Ireland (IOM) Limited are included in discontinued operations in both the current and prior period; its assets and liabilities have been classified as held for sale and recorded at the lower of the carrying value and fair value less costs to sell. The associated assets and liability were therefore presented as held for sale in the prior year's financial statements.

### *Financial performance and cash flow information*

	Year ended 31 Mar 2021 £'000	Year ended 31 Mar 2020 £'000
<b>Revenue</b>	484	1,255
Administrative expenses	(433)	(1,122)
<b>Operating profit</b>	51	133
Loss on disposal of discontinued operations	(137)	-
Finance income	-	1
Finance expense	-	(17)
<b>Profit before tax</b>	(86)	117
Tax income/(charge)	-	-
<b>Profit from discontinued operations</b>	(86)	117

# Notes to the financial statements

## 10. Discontinued operations and assets & liabilities held for sale (continued)

	Year ended 31 Mar 2021 £'000
Net cash (used in)/generated from operations	163
Net cash (used in)/generated from investing activities	1
Net cash (used in)/generated from financing activities	(997)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(833)</b>

	Year ended 31 Mar 2020 £'000
Net cash (used in)/generated from operations	(536)
Net cash (used in)/generated from investing activities	-
Net cash (used in)/generated from financing activities	(60)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(596)</b>

### *Assets and liabilities of disposal group classified as held for sale*

The following assets and liabilities relating to WH Ireland (IOM) Limited were reclassified as held for sale at 31 March 2020. As at 31 March 2021, these were all nil values as the sale of WH Ireland (IOM) Limited completed on 21 August 2020:

	Year ended 31 Mar 2020 £'000
Assets classified as held for sale	
Property, plant and equipment	46
Right of use asset	321
Trade and other receivables	607
Cash and cash equivalents	1,154
<b>Total assets of subsidiary held for sale</b>	<b>2,128</b>

	Year ended 31 Mar 2020 £'000
Liabilities directly associated with assets classified as held for sale	
Trade and other payables	(385)
Lease liability	(319)
<b>Total liabilities of subsidiary held for sale</b>	<b>(704)</b>

## 11. Dividend

No dividend is proposed in respect of 2021 (2020: none).

# Notes to the financial statements

## 12. Earnings per share

Basic EPS is calculated by dividing the profit or loss 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 29).

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. In a year when the Company presents positive earnings attributable to ordinary shareholders, anti-dilutive 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:

	Year ended 31 Mar 2021	Year ended 31 Mar 2020
<b>Group</b>		
Weighted average number of shares in issue during the period	50,249	44,957
Effect of dilutive share options (thousands)	9,614	-
	59,862	44,957
<b>From continuing operations</b>		
Profit / (loss) for the year attributable to ordinary shareholders (£'000)	1,239	(3,316)
Basic	2.47p	(7.38p)
Diluted	2.07p	(7.38p)
<b>From discontinued operations</b>		
Profit for the year attributable to ordinary shareholders (£'000)	(86)	117
Basic	(0.17p)	0.26p
Diluted	(0.14p)	0.26p
<b>Total</b>		
Profit / (Loss) for the year attributable to ordinary shareholders (£'000)	1,153	(3,199)
Basic	2.30p	(7.12p)
Diluted	1.93p	(7.12p)



# Notes to the financial statements

## 13. Property, plant and equipment

	Group	Company
	Computers, fixtures and fittings £'000	Computers, fixtures and fittings £'000
<b>Cost</b>		
At 31 March 2019	5,310	33
Additions	214	-
Reclassified as held for sale	(80)	-
Disposals	-	-
At 31 March 2020	5,444	33
Additions	201	-
Reclassified as held for sale	-	-
Disposals	-	-
<b>At 31 March 2021</b>	<b>5,645</b>	<b>33</b>
<b>Depreciation and impairment</b>		
At 31 March 2019	4,148	33
Charge for the year	499	-
Reclassified as held for sale	(34)	-
Adjustment on disposal	-	-
At 31 March 2020	4,613	33
Charge for the year	521	-
Reclassified as held for sale	-	-
Adjustment on disposal	-	-
<b>At 31 March 2021</b>	<b>5,134</b>	<b>33</b>
<b>Net book values</b>		
<b>At 31 March 2021</b>	<b>511</b>	<b>-</b>
At 31 March 2020	831	-
At 31 March 2019	1,162	-

# Notes to the financial statements

## 14. Business Combinations

### Acquisition of Harpsden Wealth Management Limited

On 22 December 2020, WH Ireland Group Plc acquired Harpsden Wealth Management Limited (Harpsden) for a total consideration of £7.3m.

The fair values of the assets and liabilities of Harpsden as at the date of acquisition are as per the table below:

	Book value £'000	Adjustments £'000	Fair value £'000
<b>Net Assets at date of acquisition:</b>			
Intangible assets	-	4,225	4,225
Tangible assets	13	-	13
Debtors	309	-	309
Cash	671	-	671
Creditors	(523)	-	(523)
Deferred tax liability	-	(803)	(803)
<b>Net assets acquired</b>	<b>470</b>	<b>3,422</b>	<b>3,892</b>
Goodwill arising on acquisition			3,539
<b>Total</b>			<b>7,431</b>

### Discharged by:

Initial cash consideration	5,300
Deferred consideration payable	2,585
Effect of discounting of deferred consideration	(589)
Costs associated with acquisition	135
<b>Total</b>	<b>7,431</b>

## 15. Goodwill

Group	Year ended 31 Mar 2021 £'000	Year ended 31 Mar 2020 £'000
Beginning of year	-	-
Acquisition of subsidiaries	3,539	-
Impairment	-	-
<b>End of year</b>	<b>3,539</b>	<b>-</b>

# Notes to the financial statements

## 16. Intangible assets

Group	Client relationship s £'000
<b>Cost</b>	
At 31 March 2019	4,581
Additions	-
At 31 March 2020	4,581
Additions	4,225
<b>At 31 March 2021</b>	<b>8,806</b>
<b>Amortisation</b>	
At 31 March 2019	3,701
Charge for the year	122
Impairment losses	-
At 31 March 2020	3,823
Charge for the year	219
<b>At 31 March 2021</b>	<b>4,042</b>
<b>Net book values</b>	
<b>At 31 March 2021</b>	<b>4,764</b>
At 31 March 2020	758
At 31 March 2019	880

Client relationships arise when the group acquires a broker business with an existing client base. These individual broker businesses each represent a cash generating unit.

# Notes to the financial statements

## 17. Subsidiaries

Company	Year ended 31 Mar 2021 £'000	Year ended 31 Mar 2020 £'000
Beginning of year	19,298	16,501
Additions	7,150	2,797
<b>End of year</b>	<b>26,448</b>	<b>19,298</b>

Investments in subsidiaries are stated at cost less impairment.

During the financial year, the Group raised £5.3m (2020: £2.80m on 22 November 2019) by way of placings to existing and new shareholders (30 July 2020; 21 December 2020; and 16 March 2021). The Group used the placings to fund the purchase of Harpsden Wealth Management Limited.

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	WM and CM	Ordinary	100%	100%
WH Ireland (IOM) Limited*	Isle of Man	WM	Ordinary	100%	100%
Harpsden Wealth Management Limited	England & Wales	WM	Ordinary	100%	100%
WH Ireland (Financial Services) Limited	England & Wales	Dormant	Ordinary	100%	-
Readycount Limited	England & Wales	No trading activity	Ordinary	100%	100%
Stockholm Investments Limited	England & Wales	No trading activity	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%	-

\*WH Ireland (IOM) Limited was sold on 21 August 2020, but was included in the consolidated financial statements (see note 10).

The registered office of WH Ireland (IOM) Limited is St George's Tower, Hope Street, Douglas, Isle of Man, IM1 1HR.

The registered office of Harpsden Wealth Management Limited is Newtown House, Newtown Road, Henley-on-Thames, Oxfordshire RG9 1HG.

The registered office of all other companies listed above is 24 Martin Lane, London, EC4R 0DR.

The following dormant subsidiaries are guaranteed by the Company and therefore take advantage of the Companies Act (2006) in obtaining exemption from an individual audit:

Subsidiary	Country of incorporation
WH Ireland (Financial Services) Limited	England & Wales
ARE Business and Professional Limited	England & Wales
SRS Business and Professional Limited	England & Wales
WH Ireland Nominees Limited	England & Wales
WH Ireland Trustee Limited	England & Wales
Fitel Nominees Limited	England & Wales

# Notes to the financial statements

## 18. Investments

<b>Group</b>			
	Quoted	Unquoted	Total
	£'000	£'000	£'000
<b>Financial assets at fair value through profit or loss</b>			
At 31 March 2019	-	48	48
At 31 March 2020	-	48	48
At 31 March 2021	-	48	48
<b>Other financial assets at fair value through profit or loss</b>			
	Quoted	Warrants	Total
	£'000	£'000	£'000
At 31 March 2019	1	180	181
Additions	-	60	60
Fair value loss	-	(11)	(11)
Disposals	-	-	-
At 31 March 2020	1	229	230
Additions	-	1,260	1,260
Fair value gain / loss	-	983	983
Disposals	-	(1,422)	(1,422)
At 31 March 2021	1	1,050	1,051
<b>Total investments at 31 March 2021</b>	<b>1</b>	<b>1,098</b>	<b>1,099</b>
Total investments at 31 March 2020	1	277	278

Financial assets at fair value through profit or loss include equity investments other than those in subsidiary undertakings. These are measured at fair value with fair value gains and losses recognised through profit and loss.

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.

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.

The fair value of the warrants was determined using the Black Scholes model and grouped within level 3 with fair value measurements derived from formal valuation techniques (see note 27). The key inputs into this calculation are the share price as at 31 March 2021, exercise price, risk free interest rate and volatility which is based on the share price movements during the period 1 December 2020 to 31 March 2021.

# Notes to the financial statements

## 19. Right of use asset & lease liability

	Leasehold Properties £'000
<b>Cost</b>	
At 31 March 2019	-
Adjustment for transition to IFRS16	3,399
Restated at 1 April 2019	3,399
Reclassified as held for sale	(363)
At 31 March 2020	3,036
Adjustment for deferred rent invoices	(50)
Correction of calculation of right of use asset	(319)
<b>At 31 March 2021</b>	<b>2,667</b>
<b>Depreciation</b>	
At 31 March 2019	-
Charge for the year	604
Reclassified as held for sale	(42)
At 31 March 2020	562
Charge for the year	502
<b>At 31 March 2021</b>	<b>1,064</b>
<b>Net book values</b>	
<b>At 31 March 2021</b>	<b>1,603</b>
At 31 March 2020	2,474
At 31 March 2019	-

### *Maturity of discounted lease payments in relation to non-cancellable leases*

The table below represents the minimum lease payments in relation to non-cancellable leases where the group is a lessee:

	Group			Total contractual payments £'000
	Payable within 1 year £'000	Payable in 2 to 5 years £'000	Payable after more than 5 years £'000	
<b>Lease liability</b>				
<b>2021</b>	<b>549</b>	<b>1,298</b>	<b>211</b>	<b>2,058</b>
2020	629	1,905	369	2,903

# Notes to the financial statements

## 19. Right of use asset & lease liability (continued)

The following represents the lease expense in relation to leases which is recognised in the statement of comprehensive income:

Group	Year ended 31 Mar 2021 £'000	Year ended 31 Mar 2020 £'000
Depreciation of right of use asset	393	562
Interest charge	95	149
Total charge	488	711

### *Nature of leases*

The Group leases a number of properties in the jurisdictions it operates.

These leases are usually for a fixed term although the Group sometimes negotiates break clauses in its leases. On a case-by-case basis, the Group will consider whether the absence of a break clause would expose the group to excessive risk. Typically factors considered in deciding to negotiate a break clause include:

- the length of the lease term;
- the economic stability of the environment in which the property is located; and
- whether the location represents a new area of operations for the Group

As at 31 March 2021, the carrying amounts of the lease liabilities are not reduced by the amounts that would not be paid as a result of exercising the break clauses because the Group does not anticipate to exercise its rights to the break clauses.

## 20. Subordinated loan

Company	Year ended 31 Mar 2021 £'000	Year ended 31 Mar 2020 £'000
Beginning of year	985	985
Additions	-	-
Disposals	(985)	-
End of year	-	985

This interest-free, subordinated loan was originally issued to WH Ireland (IOM) Limited on 31 March 2014 and has been increased in line with the needs of the subsidiary. As part of the agreement for the sale of WH Ireland (IOM) Limited, announced on 29 June 2020, the subordinated loan was repaid on completion, 21 August 2020. Accordingly, the loan was classified as a current asset in the prior year. The impact of applying IFRS 9 has been considered and probability of default was assessed and consequently, it was determined that the expected credit loss is nil.

# Notes to the financial statements

## 21. 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 19% (2020: 19%). 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.

A net deferred tax liability has been recognised in the year:

Group	Year ended 31 Mar 2021 £'000	Year ended 31 Mar 2020 £'000
Tax losses	190	-
Intangibles acquired on business combinations	(803)	-
Other	4	-
<b>Deferred tax liability</b>	<b>(609)</b>	-

No deferred tax asset or liability has been recognised on the Statement of Financial Position of the Company for the year ended 31 March 2021 (2020: £nil).

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate has not been substantively enacted at the balance sheet date. As a result deferred tax balances as at 31 March 2021 continue to be measured at 19%. If all of the deferred tax was to reverse at the amended rate the effect on the closing deferred tax position would be to increase the deferred tax liability by £192,000.

The unrecognised tax losses and fixed asset timing differences amount to £16.0m (2020: £19.0m).

## 22. Trade and other receivables

	Group		Company	
	31 Mar 2021 £'000	31 Mar 2020 £'000	31 Mar 2021 £'000	31 Mar 2020 £'000
Trade receivables	1,322	1,184	-	-
Amounts due from Group companies	-	-	-	2,477
Other receivables	1,065	2,032	47	100
Accrued income	2,139	1,995	-	-
Prepayments	630	733	9	12
	<b>5,156</b>	<b>5,944</b>	<b>56</b>	<b>2,589</b>

The carrying value of trade and other receivable balances are denominated fully in British pounds (2020: 100%).

Accrued income relates to management fee accrual. Management fees are accrued on a monthly basis and reconciled to fees collected quarterly. Consideration to IFRS 9 has been made and it has been determined that there is a low probability of default and therefore the expected credit loss is not material.

The impact of applying IFRS 9 to intercompany balances for the Company has been considered and probability of default was assessed and consequently, it was determined that the expected credit loss is not material.



# Notes to the financial statements

## 22. Trade and other receivables (continued)

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 31 March 2021, trade receivables (net of provisions for impairment and doubtful debts) comprised of the following:

	Group		Company	
	31 Mar 2021 £'000	31 Mar 2020 £'000	31 Mar 2021 £'000	31 Mar 2020 £'000
Not past due	496	362	-	-
Up to 5 days due	-	9	-	-
from 6 to 15 days past due	42	21	-	-
From 16 to 30 days past due	148	170	-	-
From 31 to 45 days past due	68	229	-	-
More than 45 days past due	568	393	-	-
	<b>1,322</b>	<b>1,184</b>	<b>-</b>	<b>-</b>

Trade receivables are largely amounts due from retainer clients, who are invoiced on a quarterly basis in advance. The Group's policy is to allow 30 days for payment. Consequently, these receivables have no significant financing component and the Group have applied the simplified approach in line with IFRS 9. Calculation of loss allowances are measured at an amount equal to lifetime expected credit losses (ECLs). The approach taken by the Group in arriving at the expected credit loss is as follows:

Step 1: The Group have determined the appropriate brackets by grouping each trade receivables based on the ageing structure.

Step 2: Having determined the appropriate groupings, a historical loss rate (adjusted for forward looking information) was calculated for each age bracket by reviewing the pattern of payment of trade receivables over the past 12 months.

Step 3: This historical loss rate (adjusted for forward looking information) has been applied to each ageing bracket of trade receivables as at the balance sheet date to arrive at an expected credit loss for each grouping. All trade receivables over 365 days have a 100% historical loss rate loss applied to them.

Based on the above, the group recognised an expected credit loss of £28k (2020: £44k expected credit loss).

The maximum exposure to credit risk, before any collateral held as security, is the carrying value of each class of receivable set out above.

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	
	31 Mar 2021 £'000	31 Mar 2020 £'000	31 Mar 2021 £'000	31 Mar 2020 £'000
Opening balance	458	603	-	-
Amount released from provision due to recovery	-	(179)	-	-
Amounts written off, previously fully provided	(65)	(10)	-	-
Amount charged to the statement of comprehensive income	28	44	-	-
<b>Closing balance</b>	<b>421</b>	<b>458</b>	<b>-</b>	<b>-</b>

# Notes to the financial statements

## 23. Other investments

	Group		Company	
	31 Mar 2021 £'000	31 Mar 2020 £'000	31 Mar 2021 £'000	31 Mar 2020 £'000
Current asset investment	962	912	-	-
Restricted cash	1,528	311		
<b>Total</b>	<b>2,490</b>	<b>1,223</b>		

Current asset investments represent short-term principal positions in the form of listed investments which are held at market value.

Restricted cash represents monies held by the Group which have some restrictions on their conversion to cash.

## 24. Cash and cash equivalents

	Group		Company	
	31 Mar 2021 £'000	31 Mar 2020 £'000	31 Mar 2021 £'000	31 Mar 2020 £'000
Cash and cash equivalents	8,211	2,580	1,246	-

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 cash and cash equivalents on the statement of financial position. Client money at 31 March 2021 for the Group was £401k (2020: £430k). There is no client money held in the Company (2020: £nil).

## 25. Trade and other payables

	Group		Company	
	31 Mar 2021 £'000	31 Mar 2020 £'000	31 Mar 2021 £'000	31 Mar 2020 £'000
Trade payables	1,897	996	35	51
Amounts due to Group companies	-	-	2,824	-
Other payables	618	359	-	-
Tax and social security	662	459	-	-
Deferred income	372	394	1	-
Accruals	4,074	1,895	100	105
	<b>7,623</b>	<b>4,103</b>	<b>2,960</b>	<b>156</b>

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

Deferred income relates to retainer fees invoiced in advance and spread over the length of the period, typically quarterly.

# Notes to the financial statements

## 26. Deferred consideration

	31 Mar 2021	31 Mar 2020
	£'000	£'000
Included in current liabilities	1,087	-
Included in non-current liabilities	909	-
	1,996	-

Deferred consideration relate to the acquisition of Harpsden and the maximum amounts payable over a two year period. The following assumptions were made: revenue growth of 2%, attrition rate of 3% for larger clients and 10% for smaller clients, discount rate of 13.5%.

## 27. 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:

### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss 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:

Group	31 March 2021		
	Amortised cost	Fair value through profit or loss	Total
	£'000	£'000	£'000
<b>Financial assets</b>			
Investments	-	48	48
Other investments	-	3,298	3,298
Trade and other receivables	4,526	-	4,526
Cash and cash equivalents	8,211	-	8,211
<b>Financial liabilities</b>			
Trade and other payables	6,589	-	6,589
Lease liability	2,058	-	2,058

# Notes to the financial statements

## 27. Financial risk management (continued)

Group	31 March 2020		
	Amortised cost £'000	Fair value through profit or loss £'000	Total £'000
<b>Financial assets</b>			
Investments	-	48	48
Other investments	-	1,453	1,453
Trade and other receivables	5,211	-	5,211
Cash and cash equivalents	2,580	-	2,580
<b>Financial liabilities</b>			
Trade and other payables	3,250	-	3,250
Lease liability	2,903	-	2,903

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

Company	31 March 2021		
	Amortised cost £'000	Fair value through profit or loss £'000	Total £'000
<b>Financial assets</b>			
Trade and other receivables	47	-	47
Cash and cash equivalents	1,246	-	1,246
<b>Financial liabilities</b>			
Trade and other payables	135	-	135
Group balances	2,824	-	2,824

Company	31 March 2020		
	Amortised cost £'000	Fair value through profit or loss £'000	Total £'000
<b>Financial assets</b>			
Subordinated loan (note 20)	985	-	985
Group balances	2,477	-	2,477
<b>Financial liabilities</b>			
Trade and other payables	156	-	156

# Notes to the financial statements

---

## 27. Financial risk management (continued)

### *Risks*

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and market risk. Market risk comprises, 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. 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 22. 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.

The credit risk in the Company principally comes from intercompany balances and subordinated loan. Since these are all within the Group, the Directors are able to closely monitor the risk of default on a regular basis to minimise any potential losses.

### *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 main banking facilities in February 2015. As an evergreen facility there is no requirement to update the agreement annually, although a formal review of facilities is undertaken at least annually.

This ensures that the group and the company both have sufficient funds/current assets available to meet the liabilities as they fall due.

# Notes to the financial statements

## 27. Financial risk management (continued)

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

	31 March 2021			
	Payable within 1 year	Payable in 2 to 5 years	Payable after more than 5 years	Total contractual payments
Group	£'000	£'000	£'000	£'000
Trade and other payables	6,589	-	-	6,589
Lease liability	634	1,425	206	2,265
	7,223	1,425	206	8,854

	31 March 2020			
	Payable within 1 year	Payable in 2 to 5 years	Payable after more than 5 years	Total contractual payments
Group	£'000	£'000	£'000	£'000
Trade and other payables	3,250	-	-	3,250
Lease liability	751	2,059	387	3,197
	4,001	2,059	387	6,447

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

	31 March 2021			
	Payable within 1 year	Payable in 2 to 5 years	Payable after more than 5 years	Total contractual payments
Company	£'000	£'000	£'000	£'000
Trade and other payables	135	-	-	135
	135	-	-	135

	31 March 2020			
	Payable within 1 year	Payable in 2 to 5 years	Payable after more than 5 years	Total contractual payments
Company	£'000	£'000	£'000	£'000
Trade and other payables	156	-	-	156
	156	-	-	156

# Notes to the financial statements

## 27. Financial risk management (continued)

### Market Risk

#### Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates to the Group's amount of interest receivable on cash deposits. The maximum exposure for interest is not significant.

#### 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) 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. Other investments are recognised at fair value and subject to changes in market prices.

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 £3,346k (2020: £1,501k). See note 18 and 23.

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 measurements 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 value 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).

	31 March 2021			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial assets at fair value through profit or loss</b>				
Unquoted equities	-	-	48	48
<b>Financial instruments designated at fair value through profit or loss</b>				
Quoted equities	-	-	-	-
Other investments	2,490	-	1,051	3,541
<b>Total</b>	<b>2,490</b>	<b>-</b>	<b>1,099</b>	<b>3,589</b>

# Notes to the financial statements

## 27. Financial risk management (continued)

	31 March 2020			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial assets at fair value through profit or loss</b>				
Unquoted equities	-	-	48	48
<b>Financial instruments designated at fair value through profit or loss</b>				
Quoted equities	-	-	-	-
Other investments	1,223	-	230	1,453
<b>Total</b>	<b>1,223</b>	<b>-</b>	<b>278</b>	<b>1,501</b>

There were no transfers between levels in either financial year.

	Unquoted equities £'000	Other investments £'000
Balance at 31 March 2019	48	1,349
Total gains or losses in Statement of Comprehensive Income	-	104
<b>Balance at 31 March 2020</b>	<b>48</b>	<b>1,453</b>
Total gains or losses in Statement of Comprehensive Income	-	2,088
<b>Balance at 31 March 2021</b>	<b>48</b>	<b>3,541</b>

## 28. Capital management

The capital of the Group comprises share capital, share premium, retained earnings and other reserves. The total capital at 31 March 2021 amounted to £15.1m for the Group (2020: £8.5m) and £23.4m for the Company (2020: £23.4m). 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 minimum common equity tier 1 regulatory capital 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.



# Notes to the financial statements

## 29. Treasury shares

Group	Year ended 31 Mar 2021 £'000	Year ended 31 Mar 2020 £'000
At 31 March	644	644
Additions	-	-
Disposals	-	-
<b>At 31 March</b>	<b>644</b>	<b>644</b>

At 31 March 2021 no shares in the Company were held in Treasury (2020: nil shares). At 31 March 2021 no shares in the Company were held in the EBT (2020: nil shares) and the ESOT held 2,139,500 shares (2020: 2,139,500), at a nominal value of 5p per share. This represents 3.45% of the called up share capital (2020: 4.39%).

## 30. Employee Benefit Trusts (EBT)

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 2,139,500 shares between the trustees of the ESOT and a number of employees (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.

The shares carry dividend and voting rights though these have been waived by all parties to the JOE Agreements. Due to the consolidation of the ESOT into the Group accounts, these shares are shown in Treasury (note 29). Due to the nature of these arrangements, the options contained in the JOE Agreements are accounted for as share-based payments (note 31).

# Notes to the financial statements

## 31. Share-based payments

The Group had two schemes for the granting of non-transferable options to employees during the reporting period; the approved Company Share Ownership Plan (CSOP) and a Save as You Earn Schemes (SAYE 3). In addition, options are held in the ESOT (note 30). Details of these schemes can be found in the Remuneration Report on pages 31 to 34. SAYE 3 matured in May 2019.

Under the terms of the Unapproved Options, options over the Company's shares may be granted on a discretionary basis to employees and consultants of the Group (including Directors) at a price to be agreed between the Company and the relevant option holder. Under the terms of the options granted, such options vest on the third anniversary of the award dates; are exercisable at the market price at the time the option was issued and are exercisable for ten years after the vesting date.

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:

	31 March 2021									
	CSOP		ESOT		ESOT		Unapproved Options		2020 EMI Option Plan	
	Options	WAEP	Options	WAEP	Options	WAEP	Options	WAEP	Options	WAEP
Outstanding at beginning of year	142,002	63.88p	650,000	40.12p	70,000	92.50p	1,800,000	46.00p	-	-
Granted	-	-	-	-	-	-	-	-	4,330,719	40.43p
Expired / forfeited	(15,000)	57.00p	(300,000)	0.00p	(20,000)	92.50p	-	-	-	-
Exercised	-	-	-	-	-	-	-	-	-	-
Outstanding at end of year	127,002	64.69p	350,000	74.50p	50,000	92.50p	1,800,000	45.00p	4,330,719	40.43p
Exercisable at end of year	127,002	64.69p	350,000	74.50p	50,000	92.50p	-	45.00p	-	40.43p
WA Life*	0.73 yrs		2.5 yrs		5.01 yrs		9.03 yrs		12.46 yrs	

\* WA Life represents the weighted average contractual life in years to the expiry date for options outstanding at the end of the year

	31 March 2020									
	CSOP		ESOT		SAYE 3		ESOT		Unapproved Options	
	Options	WAEP	Options	WAEP	Options	WAEP	Options	WAEP	Options	WAEP
Outstanding at beginning of year	128,589	66.23p	1,650,000	78.14p	794,564	82.00p	450,000	92.50p	-	-
Granted	43,413	58.00p	-	-	-	-	-	-	1,800,000	46.00p
Expired	-	-	-	-	(794,564)	82.00p	-	-	-	-
Forfeited	(30,000)	66.17p	(1,000,000)	75.00p	-	-	(380,000)	99.26p	-	-
Exercised	-	-	-	-	-	-	-	-	-	-
Outstanding at end of year	142,002	63.88p	650,000	40.12p	-	-	70,000	92.50p	1,800,000	46.00p
Exercisable at end of year	142,002	63.88p	650,000	40.12p	-	-	70,000	92.50p	-	-
WA Life*	1.71 yrs		5.19 yrs		-		6.01 yrs		10.03 yrs	

\* WA Life represents the weighted average contractual life in years to the expiry date for options outstanding at the end of the year

# Notes to the financial statements

## 31. Share-based payments (continued)

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

Pricing model	Pricing Models				
	CSOP Black Scholes	ESOT Monte Carlo	ESOT N/A	Unapproved Options N/A	2020 EMI Option Plan Black Scholes
Date of grant	02/11/11- 24/05/12	28/10/13- 13/4/16	30/05/17	28/06/19 & 28/12/19	01/11/2020 & 11/03/2021
Share price at grant (p)	56.5-83.0	74.5-114.5	125	45.0 & 49.0	45.0
Exercise price (p)	57.0-84.5	0.0-114.5	-	45.0 & 49.0	0.0 & 48.0
Expected volatility (%)	32.6332- 33.2130	43.0000- 37.0000	N/A	50	38
Expected life (years)	5	5	3	3	12
Risk-free rate (%)	1.2993-.0.7999	0.8000-1.9300	N/A	2	0.33
Expected dividend yield (%)	-	0.67-2.19	N/A	N/A	N/A

## 32. Capital commitments

There were no capital commitments for the Group or the Company as at 31 March 2021 (2020: £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 (2020: £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.

# Notes to the financial statements

## 33. Related party transactions (continued)

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	2021	-	-	-
	2020	-	-	-
Other related parties	2021	-	-	-
	2020	-	-	-

The total compensation of key management personnel is shown below:

	Year ended 31 Mar 2021 £'000	Year ended 31 Mar 2020 £'000
Short-term employee benefits	1,685	1,831
Post-employment benefits	-	-
Termination benefits	-	-
Share-based payment	-	-
	<b>1,685</b>	<b>1,831</b>

The highest paid Director for 2021 was P Wale receiving emoluments of £354,831 (2020: £371,145).

### Company

The Parent Company receives interest from subsidiaries in the normal course of business. Total interest received during the year was £nil (2020: £nil). In addition, the Parent Company received a management charge of £453k (2020: £479k) from its subsidiary WH Ireland Limited. WH Ireland Limited also charged the Parent Company £nil (2020: £nil) for broker services.

During the year, the intercompany balances with Stockholm Investments Limited and Readycount Limited were converted into loans and then released through a deed of release.

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 17, 22 and 25 and in detail in the following table:

	Amounts owed by related parties		Amounts owed to related parties	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Readycount Limited	-	4,157	-	-
WH Ireland (IOM) Limited	-	110	-	-
Stockholm Investments Limited	-	410	-	-
WH Ireland Limited	-	-	<b>2,807</b>	2,183
WH Ireland Trustee Limited	-	-	<b>17</b>	17
	-	4,677	<b>2,824</b>	2,200

The net amount owed to related parties is £2,824k (2020: £2,477k owed by related parties) (see note 22 and 25).

# Notes to the financial statements

---

## 34. Events after the reporting date

On 18 May 2021 the ESOT, for which Sanne is the trustee, entered into an ESOT Share Purchase Plan (The Plan) to acquire ordinary shares of 5p in the capital of the Company. It is the Company's and the ESOT's intention that any ordinary shares acquired will be used to satisfy the awards made to employees of the Company or the Group. Purchases will be limited to a maximum of 50,000 shares or a maximum value of £40,000 each month and the Plan, unless renewed, will terminate on 1st May 2023.



## A lifetime of advice.

T: +44 (0) 20 7220 1666

W: [www.whirelandplc.com](http://www.whirelandplc.com)

E: [enquiries@whirelandplc.com](mailto:enquiries@whirelandplc.com)



WH Ireland is the trading name of WH Ireland Limited which is a wholly owned subsidiary of WH Ireland Group plc. WH Ireland Limited is authorised and regulated in the UK by the Financial Conduct Authority, is registered in England & Wales with company number 02002044 and is a member of the London Stock Exchange. VAT No. 727149034.