Interim Report & Accounts
30 September 2019

Contents

Highlights

Financial Highlights

- Revenue declined 11% to £11.36m (2018 H1: £12.82m)
- 17% reduction in administrative expenses to £12.25m (2018 H1: £14.76m)
- 54% reduction in operating loss for the period of £0.89m (2018 H1: £1.94m) despite challenging markets
- 37% reduction in net loss for the period of £1.35m (2018 H1: £2.14m)

Divisional Highlights

- Refreshed Executive team and Board of Directors now focussed on growing WH Ireland
- ***Wealth Management:***
  - AUM down 8% to £2.3bn reflecting challenging markets
  - proportion managed on a discretionary basis now 48% (31 March 2019: 46.8%)
  - pricing alignment progressing well with positive revenue impact anticipated in H2
  - retirement of legacy Wealth Management platforms with associated costs nearing completion
- ***Corporate & Institutional Broking:***
  - seven new retained Corporate clients won since 1st April 2019, 21 transactions completed
  - private funding Investor Forum now has 129 HNW, family offices and VCs as members

Current trading and outlook:

- The Company will announce today its intention to raise a minimum of £2.5m via an accelerated book build process which, if successful, will be subject to approval by General Meeting
- Group regulatory capital solvency ratio following a successful fund-raise will exceed 150%
- Further cost reductions underway - return to monthly profitability expected by start of the new financial year
- Further Board appointments also announced separately today

Commenting, Phillip Wale, Chief Executive Officer said:

“WHIreland has made significant progress in the first stage of its recovery, with a clear route to profitability from the start of the new financial year. Wealth Management has implemented its initial pricing alignment which, together with a continuing robust performance from our corporate business and an ongoing focus on cost, underpins our confidence in a return to profitability”.

Chairman's Statement

Good progress has been made by the new management team, resulting in a reduction in reported losses for the half-year to September 2019 as we target monthly profitability from the start of the new financial year. The last few months have seen a number of key appointments, most particularly in the senior management team and onto the Board, which positions the Group well for the future.

I am pleased to see the progress being made within our Wealth Management division; first, with the ongoing decommissioning of our legacy platform, resulting in a sharp reduction in costs; and second, with the pricing alignment actions taken that will result in more appropriate returns from existing assets under management going forward.

The Corporate and Institutional Broking division has been operating against the backdrop of depressed market activity but despite this, it has completed an array of transactions across both public and private markets. Our proven ability in the private arena to connect growth businesses with capital from a number of sources is just one of the opportunities for growth in our Corporate business.

Despite a significant reduction in costs across the business, we have increased the focus on our controls framework with an expanded compliance and risk function that provides the platform and stability to support the future growth of WH Ireland.

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 as well as the loyalty shown to us by our clients across both businesses, throughout this period of change.

BOARD

I am delighted to welcome to the Board of Directors Alistair Buchanan (subject to FCA approval). Alistair was formerly CEO of Ofgem, the UK's gas and electricity markets' regulator, for ten years and a partner at KPMG and his deep experience will be of immense benefit.

I also offer my sincere thanks to Richard Lee who will retire at the end of December 2019. Richard has been a Non-Executive Director since January 2010, having worked at WH Ireland for 8 years before that, and will continue as a Senior Advisor to the company as it develops its Wealth Management business.

Finally, I have previously announced my intention to step down as Chairman from the end of December 2019. It has been my pleasure to have been a Board Director since 2014 and Chairman since January 2016 despite these years being challenging ones for WH Ireland. I am pleased that we have put in place what I believe is the right Board and senior leadership team to finish the turnaround and transition the business to a profitable future that the Group and its staff, its clients and its shareholders richly deserve.

Tim Steel
November 2019

Chief Executive Officer's report

WHIreland has made significant progress in the first stage of its recovery. Wealth Management has implemented its initial pricing alignment which, together with a continuing robust performance from our corporate business and an ongoing focus on cost, underpins our confidence in a return to profitability.

This progress, alongside a significant reduction in administrative costs and a strengthened capital position, now allows the Board and management team to focus on preparing to grow the business. Our customers have been both patient and loyal, and I am pleased we can now set about rewarding them with a higher quality and more differentiated service.

WEALTH MANAGEMENT

The Wealth Management division is going through significant change as the new head of the division Stephen Ford, who joined only in March 2019, has injected a new energy and drive to complement a number of initiatives. These will enhance the client offering whilst eliminating sub-scale accounts and implementing a more appropriate pricing model. The proportion of total assets under management on a discretionary management basis rose to 48% (31 March 2019: 46.8%) at the half year end although total assets under management have declined 8% to £2.3bn as at 30 September 2019 (31 March 2019: £2.5bn), reflecting challenging markets. Costs have been cut across the division, particularly those associated with the legacy Project Discovery, which is now within sight of its completion.

OUTLOOK FOR WEALTH MANAGEMENT
The last six months have been transformational on many fronts. The development of new pricing models, combined with the focus on reducing costs and resolving legacy issues, together underpin our confidence in a return to profitability. We will continue to look to increase the proportion of discretionary assets under management and attract high quality teams into the business.

CORPORATE & INSTITUTIONAL BROKING

The Corporate & Institutional Broking division (CIB) has continued to build its franchise, despite challenging market conditions. The division, headed by Adam Pollock, has an attractive level of recurring retainer revenue from its 76 corporate clients, and continues to build out its private market presence with a number of notable successes having been delivered.

PUBLIC MARKETS
We secured seven new retained corporate clients in the six months ended September 2019, with the average retainer across the client base continuing to increase. We completed 21 transactions for our clients in the period. This included 10 debt and equity placings which demonstrates our strong distribution expertise and capability in our increasingly specialised markets.

The business is benefiting from the fundamental changes brought about by MiFID II legislation. Our focus on providing our corporate customers with high quality research open to the widest breadth of investment professionals, excellent distribution capability, liquidity and experienced corporate advice, is proving successful. This approach, including working alongside larger firms to the benefit of our corporate clients, is beginning to provide an increasing number of opportunities for the division.

Phillip Wale
November 2019

Chief Executive Officer's report continued

PRIVATE MARKETS

In addition to our traditional public markets business, we continue to build out our platform for raising growth capital for private companies from VCT and EIS funds, as well as through the 'Investor Forum', whose members now include 129 HNW, family offices and VCs. We believe that this platform has significant long-term potential for both the division and the Company.

OUTLOOK FOR CORPORATE & INSTITUTIONAL BROKING

Against an uncertain backdrop, the division continues to attract new corporate clients, and to execute on their behalf. It is also building an encouraging pipeline of future opportunities. The business is well placed to take full advantage of the structural changes that we are seeing in our market. To accelerate progress, we are actively looking to recruit further high calibre people into the division.

Fundraising

The Company will announce today its intention to raise a minimum of £2.5m by way of an accelerated book build process which, if successful, will be subject to approval by a General Meeting of shareholders of the Company (the "Placing").

The Placing will provide the Group with a significant buffer to its minimum capital requirement and, as a board, we believe that by raising this money we will create a transparently robust capital position from which to grow. Following the Placing, the Group's regulatory capital solvency ratio will then exceed 150% and the Group's core tier 1 capital ratio, which is a key measure of the Group's financial stability and strength for market regulators and investors, will also increase.

This Placing, along with our anticipation of a return to monthly profitability by the start of the new financial year (and management internal forecasts indicate a £1.0m loss before exceptional items for the 12 months ending March 2020 on a projected revenue of £23.2m, subject to market conditions) will strongly position the Group to exploit the opportunities available to it over the coming months from both a transactional and a recruitment perspective.

LOOKING FORWARD

In the Annual Report and Financial Statements for the year ended March 2019 released in July, I said that the focus for the new management team is to build the business by managing our costs effectively, enhancing the revenue able to be generated by the existing business, evidence the effectiveness of our control framework and to engage proactively with our stakeholders. I am able to report good progress on each of these fronts and subject naturally to market conditions, and with the upcoming Placing to be announced later today, I am optimistic about meeting our aim of achieving monthly profitability by the start of the new financial year in April 2020.

Phillip Wale
November 2019

Consolidated Statement of Comprehensive Income

UNAUDITED FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2019

	Notes	**6 months ended 30 Sep 2019 (unaudited) £'000**	6 months ended 30 Sep 2018 (unaudited) £'000
Revenue	*2*	**11,360**	12,817
Administrative expenses		**(12,246)**	(14,759)
Operating loss		**(886)**	(1,942)
Operating loss before exceptional items:		***(886)***	*(1,942)*
Exceptional items - Restructuring costs		***(310)***	*(331)*
- System migration: Project Discovery		***(220)***	*(177)*
Operating (loss)/profit after exceptional items		***(1,416)***	*(2,450)*
Realised gains	*2*	**60**	296
Fair value gains on investments		**-**	24
Finance income		**9**	2
Finance expense	*2*	**-**	(8)
Loss before tax		**(1,347)**	(2,136)
Tax		**-**	-
Loss and total comprehensive income for the period		**(1,347)**	(2,136)
Earnings per share			
Basic	*6*	(3.14)p	(7.15)p
Diluted	*6*	(3.14)p	(7.15)p

Consolidated Statement of Financial Position

UNAUDITED AS AT 30 SEPTEMBER 2019

	Notes	**As at 30 Sep 2019 (unaudited) £'000**	As at 31 Mar 2019 (audited) £'000
ASSETS			
Non-current assets			
Intangible assets		**819**	880
Property, plant and equipment		**962**	1,162
Investments	*3*	**229**	229
		2,010	2,271
Current assets			
Trade and other receivables		**6,598**	5,698
Other investments	*3*	**1,262**	1,168
Cash and cash equivalents	*4*	**4,105**	7,702
		11,965	14,568
Total assets		**13,975**	16,839
LIABILITIES			
Current liabilities			
Trade and other payables		**(5,024)**	(6,468)
Deferred consideration		**(1,241)**	(1,194)
		(6,265)	(7,662)
Non-current liabilities			
Accruals and deferred income		**(292)**	(412)
		(292)	(412)
Total liabilities		**(6,557)**	(8,074)
Total net assets		**7,418**	8,765
Capital and reserves			
Share capital	*5*	**2,044**	2,044
Share premium		**11,908**	11,908
Other reserves		**981**	981
Retained earnings		**(6,871)**	(5,524)
Treasury shares		**(644)**	(644)
Total equity		**7,418**	8,765

Consolidated Statement of Cash Flows

UNAUDITED FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2019

	Notes	**6 months ended 30 Sep 2019 (unaudited) £'000**	Restated 6 months ended 30 Sep 2018 (unaudited) £'000
Operating activities:			
(Loss)/profit for the year		**(1,347)**	(2,136)
Adjustments for:			
Depreciation, amortisation and impairment		**306**	349
Finance income		**(9)**	(2)
Finance expense		**-**	8
Losses/(gains) in investments		**(60)**	(320)
Non-cash adjustment for share option charge		**-**	-
Decrease/(increase) in trade and other receivables		**(959)**	9,723
(Decrease)/increase in trade and other payables		**(1,443)**	(9,951)
(Decrease)/increase in deferred consideration		**47**	(57)
(Decrease)/increase in provisions		**-**	(23)
Decrease/(increase) in current asset investments	*3*	**(94)**	(269)
Net cash (used in)/generated from operations		**(3,559)**	(2,678)
Income taxes paid		**-**	-
Net cash inflows from operating activities		**(3,559)**	(2,678)
Investing activities:			
Proceeds from sale of investments		**-**	641
Interest received		**9**	2
Acquisition of investments		**-**	(531)
Acquisition of property, plant and equipment		**(47)**	(143)
Net cash (used in)/generated from investing activities		**(38)**	(31)
Finance activities:			
Proceeds from issue of share capital		**-**	5
(Decrease)/increase in treasury shares		**-**	102
Repayment of borrowings		**-**	(141)
Interest paid		**-**	(8)
Net cash generated from /(used in) financing activities		**-**	(42)
Net (decrease)/increase in cash and cash equivalents		**(3,597)**	(2,751)
Cash and cash equivalents at beginning of period		**7,702**	7,277
Cash and cash equivalents at end of period		**4,105**	4,526

Consolidated Statement of Changes in Equity

UNAUDITED FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2019

	Share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Treasury shares £'000	Total equity £'000
Balance at 1 April 2018	1,493	5,503	982	5,640	(746)	12,872
Loss and total comprehensive income for the period	-	-		(2,136)	-	(2,136)
Employee share option scheme	-	5	-	-	-	5
Other movements	-	-	-	-	102	102
Balance at 30 September 2018	1,493	5,508	982	3,504	(644)	10,843
Balance at 1 April 2019	2,044	11,908	981	(5,524)	(644)	8,765
Loss and total comprehensive income for the period	-	-	-	(1,347)	-	(1,347)
Employee share option scheme	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
Balance at 30 September 2019	2,044	11,908	981	(6,871)	(644)	7,418

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 2019 interim report are those which the Group currently expects to adopt in its annual financial statements for the year ending 31 March 2020, except IFRS16 Leases has not been adopted in this report as the impact is not considered to be material but it will be adopted in the annual financial statements. These policies are consistent with those disclosed in the annual financial statements for the period ended 31 March 2019.

The financial information in this interim report and accounts does not constitute the Company's statutory accounts. The statutory accounts for the period ended 31 March 2019 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 30 September 2019 and 30 September 2018 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.

SIGNIFICANT ACCOUNT POLICIES

The same accounting policies, presentation and methods of computation are followed in these condensed set of financial statements as are applied in the Group's latest audited Report and Accounts for the period ended 31 March 2019, except for those that relate to new standards and interpretations effective for the first time for periods beginning on (or after) 1 January 2019, and will be adopted in the 2020 annual financial statements. A new standard impacting the Group that will be adopted in the annual financial statements for the year ending 31 March 2020, and which will give rise to changes in the Group's accounting policies, is IFRS 16 Leases.

IFRS 16 Leases
Adoption of IFRS 16 will result in the group recognising right of use assets and lease liabilities for all contracts that are, or contain, a lease. For leases currently classified as operating leases, under current accounting requirements the Group does not recognise related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment. The Group anticipates recording, in its full year audited Report and Accounts for the year ending March 2020, a right of use asset of approximately £3.5m and a corresponding lease liability of approximately £3.5m with the right of use asset to be depreciated over the life of the lease and the lease liability subsequently measured at amortised costs using the effective interest rate per IFRS9.

Notes to the Consolidated Statements

(UNAUDITED)

GOING CONCERN

The financial information in this interim report and accounts has been prepared on a going concern basis. In making this assessment, the Directors have prepared detailed financial forecasts for the period to March 2021 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.

As disclosed in the annual report and accounts for the year ended 31 March 2019, the Group announced that it had raised £4.95m in March 2019. This ensured that the Group had sufficient resources in place to satisfy the FCA's present capital adequacy requirements.

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.

EXCEPTIONAL COSTS

Project Discovery

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. This function was previously performed out of the Group's Manchester office. Significant investment has been made in both internal and external resources which have been dedicated to this project ("Project Discovery"). Some of the duplicate costs are still being borne by the Group and this has had a negative impact on the results for the current period.

Restructuring

During the period ended 30 September 2019 there were a number of changes within the senior management team and across the Group. 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.

Notes to the Consolidated Statements

(UNAUDITED)

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 quoted 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.

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

	Private Wealth Management	Corporate & Institutional Broking	Head office	Other group companies	Group
6 months ended 30 September 2019	£'000	£'000	£'000	£'000	£'000
Revenue	6,895	3,850	-	615	11,360
Direct costs	(5,272)	(3,563)	-	(771)	(9,606)
Contribution	1,623	287	-	(156)	1,754
Indirect costs	-	-	(3,170)	-	(3,170)
Segment result	1,623	287	(3,170)	(156)	(1,416)
Fair value gains on investments	-	60	-	-	60
Finance income	4	2	-	3	9
Finance expense	-	-	-	-	-
(Loss)/profit before tax	1,627	349	(3,170)	(153)	(1,347)
Tax	-	-	-	-	-
(Loss)/profit for the year	1,627	349	(3,170)	(153)	(1,347)

	Private Wealth Management	Corporate & Institutional Broking	Head office	Other group companies	Group
6 months ended 30 September 2018	£'000	£'000	£'000	£'000	£'000
Revenue	8,124	4,176	-	517	12,817
Direct costs	(7,372)	(3,429)	-	(804)	(11,605)
Contribution	752	747	-	(287)	1,212
Indirect costs	-	-	(3,662)	-	(3,662)
Segment result	752	747	(3,662)	(287)	(2,450)
Realised investment gains	-	296	-	-	296
Fair value gains on investments	-	24	-	-	24
Finance income	-	-	2	-	2
Finance expense	(6)	(2)	-	-	(8)
(Loss)/profit before tax	746	1,065	(3,660)	(287)	(2,136)
Tax	-	-	-	-	-
(Loss)/profit for the year	746	1,065	(3,660)	(287)	(2,136)

Notes to the Consolidated Statements

(UNAUDITED)

3. INVESTMENTS

Investments	As at 30 Sep 19 £'000	As at 31 Mar 19 £'000
Fair value: unquoted	**48**	48
Fair value: quoted	**1**	1
Fair value: warrants	**180**	180
Total investments	**229**	229

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.

Trading investments	As at 30 Sep 19 £'000	As at 31 Mar 19 £'000
Listed investments	**1,262**	1,168

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

Available for sale assets are restated from IAS 39.

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 30 September 2019 was £0.3m (31 March 2019: £0.5m). This decrease reflects the effect of the transfer of assets to SEI (Europe) Ltd.

5. SHARE CAPITAL

The total number of ordinary shares in issue is 42.87 million (31 March 2019: 42.87 million).

Notes to the Consolidated Statements

(UNAUDITED)

6. EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period, 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: 30 September 2019: nil (30 September 2018: 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.

	As at 30 Sep 19	As at 30 Sep 18
Weighted average number of shares in issue during the period ('000)	**42,870**	29,864
	42,870	29,864
	£'000	£'000
Earnings attributable to ordinary shareholders	**(1,347)**	(2,136)
Basic EPS	**(3.14)p**	(7.15)p
Diluted EPS	**(3.14)p**	(7.15)p

7. DIVIDENDS

No interim dividend has been paid or proposed in respect of the current financial period (2018: nil).

Advisers

Nominated Adviser
Spark Advisory Partners Limited
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
K L Mitchell

Registered Office
24 Martin Lane
London
EC4R 0DR

Company Number
03870190

WHIreland comprises WH Ireland Limited and WH Ireland (IOM) Limited which are wholly owned subsidiaries of WH Ireland Group plc. WH Ireland Limited is authorised and regulated in the UK by the Financial Conduct Authority, is registered in England and Wales with company number 02002044 and is a member of the London Stock Exchange. In the Isle of Man, WHIreland International and WHIreland International Wealth are registered trading names of WH Ireland (IOM) Limited which is licensed by the Isle of Man Financial Services Authority.