

Our key points at a glance

- Group revenue increased 12.6% on same period last year to £14.69m (half year ended 31 May 2013: £13.05m)
- Profit before tax of £0.20m (half year ended 31 May 2013: £0.06m)
- Basic earnings per share of 0.58p (half year ended 31 May 2013: 0.16p)
- Total equity of £13.04m (31 May 2013: £12.28m)
- Total funds under management and control of £2.7bn up 6.9% from year end (30 November 2013: £2.5bn)

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Chairman's statement

Introduction

The Board is pleased to report that WH Ireland performed strongly during the first half of the year, with good growth in adjusted pre-tax profits and revenues, continuing the progress made in the last financial year.

This continues to be against the backdrop of decreasing volatility and increasing activity in financial markets. Both of our businesses, Corporate Broking and Private Wealth Management, took advantage of these improved market conditions and continued to develop their businesses and improve their financial performance.

Divisional review

In Corporate Broking, we have continued to raise money for small growth companies across a variety of sectors as well as increasing the number of clients for whom we act as NOMAD and/or Broker to 92 as of the half year end.

In Private Wealth Management, our funds under management and administration continue to grow with total funds increasing by 9.6% during the period. Following the half year end we were pleased to announce the opening of our new Milton Keynes office staffed by a new team formerly of Charles Stanley. They are amongst several individuals who have joined the division recently as we seek to grow assets under management further.

Across the Company one of the most pleasing developments is the increase in recurring income which, in the half year, rose to £4.7m (2013: £4.3m). At the same time we have begun to address the cost/income ratio with the intent of delivering more profit to the bottom line, the full benefits of which should begin to be in evidence during 2015.

Board

There have been a number of Board changes since the year end. Dan Cowland has joined us from Shore Capital replacing Alan Kershaw as Finance Director. Our thanks go to Alan for his contribution to our progress. Roger Lane-Smith is stepping down, effective 31st July 2014, after eight years on the Board while Tim Steel joined us in March as a non-executive director. Roger has given much sage advice over a challenging period for WH Ireland and deserves sincere thanks. We look forward to working with Tim who brings with him the benefits of a 30 year career at Cazenove with experience of both broking and fund management.

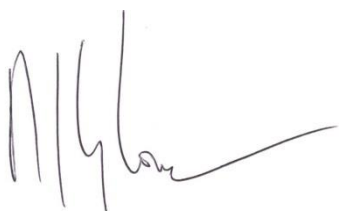
Dividend

In line with previous years, the Board continues with its policy of only recommending the payment of a final dividend in respect of each financial year; this will be declared at the time of the final results in February 2015.

Summary

The pipeline of new corporate transactions remains robust but as always market conditions and timing are a key determinant to translating this into revenue. Our Private Client business should continue to demonstrate good asset growth but the benefits of changes already announced will not be fully reflected in this year's figures.

Thanks as always goes to all of our staff.



Rupert Lowe
Chairman
18 July 2014

Chief Executive's report

Overview

The past six months have witnessed continued development of the more focussed WH Ireland proposition. This has required senior management changes, the costs of which are reflected by the adjustments to pre-tax profits. The new management structure is working well and has helped form the increased oversight of the business that in turn has created the framework from which to achieve more focussed growth.

The process of change at WH Ireland will continue for some time as we seek to create a more efficient and focussed offering across both business divisions. Alongside these corporate challenges remain the wider industry challenges of increased costs associated with regulation which are impacting WH Ireland and our peers alike.

Corporate Broking division

The number of corporate clients, a key objective of this division, has continued to increase with 92 corporate clients as of the half year end (2013:84). This has enabled a good increase in retainer revenues to be reported. Corporate fund raisings have also risen to £34.8 million during this period compared with £26.5 million for the comparative period last year. Improved commission income and income from market making has helped to increase total revenue generated by this division by 12%. The division has been active in both the IPO market and in secondary fund raisings and mergers and acquisitions.

The business is now focussed in four locations in London, Leeds, Manchester and Bristol. Recruitment has taken place in investor relations, research, sales and corporate teams enhancing the division's capability and capacity.

Private Wealth Management division

A significant amount of change has occurred within this division to both develop the fund management proposition and investment teams, whilst at the same time offering a more focussed proposition.

As the Chairman has referred to in his statement above, we have recruited a team of fund managers from Charles Stanley into a new Milton Keynes office and we have also welcomed private client executives from Barclays Wealth and Canaccord to our offices in Birmingham and London respectively. Our new Isle of Man office, which we opened in February 2014, has begun to win new clients and offers us increased opportunities in the international market representing an important strategic expansion for the division. This increase in the size of our investment team has significantly increased our capacity to manage additional discretionary and advisory client portfolios, and will help to increase funds under management to over £3 billion in the future.

In terms of focusing our offering, we have ceased to operate from a number of smaller offices and in the majority of cases the assets have been transferred to London to be managed. We have ceased to offer a traded option service to clients and we have also informed our third party administrative clients that we will be ceasing to offer this service as of the year end.

Outlook

Much progress has been made in the development of WH Ireland into a focussed business around two key disciplines, Corporate Broking and Private Client Wealth Management. Both businesses are in a considerably stronger position than twelve months ago in terms of their financial performance, proposition and teams.

There remains more work to be done in both as we seek to achieve recognition for each division in the market place. The majority of change will have been completed by year end at which time the focus will shift to embedding a lower cost structure and achieving economies of scale by organic, as well as acquisitive, growth.

We anticipate making further progress in the second half and into 2015.



Richard Killingbeck
Chief Executive Officer

Consolidated statement of comprehensive income – unaudited

for the half year ended 31 May 2014

	Note	Half year ended 31 May 2014 £'000	Half year ended 31 May 2013 £'000	Year ended 30 November 2013 £'000
Revenue	2	14,691	13,051	29,653
Administrative expenses		(14,564)	(12,847)	(28,734)
Operating profit		127	204	919
Other income		—	—	25
Investment (losses)/gains		(2)	30	458
Fair value gains/(losses) on investments		87	(154)	238
Finance income		14	6	64
Finance expense		(23)	(27)	(52)
Profit before tax		203	59	1,652
Tax charge		(64)	(22)	(516)
Profit for the period		139	37	1,136
Other comprehensive income:				
Items that will be reclassified to profit or loss				
Valuation gains on available for sale investments		—	—	370
Transferred to profit or loss on sale of investments		—	—	(581)
Tax relating to items that may be reclassified		—	—	48
Total other comprehensive income		—	—	(163)
Total comprehensive income attributable to the owners of the parent		139	37	973
Earnings per share for profit attributable to the ordinary equity holders of the parent during the period				
Basic	6	0.58p	0.16p	4.80p
Diluted	6	0.55p	0.15p	4.47p

Consolidated statement of financial position – unaudited

as at 31 May 2014

	Note	31 May 2014 £'000	31 May 2013 £'000	30 November 2013 £'000
Assets				
Non-current assets				
Property, plant and equipment		5,700	5,357	5,640
Goodwill		319	470	400
Intangible assets		476	640	489
Investments	3	532	853	447
Deferred tax asset		375	618	378
		7,402	7,938	7,354
Current assets				
Trade and other receivables		33,098	34,357	36,692
Other investments		1,180	808	847
Cash and cash equivalents	4	8,643	8,739	6,046
		42,921	43,904	43,585
Total assets		50,323	51,842	50,939
Liabilities				
Current liabilities				
Trade and other payables		(34,191)	(36,620)	(34,980)
Corporation tax payable		(192)	(79)	(131)
Obligations under finance leases		(119)	(119)	(119)
Borrowings		(175)	(168)	(181)
Provisions		(412)	(492)	(344)
		(35,089)	(37,478)	(35,755)
Non-current liabilities				
Borrowings		(1,255)	(1,435)	(1,348)
Deferred tax liability		(393)	(318)	(393)
Obligations under finance leases		(159)	(288)	(228)
Accruals and deferred income		(363)	(27)	(128)
Provisions		(21)	(21)	(21)
		(2,191)	(2,089)	(2,118)
Total liabilities		(37,280)	(39,567)	(37,873)
Total net assets		13,043	12,275	13,066
Equity				
Share capital	5	1,192	1,185	1,185
Share premium		95	5	6
Available-for-sale reserve		7	170	7
Other reserves		982	982	982
Retained earnings		11,549	10,715	11,668
Treasury shares		(782)	(782)	(782)
Total equity		13,043	12,275	13,066

Consolidated statement of cash flows – unaudited

for the half year ended 31 May 2014

	Half year ended 31 May 2014 £'000	Half year ended 31 May 2013 £'000	Year ended 30 November 2013 £'000
Operating activities			
Profit for the period	139	37	1,136
Adjustments for:			
Depreciation, amortisation and impairment	235	181	394
Property revaluation	—	—	(48)
Finance income	(14)	(6)	(64)
Finance expense	23	27	52
Taxation	64	53	516
Changes in investments	(155)	133	(570)
Investment transfer to employees as remuneration	—	170	170
Non-cash adjustment for share based payments	99	95	(57)
Decrease/(increase) in trade and other receivables	3,594	(511)	(2,025)
Decrease in trade and other payables	(554)	(631)	(2,170)
Increase in provisions	68	193	45
Increase in current asset investments	(333)	(495)	(534)
Net cash generated from/(used in) operations	3,166	(754)	(3,155)
Income taxes paid	—	—	(47)
Net cash generated from/(used in) operating activities	3,166	(754)	(3,202)
Investing activities			
Proceeds from sale of investments	70	547	695
Interest received	14	6	64
Acquisition of property, plant and equipment	(201)	(54)	(402)
Acquisition of intangible assets	—	(36)	84
Acquisition of investments	—	(32)	(103)
Net cash (used in)/generated from investing activities	(117)	431	338
Financing activities			
Proceeds from issue of shares	96	—	7
Repayment of borrowings	(59)	(84)	(158)
Repayment of obligations under finance leases	(99)	(59)	(102)
Interest paid	(23)	(18)	(52)
Interest paid: Finance leases	(10)	(9)	(17)
Dividends paid	(357)	(108)	(108)
Net cash used in from financing activities	(452)	(278)	(430)
Net increase/(decrease) in cash and cash equivalents	2,597	(601)	(3,294)
Cash and cash equivalents at beginning of period	6,046	9,340	9,340
Cash and cash equivalents at end of period	8,643	8,739	6,046
Cash and cash equivalents at the end of the period comprise of:			
Clients' settlement cash	4,895	6,400	2,188
Group cash	3,748	2,339	3,858
Cash and cash equivalents at end of period	8,643	8,739	6,046

Certain items for prior periods in the consolidated statement of cash flows have been restated to correctly classify non-cash items and dividends paid. The reclassification does not impact the net cash position but has resulted in increase in net cash used in operating activities (30 November 2013: £592,000; and 31 May 2013: £142,000), increase in net cash generated from investing activities (30 November 2013: £717,000; and 31 May 2013: £259,000) and increase in net cash used in financing activities (30 November 2013: £125,000; and 31 May 2013: £117,000). There was no impact on the income statement or balance sheet.

Consolidated statement of changes in equity – unaudited

for the half year ended 31 May 2014

	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 2012	1,184	—	170	982	10,697	(782)	12,251
Comprehensive income for the period							
Profit after taxation	—	—	—	—	37	—	37
Other comprehensive income	—	—	—	—	—	—	—
Total comprehensive income for the period	—	—	—	—	37	—	37
Contributions by and distributions to owners							
Recognition of share-based payments	—	—	—	—	89	—	89
Share options exercised	1	5	—	—	—	—	6
Dividends (note 7)	—	—	—	—	(108)	—	(108)
Total contributions by and distributions to owners	1	5	—	—	(19)	—	(13)
Balance at 31 May 2013	1,185	5	170	982	10,715	(782)	12,275
Comprehensive income for the period							
Profit after taxation	—	—	—	—	1,099	—	1,099
Other comprehensive income	—	—	(163)	—	—	—	(163)
Total comprehensive income for the period	—	—	(163)	—	1,099	—	936
Contributions by and distributions to owners							
Recognition of share-based payments	—	—	—	—	(146)	—	(146)
Share options exercised	—	1	—	—	—	—	1
Dividends	—	—	—	—	—	—	—
Total contributions by and distributions to owners	—	1	—	—	(146)	—	(145)
Balance at 30 November 2013	1,185	6	7	982	11,668	(782)	13,066
Profit after taxation	—	—	—	—	139	—	139
Other comprehensive income	—	—	—	—	—	—	—
Total comprehensive income for the period	—	—	—	—	139	—	139
Contributions by and distributions to owners							
Recognition of share-based payments	—	—	—	—	99	—	99
Share options exercised	7	89	—	—	—	—	96
Dividends (note 7)	—	—	—	—	(357)	—	(357)
Total contributions by and distributions to owners	7	89	—	—	(258)	—	(162)
Balance at 31 May 2014	1,192	95	7	982	11,549	(782)	13,043

Notes to the interim report and financial information

for the half year ended 31 May 2014

1. Basis of preparation

Statement of compliance

The financial information in this interim 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 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 2014 interim report are those which the Group currently expects to adopt in its annual financial statements for the year ending 30 November 2014 and are consistent with those disclosed in the annual financial statements for the year ended 30 November 2013 with the exception of IFRS 13 which has become effective in the current financial year but does not have a significant impact on the amounts recognised in the interim report.

The financial information for the year ended 30 November 2013 does not constitute the Company's statutory accounts. The statutory accounts for the year ended 30 November 2013 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 2014 and 31 May 2013 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 2016, 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 Conduct Authority (FCA) which is a 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 FCA requires the Group's capital resources to be adequate; that is sufficient in terms of quantity, quality and availability, in relation to its regulated activities. The Directors monitor the Group's regulatory capital resources on a daily basis and they have developed appropriate scenario tests and corrective management plans which they are prepared to implement to address any potential deficit as required. These actions may include cost reductions, regulatory capital optimisation programmes or further capital raising. The Directors consider that, taking account of foreseeable downside risks, regulatory capital requirements will continue to be met.

The Directors have renewed the Group's banking facilities, confirming that these will be available until 28 February 2015 and do not have any reason to believe that the facility will not be renewed when it falls due.

2. Segmental reporting

The Group has two operating segments. 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.

Divisions are located in the UK and the Isle of Man. Each reportable segment has a segment manager who is directly accountable to and maintains regular contact with the chief operating decision maker (CODM). The Head Office segment comprises centrally incurred costs and revenues.

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

Notes to the interim report and financial information

for the half year ended 31 May 2014

2. Segmental reporting continued

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

Half year ended 31 May 2014

	Private Wealth Management £'000	Corporate Broking £'000	Head Office £'000	Group £'000
Revenue	8,827	4,539	1,325	14,691
Segment result	2,368	1,185	(3,426)	127
Other Income	—	—	—	—
Investment gains	—	—	(2)	(2)
Fair value gains/(losses) on investments	—	191	(104)	87
Finance income	—	1	13	14
Finance expense	—	—	(23)	(23)
Profit/(loss) before taxation	2,368	1,377	(3,542)	203
Taxation				(64)
Profit on continuing operations after taxation				139

Half year ended 31 May 2013

	Private Wealth Management £'000	Corporate Broking £'000	Head Office £'000	Group £'000
Revenue	8,407	3,081	1,563	13,051
Segment result	2,171	573	(2,540)	204
Other Income	—	—	—	—
Investment losses	—	—	30	30
Fair value losses on investments	(32)	(51)	(71)	(154)
Finance income	—	—	6	6
Finance expense	—	—	(27)	(27)
Profit/(loss) before taxation	2,139	522	(2,602)	59
Taxation				(22)
Profit on continuing operations after taxation				37

Year ended 30 November 2013

	Private Wealth Management £'000	Corporate Broking £'000	Head Office £'000	Group £'000
Revenue	17,991	8,488	3,174	29,653
Segment result	4,491	2,017	(5,589)	919
Other Income	—	—	25	25
Investment gains	—	(19)	477	458
Fair value (losses)/gains on investments	(63)	45	256	238
Finance income	—	45	19	64
Finance expense	—	—	(52)	(52)
Profit/(loss) before taxation	4,428	2,088	(4,864)	1,652
Taxation				(516)
Profit on continuing operations after taxation				1,136

3. Investments

	Half year ended 31 May 2014 £'000	Half year ended 31 May 2013 £'000	Year ended 30 November 2013 £'000
Available-for-sale investments			
Fair value: quoted	—	16	—
unquoted	247	578	347
	247	594	347
Investments at fair value through the income statement			
Fair value: quoted	41	231	76
warrants	244	28	24
	285	259	100
Total investments	532	853	447

Notes to the interim report and financial information

for the half year ended 31 May 2014

3. Investments (continued)

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 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 non-segregated money held for settlement of outstanding transactions and is available for use in the business. The corresponding liability for unsettled trades is recognised within trade and other payables.

Free money held on behalf of clients represents segregated client money and is therefore not included in the statement of financial position. Free money at 31 May 2014 was £101.6m (31 May 2013: £89.8m; 30 November 2013: £90.6m).

5. Share capital

The total number of authorised ordinary shares is 34.5 million shares of 5p each (31 May 2013 and 30 November 2013: 34.5 million). The total number of issued ordinary shares is 23.8 million shares of 5p each (31 May 2013: and 30 November 2013: 23.7 million).

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. No options over shares are excluded from the EPS calculation. At 31 May 2013: 144,524 and 30 November 2013: 89,801 options were excluded from the EPS calculation as they were 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 2014 '000	Half year ended 31 May 2013 '000	Year ended 30 November 2013 '000
Weighted average number of shares in issue during the period	23,763	23,695	23,698
Effect of dilutive share options	1,243	1,228	1,716
	25,006	24,923	25,414
	£'000	£'000	£'000
Earnings attributable to ordinary shareholders	139	37	1,136
Basic EPS			
Continuing operations	0.58p	0.16p	4.80p
Diluted EPS			
Continuing operations	0.55p	0.15p	4.47p

7. Dividends

A final dividend of 1.5p per share, in respect of the year ended 30 November 2013, was approved by shareholders at the Annual General Meeting held on 25 March 2014. This was subsequently paid on 11 April 2014. No interim dividend has been paid or proposed in respect of the current financial year (2013: nil).

8. Contingent liabilities

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

Notes to the interim report and financial information

for the half year ended 31 May 2014

There has been no formal notification as to whether or not the FCA intends to take any further action in respect of the review. The Directors have therefore made no provision in these financial statements in respect of this review, with which it is fully cooperating.

9. Availability of Interim Report

Copies of this Report can be downloaded from the Company's website at www.wh-ireland.co.uk.

Independent review report

to WH Ireland Group plc

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 2014 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 2014 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
18 July 2014*

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

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