

WH Ireland Group plc
Interim report 2009

WHIreland
Group plc

THE SHARES OF WH IRELAND GROUP PLC ARE QUOTED ON AIM, THE LONDON STOCK EXCHANGE'S SPECIALIST MARKET FOR GROWING COMPANIES.

The Group is involved in providing investment services to institutions, private individuals and to companies and its activities include securities and private wealth management.

Such is its development over the past few years that WH Ireland is now one of the leading sponsors of companies on AIM.

Management is committed to enhancing shareholder value through the continued organic development of the Group, which will be complemented by selective acquisitions which meet strict, pre-determined criteria.

WH Ireland is committed to ensuring that its customers are treated fairly and that the fair treatment of customers is, and remains, at the heart of the firm. Management and staff believe that customers are the most important aspect of the business and endeavour to provide a service that is consistent with what the customer wants and expects.

KEY POINTS

- Group turnover increased by 6% to £17.1m (2008: £16.2m)
- Operating loss (before goodwill impairment) of £0.049m (2008: profit of £0.524m)
- Loss before tax of £0.523m (2008: £0.736m)
- Basic earnings per share of (3.23)p (2008: (4.17)p)
- Equity shareholders' funds before minority interests decreased to £15.7m (2008: £19.3m), representing approximately 74p per share (2008: 92p)
- No interim dividend has been declared (2008: 1.0p)
- Total funds under management and control of £1.6bn, up 17.6% from year end

CHAIRMAN'S STATEMENT

Results

The result for the first half of the year is a small operating loss of £49,000 (2008: profit of £524,000) before charges for investment losses and impairment of goodwill which have contributed to a reduced overall loss before taxation of £523,000 (2008: £736,000). Group turnover was up 6% to £17.1m (2008: £16.2m) due to a strong performance in our Stockbroking business, partially offset by continued challenging conditions in our Securities business. Our emphasis on managing our cost base continues; administrative expenses before performance-related payments have decreased by £1.1m compared to the prior period.

The balance sheet and cash position of the Company reflects the operating result for the half year. The Group's net cash (excluding client settlement cash) decreased by £649,000 since May 2008 but increased by £235,000 since the year end. As at 31 May 2009, the total equity shareholders' funds (excluding minority interests) of the Group stood at £15.7m (2008: £19.3m). As a reflection of current market circumstances, the Board is not recommending the payment of an interim dividend.

Operational review

The Company continues to pay close attention to its underlying cost base and I can report we have made further good

progress in structuring our cost base to reflect current market conditions.

Our turnover benefited from a strong start to the period in our Stockbroking business. The decline in corporate finance activity in our target market within the Securities business was reflected in the reduced turnover from this segment, whilst our Australian business was impacted by a fall in both stockbroking and corporate finance volumes. Our Financial Services business was similarly impacted by the wider economic environment and in particular the contraction of the mortgage market. Total funds under management and control within the Group increased by 17.6% from the year end and amount to just over £1.6bn.

Our investments have seen some further declines in valuation which reflect the volatile market conditions we have experienced. We have carefully reviewed the carrying value of goodwill and have taken the prudent view to write down a further £385,000 (2008: £350,000).

There have been a number of changes to the composition of the Board of the Company with Laurie Beevers and David Youngman stepping down on 19 May 2009. Since the end of the period under review, Roland Rudd has also resigned from the Board, effective on 1 July 2009.

I would like to thank all our staff for their contribution over the past six months

under review. They have performed well under difficult circumstances.

Outlook

The past twelve months have been difficult in the financial services sector. Many companies had grown too fast during the ill-founded bull market which peaked in 2007 but, as credit evaporated, so did volume. The result has been a painful adjustment which has sadly, but inevitably, resulted in people losing their jobs. WH Ireland has been no exception. With a reduced cost base any improvement in volumes will have a beneficial impact on our profitability so the recent return of a degree of market confidence is welcome. Whether this confidence is the result of some restocking, the currently low level of interest rates or, indeed, the Bank of England's policy of "quantitative easing", it is difficult to be sure. The economy is the key to the direction of the market between now and the end of the year and, for the economy to gather momentum, the credit markets need to return to a greater degree of normality.

Whilst the recent market rally is a positive development, we remain cautious on the impact on Stockbroking revenues and Corporate Finance activity in the near term. We are actively pursuing initiatives to enhance our Private Wealth Management offering and look forward to making significant progress on this in the second half of the financial year.



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Rupert Lowe
Chairman
17 August 2009



CONDENSED CONSOLIDATED INCOME STATEMENT – UNAUDITED

FOR THE HALF YEAR ENDED 31 MAY 2009

	Note	Half year ended 31 May 2009 €'000	Restated* half year ended 31 May 2008 €'000	Year ended 30 November 2008 €'000
Revenue	2	17,123	16,155	32,592
Administrative expenses		(17,172)	(15,631)	(33,380)
Operating (loss)/profit (before goodwill impairment)		(49)	524	(788)
Share of profit/(loss) of associates		40	(164)	16
Impairment losses on goodwill	3	(385)	(350)	(470)
Profit on sale of operation	4	168	—	—
Profit on disposal of available-for-sale investments		74	22	693
Fair value gains/(losses) on investments		98	(630)	(3,168)
Income from investments		1	4	46
Impairment losses on available-for-sale investments		(253)	(25)	(406)
Finance income		97	215	436
Finance expense		(314)	(332)	(378)
Loss before taxation		(523)	(736)	(4,019)
Taxation	5	(198)	(20)	1,301
Loss after taxation		(721)	(756)	(2,718)
Attributable to:				
Minority interest		(38)	(25)	(117)
Equity shareholders of the Parent Company		(683)	(731)	(2,601)
		(721)	(756)	(2,718)
Earnings per share				
Basic	12	(3.23)p	(4.17)p	(13.45)p
Diluted	12	(3.23)p	(4.17)p	(13.45)p

* See Note 6.

CONDENSED CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE – UNAUDITED

FOR THE HALF YEAR ENDED 31 MAY 2009

	Half year ended 31 May 2009 £'000	Restated* half year ended 31 May 2008 £'000	Year ended 30 November 2008 £'000
Foreign exchange translation differences	357	433	(133)
Change in fair value of assets classified as available-for-sale net of tax	(1)	(286)	—
Net change in fair value of available-for-sale financial assets transferred to income statement net of tax	—	(16)	(443)
Net income/(expense) recognised directly in equity	356	131	(576)
Loss for the period/year	(721)	(756)	(2,718)
Total recognised expense for the period/year	(365)	(625)	(3,294)
Attributable to:			
Minority interest	4	28	(110)
Equity shareholders of the Parent Company	(369)	(653)	(3,184)
	(365)	(625)	(3,294)

* See Note 6.

CONDENSED CONSOLIDATED BALANCE SHEET – UNAUDITED

AS AT 31 MAY 2009

	Notes	31 May 2009 £'000	Restated* 31 May 2008 £'000	30 November 2008 £'000
ASSETS				
Non-current assets				
Property, plant and equipment	6	4,631	7,518	7,323
Investment property	6	2,521	—	—
Goodwill		3,074	3,581	3,430
Intangible assets		529	719	587
Associates		920	847	880
Investments	7	1,598	4,534	1,847
Loan note receivable		310	315	310
Deferred tax asset		815	654	762
		14,398	18,168	15,139
Current assets				
Trade and other receivables		78,312	84,504	261,284
Other investments		149	525	98
Cash and cash equivalents	8	7,848	11,318	5,759
		86,309	96,347	267,141
Total assets		100,707	114,515	282,280
LIABILITIES				
Current liabilities				
Trade and other payables		(76,584)	(87,506)	(246,881)
Bank overdraft	8	(2,003)	—	(11,600)
Borrowings		(500)	(916)	(872)
Corporation tax provision		(33)	(3)	(366)
Provisions		(102)	—	(199)
		(79,222)	(88,425)	(259,918)
Non-current liabilities				
Borrowings		(2,552)	(2,878)	(2,747)
Deferred tax liability		(250)	(827)	(250)
Accruals and deferred income		(2,507)	(2,255)	(2,215)
Liability for put and call options		(212)	(275)	(183)
Provisions		—	(190)	(160)
		(5,521)	(6,425)	(5,555)
Total liabilities		(84,743)	(94,850)	(265,473)
Total net assets		15,964	19,665	16,807
EQUITY				
Share capital	9/10	1,064	1,050	1,054
Share premium	10	5,724	5,573	5,633
Available-for-sale reserve	10	169	311	170
Revaluation reserve	10	667	667	667
Foreign exchange reserve	10	345	544	31
Other reserves	10	1,472	1,472	1,472
Retained earnings	10	6,585	9,975	7,847
Treasury shares	10	(287)	(287)	(287)
Total shareholders' equity		15,739	19,305	16,587
Minority interest	10	225	360	220
Total equity	10	15,964	19,665	16,807

* See Note 6.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT – UNAUDITED

FOR THE HALF YEAR ENDED 31 MAY 2009

	Half year ended 31 May 2009 €'000	Restated* half year ended 31 May 2008 €'000	Year ended 30 November 2008 €'000
Operating activities			
Loss for the period/year	(721)	(756)	(2,718)
Adjustments for:			
Depreciation, amortisation and impairment	707	675	1,099
Financial income	(97)	(215)	(436)
Financial expense	314	332	378
Profit on sale of operation	(168)	—	—
Taxation	198	20	(1,301)
Share of (profit)/loss of associates	(40)	164	(16)
Changes in investments	80	633	2,881
Loss/(gain) on sale of property, plant and equipment	8	(8)	(21)
Non-cash adjustment for share option charge	29	61	65
Decrease/(increase) in trade and other receivables	183,533	15,256	(161,765)
(Decrease)/increase in trade and other payables	(170,566)	(13,425)	145,858
(Increase)/decrease in current asset investments	(51)	(525)	(98)
Tax paid	(590)	(502)	(319)
Net cash generated from/(used in) operating activities	12,636	1,710	(16,393)
Investing activities			
Proceeds from sale of property, plant and equipment	—	220	210
Proceeds from sale of investments	221	1,361	1,993
Interest received	97	215	436
Acquisition of associates	—	(350)	(40)
Disposal of operation	168	—	—
Acquisition of property, plant and equipment	(59)	(94)	(227)
Acquisition of investments	(59)	(1,236)	(480)
Income from investments	1	4	46
Loan note receivable	—	—	(310)
Net cash generated from/(used in) investing activities	369	120	1,628
Financing activities			
Proceeds from issue of share capital	101	3,053	3,059
Dividends paid	—	(444)	(573)
Cancellation of amounts due from shareholders	(608)	—	—
Decrease in borrowings	(567)	(55)	(230)
Interest paid	(314)	(178)	(347)
Net cash (used in)/generated from financing activities	(1,388)	2,376	1,909
Net increase/(decrease) in cash and cash equivalents	11,617	4,206	(12,856)
Cash and cash equivalents at beginning of period/year	(5,841)	7,018	7,018
Effect of foreign exchange movements	69	94	(3)
Cash and cash equivalents at end of period/year	5,845	11,318	(5,841)
Clients' settlement cash	3,396	8,220	(8,055)
Firms' cash	2,449	3,098	2,214
Cash and cash equivalents at end of period/year	5,845	11,318	(5,841)

* See Note 6.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 MAY 2009

1. Basis of preparation

Statement of compliance

These consolidated interim financial statements have 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) excluding IAS 34 'Interim Financial Reporting'.

The consolidated interim financial statements are condensed and do not include all of the information required for full annual financial statements.

The accounting policies adopted by the Group in the preparation of its 2009 interim financial statements and those which the Group currently expects to adopt in its annual financial statements for the year ending 30 November 2009 are consistent with those disclosed in the annual financial statements for the year ended 30 November 2008.

The information in this interim report is unaudited and does not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. The interim report was approved by the Board of Directors on 14 August 2009. The statutory accounts for the year ended 30 November 2008 have been delivered to the Registrar of Companies in England and Wales in accordance with Section 242 of the Companies Act 1985. The auditor has reported on those accounts. Its report was unqualified and did not contain a statement under Section 237(2) or (3) of the Companies Act 1985.

Going concern

The interim financial information of the Group has been prepared on the going concern basis. In making the going concern assessment, the Directors have prepared detailed financial forecasts for the period to November 2010 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 turnover 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 approval of these financial statements.

The Group's funding is provided by bank loans and overdrafts. Bank loans are repayable over a 10 to 25 year period and are secured on the 11 St James's Square property in Manchester. The overdrafts are repayable on demand and the facility is renewable annually. It was most recently renewed for twelve months with effect from 31 May 2009.

Certain activities of the Group are regulated by the Financial Services Authority (FSA) which is 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 regulatory 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, at the 31 July 2009, the Group had regulatory capital headroom of £1.4m. Under the current financial forecasts, the Directors consider that the Group has sufficient regulatory capital headroom for the foreseeable future. However, as with many companies in the current economic environment, the Directors acknowledge that there is uncertainty arising from the risk of further deterioration in the market environment and associated declines in trading volumes and corporate finance activity. They are prepared to implement appropriate management actions to address any potential deficit as required; these actions may include cost reductions, regulatory capital optimisation programmes or further capital raising. On the basis of sensitised forecasts, the Group may significantly reduce or exhaust any surplus regulatory capital within the foreseeable future. Discussions have been held with the FSA, which has been made aware of the risks for the business. In that context the Directors are confident that the Group will continue to satisfy the FSA as to its compliance with all relevant regulatory requirements for the foreseeable future, and thus the Directors have no expectation that the FSA will take adverse regulatory action.

After consideration of all the above factors, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis and the financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS CONTINUED

FOR THE HALF YEAR ENDED 31 MAY 2009

2. Segmental reporting

For management purposes, the Group is currently organised into the two business streams, presented below, which are the primary basis of segmental reporting. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The following tables present revenue and profit and certain assets and liability information regarding the Group's business segments:

Half year ended 31 May 2009

Group	Private Wealth Management £'000	Securities £'000	Group £'000	
Revenue				
External	15,472	1,651	17,123	
Inter-segment	—	—	—	
Total revenue	15,472	1,651	17,123	
Segment result	4,209	(692)	3,517	
Share of profit of associates	—	—	40	
Impairment losses on goodwill	—	—	(385)	
Profit on sale of operation	—	—	168	
Profit on disposal of available-for-sale investments	—	—	74	
Fair value gains on investments	—	—	98	
Income from investments	—	—	1	
Impairment losses on available-for-sale investments	—	—	(253)	
Finance income	—	—	97	
Finance expense	—	—	(314)	
Unallocated net corporate expenses	—	—	(3,566)	
Loss before taxation	—	—	(523)	
Taxation	—	—	(198)	
Loss for the period	—	—	(721)	
Segment assets	84,252	1,990	86,242	
Unallocated corporate assets	—	—	14,465	
Total Group assets	—	—	100,707	
Segment liabilities	53,654	353	54,007	
Unallocated corporate liabilities	—	—	30,736	
Total Group liabilities	—	—	84,743	
	Private Wealth Management £'000	Securities £'000	Unallocated corporate items £'000	Group £'000
Other segment items				
Capital expenditure	—	—	59	59
Depreciation and amortisation	—	—	321	321

2. Segmental reporting continued

Half year ended 31 May 2008

Group	Private Wealth Management £'000	Securities £'000	Group £'000	
Revenue				
External	12,915	3,240	16,155	
Inter-segment	—	—	—	
Total revenue	12,915	3,240	16,155	
Segment result	3,024	658	3,682	
Share of loss of associates	—	—	(164)	
Impairment losses on goodwill	—	—	(350)	
Profit on disposal of available-for-sale investments	—	—	22	
Fair value losses on investments	—	—	(630)	
Income from investments	—	—	4	
Impairment losses on available-for-sale investments	—	—	(25)	
Finance income	—	—	215	
Finance expense	—	—	(332)	
Unallocated net corporate expenses	—	—	(3,158)	
Loss before taxation	—	—	(736)	
Taxation	—	—	(20)	
Loss for the period	—	—	(756)	
Segment assets	95,908	3,668	99,576	
Unallocated assets	—	—	14,939	
Total Group assets	—	—	114,515	
Segment liabilities	85,882	845	86,727	
Unallocated liabilities	—	—	8,123	
Total Group liabilities	—	—	94,850	
	Private Wealth Management £'000	Securities £'000	Unallocated corporate items £'000	Group £'000
Other segment items				
Capital expenditure	—	—	94	94
Depreciation and amortisation	—	—	325	325

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS CONTINUED

FOR THE HALF YEAR ENDED 31 MAY 2009

2. Segmental reporting continued

Year ended 30 November 2008

Group	Private Wealth Management £'000	Securities £'000	Group £'000	
Revenue				
External	27,247	5,345	32,592	
Inter-segment	—	—	—	
Total revenue	27,247	5,345	32,592	
Segment result	3,375	992	4,367	
Share of profit of associates	—	—	16	
Impairment losses on goodwill	—	—	(470)	
Profit on disposal of available-for-sale investments	—	—	693	
Fair value losses on investments	—	—	(3,168)	
Income from investments	—	—	46	
Impairment losses on available-for-sale investments	—	—	(406)	
Finance income	—	—	436	
Finance expense	—	—	(378)	
Unallocated net corporate expenses	—	—	(5,155)	
Loss before taxation	—	—	(4,019)	
Taxation	—	—	1,301	
Loss for the year	—	—	(2,718)	
Segment assets	265,097	1,698	266,795	
Unallocated assets	—	—	15,485	
Total Group assets	—	—	282,280	
Segment liabilities	252,051	310	252,361	
Unallocated liabilities	—	—	13,112	
Total Group liabilities	—	—	265,473	
	Private Wealth Management £'000	Securities £'000	Unallocated corporate items £'000	Group £'000
Other segment items				
Capital expenditure	—	—	227	227
Depreciation and amortisation	—	—	629	629

2. Segmental reporting continued

Geographical segments

The Group's operations are located in the United Kingdom and Australia. The following tables present revenue and certain assets and liability information by geographical area in which the assets are located:

	Half year ended 31 May 2009 £'000	Half year ended 31 May 2008 £'000	Year ended 30 November 2008 £'000
Group revenue			
United Kingdom	15,073	12,658	26,816
Australia	2,050	3,497	5,776
	17,123	16,155	32,592
	Half year ended 31 May 2009 £'000	Half year ended 31 May 2008 £'000	Year ended 30 November 2008 £'000
Group segment assets			
United Kingdom	13,497	16,084	14,396
Australia	2,467	3,581	2,411
	15,964	19,665	16,807
	Half year ended 31 May 2009 £'000	Half year ended 31 May 2008 £'000	Year ended 30 November 2008 £'000
Group capital expenditure			
United Kingdom	40	68	201
Australia	19	26	26
	59	94	227

3. Impairment losses on goodwill

As a result of current trading conditions, the Directors have undertaken an impairment review of the carrying value of the goodwill and an impairment provision has been made. The Directors have reduced the carrying value which arose on the acquisition of the trade and assets of SRS Business and Professional Limited by £70,000, the carrying value of the Group's investment in WHI Australia Pty Limited by £279,000 and that of Stockholm Investments Limited by £36,419. These impairment losses have arisen as a result of a reduction in the expected future cash inflow of the cash-generating units (CGUs) concerned.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS CONTINUED

FOR THE HALF YEAR ENDED 31 MAY 2009

4. Profit on sale of operation

In February 2009 the Group sold the trade and assets of its Lancaster branch, realising a profit on sale of £168,000. The Group has retained the freehold property in Lancaster.

5. Taxation

The effective tax rate in the period under review has been impacted by the tax effect on the goodwill impairment charge of £385,000 along with adjustments to tax balances relating to prior periods.

6. Property, plant and equipment

As noted in the annual report for the year ended 30 November 2008, the Group's interim results announcement for the period ended 31 May 2008 (published on 18 August 2008) included an initial analysis of the impact of adopting IFRS on previously reported results. At that stage, the Directors indicated their intention to continue to hold freehold land and buildings at market value (as they were treated under UK GAAP) and not take advantage of IFRS 1.16 which allows an entity to elect to measure such assets at cost under IFRS, with cost being determined as fair value at the date of transition. The Directors reviewed this approach and considered it would be more appropriate to take advantage of this election and hold all land and building at cost and depreciate over their useful economic life. Accordingly, the comparative amounts for the period ended 31 May 2008 have been prepared on this basis. The impact of this change is shown below:

	IFRS 1 Restatement (published on 18 August 2008)	Revised IFRS 1 Restatement	Movement
Net assets at 31 May 2008	21,110	19,655	(1,455)
Losses before tax for the period ending 31 May 2008	(685)	(736)	(51)
Losses after tax for the period ending 31 May 2008	(705)	(756)	(51)

Property, plant and equipment includes freehold property with a net book value, at 31 May 2009, of £4,086,192 (31 May 2008: £6,508,909; 30 November 2008: £6,401,773). In accordance with IAS 40 the net book value of the freehold property has been classified according to its use and £2,521,261 is recorded as investment property.

No significant expenditure relating to property, plant and equipment has been incurred in the half year ended 31 May 2009.

7. Investments

	Half year ended 31 May 2009 £'000	Half year ended 31 May 2008 £'000	Year ended 30 November 2008 £'000
Available-for-sale investments			
Fair value: quoted	243	473	380
unquoted	501	967	809
	744	1,440	1,189
Investments at fair value through the income statement			
Fair value: quoted	449	1,558	361
warrants	405	1,536	297
	854	3,094	658
Total investments	1,598	4,534	1,847

In the case of quoted investments, fair value represents the quoted bid price at the balance sheet date. The fair value of unquoted investments is estimated by reference to recent arm's length transactions. In the case of warrants, fair value is estimated using established valuation models.

8. Cash, cash equivalents and bank overdrafts

Cash and cash equivalents comprise cash and bank balances and bank overdrafts repayable on demand.

Cash and cash equivalents represent the Group's own money and money held for settlement of outstanding transactions and excludes free money held on trust on behalf of clients. Free money at 31 May 2009 was £98.1m (31 May 2008: £93.7m; 30 November 2008: £81.1m).

Cash and cash equivalents appearing in the Consolidated Balance Sheet include a restricted cash balance of £3.4m (31 May 2008: £8.2m; 30 November 2008: £0.7m) which relates to client settlement cash and is not available for use in day-to-day operations.

9. Share capital

The total number of authorised ordinary shares is 34.5 million shares of 5p each (30 November 2008: 34.5 million). The total number of issued ordinary shares is 21.3 million shares of 5p each (30 November 2008: 21.1 million).

202,608 new ordinary shares of 5p each were issued on the 21 April 2009 at a price of 50p per share in satisfaction of staff share options.

10. Reconciliation of changes in shareholders' equity

	Share capital £'000	Share premium £'000	Available-for-sale reserve £'000	Revaluation reserve £'000	Foreign exchange reserve £'000	Other reserves £'000	Retained earnings £'000	Treasury shares £'000	Total share- holders' equity £'000	Minority interest £'000	Total equity £'000
Balance at 1 December 2007	860	2,614	613	667	164	1,472	10,553	(287)	16,656	361	17,017
Loss for the year	—	—	—	—	—	—	(2,718)	—	(2,718)	—	(2,718)
Prior year dividends paid	—	—	—	—	—	—	(516)	—	(516)	—	(516)
Current year dividends paid	—	—	—	—	—	—	(210)	—	(210)	—	(210)
Amounts owed by shareholders	—	—	—	—	—	—	608	—	608	—	608
Shares issued	186	2,646	—	—	—	—	65	—	2,897	—	2,897
Shares issued on scrip dividends	8	—	—	—	—	—	—	—	8	—	8
Employee share option scheme	—	—	—	—	—	—	65	—	65	—	65
Share premium on exercise of options	—	227	—	—	—	—	—	—	227	—	227
Share premium on scrip dividends	—	146	—	—	—	—	—	—	146	—	146
Deferred taxation	—	—	172	—	—	—	—	—	172	—	172
Loss arising on available-for-sale investments	—	—	(615)	—	—	—	—	—	(615)	—	(615)
Exchange rate adjustments	—	—	—	—	(133)	—	—	—	(133)	7	(126)
Share of retained loss after tax	—	—	—	—	—	—	—	—	—	(117)	(117)
Dividends paid to minority interest holders	—	—	—	—	—	—	—	—	—	(31)	(31)
Balance at 30 November 2008	1,054	5,633	170	667	31	1,472	7,847	(287)	16,587	220	16,807
Loss for the period	—	—	—	—	—	—	(683)	—	(683)	—	(683)
Amounts owed by shareholders*	—	—	—	—	—	—	(608)	—	(608)	—	(608)
Shares issued	10	91	—	—	—	—	—	—	101	—	101
Employee share option scheme	—	—	—	—	—	—	29	—	29	—	29
Deferred taxation	—	—	15	—	—	—	—	—	15	—	15
Investment revaluation	—	—	(16)	—	—	—	—	—	(16)	—	(16)
Exchange rate adjustments	—	—	—	—	314	—	—	—	314	43	357
Share of retained loss after tax	—	—	—	—	—	—	—	—	—	(38)	(38)
Balance at 31 May 2009	1,064	5,724	169	667	345	1,472	6,585	(287)	15,739	225	15,964

* During 2008 the dividends paid were higher in value than the retained profits disclosed in the Company Balance Sheet as at 30 November 2007. The Company inadvertently overlooked the statutory requirements to file interim accounts demonstrating sufficient distributable profits with the Registrar of Companies prior to paying the dividend. The Resolution in the Notice of the Annual General Meeting (AGM), held on 29 April 2009, sought to rectify this technical breach by ratifying the appropriation of distributable profits to the payment of that dividend and waiving any claims which the Company may have against shareholders or the Directors arising out of this breach.

The debtor held at year end was in recognition for amounts owed to the Company in respect of this dividend in excess of distributable reserves. Following the ratification at the AGM the debtor was reversed (£608,000).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS CONTINUED

FOR THE HALF YEAR ENDED 31 MAY 2009

10. Reconciliation of changes in shareholders' equity continued

The nature and purpose of each reserve is summarised below:

Share premium

The share premium is the amount raised on the issue of shares that is in excess of the nominal value of those shares and is recorded less any direct costs of issue.

Available-for-sale reserve

The available-for-sale reserve reflects gains or losses arising from the change in fair value of available-for-sale financial assets except for impairment losses which are recognised in the income statement. When an available-for-sale asset is impaired or derecognised, the cumulative gain or loss previously recognised in the available-for-sale reserve is transferred to the income statement.

Revaluation reserve

The revaluation reserve reflects changes in the fair value of property, plant and equipment until such time as the assets are disposed of. A revaluation surplus is recognised in the revaluation reserve unless it reverses a previous deficit when it is credited to the income statement up to the amount of the previous deficit. A revaluation deficit is charged to the income statement unless it reverses a previous surplus when it is charged to the revaluation reserve up to the amount of the previous surplus.

Exchange reserve

The exchange reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Other reserves

Other reserves comprise a merger reserve of £491,511, a capital redemption reserve of £228,083 and other reserves of £753,704.

Retained earnings

Retained earnings reflect accumulated income, expenses, gains and losses recognised in the income statement and the statement of recognised income and expense and is net of dividends paid to shareholders. The cumulative effect of changes in accounting policy is also reflected as an adjustment in retained earnings.

Treasury shares

Purchases of the Company's own shares in the market are presented as a deduction from equity, at the amount paid, including transaction costs. That is, treasury shares are shown as a separate class of shareholders' equity with a debit balance.

11. Dividend

No interim dividend has been declared in respect of the half year ended 31 May 2009 (31 May 2008: 1p per share).

12. Earnings per share

Basic earnings per share is calculated with reference to earnings attributable to ordinary shareholders and the weighted average number of shares in issue during the period.

Diluted earnings per share is the basic earnings per share, adjusted for the effect of conversion into fully paid shares of the weighted average number of all employee share options outstanding during 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 2009	Half year ended 31 May 2008	Year ended 30 November 2008
Weighted average number of shares in issue during the period	21,123,309	17,538,485	19,338,315
Effect of share options	93,378	1,050,330	1,417,498
	21,216,687	18,588,815	20,755,813
	£'000	£'000	£'000
Earnings attributable to ordinary shareholders	(683)	(731)	(2,601)
Earnings per share – basic	(3.23)p	(4.17)p	(13.45)p
Earnings per share – diluted	(3.23)p	(4.17)p	(13.45)p

INDEPENDENT REVIEW REPORT TO THE WH IRELAND GROUP PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the interim report for the half year ended 31 May 2009 which comprises: the Consolidated Income Statement, Consolidated Statement of Recognised Income and Expense, Consolidated Balance Sheet, Consolidated Cash Flow Statement and the related explanatory 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 condensed set of financial statements.

This report is made solely to the Company in accordance with the terms of our engagement. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The interim report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim report in accordance with the AIM Rules.

As disclosed in Note 1, the annual financial statements of the Group are prepared in accordance with IFRS as adopted by the EU. The condensed set of financial statements included in this interim report has been prepared in accordance with the recognition and measurement requirements of IFRS as adopted by the EU.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim report based on our review.

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 UK. 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 condensed set of financial statements in the interim report for the six months ended 31 May 2009 is not prepared, in all material respects, in accordance with the recognition and measurement requirements of IFRS as adopted by the EU and the AIM Rules.

Jonathan Bingham
for and on behalf of KPMG Audit Plc

Chartered Accountants
St James's Square
Manchester M2 6DS
17 August 2009

CORPORATE INFORMATION

Directors

Rupert J G Lowe
Non-executive Chairman

Richard A Ford
Chief Executive

Michael A Frame
Operations Director

Nigel J Gurney
Finance Director

Roger Lane-Smith
Non-executive Director

Richard E M Lee
Executive Director

Lord Marland
Non-executive Director

John M F Padovan
Non-executive Director

Company Secretary and registered office

Michael A Frame
11 St James's Square
Manchester M2 6WH

Company number
3870190

Nominated adviser and broker

Oriel Securities Limited
125 Wood Street
London EC2V 7AN

Auditors

KPMG Audit Plc
St James's Square
Manchester M2 6DS

Solicitors

Halliwells LLP
3 Hardman Square
Manchester M3 3EB

Bankers

Bank of Scotland
Level 2, Pentland House
8 Lochside Avenue
Edinburgh Park
Edinburgh EH12 9DJ

Registrars

Neville Registrars Limited
Neville House
18 Laurel Lane
Halesowen
West Midlands B63 3DA

WH Ireland Group plc

11 St James's Square
Manchester M2 6WH

Tel: 0161 832 2174
0161 832 6644

Fax: 0161 833 0935

Web: www.wh-ireland.co.uk

WHIreland
Group plc