



## Our key points at a glance

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- Group turnover increased 10.5% on same period last year to £12.60m (half year ended 31 May 2011: £11.41m)
- Profit before tax for the half year ended 31 May 2012 of £0.19m (half year ended 31 May 2011: £0.71m)
- Adjusted profit before tax\* for the half year ended 31 May 2012 of £0.49m (half year ended 31 May 2011: £1.51m)
- Basic earnings per share of 0.81p for the period (half year ended 31 May 2011: 2.35p)
- Adjusted basic earnings per share\* for the period of 2.12p (half year ended 31 May 2011: 6.15p)
- Total equity of £12.56m up £0.56m from year end (30 November 2011: £12.00m)
- Total funds under management and control of £1.55bn up 14.1% from year end (30 November 2011: £1.36bn)

\*Adjusted figures are stated before impairments of £0.07m (31 May 2011: £0.49m), share based payments of £0.24m (31 May 2011: £0.03m) and loss on disposal of associates of £nil (31 May 2011: £0.28m).

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## Chairman's statement

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In the half year ending 31 May 2012, your company made a profit before tax of £0.2 million and an adjusted\* profit before tax of £0.5 million, on turnover that increased by 10.4% to £12.6 million. The turnover increase was welcome, given that market conditions have remained very difficult. Whilst these adverse conditions have caused difficulty to many of our competitors, we have traded profitably during the period, despite making the considerable investments necessary to continue progress towards our strategic objectives.

In Corporate Broking in the period we have won 13 new corporate clients to take our total to 69, and have been continuing to win new clients at the rate of one a week since the half year end. We have hired ten corporate financiers and analysts in anticipation of continuing your investment in this division, and whilst this increases our costs by around £1 million per annum, it now gives us the capability to handle 100 corporate clients. I am confident in our ability to fill this newly installed capacity, and anticipate these extra costs being more than covered in the second half of the year.

In the period the Corporate Broking division carried out seven transactions and raised £40 million in new equity, notably for the Tanfield Group and Rubicon Diversified Investments. Our M&A department carried out two significant sales of equally substantial value. Since the period end progress has accelerated with six deals being completed, including the raise of £10 million for Falklands Islands Holdings and the \$85 million acquisition of Lonrho Aviation by Rubicon to create Africa's first low cost airline in Fastjet. We have a promising pipeline having won in the period several significant financial advisory, M&A and fundraising mandates for subsequent execution.

In Private Wealth Management we acquired the client base and non-cash client assets of Pritchard Stockbrokers Limited in February. The strategic objective of consolidation and economies of scale remains key to our growth, albeit investment costs in relation to the integration and onboarding of the former Pritchard clients and additional staff have outweighed the commissions earned in this initial period. The majority of the non-cash client assets have now been transferred into our custodial control and so I expect commission levels to begin to reflect this in the second half of the year.

Private Wealth Management's activity in the period has been dominated by the Pritchard acquisition, and I would like to thank all of the teams involved with the integration and onboarding of the clients and additional staff. It has been a process which has required significant investment of time and money, but the result is that the new clients are now on a financially stable and compliant platform. As a consequence of the acquisition, we have expanded our regional office network to 19 across the UK, offering a nationwide service.

At the period end our financial position remained strong with net assets of £12.6 million and cash on hand exceeding £5.0 million. The slight reduction in our liquidity in the period was due to seasonal variations in trade receivables and payables, and the cost of the above investments. It is our intention to return to the dividend list as soon as it is prudent to do so.

I believe that the most important factor affecting market conditions remains the uncertainty created by the Euro zone sovereign debt crisis and the difficulty of coordinated management of the economies across the member states within this currency. Once a credible mechanism to resolve this issue is established, we believe that as a firm we and our clients are well placed to benefit from the inevitable upturn in markets and activity levels. Against a background of ultra-loose monetary policy, and widespread mistrust of large financial institutions and packaged investment products we believe that the opportunity for direct equities as an asset class to be considerable.

In summary, conditions remained difficult in the period but we grew turnover by 10%. Our strategic aims remain to provide to corporate clients a secure and attentive home at a time of closures and cutbacks elsewhere, and to private clients a bespoke service rather than the model portfolio and relationship manager approach currently in favour.

**Rupert Lowe**  
Chairman  
19 July 2012

\*Adjusted figures are stated before impairments of £0.07m (31 May 2011: £0.49m), share based payments of £0.24m (31 May 2011: £0.03m) and loss on disposal of associates of £nil (31 May 2011: £0.28m).

## Consolidated statement of comprehensive income – unaudited

for the half year ended 31 May 2012

	Note	Half year ended 31 May 2012 £'000	Half year ended 31 May 2011 £'000	Year ended 30 November 2011 £'000
<b>Revenue</b>	2	<b>12,603</b>	11,408	23,142
Administrative expenses		(12,127)	(9,824)	(20,793)
<b>Operating profit before impairments and share based payments</b>		<b>476</b>	1,584	2,349
Impairment of goodwill		(71)	(487)	(2,152)
Impairment of property		—	—	(1,171)
Share based payments		(236)	(29)	(75)
<b>Operating profit/(loss)</b>		<b>169</b>	1,068	(1,049)
Other income		—	16	27
Investment (losses)/gains		(52)	7	(13)
Fair value gains/(losses) on investments		65	(163)	(141)
Share of profit of associates		—	63	63
Loss on disposal of associate		—	(284)	(331)
Finance income		31	41	63
Finance expense		(28)	(38)	(60)
<b>Profit/(loss) before tax</b>		<b>185</b>	710	(1,441)
Tax credit/(charge)		4	(215)	(246)
<b>Profit/(loss) for the period</b>		<b>189</b>	495	(1,687)
<b>Other comprehensive income</b>				
Valuation gains on available-for-sale investments		—	135	182
Transferred to profit or loss on sale of investments		—	(9)	(30)
Tax relating to components of other comprehensive income		2	(34)	(34)
<b>Total other comprehensive income</b>		<b>2</b>	92	118
<b>Total comprehensive income attributable to the owners of the parent</b>		<b>191</b>	587	(1,569)
<b>Earnings per share for profit attributable to the ordinary equity holders of the parent during the period</b>				
Basic	6	<b>0.81p</b>	2.35p	(8.00)p
Diluted	6	<b>0.75p</b>	2.29p	(8.00)p

# Consolidated statement of financial position – unaudited

as at 31 May 2012

	Note	31 May 2012 £'000	31 May 2011 £'000	30 November 2011 £'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		5,468	6,195	4,957
Goodwill		612	2,349	683
Intangible assets		604	80	—
Associates		—	—	—
Investments	3	958	450	942
Loan note receivable		25	25	25
Deferred tax asset		701	664	689
		<b>8,368</b>	<b>9,763</b>	<b>7,296</b>
<b>Current assets</b>				
Trade and other receivables		37,832	34,279	26,656
Other investments		917	807	418
Corporation tax recoverable		36	36	33
Cash and cash equivalents	4	5,024	2,559	7,366
		<b>43,809</b>	<b>37,681</b>	<b>34,473</b>
<b>Total assets</b>		<b>52,177</b>	<b>47,444</b>	<b>41,769</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		(36,565)	(30,639)	(27,193)
Obligations under finance leases		(119)	—	—
Borrowings		(167)	(311)	(238)
Provisions		(186)	(96)	(65)
		<b>(37,037)</b>	<b>(31,046)</b>	<b>(27,496)</b>
<b>Non-current liabilities</b>				
Borrowings		(1,604)	(1,771)	(1,689)
Deferred tax liability		(428)	(367)	(421)
Obligations under finance leases		(407)	—	—
Accruals and deferred income		(122)	(139)	(144)
Provisions		(21)	(20)	(21)
		<b>(2,582)</b>	<b>(2,297)</b>	<b>(2,275)</b>
<b>Total liabilities</b>		<b>(39,619)</b>	<b>(33,343)</b>	<b>(29,771)</b>
<b>Total net assets</b>		<b>12,558</b>	<b>14,101</b>	<b>11,998</b>
<b>Equity</b>				
Share capital	5	1,184	1,064	1,171
Share premium		6,526	5,724	6,406
Available-for-sale reserve		167	139	165
Other reserves		1,472	1,472	1,472
Retained earnings		3,991	5,989	3,853
Treasury shares		(782)	(287)	(1,069)
<b>Total equity</b>		<b>12,558</b>	<b>14,101</b>	<b>11,998</b>

## Consolidated statement of cash flows – unaudited

for the half year ended 31 May 2012

	Half year ended 31 May 2012 £'000	Half year ended 31 May 2011 £'000	Year ended 30 November 2011 £'000
<b>Operating activities</b>			
Profit/(loss) for the period	189	495	(1,687)
Adjustments for:			
Depreciation, amortisation and impairment	177	707	3,846
Financial income	(31)	(41)	(63)
Financial expense	28	38	60
Taxation	(6)	215	246
Share of profit of associates	—	(63)	(63)
Loss on disposal of associates	—	284	331
Changes in investments	179	249	664
Gain on sale of property, plant and equipment	—	—	3
Non-cash adjustment for share based payments	236	29	75
(Increase)/decrease in trade and other receivables	(11,176)	2,926	10,547
Increase/(decrease) in trade and other payables	9,350	(5,815)	(9,256)
Increase/(decrease) in provisions	121	(53)	(83)
Increase in current asset investments	(499)	(807)	(418)
<b>Net cash used in operations</b>	<b>(1,432)</b>	<b>(1,836)</b>	<b>4,202</b>
Income taxes (paid)/received	—	(15)	(14)
<b>Net cash used in operating activities</b>	<b>(1,432)</b>	<b>(1,851)</b>	<b>4,188</b>
<b>Investing activities</b>			
Proceeds from sale of investments	140	1,038	1,273
Interest received	31	41	63
Disposal of associate	—	935	888
Acquisition of property, plant and equipment	(22)	(34)	(191)
Acquisition of intangible assets	(604)	—	—
Acquisition of investments	(335)	(128)	(1,243)
Redemption of loan notes	—	310	310
<b>Net cash generated from investing activities</b>	<b>(790)</b>	<b>2,162</b>	<b>1,100</b>
<b>Financing activities</b>			
Proceeds from issue of shares	133	—	7
Repayment of borrowings	(156)	(153)	(308)
Repayment of obligations under finance leases	(69)	—	—
Interest paid	(18)	(38)	(60)
Interest paid under finance leases	(10)	—	—
<b>Net cash used in financing activities</b>	<b>(120)</b>	<b>(191)</b>	<b>(361)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2,342)</b>	<b>120</b>	<b>4,927</b>
Cash and cash equivalents at beginning of period	7,366	2,439	2,439
<b>Cash and cash equivalents at end of period</b>	<b>5,024</b>	<b>2,559</b>	<b>7,366</b>
Clients' settlement cash	2,759	2,503	3,683
Group cash	2,265	56	3,683
<b>Cash and cash equivalents at end of period</b>	<b>5,024</b>	<b>2,559</b>	<b>7,366</b>

## Consolidated statement of changes in equity – unaudited

for the half year ended 31 May 2012

	Share capital £'000	Share premium £'000	Available for-sale reserve £'000	Other reserves £'000	Retained earnings £'000	Treasury shares £'000	Total equity £'000
Balance at 1 December 2010	1,064	5,724	47	1,472	5,465	(287)	13,485
Total comprehensive income for the period	—	—	92	—	495	—	587
Recognition of share-based payments	—	—	—	—	29	—	29
Balance at 31 May 2011	1,064	5,724	139	1,472	5,989	(287)	14,101
Total comprehensive income for the period	—	—	26	—	(2,182)	—	(2,156)
Recognition of share-based payments	—	—	—	—	46	—	46
Share options exercised	1	6	—	—	—	—	7
Shares issued to ESOT	106	676	—	—	—	(782)	—
Balance at 30 November 2011	1,171	6,406	165	1,472	3,853	(1,069)	11,998
Total comprehensive income for the period	—	—	2	—	189	—	191
Recognition of share based payments	—	—	—	—	236	—	236
Share options exercised	13	120	—	—	—	—	133
Treasury shares issued to employees	—	—	—	—	(287)	287	—
<b>Balance at 31 May 2012</b>	<b>1,184</b>	<b>6,526</b>	<b>167</b>	<b>1,472</b>	<b>3,991</b>	<b>(782)</b>	<b>12,558</b>



# Notes to the interim financial information

for the half year ended 31 May 2012

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## 1. Basis of preparation

### **Statement of compliance**

The interim financial information in this report has been prepared in accordance with the disclosure requirements of AIM Rules and the recognition and measurements of International Financial Reporting Standards (IFRS), as adopted by the European Union (EU).

The consolidated interim report does not include all of the information required for full annual financial statements.

The accounting policies adopted by the Group in the preparation of its 2012 interim report are those which the Group currently expects to adopt in its annual financial statements for the year ending 30 November 2012 and are consistent with those disclosed in the annual financial statements for the year ended 30 November 2011.

The financial information for the year ended 30 November 2011 does not constitute the Company's statutory accounts. The statutory accounts for the year ended 30 November 2011 have been delivered to the Registrar of Companies in England and Wales. The auditor has reported on those accounts. Its report was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006. The financial information for the half year ended 31 May 2012 and 31 May 2011 is unaudited.

### **Going concern**

The information in this interim report has been prepared on a going concern basis. In making this assessment, the Directors have prepared detailed financial forecasts for the period to November 2014, which consider the funding and capital position of the Group. Those forecasts make assumptions in respect of future trading conditions, notably the economic environment and its impact on the Group's revenues and costs. In addition to this the nature of the Group's business is such that there can be considerable variation in the timing of cash inflows. The forecasts take into account foreseeable downside risks, based on the information that is available to them at the time of the approval of this interim report.

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

Part of the Group's funding is provided by bank loans. The Company has a facility with the Bank of Scotland in respect of a £3m property loan facility originally repayable over twenty years at 1.25% above base rate and a £2m working capital loan facility originally repayable over ten years, with a one year capital repayment holiday, at 2.25% above base. The property loan was drawn down on 4 February 2002 and the working capital facility loan was drawn down on 29 May 2002. The loans are secured on the 11 St James's Square property in Manchester and the Bank has a floating charge over the assets of the Group. On 21 February 2012, the Directors renewed the bank facilities confirming sufficient funding facilities will be available to the Group until 28 February 2013.

## 2. Segmental reporting

At the last year end, the Group had four main operating divisions; Private Clients, Wealth Management, Capital Markets and Secondary Trading. In the period under review, these segments were revised by the chief operating decision maker ('CODM', defined as the Executive and Non-Executive Directors). The Group now has only two operating segments. Private Wealth Management is predominantly a combination of the old Private Clients and Wealth Management divisions and Corporate Broking is predominantly a combination of the old Capital Markets and Secondary Trading divisions; however there are some teams which have moved outside of these generalised combinations, if that better fits the activities involved.

The Private Wealth Management division offers investment management and stockbroking advice and services to individuals and contains our Independent Financial Advisory ("IFA") business, giving advice on and acting as intermediary for a range of financial products. The Corporate Broking division provides corporate finance and corporate broking advice and services to companies and acts as Nominated Adviser to clients listed on the Alternative Investment Market ("AIM") and contains our Institutional Sales and Research business, which carries out stockbroking activities on behalf of companies as well as conducting research into markets of interest to its clients.

## Notes to the interim financial information

for the half year ended 31 May 2012

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 CODM. The Head Office segment comprises centrally incurred costs and revenues.

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

The following tables represent revenue and profit information for the Group's business segments, with the information to 31 May 2011 and 30 November 2011 being reanalysed to reflect the new segmental structure.

### Half year ended 31 May 2012

	Private Wealth Management £'000	Corporate Broking £'000	Head Office £'000	Group £'000
<b>Revenue</b>	<b>7,125</b>	<b>4,015</b>	<b>1,463</b>	<b>12,603</b>
<b>Segment result before impairments and share based payments</b>	<b>2,047</b>	<b>855</b>	<b>(2,426)</b>	<b>476</b>
Impairment of goodwill	(71)	—	—	(71)
Impairment of property	—	—	—	—
Share based payments	—	—	(236)	(236)
<b>Segment result</b>	<b>1,976</b>	<b>855</b>	<b>(2,662)</b>	<b>169</b>
Other Income	—	—	—	—
Investment gains	—	—	(52)	(52)
Fair value losses on investments	(103)	131	37	65
Share of profit of associates	—	—	—	—
Loss on disposal of associate	—	—	—	—
Finance income	—	—	31	31
Finance expense	—	—	(28)	(28)
<b>Profit/(loss) before taxation</b>	<b>1,873</b>	<b>986</b>	<b>(2,674)</b>	<b>185</b>
Taxation	—	—	4	4
<b>Profit/(loss) on continuing operations after taxation</b>	<b>1,873</b>	<b>986</b>	<b>(2,670)</b>	<b>189</b>

### Half year ended 31 May 2011

	Private Wealth Management £'000	Corporate Broking £'000	Head Office £'000	Group £'000
<b>Revenue</b>	<b>7,327</b>	<b>2,479</b>	<b>1,602</b>	<b>11,408</b>
<b>Segment result before impairments and share based payments</b>	<b>2,388</b>	<b>927</b>	<b>(1,731)</b>	<b>1,584</b>
Impairment of goodwill	(236)	(251)	—	(487)
Impairment of property	—	—	—	—
Share based payments	—	—	(29)	(29)
<b>Segment result</b>	<b>2,152</b>	<b>676</b>	<b>(1,760)</b>	<b>1,068</b>
Other Income	—	—	16	16
Investment gains	—	—	7	7
Fair value losses on investments	—	(143)	(20)	(163)
Share of profit of associates	—	—	63	63
Loss on disposal of associate	—	—	(284)	(284)
Finance income	—	—	41	41
Finance expense	—	—	(38)	(38)
<b>Profit/(loss) before taxation</b>	<b>2,152</b>	<b>533</b>	<b>(1,975)</b>	<b>710</b>
Taxation	—	—	(215)	(215)
<b>Profit/(loss) on continuing operations after taxation</b>	<b>2,152</b>	<b>533</b>	<b>(2,190)</b>	<b>495</b>

# Notes to the interim financial information

for the half year ended 31 May 2012

## 2. Segmental reporting continued

### Year ended 30 November 2011

	Private Wealth Management £'000	Corporate Broking £'000	Head Office £'000	Group £'000
<b>Revenue</b>	13,852	5,927	3,363	23,142
<b>Segment result before impairments and share based payments</b>	4,669	1,952	(4,272)	2,349
Impairment of goodwill	(1,899)	(253)	—	(2,152)
Impairment of property	—	—	(1,171)	(1,171)
Share based payments	—	—	(75)	(75)
<b>Segment result</b>	2,770	1,699	(5,518)	(1,049)
Other Income	—	—	27	27
Investment gains	(13)	(22)	22	(13)
Fair value losses on investments	(232)	154	(63)	(141)
Share of profit of associates	—	—	63	63
Loss on disposal of associate	—	—	(331)	(331)
Finance income	—	—	63	63
Finance expense	—	—	(60)	(60)
<b>Profit/(loss) before taxation</b>	2,525	1,831	(5,797)	(1,441)
Taxation	—	—	(246)	(246)
<b>Profit/(loss) on continuing operations after taxation</b>	2,525	1,831	(6,043)	(1,687)

## 3. Investments

	Half year ended 31 May 2012 £'000	Half year ended 31 May 2011 £'000	Year ended 30 November 2011 £'000
<b>Available-for-sale investments</b>			
Fair value: quoted	12	14	12
unquoted	309	347	309
	<b>321</b>	<b>361</b>	<b>321</b>
<b>Investments at fair value through the income statement</b>			
Fair value: quoted	312	—	350
warrants	325	89	271
	<b>637</b>	<b>89</b>	<b>621</b>
<b>Total investments</b>	<b>958</b>	<b>450</b>	<b>942</b>

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

## 4. Cash, cash equivalents and bank overdrafts

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

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

Free money held by our bankers on trust on behalf of clients is not included in the statement of financial position. Free money at 31 May 2012 was £72.0m (31 May 2011: £74.8m; 30 November 2011: £80.8m).

## 5. Share capital

The total number of authorised ordinary shares is 34.5 million shares of 5p each (31 May 2011 and 30 November 2011: 34.5 million). The total number of issued ordinary shares is 23.7 million shares of 5p each (31 May 2011: 21.3 million; 30 November 2011: 23.4 million).

## Notes to the interim financial information

for the half year ended 31 May 2012

### 6. Earnings per share

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

Diluted EPS is the basic EPS, adjusted for the effect of conversion into fully paid shares of the weighted average number of all dilutive employee share options outstanding during the period. Options over 5,017 (31 May 2011: 1,474,167) shares are excluded from the EPS calculation as they are anti-dilutive. 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:

	Half year ended 31 May 2012 '000	Half year ended 31 May 2011 '000	Year ended 30 November 2011 '000
Weighted average number of shares in issue during the period	23,405	21,070	21,074
Effect of dilutive share options	1,942	526	2,346
	<b>25,347</b>	<b>21,596</b>	<b>23,420</b>
	£'000	£'000	£'000
Earnings attributable to ordinary shareholders	189	495	(1,687)
Add back goodwill impairment	71	487	1,171
Add back property impairment	—	—	2,152
Add back share based payment charge	236	29	75
Add back loss/(profit) on disposal of associate	—	284	331
Adjusted earnings attributable to ordinary shareholders	<b>496</b>	<b>1,295</b>	<b>2,042</b>
<b>Basic EPS</b>			
Continuing operations	<b>0.81p</b>	2.35p	(8.00)p
<b>Diluted EPS</b>			
Continuing operations	<b>0.75p</b>	2.29p	(8.00)p
<b>Adjusted EPS from continuing operations</b>			
Basic	<b>2.12p</b>	6.15p	9.69p
Diluted	<b>1.96p</b>	6.00p	8.72p

### 7. Availability of Interim Report

Copies of this Report will be available to the public, free of charge from the Company's registered office at 5th Floor, 24 Martin Lane, London, EC4R 0DR and can be downloaded from the Company's website at [www.wh-ireland.co.uk](http://www.wh-ireland.co.uk).

# Independent review report

## to WH Ireland Group plc

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### Introduction

We have been engaged by the company to review the interim financial information in the interim report for the six months ended 31 May 2012 which comprises the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and related notes.

We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial information.

### Directors' responsibilities

The interim report, including the interim financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on AIM which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

### Our responsibility

Our responsibility is to express to the company a conclusion on the interim financial information in the interim report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on AIM and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information in the interim report for the six months ended 31 May 2012 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

*BDO LLP  
Chartered Accountants and Registered Auditors  
London  
United Kingdom  
19 July 2012*

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

## Advisors

### **Nominated adviser and broker**

#### ***Panmure Gordon***

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### **Auditors**

#### ***BDO LLP***

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London W1U 7EU

### **Solicitors**

#### ***DWF LLP***

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### **Bankers**

#### ***Bank of Scotland***

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Edinburgh, EH3 9QA

### **Registrars**

#### ***Neville Registrars Limited***

Neville House  
18 Laurel Lane  
Halesowen  
West Midlands B63 3DA

### **Company Secretary and registered office**

#### ***Dan Bate***

5<sup>th</sup> Floor, 24 Martin Lane  
London, EC4R 0DR

### **Company number**

***3870190***