WHIreland®
Group plc

# Interim Report & Accounts 2017

History.
Craftsmanship.
Expertise.

# Contents



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**www.whirelandplc.com**

# Welcome to WHIreland

WHIreland is a financial services company offering Private Wealth Management, Wealth Planning and Corporate and Institutional Broking services. The Private Wealth arm provides discretionary and advisory services to individuals, corporates, trusts and funds.

By offering a highly personal, bespoke service our Wealth Management division is able to provide timely advice and create long term relationships based on trust.

Our Corporate and Institutional Broking division provides Corporate Finance, Research, Market Making and fund raising capabilities to quoted small and mid-cap companies. We offer a full NOMAD service to the majority of our corporate clients.

We firmly believe that by placing our client needs at the centre of everything we do, WHIreland is well placed to provide timely, bespoke and helpful advice to a diverse range of clients.

# Financial overview

**REVENUE**

**£14.9m**

reflecting increased transactional revenues from the CIB division

**RECURRING REVENUE**

**45%**

against stated target of 50%

**CASH RESERVES**

**£9.9m**

of liquid available resources

**OPERATING PROFIT BEFORE EXCEPTIONAL ITEMS**

**£0.4m**

2016: £1.1m operating loss before exceptional items

**STRONG BALANCE SHEET AND LIQUIDITY**

**12.52%**

CET1 Capital ratio

**TOTAL ASSETS UNDER MANAGEMENT AND ADMINISTRATION**

**£3.1bn**

which represents an increase of 7% on 30 November 2016

# Divisional Highlights

## Private Wealth Management

**DISCRETIONARY ASSETS UNDER MANAGEMENT**

**£1,126m**

increased by 11% (2016: £1,016m)

**MANAGEMENT FEE INCOME**

**£4.5m**

increased by 13% (2016: £4.0m)

**COMMISSION INCOME**

**£4.5m**

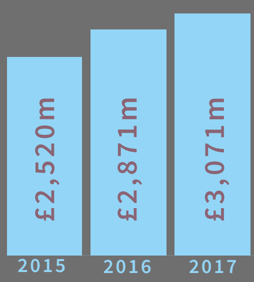
increased by 5% (2016: £4.2m)

**ASSETS UNDER MANAGEMENT AND ADMINISTRATION**

**£3,071m**

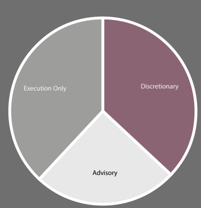
increased by 14% (2016: £2,871m)

**TOTAL AUMA**




**ASSETS SERVICED**

| | |
|---|---|
| Discretionary | 37% |
| Advisory | 25% |
| Execution Only | 38% |




## Corporate & Institutional Broking

**CORPORATE TRANSACTIONS**

**18**

**FUND RAISES PARTICIPATED IN**

**£185m**

**AIM NOMAD RANKING**

**3rd**

Based on number of clients

# Chairman's statement

It is encouraging to be able to report a substantial rebound in operating performance at WHIreland for the first six months of the current financial year, compared with a difficult period for the first half of 2016.

Tim Steel, Chairman
WH Ireland Group plc

The recovery in profitability has been driven by revenue growth in both divisions (Private Wealth Management and Corporate and Institutional Broking), the detail of which is outlined in the Chief Executive's statement. In addition to restoring profitability, we have bolstered our balance sheet through the previously announced sale of our Manchester office which has increased our cash balance substantially.

We have announced our intention to change our accounting reference date from November to March, effective as of March 2018. This brings us into line with many of our competitors and will also reduce the duplication of reporting requirements in regard to our wider regulatory responsibilities.

Recurring revenues are now at 45% of total revenues. With a strong pipeline of business in our Corporate and Institutional Broking division and continued growth in our discretionary assets under management in our Private Wealth division, I am optimistic about the outlook for the second half of 2017 and the foundations for future growth into 2018.

Finally, I would like to acknowledge on behalf of the Board and Senior Management team the continued hard work and focus of all of our employees during the past six months.

# Chief Executive Officer's report

## The past eighteen months has witnessed a period of significant change across every aspect of the Company, helping to establish the foundations of a leading advice driven and client focussed business.

Richard Killingbeck, CEO
WH Ireland Group plc

We welcomed Adam Pollock as Head of the Corporate and Institutional Broking division in March and he, along with the senior team in the division has not only maintained the momentum of the second half of last year but has accelerated it. Our pipeline of new business continues to grow and this bodes well for the current reporting period.

The Private Wealth Management division has undergone significant change as a result of the transfer of our custody and operational functions to SEI (Europe) Limited. This new platform will provide us with the capabilities that we require in order to continue to grow our discretionary offering both in the UK and Internationally.

The interim figures to 31 May 2017 are being compared against a difficult period last year but this should not detract from the excellent progress which has been reported. Contributing to the total WHIreland Group revenue increase of 24% to £14.9million has been the following:

| | |
|---|---|
| Private Wealth Management fees (including Wealth Planning) | + 23 % to £5.4million |
| Corporate and Institutional Broking transaction revenue | + 239 % to £2.8 million |
| Commission | + 5 % to £4.5 million |
| Market Making and principal turn | + 62 % to £0.5million |

When our corporate retainer fees are aggregated with the management fees shown above, our recurring revenue across the Group is approaching the target of 50% which I communicated three years ago. This helps create the confidence within the Company to continue the investment in change which remains a key focus of the recent progression of WHIreland. Due to the nature of our business revenue lines, I believe that a recurring fee target approaching 65% should be achievable within the next three years, with the majority of this change being driven by the continued shift to management fees in the Private Wealth Management division.

It should also be noted that whilst we continue to expense a number of items in relation to the changes in the Private Wealth Management division we have and we will continue to maintain a tight control of overall costs (this is despite a number of specific cost lines overlapping during a short transitional period this year). Our single largest line of expense is fixed employment costs and I am pleased to be able to report that compared with last year direct employment costs have fallen by 0.5% and I expect to report a further decline for the period as a whole despite our investment in new people to help achieve our growth ambitions.

### Private Wealth Management Division

The division continues to focus upon its core strategic objective of increasing recurring fee income from the growth in clients and their advisers selecting our discretionary or advisory Wealth Management offering, and/or our Wealth Planning advice. This focus will accelerate over the next eighteen months as we look to supplement the internal momentum with a stronger profile externally. Total AUMA have grown to £3.1 billion as at 31 May 2017, of which discretionary fee paying and advisory represents over 60%. Our growth ambitions and targets for this division are high and will only be achieved in the medium term by a combination of organic and acquisitive growth.

### Corporate and Institutional Broking

The division has regained significant positive momentum during the period under review. The emphasis remains upon providing leading advice to all of our clients, enhancing our corporate client list, and building a greater presence in the private company arena. To this end, we have recently launched an Investor Forum aimed at the ultra-high net worth/family office market in the UK and Internationally, whereby we introduce interesting private investment opportunities to this market.

### Outlook

There is still much to do in order to achieve the goal of being recognised as a leading advice driven financial service company but significant progress has been made. With continued support from better financial market sentiment we believe WHIreland is well placed to grow both divisions and to achieve recognition for the successful development of the advice driven business model. I view the future of our Company with increasing confidence and optimism.

# Consolidated Statements

## COMPREHENSIVE INCOME - UNAUDITED FOR THE HALF-YEAR ENDED 31 MAY 2017

| | Note | **Half-year ended 31 May 2017 £'000** | Half-year ended 31 May 2016 £'000 | Year ended 30 November 2016 (audited) £'000 |
|---|---|---|---|---|
| **Revenue** | 2 | **14,869** | 11,960 | 25,421 |
| Administrative expenses | | **(14,945)** | (13,626) | (28,454) |
| **Operating loss** | | **(76)** | (1,666) | (3,033) |
| | | | | |
| *Operating profit/(loss) before exceptional items* | | *374* | (1,098) | *(1,253)* |
| *Exceptional items - regulatory fine related costs* | | *-* | (384) | *(193)* |
| *- restructuring costs* | | *(148)* | (184) | *(994)* |
| *- Project Discovery* | | *(302)* | - | *(593)* |
| *Operating loss after exceptional items* | | *(76)* | (1,666) | *(3,033)* |
| | | | | |
| Realised investment gains/(losses) | 2 | **9** | 7 | 21 |
| Fair value gains/(losses) on investments | | **72** | (38) | (155) |
| Gain on sale of property, plant and equipment | | **343** | - | - |
| Finance income | | **19** | 7 | 10 |
| Finance expense | 2 | **(7)** | (96) | (47) |
| **Profit/(loss) before tax** | | **360** | (1,786) | (3,204) |
| Tax (expense)/credit | | **(36)** | 269 | 460 |
| Profit/(loss) for the period | | **324** | (1,517) | (2,744) |
| **Total comprehensive income** | | **324** | (1,517) | **(2,744)** |

### Earnings per share

| | | | | |
|---|---|---|---|---|
| Basic | 6 | **1.17p** | (5.95)p | (10.72)p |
| Diluted | 6 | **1.12p** | (5.95)p | (10.72)p |

# Consolidated Statements

## FINANCIAL POSITION - UNAUDITED FOR THE HALF-YEAR ENDED 31 MAY 2017

| | Note | Half-year ended 31 May 2017 £'000 | Half-year ended 31 May 2016 £'000 | Year ended 30 November 2016 (audited) £'000 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 8 | **1,065** | 1,314 | 1,207 |
| Goodwill | | **258** | 258 | 258 |
| Intangible assets | | **3,486** | 3,586 | 3,582 |
| Investments | 3 | **187** | 227 | 118 |
| Deferred tax asset | | **787** | 567 | 807 |
| | | **5,783** | 5,952 | 5,972 |
| Current assets | | | | |
| Trade and other receivables | | **14,204** | 26,466 | 18,985 |
| Assets held for sale | 8 | **-** | 4,750 | 4,750 |
| Trading investments | 3 | **416** | 286 | 530 |
| Cash and cash equivalents | 4 | **9,852** | 6,890 | 6,657 |
| | | **24,472** | 38,392 | 30,922 |
| **Total assets** | | **30,255** | 44,344 | 36,894 |
| **LIABILITIES** | | | | |
| Current liabilities | | | | |
| Trade and other payables | | **(12,340)** | (26,141) | (19,848) |
| Corporation Tax payable | | **(15)** | (24) | (52) |
| Obligations under finance leases | | **(282)** | (331) | (282) |
| Deferred consideration | | **(1,158)** | (242) | (1,130) |
| Borrowings | | **-** | (174) | (187) |
| Provisions for liabilities and charges | | **(23)** | (50) | (28) |
| | | **(13,818)** | (26,962) | (21,527) |
| Non-current liabilities | | | | |
| Deferred tax liability | | **(92)** | (126) | (92) |
| Obligations under finance leases | | **(207)** | (493) | (352) |
| Accruals and deferred income | | **(270)** | (285) | (282) |
| Borrowings | | **-** | (905) | (807) |
| Deferred consideration | | **(2,153)** | (2,968) | (2,101) |
| Provisions for liabilities and charges | | **(21)** | (35) | (21) |
| | | **(2,743)** | (4,812) | (3,655) |
| **Total liabilities** | | **(16,561)** | (31,774) | (25,182) |
| **Total net assets** | | **13,694** | 12,570 | 11,712 |
| **EQUITY** | | | | |
| Share capital | 5 | **1,390** | 1,290 | 1,309 |
| Share premium | | **3,157** | 1,443 | 1,621 |
| Available-for-sale reserve | | **7** | 7 | 7 |
| Other reserves | | **982** | 982 | 982 |
| Retained earnings | | **8,904** | 9,579 | 8,524 |
| Treasury shares | | **(746)** | (731) | (731) |
| **Total equity** | | **13,694** | 12,570 | 11,712 |

# Consolidated Statements

## CASH FLOWS - UNAUDITED FOR THE HALF-YEAR ENDED 31 MAY 2017

| | Half-year ended 31 May 2017 £'000 | Half-year ended 31 May 2016 £'000 | Year ended 30 November 2016 (audited) £'000 |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| Profit/(loss) for the period | 324 | (1,517) | (2,744) |
| Adjustments for | | | |
| Depreciation, amortisation and impairment | 290 | 147 | 475 |
| Finance income | (19) | (7) | (10) |
| Finance expense | 7 | 96 | 47 |
| Taxation | 35 | (269) | (517) |
| Gain on sale of property, plant and equipment | (343) | - | - |
| Fair value (gain)/losses in investments | (71) | 126 | 187 |
| Non-cash adjustment for share based payments | 56 | 90 | 262 |
| Decrease/(increase) in trade and other receivables | 4,781 | (3,154) | 4,327 |
| (Decrease)/increase in trade and other payables | (7,520) | 2,037 | (4,259) |
| Decrease in provisions | (5) | (1,012) | (1,172) |
| Decrease in trading investments | 114 | 1,646 | 1,402 |
| **Net cash used in operations** | (2,351) | (1,817) | (2,002) |
| Income taxes paid | (52) | (238) | (236) |
| **Net cash used in operating activities** | (2,403) | (2,055) | (2,238) |
| **INVESTING ACTIVITIES** | | | |
| Proceeds from the sale of property, plant and equipment | 5,093 | - | - |
| Proceeds from the sale of investments | 30 | 397 | 581 |
| Interest received | 19 | 7 | 10 |
| Acquisition of investments | (28) | (390) | (526) |
| Payment of deferred consideration | - | (39) | - |
| Increase in intangible fixed asset | - | - | (189) |
| Acquisition of property, plant and equipment | (52) | (5) | (878) |
| **Net cash generated from/(used in) investing activities** | 5,062 | (30) | (1,002) |
| **FINANCING ACTIVITIES** | | | |
| Proceeds from issue of shares | 1,602 | 1,129 | 1,326 |
| Repayment of borrowings | (994) | (94) | (179) |
| Repayment of obligations under finance leases | (145) | (140) | 515 |
| Increase in deferred consideration | 80 | - | 106 |
| Interest paid | (7) | (96) | (47) |
| **Net cash generated from/(used in) financing activities** | 536 | 799 | 1,721 |
| **Net increase/(decrease) in cash and cash equivalents** | 3,195 | (1,286) | (1,519) |
| Cash and cash equivalents at beginning of period | 6,657 | 8,176 | 8,176 |
| **Cash and cash equivalents at end of period** | 9,852 | 6,890 | 6,657 |

# Consolidated Statements

## CHANGES IN EQUITY - UNAUDITED FOR THE HALF-YEAR ENDED 31 MAY 2017

| AS AT 1 DECEMBER 2015 | 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 2015 | 1,225 | 379 | 7 | 982 | 11,006 | (731) | 12,868 |
| **Loss and total comprehensive income for the period** | **-** | **-** | **-** | **-** | **(1,517)** | **-** | **(1,517)** |
| **CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS** | | | | | | | |
| Recognition of share-based payments | - | - | - | - | 90 | - | 90 |
| Share options exercised | 5 | 50 | - | - | - | - | 55 |
| Capital raise (note 5) | 60 | 1,014 | - | - | - | - | 1,074 |
| **Total contributions by and distributions to owners** | **65** | **1,064** | **-** | **-** | **90** | **-** | **1,219** |
| **AS AT 1 JUNE 2016** | | | | | | | |
| Balance at 1 June 2016 | 1,290 | 1,443 | 7 | 982 | 9,579 | (731) | 12,570 |
| **Loss and total comprehensive income for the period** | **-** | **-** | **-** | **-** | **(1,227)** | **-** | **(1,227)** |
| **CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS** | | | | | | | |
| Recognition of share-based payments | - | - | - | - | 115 | - | 115 |
| Share options exercised | 19 | 178 | - | - | - | - | 197 |
| Deferred tax on employee share options | - | - | - | - | 57 | - | 57 |
| Capital raise (note 5) | - | - | - | - | - | - | - |
| **Total contributions by and distributions to owners** | **19** | **178** | **-** | **-** | **172** | **-** | **369** |
| **AS AT 1 DECEMBER 2016** | | | | | | | |
| Balance at 1 December 2016 | 1,309 | 1,621 | 7 | 982 | 8,524 | (731) | 11,712 |
| **Profit and total comprehensive income for the period** | - | - | - | - | **324** | - | **324** |
| **CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS** | | | | | | | |
| Recognition of share-based payments | - | - | - | - | 56 | - | 56 |
| Share options exercised | 17 | 17 | - | - | - | (15) | 19 |
| Capital raise (note 5) | 64 | 1,519 | - | - | - | - | 1,583 |
| **Total contributions by and distributions to owners** | **81** | **1,536** | **-** | **-** | **56** | **(15)** | **1,658** |
| **Balance at 31 May 2017** | **1,390** | **3,157** | **7** | **982** | **8,904** | **(746)** | **13,694** |

# Notes to the consolidated statements (unaudited)

## 1. BASIS OF PREPARATION

### STATEMENT OF COMPLIANCE

The financial information in this interim report has been prepared in accordance with the disclosure requirements of the Alternative Investment Market ("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 2017 interim report are those which the Group currently expects to adopt in its annual financial statements for the period ending 31 March 2018 and are consistent with those disclosed in the annual financial statements for the year ended 30 November 2016.

The financial information for the period ended 31 May 2017 does not constitute the Company's statutory accounts. The statutory accounts for the year ended 30 November 2016 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 2017 and 31 May 2016 is unaudited.

The AIM Rules for Companies do not require IAS 34 "Interim Financial Reporting" to be applied; therefore it has not been used in the preparation of this interim report.

### GOING CONCERN

The financial statements of the Group have been prepared on a going concern basis. In making this assessment, the Directors have prepared detailed financial forecasts for the period to November 2019 which consider the funding and capital position of the Group. Those forecasts make assumptions in respect of future trading conditions, notably the economic environment and its impact on the Group's revenues and costs. In addition to this, the nature of the Group's business is such that there can be considerable variation in the timing of cash inflows. The forecasts take into account foreseeable downside risks, based on the information that is available to the Directors at the time of the approval of these financial statements.

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

The Directors most recently renewed the Group's banking facilities in February 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.

## 2. SEGMENTAL REPORTING

### THE GROUP HAS TWO OPERATING SEGMENTS

The Private Wealth Management division offers investment management advice and services to individuals and contains the Group's Wealth Planning business, giving advice on and acting as intermediary for a range of financial products. The Corporate & Institutional Broking division provides corporate finance and corporate broking advice and services to companies and acts as Nominated Adviser to clients listed on AIM. It also contains the Group's 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.

The segment "Other Group companies" includes WH Ireland Group plc, WHIreland (IOM) Limited, Readycount Limited and Stockholm Investments Limited.

All segments are located in the UK or the Isle of Man. Each reportable segment has a segment manager, who is directly accountable to and maintains regular contact with, the CEO.

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

# Notes to the consolidated statements (unaudited)

## 2. SEGMENTAL REPORTING CONTINUED

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

| AS AT 31 MAY 2017 | Private Wealth Management £'000 | Corporate & Institutional Broking £'000 | Head Office £'000 | Other Group companies £'000 | Group £'000 |
|---|---|---|---|---|---|
| REVENUE | 9,178 | 5,280 | - | 412 | 14,869 |
| Segment result | (1,020) | 716 | - | 228 | (76) |
| Executive Board cost | 179 | 179 | (436) | 78 | - |
| Gain on sale of property, plant and equipment | - | - | - | 343 | 343 |
| Realised investment gains | - | 9 | - | - | 9 |
| Fair value gains/(losses) on investments | - | 72 | - | - | 72 |
| Finance income | - | - | - | 19 | 19 |
| Finance expense | (4) | (2) | - | (1) | (7) |
| (Loss)/profit before tax | (845) | 974 | (436) | 667 | 360 |
| Tax income/(expense) | 102 | (79) | - | (59) | (36) |
| **(Loss)/profit for the period** | **(743)** | **895** | **(436)** | **608** | **324** |

| AS AT 31 MAY 2016 | Private Wealth Management £'000 | Corporate & Institutional Broking £'000 | Head Office £'000 | Other Group companies £'000 | Group £'000 |
|---|---|---|---|---|---|
| REVENUE | 8,530 | 3,124 | - | 306 | 11,960 |
| Segment result | (911) | (1,027) | - | 272 | (1,666) |
| Executive Board cost | 186 | 186 | (456) | 84 | - |
| Realised investment gains | - | 7 | - | - | 7 |
| Fair value gains/(losses) on investments | 30 | (68) | - | - | (38) |
| Finance income | 6 | - | - | 1 | 7 |
| Finance expense | (82) | (4) | - | (10) | (96) |
| (Loss)/profit before tax | (771) | (906) | (456) | 347 | (1,786) |
| Tax income/(expense) | 144 | 165 | - | (40) | 269 |
| **(Loss)/profit for the period** | **(627)** | **(741)** | **(456)** | **307** | **(1,517)** |

| AS AT 30 NOVEMBER 2016 (AUDITED) | Private Wealth Management £'000 | Corporate & Institutional Broking £'000 | Head Office £'000 | Other Group companies £'000 | Group £'000 |
|---|---|---|---|---|---|
| REVENUE | 17,091 | 7,581 | - | 749 | 25,421 |
| Segment result | (1,641) | (744) | (819) | 171 | (3,204) |
| Executive Board cost | 300 | 300 | (725) | 125 | - |
| Realised investment gains/(losses) | 29 | (8) | - | - | 21 |
| Fair value gains/(losses) on investments | - | (155) | - | - | (155) |
| Finance income | 8 | - | - | 2 | 10 |
| Finance expense | (21) | (8) | - | (18) | (47) |
| Profit/(loss) before tax | (1,325) | (615) | (1,544) | 280 | (3,037) |
| Tax expense | 218 | 122 | 109 | 11 | 460 |
| **(Loss)/profit for the year** | (1,107) | (493) | (1,435) | 291 | (2,744) |

# Notes to the consolidated statements (unaudited)

## 3. INVESTMENTS

| | Half-year ended 31 May 2017 £'000 | Half-year ended 31 May 2016 £'000 | Year ended 30 November 2016 (audited) £'000 |
|---|---|---|---|
| **AVAILABLE FOR SALE INVESTMENTS** | | | |
| Fair value: unquoted | **40** | 40 | 40 |
| **Total** | **40** | 40 | 40 |
| **OTHER INVESTMENTS** | | | |
| Fair value: quoted | **9** | 102 | 4 |
| Fair value: warrants | **138** | 85 | 74 |
| **Total** | **147** | 187 | 78 |
| **Total investments** | **187** | 227 | 118 |

Quoted and unquoted investments include equity investments other than those in subsidiary undertakings. Warrants may be received during the ordinary course of business; there is no cash consideration associated with the acquisition.

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.

| | Half-year ended 31 May 2017 £'000 | Half-year ended 31 May 2016 £'000 | Year ended 30 November 2016 (audited) £'000 |
|---|---|---|---|
| **TRADING INVESTMENTS** | | | |
| Listed investments | **416** | 286 | 530 |
| **Total** | **416** | 286 | 530 |

Investments are measured at fair value, which is determined directly by reference to published prices in an active market where available.

## 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 money and money held for settlement of outstanding transactions.

Money held on behalf of clients is not included in the statement of financial position. Client money at 31 May 2017 was £17.0m (31 May 2016: £111.6m; 30 November 2016: £130.6m). This decrease reflects the effect of the transfer of assets to SEI (Europe) Ltd.

## 5. SHARE CAPITAL

The total number of authorised ordinary shares is 34.5 million shares of 5p each (31 May 2016 and 30 November 2016: 34.5 million). The total number of issued ordinary shares is 27.8 million shares of 5p each (31 May 2016: 25.8 million and 30 November 2016: 2.62 million).

On 6 December 2016, WHIreland Group plc placed 1,287,240 ordinary shares from its authorised share capital at an issue price of 123p.

# Notes to the consolidated statements (unaudited)

## 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. At 31 May 2017: nil (31 May 2016: nil and 30 November 2016: nil) options were excluded from the EPS calculation as they were anti-dilutive. In a period 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.

Reconciliation of the earnings and weighted average number of shares used in the calculations are set out below.

| | **Half-year ended 31 May 2017 '000** | Half-year ended 31 May 2016 '000 | Year ended 30 November 2016 (audited) '000 |
|---|---|---|---|
| Weighted average number of shares in issue during the period | **27,626** | 25,480 | 25,590 |
| Effect of dilutive share options | **1,341** | 764 | 1,042 |
| | **28,967** | 26,244 | 26,632 |
| | **£'000** | £'000 | £'000 |
| Earnings attributable to ordinary shareholders | **324** | (1,517) | (2,744) |
| **BASIC EPS** | | | |
| Continuing operations | **1.17p** | (5.95)p | (10.72)p |
| **DILUTED EPS** | | | |
| Continuing operations | **1.12p** | (5.95)p | (10.72)p |

## 7. DIVIDENDS

No interim dividend has been paid or proposed in respect of the current financial year (2016: nil).

## 8. AVAILABILITY OF INTERIM REPORT

Copies of this Report can be downloaded from the Company's website at www.whirelandplc.com

# Independent review to WHIreland

## 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 2017 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 Financial Reporting Council 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 2017 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
Location
United Kingdom
Date: 21 July 2017

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

# Advisers

## NOMINATED ADVISER
SPARK Advisory Partners
5 St. John's Lane
London, EC1M 4BH

## BROKER
WH Ireland Limited
24 Martin Lane
London, EC4R 0DR

## 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
Katy Mitchell

## REGISTERED OFFICE
24 Martin Lane
London, EC4R 0DR

## COMPANY NUMBER
03870190

At your service


London
24 Martin Lane, London EC4R 0DR
T +44 (0)20 7220 1666

E: enquiries@whirelandplc.com
W: www.whirelandplc.com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