



BREWIN DOLPHIN
HOLDINGS PLC



ANNUAL REPORT
AND ACCOUNTS
2009



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"BREWIN DOLPHIN
HAS BEEN
ABLE TO SAIL
A RELATIVELY
STEADY COURSE
THROUGH SOME
PRETTY ROUGH
SEAS"

Directors, Secretary and Officers

Directors (including Committee Membership)

Executive Directors

Jamie Graham Matheson, FSI	Executive Chairman
Robin Alec Bayford, FCA	Finance Director
Barry Mark Howard	Head of Regulation
Christopher David Legge*	
David William McCorkell	Head of Investment Management
Sarah Jane Spencer Soar	
Ian Benjamin Speke	
Simon Jonathan Henry Still, FlntD*	Chief Operating Officer
Michael John Ross Williams	

*(Retired 25 September 2009)

Non-Executive Directors

William Nicholas Hood, CBE	Senior Independent Director and Deputy Chairman
Angela Ann Knight, CBE	
Sir Stephen Mark Jeffrey Lamport, KCVO, DL	
Simon Edward Callum Miller	
Francis Edward (Jock) Worsley, OBE, FCA	

Committees

(a) (n) (r)
(a)
(a) (n) (r)
(a) (n) (r)

(a) Member of the Audit Committee; (n) Member of the Nomination Committee; (r) Member of the Remuneration Committee.

Secretary

Company Registration Number Registered Office

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T: 0845 213 1000 (UK only) / + 44 20 7248 4400 (International)
www.brewin.co.uk
www.stocktrade.co.uk

Officers and Advisors

Registrars

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Spencer Road, Lancing,
West Sussex, BN99 6DA

Principal Bankers

Bank of Scotland
Pentland House (2nd Floor)
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Edinburgh, EH12 9DJ

Corporate Finance Advisors

West Hill Corporate Finance Ltd
60 Lombard Street
London
EC3V 9EA

Solicitors

Lawrence Graham LLP
4 More London Riverside
London, SE1 2AU

Auditors

Deloitte LLP
Hill House
1 Little New Street
London, EC4A 3TR

Joint Stockbrokers:

Canaccord Adams Limited
Cardinal Place
7th Floor, 80 Victoria Street
London, SW1E 5JL

Joint Stockbrokers:

Arden Partners
Nicholas House
3 Laurence Pountney Hill
London, EC4R 0EU

£212.3m

Total income £212.3 million (2008: £206.5 million).

£11.8bn

Discretionary funds £11.8 billion at 27 September 2009 (2008: £10.2 billion), an increase of 15.7% which compares to a fall of 0.1% in the FTSE 100 Share Index.

£32.1m

Profit excluding amortisation of intangible asset - client relationships and redundancy costs and before tax £32.1 million (2008: £36.8 million).

£21.9m

Profit before tax £21.9 million (2008: £32.0 million).

7.4p

Earnings per share:
 - Basic earnings per share 7.4p (2008: 10.7p).
 - Diluted earnings per share 7.2p (2008: 10.3p).

10.8p

Earnings per share excluding amortisation of intangible asset - client relationships and redundancy costs:
 - Basic earnings per share 10.8p (2008: 12.4p).
 - Diluted earnings per share 10.6p (2008: 11.9p).

7.1p

The total dividend for the period is 7.1p per ordinary share (2008: 7.1p).
 Proposed final dividend 3.55p per share (2008: 3.55p)

Executive Chairman's Statement



In a year which has seen financial markets across the globe go through perhaps the most difficult times in living memory, I am pleased to report that Brewin Dolphin has been able to sail a relatively steady course through some pretty rough seas. I believe this gives shareholders grounds for continued confidence in the fundamental strengths and resilience of the business.

Total income for the year to 27 September 2009 was £212.3 million, 2.8% up on last year, against a fall in the FTSE 100 average level across each financial year of 21.6%. Pre-tax profits excluding redundancy costs and amortisation of the intangible asset – client relationships were £32.1 million, 12.7% down on last year. Pre-tax profits were £21.9 million.

Investment Management

Our mainstream Investment Management business continued to make material progress, adding substantially to our funds under management.

Investment Management is by far and away the largest part of your Group's activities and once again performed well in an extraordinarily turbulent year. Indeed it has been gratifying to note that the business has seen a material inflow of funds during the period reflecting a combination of our clients' confidence in our business and our ability to provide clear and straight forward long term investment strategies. The division's income rose by 5.3% during the period and profits (excluding redundancy costs and amortisation of client relationships) by 3.1%. Total funds under management increased from £18.7bn to £20.5bn, a 9.6% increase with, most importantly, discretionary funds rising by 15.7%. During the same period the FTSE100 index fell by 0.1% and the FTSE APCIMS Private Investor Series Balanced Portfolio rose by 2.1%.

We have continued to benefit from the arrival of new Investment Managers and Financial Planners and I would anticipate this being a feature again in the coming year. We now have a network of forty offices throughout the UK providing good national coverage. While I should not rule out one or two further new openings, it is your Board's intention that the main thrust of future growth within the UK be centred on the existing offices as we leverage the network now in place. In parallel with this we continue to put special emphasis on the maintenance and development of our business support operations to improve further our efficiency and our client services.

Investment Banking

Despite operating in a very tough trading environment, our Investment Banking division importantly remained profitable, reflecting the flexibility of its business model.

A year ago the outlook for our Investment Banking division was somewhat uncertain but we remained confident that the short term impact would be containable. Having reported an operating loss of £0.8 million at the interim stage (excluding redundancy costs), the division has been able to end the year in the black. Trading activity and the level of enquiries that are being received suggest that the outlook for the current year is somewhat more encouraging.

Dividend

The Board is proposing a final dividend of 3.55p, to be approved at the 2010 AGM and payable on 1 April 2010.

Regulation

The events of the last two years mean that the role of regulation in the affairs of your Group will remain significant and it continues to be very much the policy of your Board to see that the Group fully meets the standards and requirements of modern day regulation. In this ever evolving environment it is important that your Board keeps the Group's level of capital adequacy under review.

Board Changes

Nick Hood, David McCorkell, Michael Williams and Jock Worsley will be standing for re-election at the AGM and I commend them to you.

Two Directors retired from the Board at the year end, Christopher Legge and Simon Still. Simon Still joined the Group at the time of the acquisition of Wise Speke and the Board in 2001 as Chief Operating Officer. Simon was responsible for our business support operations. This part of the Group is very often less visible than the client facing side, but its contribution to client service should not be underestimated. I would like to put on record the Board's appreciation of Simon's efforts in charge of this part of the Group.

Christopher Legge remains actively involved in managing clients affairs – albeit no longer every day of the week. As a relative newcomer to the Group it is not easy for me to put into words adequately Christopher's contribution over nearly 50 years. He is very much one of the founding fathers of Brewin Dolphin and his

"WE HAVE ALWAYS BELIEVED IN LONG TERM PRUDENT EQUITY BASED INVESTMENT AND...THE MERITS OF DIVIDEND AS A SOUND METHOD OF RETURN TO INVESTORS"

passionate belief in behaving with the utmost integrity and looking after the best interests of clients is a fine legacy that he leaves us. Christopher's contribution at Board level has been invaluable and he has never failed to deliver a reasoned, always valuable and not infrequently passionate point of view. I thank both these gentlemen for their contribution to the affairs of your Group.

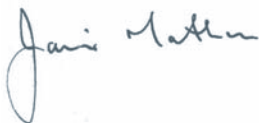
Strategy and Re-branding

Brewin Dolphin's strategy remains to grow our business to the benefit of our shareholders by maintaining the quality and increasing the depth of service to our clients. Following our re-branding last year and the amalgamation of our divisions under the Brewin Dolphin name, we have this year sponsored a number of events which have raised significant sums for charity. The most notable of these was our sponsorship of Sir Ranulph Fiennes third and successful attempt to climb Everest which helped him reach his goal of raising a remarkable £3m for Marie Curie Cancer Care.

Outlook

The performance for the year is the result of the hard work of Brewin Dolphin people and the continued support of our clients, for which we are extremely grateful. I believe the results achieved by your Group give justifiable cause for pride, particularly given the extraordinary circumstances of the last year. As a firm we have always believed in the merits of long term prudent equity based investment and have never lost sight of the merits of dividend as a sound method of return to investors. This approach has played no small part in allowing us to grow funds under management this year. I believe the debt culture, so prevalent in the last decade, is at last being seen for what it is, so its diminution continues to bode well for our Group.

Current trading continues to be satisfactory although we should not assume that the economic woes of this country and the rest of the world are completely behind us. Your Board remains confident about the future prospects of Brewin Dolphin.



Jamie Matheson

1 December 2009



Investment Management Report

By D W McCorkell – Executive Director – Head of Investment Management

It is a pleasure to report a record year for the Investment Management Division in what has proved to be one of the most interesting years for global stock markets.

Investment Management's operating profits excluding redundancy costs and amortisation of client relationships rose to £30.6 million from £29.7 million, an increase of 3.1%. Total income rose to £204.0 million, an increase of 5.3% over the 2008 figure of £193.7 million, an excellent performance considering market conditions during the year.

Indices and Values of Funds under Management ("FUM")

Indices	At 27 September 2009	At 28 September 2008	% Change
FTSE APCIMS Private Investor Series Balanced Portfolio	2,640	2,586	2.1%
FTSE 100	5,082	5,089	-0.1%

Funds Under Management	£ billion	£ billion	% Change
Discretionary funds	11.8	10.2	15.7%
Advisory funds	8.7	8.5	2.4%
Total managed funds	20.5	18.7	9.6%

Total funds under Discretionary Management at the year end were £11.8 billion against £10.2 billion last year, a rise of 15.7%, which compares to a fall of 0.1% in the FTSE100 Share Index and a rise of 2.1% in the FTSE APCIMS Private Investors Services Balanced Portfolio Index. Funds under Advisory Management were £8.7 billion, a rise of 2.4% over the year, giving total funds under management of £20.5 billion, a rise of 9.6% overall. The figures include £127 million of new funds brought in by new teams who joined in the year. The teams who joined us in 2008 have introduced £1.3 billion of Discretionary funds and £0.7 billion of Advisory funds since they arrived.

Financial Performance

	Total Income 2009 £ million	Operating Profit† 2009 £ million	Total Income 2008 £ million	Operating Profit† 2008 £ million
Discretionary Portfolio Management	128.8	19.4	123.0	18.9
Advisory Portfolio Management	75.2	11.2	70.7	10.8
	204.0	30.6	193.7	29.7

† excluding redundancy costs and amortisation of client relationships.

Fees, interest and other recurring income has increased by 4% in the year, with commission income increasing by 7%. Recurring income is 54% (2008: 55%) of total income. The trend towards an increasing level of Discretionary Management continues but the exceptionally high level of activity seen during the year has resulted in this modest increase in the proportion of non-recurring income.

The Business

During the year, we have added six new Investment Management teams to the Group. Four of these teams joined our offices in London, Teesside, Leeds and Guernsey. The largest team, consisting of four Divisional Directors and three staff joined us in Brighton where we have opened a new office. In January 2010, our Eastbourne office will relocate to join this new team in Brighton. The other new branch opening during the year was in Truro, where the total number of staff is six, including two Divisional Directors. In addition, we have relocated part of our business support operations from London and Leicester to new and much more efficient premises in Edinburgh.

Following the retirement of a number of Senior Investment Managers, we now have a total of 643 Client Executives and Investment Managers. We thank all of them for their contribution over many years and wish them a long and happy retirement. We have developed our Graduate Trainee Programme, with the largest ever number of Graduates starting the programme this September. All of last year's graduates completed the programme and have now joined teams around the Group.

Financial Planning continues to be an important area of our business. Economic uncertainty has resulted in many clients undertaking a full financial review with our Financial Planning teams and their usual Investment Managers. We have 61 qualified Financial Planners across the Group, with clients of all branches having access to their advice.



The Financial Services Authority (“FSA”) will publish the Retail Distribution Review (“RDR”) early next year and after a final period of consultation, it will be implemented at the end of 2012. The RDR will affect the way we do our business and will require Investment Managers to have a minimum level of qualifications and to enter our continual professional development programme. We have enhanced our training and competence systems so that all our Investment Managers meet these requirements.

We have continued to grow our Business Development Team which introduces Brewin Dolphin services to Independent Financial Advisors (“IFAs”) and other Professional Intermediaries in the UK. In the period, this team has introduced £235 million of new FUM. Further enhancement to the services we provide for intermediaries and their clients, particularly in light of the RDR, will be introduced in 2010.

Management of charities’ assets is a growing part of our business. At the year end charitable FUM had risen to £1.5 billion from £1.3 billion in September 2008. A specialist Charity Investment Management Team now provides services throughout the UK. We have also seen a significant increase in our FUM in various ‘tax wrappers’ with £2.3 billion now in Offshore Bonds, SIPPs and other self invested pension schemes.

We are delighted to report that we have won several awards this year, importantly, the Shares Magazine Award for Best Discretionary Stockbroker 2009. At the Daily Telegraph Wealth Management Awards we were very proud that a senior member of our operations team won the Award for exceptional performance in Business Support and our Perspective newsletter the Best Market Newsletter category.

We have developed our web presence and will improve it further to increase the variety and depth of our online services for clients and intermediaries. It is important for us to ensure that our basic online services are always stable and reliable prior to considering additional functionality. We are working to increase the online access and range of reports we provide for our clients.

The strength of our business model has been demonstrated throughout this difficult period. We have seen significant inflows of new business and clients often tell us how important it is to be able to talk to a real person whom they know and trust. I would like to thank all our Investment Managers and support staff for the enormous efforts they have made in looking after our clients so well during one of the most extraordinary years in stock market history.

Investment Banking Report

By G Summers – Director of Brewin Dolphin Limited – Head of Investment Banking

The financial period under review was extremely challenging, with a further deterioration in conditions in capital markets around the world. The UK small and mid cap market place suffered more than most with a further significant drop in corporate activity and trading, as access to both debt and equity capital became severely constrained.

However, it is pleasing to report despite these testing conditions that the Investment Banking team managed to come through the year making a small profit, maintaining its unbroken track record of profitability. Though it is still early days there are signs that capital markets have begun to recover. We are cautiously optimistic that this will be sustained.

The Investment Banking division has a team of sixty professionals specialising in six core sectors: Consumer; Healthcare; Industrials; IT; Resources and Support Services. Our Research, Sales and Trading team is well regarded in the City and team members enjoy independent recognition in surveys such as Extel and Starmine. Our Corporate Broking and Advisory team continues to offer innovative solutions and best advice to our corporate clients.

We have recruited two more experienced analysts during the year and a new director in corporate finance to complement our existing teams. We have appointed a new Head of Equities and a new Head of Corporate Finance.

The business is firmly committed to our core values of diligence and integrity which together help us deliver a valued service to our clients. This approach has enabled us to come through the recent difficult markets with an enhanced reputation and should ensure that we continue to build on our very solid foundations, into the medium term and beyond.

Operating and Financial Review



This review has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for these strategies to succeed. It should not be relied on by any other party for any other purpose. The review contains forward looking statements; these should be treated with caution due to inherent uncertainties associated with such statements.

Business Overview

The Brewin Dolphin Group has one principal operating company, Brewin Dolphin Limited ("BDL"), which is regulated by the Financial Services Authority ("FSA"). BDL's main business is that of an Investment Manager with an Investment Banking arm.

Results for 2009 Financial Year

The performance in the period is set out below:

	2009	2008 (Restated)	% Change
FTSE 100 average for year	4,506	5,750	-21.6%
	£'000	£'000	
Total income	212,312	206,495	2.8%
Salaries	(75,552)	(71,983)	5.0%
Other operating costs	(78,873)	(70,607)	11.7%
Profit before profit share [¥]	57,887	63,905	-9.4%
Profit share	(27,211)	(33,217)	-18.1%
Operating profit*	30,676	30,688	0.0%
Net finance income	1,467	6,148	-76.1%
Profit before tax[¥]	32,143	36,836	-12.7%
Redundancy costs	(3,638)	(634)	
Intangible asset client relationships amortisation	(6,566)	(4,244)	
Profit before tax	21,939	31,958	-31.4%
Taxation	(6,404)	(9,939)	
Interim and final dividend for the year	(15,060)	(14,771)	
	475	7,248	
Earnings per share			
Basic earning per share	7.4p	10.7p	-30.8%
Diluted earnings per share	7.2p	10.3p	-30.1%
Earnings per share[¥]			
Basic earning per share	10.8p	12.4p	-12.9%
Diluted earnings per share	10.6p	11.9p	-10.9%

[¥] excluding redundancy costs and amortisation of client relationships.

We have outperformed the market with operating profit (excluding amortisation of client relationships and redundancy costs) maintained. Falling interest rates have changed this to a 12.7% fall in profit after interest costs on the above adjusted basis and a 10.9% fall at the diluted earnings per share level.

The redundancy costs will bring with them efficiencies as they arise from transferring business support functions in London and Leicester to our new Edinburgh business support site, as well as a number of early retirements in the front office, where clients have been passed down to younger members of the teams.

Amortisation of client relationships is a new accounting policy for the Group and our comparatives have been restated accordingly as set out in note 4 to the financial statements and the section on accounting policies towards the end of this review. The majority of amortisation is over seven years, the normal lock in period for the newly acquired teams. This is in line with our previous policy under UK GAAP, under which goodwill was amortised prior to 2005.

It is estimated that the cost of the £2bn funds bought in by the teams joining in 2008 was 1.3% of funds, against an industry benchmark figure for third party acquisition of funds of 3%.

In most cases clients are extremely loyal to their fund managers and impairment only happens if a team leaves. Since 1987, when BDL was incorporated, only 4 substantial private client teams have left the Group, whilst well over 100 have joined. Referral from existing clients is our best source of new business and we are able to trace many clients back generations. Thus, in practice, client relationships grow through referrals from year to year rather than diminish.

Therefore, like our peers, we will from now onwards quote our headline result figures pre and post the non cash item of amortisation of client relationships, as we did when goodwill was amortised prior to the adoption of IFRS.

Profit before tax, after taking into account amortisation and redundancy costs, was down 31%, with basic earnings per share down 31% and fully diluted earnings per share down 30%.

Aims, Strategy and Objectives

The Brewin Dolphin Vision

To be the leading independent Investment Management and Investment Banking business maintaining trust through complete integrity, fair treatment of all our clients and offering a bespoke service which adds value via personal contact.

Mission

To grow our business to the benefit of our shareholders by maintaining the quality and increasing the depth of service rendered to our clients.

Objectives

- Protect, retain and nurture our people through a professional training programme and effective performance management alongside a quality recruitment policy.
- Maintain, protect and build our reputation by delivering what we promise through the provision of competent staff, reliable systems, efficient administration and superior client service.
- Build the Brewin Dolphin brand so that it is dynamic and synonymous with business growth across all our activities.
- Establish a Group approach to develop and grow the client base organically through the broadening of the service offering.
- Influence and successfully embed regulation with the implementation of policies and processes that are flexible enough to maximise all business opportunities.

Key Performance Indicators (KPIs)

The main KPIs used by management are:

- Profit per team. We maintain individual team profit and loss accounts for 144 teams (2008: 138). This enables the Group to monitor front office performance closely, brings the discipline of peer pressure and passes management responsibility to heads of teams.
- Team return on funds under management. This again enables the Group to monitor front office performance closely, brings the discipline of peer pressure and passes management responsibility to heads of teams.
- Business facing income to salary ratios. This again enables the Group to monitor front office performance closely, brings the discipline of peer pressure and passes management responsibility to heads of teams.
- Overheads and business support costs as a percentage of total income. This brings similar controls as those above to the overhead element of the Group. Over the cycle the aim is to improve these ratios and drive overheads down while allowing for growth in the business. However, on a year to year basis cyclical revenue can result in adverse movements.
- Staff turnover ratio. A low level of leavers, especially from the front office, is an indication of staff satisfaction.

These KPIs can be measured as follows:

- The aggregate team operating profit pre redundancy costs and amortisation of client relationships was as follows:

	2009 £'000	2008 £'000	2007 £'000	2005* £'000
Operating profit pre redundancy costs and amortisation of client relationships	30,676	30,688	35,702	20,299

* 2005 figures have been included to provide an appropriate benchmark based on a 5 year view.

Detailed team performance was patchy. Our bond team did very well as did some of the teams recruited in 2008 though others took longer to come on stream. Generally, longer established teams results fell back with the market.

The aggregate return on funds under management was as follows:

	2009 excluding one off interest income	2009	2008	2007	2005*
Average return on discretionary funds	1.23%	1.27%	1.18%	1.13%	1.11%
Average return on advisory funds	0.93%	0.96%	0.73%	0.66%	0.63%

* 2005 figures have been included to provide an appropriate benchmark based on a 5 year view.

The improvement seen over the last few years continues.

- Business facing income to fixed salary ratios were as follows:

	2009	2008	2007	2005*
Investment management	3.9	4.5	4.8	4.2
Investment banking	2.1	2.5	5.3	3.4

* 2005 figures have been included to provide an appropriate benchmark based on a 5 year view.

The fall in the ratio for Investment Management reflects the fall in markets which has meant that income per head has fallen.

On the investment banking side, despite salary costs being reduced by 22%, income fell further.

- Overheads and business support costs as a percentage of income:

	2009	2008	2007	2005*
Total fixed business support costs as a % of income	21.3%	19.3%	15.6%	18.2%
Total fixed overhead costs as a % of income	12.6%	11.6%	9.6%	10.3%

* 2005 figures have been included to provide an appropriate benchmark based on a 5 year view.

Total fixed business support costs and fixed overhead costs as a proportion of income have both increased in the current period due to fixed business support costs rising by 8.7% and fixed overhead costs by 6.8% while total income only increased by 2.8%. This reflects the underlying growth of the Group and the real increase in the number of branches and teams over the last two year period necessitating a bigger infrastructure.

- Staff turnover ratios

Business facing staff losses were 9% in 2009 (2008: 10%) with gains of 8% (2008: 21%). The year saw a number of amicable early retirements which largely explains the relatively high loss of staff. A two man team was also lost in the year.

Targets

On the Investment Management side of the business the principal target is to grow discretionary funds by 5% p.a. above market movement. This year we have exceeded the market by 16% (2008: 16%). On the investment banking side the main aims are to increase the average size of the mandate and grow recurring income; here retainers decreased in the year by 9% to £2.7m after increasing in 2008 by 41%.

Current, Future Performance and Profit Dynamics

The performance in the period is outlined in the Executive Chairman's Statement and the Business Review.

The Group has substantial operational gearing arising from its fixed cost base, mitigated by geared profit share. It is estimated that the Group would break even, after measured cost reductions, other things being equal, at an index level of 2,500 (2008: 2,500).

Competition and Markets

BDL is one of the UK's largest independent investment managers and one of the largest regional investment bankers. The investment management market is a growing sector, competition is relatively fragmented and price competition is low.

Operating and Financial Review (continued)

Resources Available to the Group

The Group's main resource is its staff: investment managers; investment banking staff and support staff; see note 8 to the financial statements.

To support our business facing personnel we have a strong research department and up-to-date computer systems, together with 40 offices located around the country thus are able to give a truly personal service to clients.

Corporate Responsibility

Environmental, Health and Safety and Social and Community responsibility issues are covered in the Directors' Report, as are key employment policies which are also dealt with in the Remuneration Report.

Investment Management

The Investment Management division has grown its total income by 5.3% to £204m in 2009 and operating profits pre redundancy costs and amortisation of client relationships by 3.1% to £30.6m.

This is further analysed as follows:

	2009 £'000	2008 £'000
Total income	204,015	193,696
Salaries	(71,562)	(67,370)
Other operating costs	(74,712)	(64,326)
Profit before profit share	57,741	62,000
Profit share	(27,140)	(32,310)
Operating profit excluding redundancy costs and amortisation of client relationships	30,601	29,690

The above income is further analysed as follows:

	2009 £'000	2008 £'000
Fee, interest and other recurring income	111,049	106,960
Commission	92,966	86,736
	204,015	193,696

Fee, interest and other recurring income have increased by 4% (2008: 23%) in the period to 54% of total revenue (2008: 55%). Commission increased by 7%.

Teams

Investment Management is broken down into small profit centres (143 teams) for profit share purposes. Normally the senior members of each team have a shareholding in the Group, which is material to them, so that the long-term interest of the Group is more important than any one year's profit share. Individual team figures, both as to profit and return on funds, are reported in the Group Management Accounts. It is an absolute rule that a loss in one profit centre does not impinge on other centres; although such losses do reduce Group Management's profit share.

New Teams

During the period the Group attracted 6 new teams (2008: 21). During the period new teams brought in discretionary funds of £80m and advisory funds of £47m. The funds introduced by the 2008 teams now stand at £2bn split between discretionary - £1.3bn and advisory - £0.7bn. The 2009 teams increased revenue by £1.7m but made losses in their first year of £0.4m. The 2008 teams made a profit of £1.5m in the current year. As a rule of thumb, the Group looks to fixed salaries being covered 4 to 5 times by revenue when assessing potential new teams once the teams' clients have been transferred.

Discretionary Investment Management

Discretionary investment management total income has increased by 4.7% to £128.8m and operating profits pre redundancy costs and amortisation of client relationships by 3.1% to £19.4m.

Discretionary funds have increased by 15.7% from £10.2bn to £11.8bn, against a market fall of 0.1% in the FTSE 100 index; this shows real growth of 15.8%.

Advisory Investment Management

Advisory investment management total income has increased by 6.4% to £75.2m and operating profits pre redundancy costs and amortisation of client relationships increased by 3.0% to £11.2m.

Advisory funds have increased by 2.4% from £8.5bn to £8.7bn; real growth of 2.5%.

Investment Banking

Investment Banking saw total income and operating profits fall by 35% and 92% respectively. This was due to severe market conditions in 2009.

This is further analysed as follows:

	2009 £'000	2008 £'000
Total income	8,297	12,799
Salaries	(3,990)	(5,113)
Other operating costs	(4,161)	(5,781)
Profit before profit share	146	1,905
Profit share	(71)	(907)
Operating profit excluding redundancy costs and amortisation of client relationships	75	998

This division has a very geared profit share arrangement which is designed to reduce peaks and troughs in operating profit in this more volatile business.

Risks and Uncertainties

The principal risk to the business remains adverse movements in the market in the short term. However, during 2008 there was a substantial movement in the mix of funds under management from equity towards cash and bonds, which has reduced our dependence on the level of the FTSE 100 Index. Currently about 75% of client's funds under management is invested in equities and the balance in cash and bonds.

Risks to the business are reviewed and monitored by the Investment Management Risk and Controls Committee and the Investment Banking Risks and Controls Committee; they are formally reviewed by the Board twice a year. The Group's risk management policies and procedures are also discussed in the Corporate Governance Statement and financial risks and risk management form part of note 25 to the financial statements.



Mount Everest, Nuptse Ridge

Operating and Financial Review (continued)

Risks and Uncertainties (continued)

At the Board meeting in October 2009 the following major financial and non financial risks were identified or reconfirmed:

Risk Type	Risk	Key Mitigators
Credit risk	Counterparty risk	Majority of clients are small with an average portfolio size of £350,000. All institutional transactions are cash against delivery.
	Trading exposure	Rigorous internal checks, with formal sign offs on underwritings. The firm never underwrites without full sub-underwriting in place. Strong controls and procedures in place. £2 million limit on principal account trading.
Earnings risk	Loss of front office staff	Wide staff shareholdings. Contracts of employment with six months' garden leave. Good profit share.
Interest rate risk	Interest rate risk	At the period end only £100m of clients' deposits was out on the money market for more than one month and this was for under two months.
Liquidity risk	Bank default and other systemic risk	Several banks are used to hold both clients' and firm's money; with levels being constantly reviewed. Only bank with major UK clearers and one Irish clearer. The Irish government guarantees deposits in this clearer. Market heavily regulated.
	Capital Adequacy	Capital adequacy surplus maintained greater than regulatory requirement. Large cash balances.
Legal and compliance risk	Data protection	Systems and controls in place to restrict access to client and employee data including: Centralised control of client data; Clear desk policy; Data Protection Steering Group; and Secure disposal of sensitive documents.
	Fast changing regulatory environment leading to breach of rules	Strong compliance and internal audit functions.
	New business and product lines	New Product and Services Department with dedicated staff responsible for the review of new products and services.
Operational and IT risk	Business continuity	Large number of branches. Back up computer site. Two networks.
	Data integrity	Change to data requires authorisation. Exception reporting.
	Electronic dealing errors	Close management supervision. Electronic solution partially implemented.
	Internet failure	Security checks and upgrades on a regular basis. Regular performance of attack and penetration testing. Two back up suppliers.
	Project control	Staged reviews of major projects plus Programme Office.
Other risk	Acquisition of new teams	Strong vetting system for new recruits.
	Financial Crime	Segregation of duties. Authorisation processes.
Pension obligation risk	Capital adequacy risk from swings in defined benefit scheme liability	Dialogue with Pension Trustees and Regulator.
Reputational risk	Poor investment performance	Good in-house research. Peer review. Compliance monitoring. Strong training and appraisal programme. Treating customers fairly embedded into the ethos of the firm.
Settlement risk	Settlement failure	Experienced management team monitors settlement performance.

"DURING THE PERIOD THE GROUP ATTRACTED
6 NEW TEAMS. THE FUNDS INTRODUCED BY
THE 2008 TEAMS NOW STAND AT £2BN"

Dividend

The Board has maintained the total dividend for the period at 7.1p per ordinary share (2008: 7.1p).

Cash Flow and Capital Expenditure

2009 saw a net cash inflow of £8.2m (2008: £30.6m net cash outflow). There was a £37.4m inflow of funds from operating activities. £6.3m of cash was spent on acquiring teams of investment managers and their client relationships (2008: £10.7m) and £9.5m on computer software and other, mainly computer related, fixed assets (2008: £15.8m). Dividends paid in the period came to £15.0m (2008: £21.5m).

Capital Structure, Treasury Policy, Liquidity and Capital Requirement

At 27 September 2009 the Group had net assets of £118.2m (2008: £119.9m). Net assets excluding intangible assets and shares to be issued of £51m (2008: £59m) broadly represent the Group's capital for regulatory purposes. These net assets were largely represented by net cash and cash equivalents of £65m (2008: £57m), including £26m (2008: £22m) of client settlement money. During the period the FSA has issued BDL with individual capital guidance which has increased our Pillar 2 requirement by £9m. For the Group, at the period end there was a surplus of net assets for regulatory capital adequacy purposes of £11m (2008 Restated: £25m). We are currently in discussions with the trustees of the Brewin Dolphin defined benefit pension scheme to agree a new level of annual pension contributions in the light of the likely deficit from the updating of 2008 actuarial valuation; which will further reduce this surplus of regulatory capital.

Clients' and firm's cash are diversified so that at the period end 40% was with the Bank of Scotland, 27% with Royal Bank of Scotland, 13% with Lloyds Banking Group, 20% with the Allied Irish Bank and the remainder with Bank of New York and Euroclear.

£100m of clients' cash was held at 40 days notice, and the rest was held on demand.

Our policy is to hold our clients' and Group's money at major UK clearers or at institutions supported by a sovereign guarantee. Our client money is ring fenced under the FSA's client money rules.

Client stock is also ring fenced in our nominee companies. Stock is settled via the Crest System which is owned by Euroclear, a highly rated bank, and, in the case of foreign stock, the Bank of New York.

Currency risk is normally insignificant with all transactions matched on a bargain by bargain basis. At the period end net currency exposure was a creditor of £673,000 (2008: £342,000 debtor).

Further details to the Group's approach to capital and liquidity risk management are provided in note 25 to the financial statements.

Post Balance Sheet Events

There have been no material post balance sheet events.

Accounting Policies

There were no changes in accounting policies save that as set out in note 4. We have retrospectively changed an accounting policy, so that payments to acquire teams of investment managers, bringing with them funds under management, are now classified as the intangible asset, "client relationships", rather than goodwill.

This change was decided on by the Board after a long and constructive dialogue with the Financial Reporting Review Panel, and brings us into line with our peers; see note 4 to the financial statements.

Robin Bayford
Finance Director
1 December 2009

Directors and their Biographies



01	02	03
04	05	06
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01

Jamie Graham Matheson, FSI
Executive Chairman — Aged 55

Jamie Matheson started his career in 1972 at Parsons & Co. remaining with that firm through its various evolutionary stages until January 1996, when he joined the Group as a Glasgow divisional director. Upon joining the Board in 2002, he was responsible for the Group's Corporate Broking activities until 2005. He was a Non-Executive Director of Scottish Radio Holdings plc from 2000 until its takeover by EMAP and is currently a Non- Executive Director of Bluehoney AIM VCT2 plc and STV Group plc.

04

Barry Howard
Head of Regulation — Aged 47

Barry Howard is Head of Regulation of Brewin Dolphin Holdings PLC. He started his career training as a management accountant with Flight Refuelling in 1980 and his City career with Hoare Govett in 1985. Since that time, Barry has worked at the London Stock Exchange, the Financial Services Authority and at stockbroking and fund management companies. He joined Brewin Dolphin in October 2002, was made a Director of the operating company, Brewin Dolphin Limited, in September 2003 and was appointed a Director to the Holdings Board in October 2007.

07

David William McCorkell
Head of Investment Management — Aged 54

David McCorkell joined Bell Lawrie in 1986, prior to this he worked for the family grain business in Northern Ireland. He became a Director of Bell Lawrie in 1989, Director of Brewin Dolphin Limited in 2003 and joined the Holdings Board in 2006. David was appointed Head of Investment Management in October 2007. He was appointed a Non-Executive Director of the Association of Private Client Investment Managers in September 2009.

10

Ian Benjamin Speke
Executive Director — Aged 59

Ben Speke joined Wise Speke in 1973 continuing a long family involvement. In 1974 he joined the London jobbers Pinchin Denny and subsequently moved to Hoare Govett. In 1980 he rejoined Wise Speke and became a Director in 1987. In 1999 after Wise Speke became part of the Group he became Head of the Newcastle office. In 2000 he joined the Brewin Dolphin Holdings PLC Board and is a member of the Group's Regional Managing Directors Committee. He is also responsible for Group training and health and safety.

02

William Nicholas Hood, CBE
Deputy Chairman and
Senior Independent Director — Aged 73

Nick Hood was appointed to the Board in April 2000. He was Chairman of Wessex Water 1987 to 1999 and led the privatisation. He is a member of The Prince of Wales Council for the Duchy of Cornwall and Chairman of Walk the Walk.

05

Angela Ann Knight, CBE
Non-Executive Director — Aged 58

Angela Knight from 1987 to 1992 was a Councillor and Chief Whip on Sheffield City Council. She entered Parliament in 1992 as MP for Erewash and was Economic Secretary to the Treasury between 1995 and 1997. She was Chief Executive of The Association of Private Client Investment Managers and Stockbrokers from September 1997 to December 2006. Angela is currently Chief Executive of the British Bankers Association and a non-executive Director on the Boards of the Financial Services Skills Council and International Financial Services London.

08

Simon Edward Callum Miller
Non-Executive Director — Aged 57

Simon Miller read law at Cambridge and was called to the bar in 1975. Since 1994 he has been Chairman of Dunedin Capital Partners. He is also Chairman of Artemis Alpha Trust, Noble AIM VCT, and JPMorgan Elect and a Director of Dunedin Enterprise Investment Trust.

11

Michael John Ross Williams
Executive Director — Aged 62

Michael Williams joined Brewin Dolphin & Co. in 1968 and became a partner in 1978. He has consistently been involved in portfolio management. He joined the Board on incorporation in 1987 and is responsible for the Group's legal matters and for the Associates of Brewin Dolphin Limited.

03

Robin Alec Bayford, FCA
Finance Director — Aged 60

Robin Bayford graduated from Cambridge University. He was a manager at Ernst & Young and was Group Financial Controller at AGB Research PLC, prior to joining a subsidiary of The Scandinavian Bank in 1989. He joined the board of Brewin Dolphin & Co. in 1990. In 1991, he took up full time employment with Brewin Dolphin & Co. as Finance Director and helped to organise the Buy-out in 1992.

06

Sir Stephen Mark Jeffrey Lampert, KCVO
Non-Executive Director — Aged 57

Sir Stephen served in the Diplomatic Service from 1974 to 1993. In March 1993, he joined The Prince of Wales's Household as Deputy Private Secretary and was appointed Private Secretary and Treasurer to The Prince of Wales in October 1996. From October 2002 to December 2007, he was Group Director for Public Policy and Government Affairs for The Royal Bank of Scotland. In August 2008 he was appointed Receiver-General of Westminster Abbey. He was appointed KCVO in 2002. He is Deputy Lieutenant for Surrey and sits on a number of Boards for charitable organisations.

09

Sarah Soar
Executive Director — Aged 47

Sarah Soar has a degree in Marine Biology and Zoology. She joined Brewin Dolphin in 1984 and in 1991 left to join another firm but returned in 1994, bringing colleagues to form a new Marlborough branch for the Group. She is Regional Managing Director for London and the Southern branches and Business Development Director for the Group. Sarah became a director of Brewin Dolphin Limited in 2003 and joined the Brewin Dolphin Holdings PLC Board in October 2007. Sarah is Chairman of the Governors of St Francis School, Pewsey.

12

Francis Edward (Jock) Worsley, OBE, FCA
Non-Executive Director — Aged 68

Jock Worsley was appointed to the Board in September 2003. He was a founder of the Financial Training Company and its Executive Chairman from 1972 until 1993. He has been President of the Institute of Chartered Accountants of England and Wales, Deputy Chairman of Lauto, a member of the Building Societies Commission and Independent Complaints Commissioner for SIB and the FSA. He was Chairman of the Cancer Research Campaign from 1998 until its merger in 2002 with the Imperial Cancer Research Fund. He is the Non-Executive Chairman of Lloyds Members Agency Services Ltd

The Directors present their report and the audited accounts for the 52 week period ended 27 September 2009. The comparative figures are for the 52 week period ended 28 September 2008.

Principal Activity

The principal activity of Brewin Dolphin Holdings PLC and its subsidiaries (the "Group") is that of Investment Management, with an Investment Banking division. The principal activity of Brewin Dolphin Holdings PLC (the "Company") is that of a holding company.

Branches

Operations are carried out in the UK and the Channel Islands. Details of branches are set out on page 77.

Review of the Business and its Future Development

Accompanying this Directors' Report are the Executive Chairman's Statement, Business Review, Operating and Financial Review, Corporate Governance Report and Directors' Remuneration Report.

A review of the business and its future development including the principal risks and uncertainties facing the Group, are set out in the Business Review on page 6 and the Operating and Financial Review on page 8.

Going Concern

The Group's business activities, performance and position, together with the factors likely to affect its future development, are set out in the Business Review and the Operating and Financial Review which also describes the financial position of the Group including its liquidity position and borrowing facilities.

The Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to credit risk and liquidity risk are described in note 25.

The Directors believe that the Group is well placed to manage its business risks successfully. The Group's forecasts and projections, taking account of possible adverse changes in trading performance, show that the Group should be able to operate within the level of its current financing arrangements. Accordingly, the Directors continue to adopt the going concern basis for the preparation of the financial statements.

Results and Dividends

The results of the Group are set out in detail on page 34. The Company paid a final dividend and an interim dividend during the period, as detailed in note 13 to the financial statements. A final dividend of 3.55 pence per ordinary share is proposed and if approved, will be payable on 1 April 2010 to shareholders on the register at close of business on 12 March 2010.

Capital Structure

Movements in the Company's share capital are set out in note 27 to the financial statements which includes the rights and obligations attaching to shares and restrictions on the transfer of shares.

With regard to the appointment and replacement of directors, the Company is governed by its Articles of Association, the Combined Code, the Companies Act 2006 and related legislation. The Articles themselves may be amended by special resolution of the shareholders. The powers of Directors are described in the Corporate Governance Report on page 20.

The Company has, over the last three year period, issued a total of 2.4% of its issued share capital of ordinary shares in relation to the acquisition of businesses.

Financial Instruments and Risk Management

Disclosures regarding financial instruments are provided within the Operating and Financial Review and note 25 to the financial statements. Note 25 also contains details of risks and risk management.

Corporate Governance

The Corporate Governance report on pages 20 to 24 forms part of the Directors' Report.

Directors

The Directors are listed on page 2. Biographies of the Directors are given on page 15.

Directors' Interests in Shares and Substantial Shareholdings

The interests of the Directors in the shares of the Company are set out on page 28 and 29 in the Directors' Remuneration Report. The interests of substantial shareholders and Directors are set out on page 76.

Directors' Indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the period and these remain in force at the date of this report.

Notifiable Interests

As at 10 November 2009 the Company had been notified of the interests shown below in the voting rights of the Company since 7 November 2008.

Name	Date Notified	Interest in ordinary shares	%of voting rights
Aberforth Partners LLP	20-Oct-09	10,350,600	4.800%
BT Pension Scheme Trustees Ltd	14-Oct-09	6,540,872	3.031%
Hermes Focus Asset Management Ltd	18-Sep-09	6,792,197	3.150%
Standard Life Investments Ltd	17-Aug-09	11,077,887	5.143%
Aegon UK Group of Companies	24-Jun-09	10,881,041	5.060%
Legal & General Group Plc	01-Dec-08	8,563,901	3.990%

Annual General Meeting

The Annual General Meeting ("AGM") will be held at 12 noon on 26 February 2010 at Merchant Taylors' Hall, 30 Threadneedle Street, London, EC2R 8JB.

Purchase of Own Shares

At the Annual General Meeting on 27 February 2009 shareholders approved a resolution for the Company to make purchases of its own shares to a maximum number of 21,181,528 ordinary shares. This resolution remains valid until the conclusion of the next Annual General Meeting on 26 February 2010. As at 1 December 2009 the Directors had not used this authority.

Employees

The average number of persons, including Directors, employed by the Group and their remuneration, is set out in note 8 to the financial statements.

Employment Policies

Our employees are vital to the continued success of the Group. The Group and our employees are committed to treating our clients fairly.

Employees are encouraged to identify with, and to become involved with, the financial performance of the Group and service to clients by extensive profit sharing and bonus arrangements. In addition, the employees own approximately 23% of the Group.

Communication

Communication with our employees is essential. Employees are kept informed of and consulted regularly on key issues affecting them and the Group by the intranet and Group meetings around the country - which include question and answer sessions and email where appropriate. In addition, management accounts are widely distributed.

Training and Development

The continuing development of our people through professional sponsorship and regular training continues to be a priority for the Board. The Training and Competence team, through a network of Regional Training Managers, provides ongoing support for all individuals by giving access to a wide range of learning activities presented by highly qualified trainers as well as increasingly using more flexible methods such as e-learning. Everybody has the opportunity to identify any training needs with their line manager through the development review process, and the training team provides robust support for a range of continuing professional development (CPD) activity. The Director responsible for Training and Development through out the financial year was Ben Speke.

The Brewin Dolphin Graduate Trainee Scheme continues to provide a structured and wide ranging programme for new entrants to Investment Management and 2009/10's intake is our largest to date.

Our key challenge presently is the Retail Distribution Review (RDR) and we have been very active in putting in place a range of learning activities to ensure that our people are ready for the increasing professional requirements required.

Equal Opportunities

The Group has a strong commitment to maintaining a working environment based on equality and diversity. All employment decisions are made irrespective of colour, race, age, nationality, ethnic or national origin, sex, mental or physical disabilities, marital status or sexual preference. For employees who may have a disability, the Group ensures that procedures and equipment are in place to aid them.

For the purposes of training, career development and promotion, all employees are treated in the same way.

Disabled Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitude of the applicant concerned. In the event of employees becoming disabled every effort is made to ensure that their employment within the Group continues and that appropriate training is arranged and suitable equipment is supplied in order that they can continue in their role. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Benefits

The Group is proud of the attractive benefits available to

employees. All employees are allowed to participate in our interest free loan facility in respect of an annual season ticket for travelling to and from work. In addition, all staff have the option of joining our private medical insurance scheme.

The Group offers a flexible benefits package for senior staff which includes permanent health insurance and a company car facility.

The Group recognises the need for an appropriate work/life balance for employees which not only improves morale within the Group, but helps to retain employees.

We are proud to report a low employee turnover.

Employee Assistance Programme

We understand there may be times when employees need specialist advice on employment, personal, financial or legal matters. To support them and their immediate families we provide them with free access to a confidential 24 hour helpline, where they can speak with specialist information consultants and counsellors.

Pensions

The Group has a normal retirement age of 65. All permanent employees are invited to join the senior staff pension scheme after successful completion of their probation period. Other than those employees participating in our flexible benefits package, members of the senior staff pension scheme receive an employer contribution of 6% of gross salary into the scheme.

Linda Cartwright is the Personnel Director of Brewin Dolphin Limited and reports to Robin Bayford, the Board Director with responsibility for Human Resources.

Charitable and Political Donations

The Group made charitable donations of £64,100 during the period (2008: £61,127). No political donations were made during the period (2008: £nil).

Charitable Fundraising

Throughout the year our branches have organised and been involved in a range of fundraising events for local and national charities, raising a combined total of £140,882. The Group has contributed to all these great efforts, which have included numerous participants in the Race for Life; the Great North Run and the London Marathon and one colleague in Edinburgh who completed the Marathon De Sables, a 150 mile run through the Sahara Desert.

The Company has a policy of matching the fundraising efforts of our employees up to a specified limit and of contributing to the appeals of our charity clients. The Group also operates a Give As You Earn Scheme and actively encourages employees to participate. Many of our Divisional Directors provide pro bono director and trustee services for charities.

Sponsorship

The Group sponsors a number of sporting and charitable events throughout the Country. Notably this year we sponsored Sir Ranulph Fiennes' successful Everest climb and helped him raise over £3 million for Marie Curie Cancer care. As usual the Group also sponsored the Scottish Schools Cup, the Royal Solent Regatta and the Ulster Youth Rugby League. Many of our branches sponsored their local organisations and events including the Wiltshire Jazz Festival, Taunton Flower Show and the summer music society of Dorset.

Community Policy

Due to the success of the North East's branches involvement in the Young Professionals Forum – a networking channel for young business people in the Region, the Edinburgh office decided to follow suit and set up a forum in Scotland. They identified the lack of opportunities for young professionals in the early stages of their career and the aim of the new group is to host regular events offering a platform for likeminded professionals to socialise and network in a relaxed environment. This Edinburgh Forum has now attracted over 700 members. Throughout the Group we also have a policy of providing work experience placements for students in our branches.

Creditor Payment Policy

It is the Group's policy to settle all of its trading transactions on the agreed settlement date; this policy extends to other trade creditors whose terms are normally 28 days. On average, creditors were paid within 10 days in 2009 and 2008.

Environmental and Ethical Matters

The Group believes firmly in the importance of conducting its business in a responsible and sustainable way, sensitive to the developing needs and expectations of society at large.

Sarah Soar has taken over responsibility from Simon Still following his retirement in September 2009 as the Director responsible for environmental matters.

The Board has reviewed areas where there may be environmental risk from direct actions by the Group. This risk is considered to be minimal, as in all cases the Group's offices are located in towns and its activities are desk based. Nearly all the premises are leasehold and our landlords are encouraged, when replacing equipment or for the services that they supply to us, to ensure that environmental issues are considered. However, we are undertaking a review on energy consumption with our landlords to establish a baseline for future years.

The Group's major suppliers mainly provide market data and computer hardware and software. We ensure that appropriate environmental considerations are considered when a new supplier is chosen. We have also completed a piece of work with external consultants to minimise our computer footprint through virtualisation or consolidation of services wherever possible. As equipment is replaced this will be implemented according to this policy.

We have changed our travel consultants during the latter part of the year and in future years we will be able to report on the carbon equivalents on various forms of transport used by the Group.

We have reduced the use of paper wherever possible by encouraging double sided printing, electronic communications with our shareholders and our clients, the use of the internet and internally by the widespread use of the intranet and email communication. We encourage colleagues not to print out emails. The majority of waste paper is recycled. All paper is produced in accordance with the Forest Stewardship Council and where possible the materials used are made up of 50% recycled and 50% virgin wood fibre for our reports, client reports, letterhead and marketing materials. Our printer and manufacturing mill remain environmentally accredited and are certified according to ISO 14001, ISO 9001 and OHSAS 18001 standards. Our printers are carbon neutral.

“THE COMPANY HAS A POLICY OF MATCHING THE FUNDRAISING EFFORTS OF OUR EMPLOYEES... AND OF CONTRIBUTING TO THE APPEALS OF OUR CHARITY CLIENTS”

Overseas call centres are not used.

The Group's environmental policy is on our website.

While the Group's overall investment policy is solely concerned with obtaining the best return for clients, it is our policy to construct portfolios which take into account the personal preferences of our clients in relation to ethical and environmental matters.

We have a specialist Ethical Investment Service. In providing this service we have enlisted the help of EIRIS, who since 1983 have been helping investors choose shares on ethical grounds.

There are three levels of service provided:

- Ethical Collective Portfolio - a fund-based approach for investors wishing to spread their risk. In this service the principal investments are unit or investment trusts investing in ethical companies. The emphasis of each may be different but we aim to provide a balanced portfolio of investments which complement each other and provide exposure to different asset classes for our clients. This is a discretionary service option.
- Brewin Dolphin Ethical Portfolio - a facility for investors wishing to avoid the negative criteria, or even encourage the positive ethical contribution, of a particular sector or invest within their broader investment portfolio, without necessarily impacting on all of their investments - an ethical “pick and mix”. In this service we have established a number of benchmark criteria for measuring the positive or negative ethical impact of specific sectors, thereby creating a “black” or “white” list for the purposes of investment selection. This service can either be run on a discretionary or advisory basis.
- Individual Ethical Portfolio - a customised, in-depth service for clients with detailed ethical requirements and whose portfolios need to be constructed or screened with reference to specific and detailed ethical criteria. In this instance an in-depth questionnaire is completed by the client at the outset. As implied, this service allows individual clients effectively to select their own ethical criteria, which are then used as the focus for selecting the individual investments in the client's portfolio. This option is only available as a discretionary service.

Health and Safety

The Group has a Health and Safety at Work Policy which is reviewed annually by the Board. The Group Board Executive Director responsible for health and safety throughout the financial year was Ben Speke.

The Group is committed to the health and safety of its employees, clients, sub-contractors and others who may be affected by our work activities. The Group evaluates the risks to health and safety in the business and manages this through an effective Health and Safety Management System.

The Group provides necessary information, instruction, training and supervision to ensure that employees are able to discharge their duties effectively. The Health and Safety Management System used by the Group ensures compliance with all applicable legal and regulatory requirements and internal standards and seeks, by continuous improvement, to develop health and safety performance.

Auditors

Each of the persons who is a Director at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

**By order of the Board
Brewin Dolphin Holdings plc – no. 2685806**

Angela Wright
Secretary
1 December 2009

The Directors are committed to a high standard of corporate governance and to compliance with the best practice provisions of the Combined Code on Corporate Governance issued in 2008 by the Financial Reporting Council ("the Combined Code") for which the Board is accountable to the shareholders. The following statement and the Directors' Remuneration Report on page 26 explain how the principles set out in the Combined Code have been applied by the Group and details the Group's compliance with the Combined Code provisions for the year.

The Board

At the end of the year the Board had twelve members, comprising seven Executive Directors and five Non-Executive Directors. During the year Christopher Legge and Simon Still retired; their resignations were accepted by the Board at close of business on 25 September 2009. Biographies of all the current Directors are presented on page 15, all of whom have served throughout the year. One third of the Board is required to be re-elected each year. Each of the Non-Executive Directors is considered by the Board to be independent.

Directors' meeting attendance

	Board	Audit Committee	Remuneration Committee	Nomination Committee
Total Meetings Held	11	5	3	2
J Matheson	11	–	–	–
R Bayford	11	–	–	–
B Howard	11	–	–	–
D McCorkell	11	–	–	–
S Soar	11	–	–	–
I Speke	11	–	–	–
M Williams	11	–	–	–
W Hood	10	5	3	2
A Knight	10	–	–	–
S Lamport	8	3	–	–
S Miller	11	5	2	2
F Worsley	11	5	3	2
S Still	9	–	–	–
C Legge	9	–	–	–

The Non-Executive Directors meet with the Executive Chairman prior to most Board meetings. On four occasions during the period the Non-Executive Directors met on their own.

The Board maintains a schedule of matters reserved for the Board which is reviewed annually by the Company Secretary. The specific responsibilities retained by the Board include: establishing Group strategy and approving the annual budget; reviewing the Group's operational and financial performance; approving major

acquisitions, divestments and capital expenditure; reviewing the Group's systems of control and risk management; approving appointments to the Board and the Company Secretary; approving policies relating to Directors' remuneration and the severance of Directors' contracts; and ensuring that a reasonable discourse occurs with shareholders.

Appropriate training and induction is made available to newly appointed directors, taking into account any previous experience they may already have as a director of a public limited company or otherwise. Training sessions are carried out for the entire Board when appropriate. Executive members of the Board have to date been appointed from within the Group and have served on the Brewin Dolphin Limited Board prior to appointment.

The Roles of the Executive Chairman and Non-Executive Deputy Chairman

The Executive Chairman, Jamie Matheson, has four direct reports: Finance Director, Robin Bayford; Head of Investment Management, David McCorkell; Head of Regulation, Barry Howard and Head of Investment Banking, Graeme Summers. There is a clear division of duties between the Executive Chairman and the Non-Executive Deputy Chairman, with terms of reference that have been clearly defined in writing and are reviewed annually and agreed by the Board. This ensures that a clear balance of power and authority is present.

Re-appointment of Executive and Non-Executive Directors

William Nicholas Hood, David William McCorkell, Michael John Ross Williams and Francis Edward (Jock) Worsley all retire by rotation and, being eligible, offer themselves for re-election.

It is the view of the Board that David McCorkell and Michael Williams continue to perform effectively and it is appropriate for them to continue to serve as Directors of the Company.

The roles of Nick Hood and Jock Worsley as Non-Executive Directors have been reviewed and it is the view of the Board that they continue to make a valuable contribution to the Board both demonstrating commitment to their roles.

Directors' Conflicts of Interest

A new statutory duty on directors to avoid conflicts of interest with the Company came into force in October 2008. The Company's Articles of Association, adopted in July 2008, allow the directors to authorise conflicts of interest, and the Board has adopted a policy and effective procedures for managing and, where appropriate,



Brighton Pavilion

approving conflicts or potential conflicts of interest. This is a recurring Agenda item at all Board meetings and gives each Director the opportunity to raise any conflict of interest they may have, or to update the Board on any change to a previous conflict of interest already lodged. A Register of Conflicts is held by the Company Secretary and referred to when decisions are made. A log of all conflicts raised is maintained and updated accordingly. All Directors are aware that it is their responsibility to raise and update any conflicts of interest they may have.

Committees of the Board

The Board has three standing committees: the Nominations Committee; the Audit Committee and the Remuneration Committee. These committees have written terms of reference, which are reviewed regularly and any amendments approved by the Board. Membership of the committees is as set out on page 2. The terms of reference of the Committees can be viewed on the Company's website, together with Committee membership. Sight of all Directors' contracts, or, in the case of Non-Executive Directors, letters of appointment, can be obtained via the Company Secretary.

All the Committees are able to call on independent professional advisers if they consider it necessary.

Nominations Committee

The members of the Nomination Committee are Nick Hood (Chairman), Jock Worsley and Simon Miller. The Nominations Committee is responsible for the Board's succession planning. The Nominations Committee met twice during the year and both meetings were fully attended by all members.

Remuneration Committee

The Remuneration Committee is chaired by Nick Hood and the other members are Simon Miller and Jock Worsley. There were three meetings of the Remuneration Committee during the year and it was fully attended by all members, save that Simon Miller sent his apologies on one occasion. The Directors' Remuneration Report is presented on page 26, which gives further information.

Audit Committee

The members of the Audit Committee are Jock Worsley (Chairman), Nick Hood, Simon Miller and Sir Stephen Lamport. The Finance Director, Head of Regulation, the Head of Internal Audit and the Company Secretary normally attend all Audit Committee meetings at the Committee's request. The Board is satisfied that at least one member of the Audit Committee has recent and relevant financial experience.

The Audit Committee met five times during the period under review and all meetings were fully attended by all members, with the exception of Sir Stephen Lamport who sent his apologies on two occasions.

The Audit Committee maintains a formal calendar of items that are to be considered at each committee meeting and within the annual audit cycle, to ensure that its work is in line with the requirements of the Code.

The Audit Committee is responsible for:

- monitoring of the work of both the Internal Audit Department and Risk Management Department;
- considering the reports received from the Compliance Department and Risk Management Departments;
- reviewing the Company's procedures for handling allegations from whistleblowers and for detecting fraud; and
- reviewing the scope and findings of the reports from the external auditors and the Group's interim and annual financial statements prior to their submission to the Board.

During the year, the Audit Committee discharged its responsibilities as set out in its terms of reference by undertaking the following work:

- reviewing the Annual Report and Financial Statements and the Interim Report. In doing so, the Committee reviewed significant accounting policies, financial reporting issues and judgements and reports from the external auditors;
- reviewing the effectiveness of the external audit process, the external auditors' strategy and plan for the audit and the qualifications, expertise, resources and independence of the external auditors;
- reviewing and approving the internal auditor's annual plan and reviewing all reports from internal audits;
- reviewing regular reports from the Group's Head of Regulation;
- receiving regular reports from the Group's Risk Management Committee;

- reviewing the Group's ICAAP and Group's annual Corporate Risk Review;
- reviewing and agreeing the scope of the audit work to be undertaken by the external auditors and the fees to be paid to the external auditors; and
- reviewing the Audit Committee's own terms of reference.

The external auditors meet privately with the Audit Committee at least twice a year without senior executive management being present.

Auditors' Independence

The Board uses the auditors for audit and related activities. It generally does not use the auditors for non-audit services unless there are appropriate reasons for doing so, thereby retaining their objectivity and independence. An analysis of auditors' remuneration is provided in note 9 to the financial statements. The majority of tax advisory and similar work is carried out by another major accountancy firm.

It is the policy of the Board formally to review the appointment of auditors every six years; a review was last carried out in 2007. The Audit Committee recommended to the Board that the reappointment of the auditors be proposed to the shareholders at the 2010 AGM.

Company Secretary

The Company Secretary is responsible for advising the Board on all Corporate Governance matters as well as ensuring good information flows within the Board and its Committees. All Directors have access to the services of the Company Secretary and may take, if necessary, independent, professional advice at the Company's expense.

Insurance

The Company maintains appropriate insurance cover in respect of litigation against the Directors.

Board Evaluation

An annual evaluation of the Board's performance and that of its sub-committees, individual Directors and Chairman is undertaken. Each Director receives a Board Performance Evaluation Questionnaire and separate committee performance evaluation forms where appropriate for use in assessing the Board's own performance and that of its Committees. The responses to the questionnaires were considered and discussed with the Chairman. A report was prepared on the results of the evaluation process and considered by the Board at its meeting in September 2009. No major changes were implemented as a result of this review. The Deputy Chairman as Senior Independent Director carried out a review of the Chairman.

Relationship with Shareholders

The Company places a great deal of importance on communication with shareholders and aims to keep shareholders informed by regular communication. The Group's Executive Chairman, Head of Investment Management and Finance Director meet regularly with the Group's institutional investors and the Group's website is kept up-to-date covering all corporate activity. The Company recognises the importance of ensuring effective communication with all of its shareholders. The Company welcomes all shareholders to its AGM, with the opportunity to ask questions formally at the meeting or more informally afterwards. The Company's policy is to announce the number of proxy votes cast on resolutions at the AGM. For shareholders who are clients of Brewin Dolphin Limited and who hold their shares in one of our nominee accounts, we provide an on-line voting service on the Group website for shareholders to vote before our AGM.

Internal Control and Risk Management

The Board undertakes a full review of all aspects of the Group's business, identifies the main risks to the business and identifies the key controls to counter these risks. Day-to-day review and monitoring has been delegated to both the Investment Management Risk Controls Committee ("IMRCC") and Investment Banking Risk and Controls Committee ("IBRCC") of Brewin Dolphin Limited, the activities of which include overseeing and reviewing the control, monitoring and reporting frameworks and related procedures for risk management. The IMRCC committee meets weekly, and the IBRCC monthly.

The Compliance department and Internal Audit carry out regular reviews. The Board considers reputational risk, portfolio performance and the added risk of taking on new teams and business streams. The level, detail and nature of complaints are carefully monitored.

The Directors are responsible for the system of internal control established by the Group, reviewing its effectiveness and reporting to the shareholders that they have done so. They report as follows:

- i. There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group as outlined above. This has been in place for the period under review and up to the date of approval of the annual report and accounts. It is regularly reviewed by the Board and accords with the revised Turnbull guidance in the Combined Code. Any system of internal control is designed to highlight and manage rather than to eliminate the risk of failure to achieve business objectives, and can provide only reasonable, and not absolute, assurance against material misstatement or loss. Steps are being taken to embed internal control and risk management further into the operations of the business and to deal with areas of improvement which come to management's and the Board's attention.
- ii. Financial results, key operating statistics and controls are reported to the Board monthly, and variances are followed up vigorously. Monthly reports are received from the compliance and internal audit functions.
- iii. The Directors have reviewed the Group's system of internal controls and compliance monitoring and believe that these provide assurance that problems have been identified on a timely basis and dealt with appropriately throughout the period under review and up to the date of approval of the annual report and accounts.
- iv. There is a whistleblowing policy detailing the internal or external procedures through which employees are able to raise any concerns.

Model Code

The Company has its own internal dealing rules which extend the FSA Listing Rules Model Code provisions to all employees.

Compliance with the Combined Code

The Directors consider that the Company has been in full compliance with the provisions set out in the Combined Code throughout the period ended 27 September 2009, except as described below:

- The Executive Chairman did not, on appointment, meet the independence criteria set out in the Code since he had previously been an employee and an Executive Director of the Company. To ensure that there is a clear balance of power and authority an Independent Non-Executive Deputy Chairman was appointed. There is clear division of duties between the Executive Chairman and the Independent Non-Executive Deputy Chairman with written terms of reference.
- In designing schemes of performance-related remuneration, the remuneration committee does not fully follow the provisions in Schedule A to the Code in that in respect of annual bonus payments paid to executive directors upper limits are not set, nor are predetermined performance criteria applied. This reflects the culture of the Group which is to pay to income producing and senior management employees a significant element of their remuneration by way of incentive and not to dis-incentivise any employee through the capping of potential incentives. It also recognises the application of predetermined performance criteria is not practical for all executive directors, given the nature of both the business and their individual roles.

Angela Wright
Secretary

1 December 2009



Truro Cathedral

Directors' Remuneration Report

This report has been prepared in accordance with Schedule 8 to the Accounting Regulations under the Companies Act 2006 (the "Act"). The report also meets the relevant requirements of the Listing Rules of the Financial Services Authority and describes how the Board has applied the principles relating to Directors' remuneration in the Combined Code. As required by the Act, a resolution to approve the report will be proposed at the Annual General Meeting of the Company at which the financial statements will be approved.

The Act requires the auditors to report to the Company's members on certain parts of the Directors' Remuneration Report and to state whether in their opinion those parts of the report have been properly prepared in accordance with the Accounting Regulations. The report labels those parts that are audited.

The members of the Remuneration Committee are as set out on page 2.

The Remuneration Committee consists solely of Independent Non-Executive Directors. None of the Remuneration Committee members has any personal financial interests (other than as shareholders), conflicts of interest arising from cross Directorships or day-to-day involvement in running the business. The Executive Chairman attends part of the meetings of the Remuneration Committee but not when his own remuneration is discussed. The Finance Director provides factual and statistical information to the Remuneration Committee, which in turn can call for external reports and assistance. No Director plays any part in any discussion about his or her own remuneration.

Policy on Remuneration of Executive Directors

The remuneration of Executive Directors is awarded by reference to the performance of the Group and the Executive Directors contribution to enhancing future growth. The Remuneration Committee reviews the basic salaries of the Executive Directors together with their profit participation (with the exception of the profit share for C Legge and M Williams, see below) based on a number of factors including work undertaken and comparable salaries. C Legge retired on 25 September 2009. In assessing all aspects of pay and benefits, the Remuneration Committee compares packages offered by similar investment management companies. These companies are chosen having regard to:

- i. the size of the company - its turnover and numbers of employees; and
- ii. its growth pattern.

The Remuneration Committee also compares these salaries to the remuneration of other senior employees within the Group including the other Executive Directors. The working of this policy can be seen in the table below so that all Directors are remunerated within the same framework.

For Messrs Legge and Williams their profit participation has been determined solely by reference to their own team's performance on a strict formula in line with other investment managers or corporate financiers within the Group. Teams normally share 30% to 40% of profit after paying a full contribution to Group overheads. The members of the team, depending on individual performance, determine the split of profit share within the team. The profit share percentage can rise to 45% on the margin or be as little as 20% depending on pre determined formulae based on total team salaries. For the Investment Banking Division profit share can increase to 60% on the margin.

The movement in Executive Directors' remuneration in 2009 reflects the incidence of Group and team performance and is set out below:

(Audited)	Salary and fees £'000	Benefits in kind £'000	Profit share £'000	Profit share taken as pension £'000	Total £'000	Basic pension contributions £'000	Total 2009 £'000	Total 2008 £'000
Executives remunerated on the results of the Group								
J G Matheson	200	4	385	–	589	54	643	698
R A Bayford	159	3	325	6	493	24	517	583
J P Hall**	–	–	–	–	–	–	–	98
B M Howard	180	11	265	–	456	3	459	492
D W McCorkell	156	3	277	4	440	26	466	505
S J S Soar	145	7	200	–	352	7	359	408
I B Speke	118	2	200	–	320	30	350	326
S J H Still*	183	6	73	30	292	–	292	355
Executives remunerated on their own profit centres results								
C D Legge*	167	3	199	–	369	–	369	394
M J R Williams	128	2	375	–	505	20	525	651
Non-Executives								
W N Hood	55	–	–	–	55	–	55	54
A A Knight	34	–	–	–	34	–	34	34
V Lall**	–	–	–	–	–	–	–	14
Sir S M J Lamport	34	–	–	–	34	–	34	34
S E C Miller	49	–	–	–	49	–	49	49
F E Worsley	61	–	–	–	61	–	61	41
Total	1,669	41	2,299	40	4,049	164	4,213	4,736
Total 2008	1,747	41	2,285	501	4,574	162	4,736	

* retired 25 September 2009 ** retired 22 February 2008

Executive Directors' main pension entitlement is via a defined contribution scheme. The following Directors were also in the Brewin Dolphin Limited Staff Scheme (defined benefit scheme), their entitlement under the scheme being as follows:

(Audited)	Accrued pension entitlement at 27 September 2009* £'000	Increase in accrued pension (implicitly including inflation) £	Transfer value of accrued pension at 27 September 2009 £'000	Transfer value of accrued pension entitlement at 28 September 2008 £'000	Change in transfer value over year less members' contributions made £'000	Increase in accrued pension (explicitly excluding pension less inflation*) £	Transfer value of increase in accrued member's contributions over year to 27 September 2009 £'000	Cost to Group over and above members contributions where still accruing service in the Scheme £'000
J P Hall ³	–	–	–	212	–	–	–	–
V Lall ³	–	–	–	125	–	–	–	–
C D Legge ¹	12	1,034	223	232	16	464	9	–
D W McCorkell	7	261	98	87	12	–	–	–
I B Speke ²	13	497	230	206	24	–	–	–
M J R Williams ²	14	1,059	223	196	24	429	3	6

¹ The 2008 disclosures for C D Legge have been reworked to reflect his opt-out from the Scheme with effect from 5 April 2006.

² For these members, the increase in accrued pension has been subject to a minimum of zero to reflect their leaving benefit underpin as at 1 April 2004.

³ retired 22 February 2008.

* An inflation adjustment of 5.0% has been excluded from the increase to the accrued pension.

Directors' Remuneration Report (continued)

Shareholder Information

Directors' shareholdings are as follows as at 27 September 2009 and 28 September 2008:

There were no changes in Directors' shareholdings between 28 September 2009 and 1 December 2009. (see also page 76).

Fully paid ordinary 1 pence shares:

Directors	2009 Fully paid	2008 Fully paid
R A Bayford ¹	838,761	838,761
W N Hood	65,000	45,000
B M Howard	68,092	68,092
S M J Lamport	4,500	–
C D Legge ²	–	2,603,923
J G Matheson	466,621	466,621
D W McCorkell	653,059	653,059
S E C Miller	20,000	10,000
S J S Soar	224,022	224,422
I B Speke	360,287	360,287
S J H Still ³	–	277,010
M J R Williams	965,336	965,336
F E Worsley	18,000	10,000
Total	3,683,678	6,522,511

¹ includes 12,198 non beneficial.

² retired 25 September 2009, on retirement C D Legge held 2,620,923 fully paid ordinary shares.

³ retired 25 September 2009, on retirement S J H still held 277,010 fully paid ordinary shares.

In addition, Directors held the following nil paid shares:

	Price	Latest repayment date	2009 Nil Paid	2008 Nil Paid
B M Howard	£1.010	May 2012	49,504	49,504
	£1.845	December 2013	27,100	27,100
	£1.625	December 2014	15,384	15,384
	£1.040	July 2015	24,038	24,038
	£1.086	December 2015	9,208	–
Total			125,234	116,026
S J S Soar	£1.010	May 2012	9,900	9,900
	£1.570	December 2012	6,369	6,369
	£1.845	December 2013	5,420	5,420
	£1.625	December 2014	15,384	15,384
	£1.040	July 2015	24,038	24,038
£1.086	December 2015	9,208	–	
Total			70,319	61,111
S J H Still**	£1.625	December 2014	–	15,384
Total			–	15,384

** retired 25 September 2009, on retirement S J H Still held 15,384 nil paid ordinary shares.

Share Options (Audited)

Directors Interests in Share Option Schemes

Name	Scheme	Date of Grant	Exercise Price	No of options at 29 September 2008	No of options issued	No of options exercised	No of options at 27 September 2009	Value over exercise price when exercised / at the end of the period £	Value over exercise price at the start of the period £	Exercisable from	Exercisable to
B M Howard	1994 approved executive share option scheme	05/12/2003	81.30p	6,000	-	-	6,000	4,812	2,697	05/12/2008	05/12/2013
	Senior employee matching share purchase scheme	26/05/2005	101.00p	49,504	-	-	49,504	29,950	12,500	26/05/2009	26/05/2012
	2004 approved share option plan	05/12/2005	145.00p	4,000	-	-	4,000	660	-	05/12/2010	05/12/2015
	Senior employee matching share purchase scheme	18/12/2006	184.50p	27,100	-	-	27,100	-	-	18/12/2010	18/12/2013
	2004 approved share option plan	29/11/2007	168.00p	10,925	-	-	10,925	-	-	29/11/2012	29/11/2017
	Senior employee matching share purchase scheme	14/12/2007	162.50p	15,384	-	-	15,384	-	-	14/12/2012	14/12/2015
	Senior employee matching share purchase scheme	24/07/2008	104.00p	24,038	-	-	24,038	13,822	5,348	24/07/2012	24/07/2015
	Senior employee matching share purchase scheme	12/12/2008	108.60p	-	9,208	-	9,208	4,871	-	12/12/2012	12/12/2015
Total				136,951	9,208	-	146,159	54,115	20,545		
I B Speke	1994 approved executive share option scheme	05/06/2000	167.50p	17,500	-	-	17,500	-	-	05/06/2005	05/06/2010
	Total			17,500	-	-	17,500	-	-		
J G Matheson	1994 approved executive share option scheme	05/12/2003	81.30p	4,000	-	-	4,000	3,208	1,798	05/12/2008	05/12/2013
	Total			4,000	-	-	4,000	3,208	1,798		
S J H Still*	Senior employee matching share purchase scheme	26/05/2005	101.00p	24,752	-	-	24,752	14,975	6,250	26/05/2009	26/05/2012
	Senior employee matching share purchase scheme	14/12/2007	162.50p	15,384	-	-	15,384	-	-	14/12/2012	14/12/2015
	Total			40,136	-	-	40,136	14,975	6,250		
S J S Soar	1994 approved executive share option scheme	05/06/2000	167.50p	9,000	-	-	9,000	-	-	05/06/2005	05/06/2010
	1994 approved executive share option scheme	04/06/2001	139.00p	9,000	-	-	9,000	2,025	-	04/06/2006	04/06/2011
	1994 approved executive share option scheme	12/12/2002	37.50p	2,500	-	-	2,500	3,100	2,219	12/12/2007	12/12/2012
	Senior employee matching share purchase scheme	19/12/2003	82.30p	30,376	-	-	30,376	24,058	13,350	19/12/2007	19/12/2010
	Senior employee matching share purchase scheme	26/05/2005	101.00p	9,900	-	-	9,900	5,990	2,500	26/05/2009	26/05/2012
	Senior employee matching share purchase scheme	19/12/2005	157.00p	6,369	-	-	6,369	287	-	19/12/2009	19/12/2012
	Senior employee matching share purchase scheme	18/12/2006	184.50p	5,420	-	-	5,420	-	-	18/12/2010	18/12/2013
	Senior employee matching share purchase scheme	14/12/2007	162.50p	15,384	-	-	15,384	-	-	14/12/2012	14/12/2015
	Senior employee matching share purchase scheme	24/07/2008	104.00p	24,038	-	-	24,038	13,822	5,348	24/07/2012	24/07/2015
	Senior employee matching share purchase scheme	12/12/2008	108.60p	-	9,208	-	9,208	4,871	-	12/12/2012	12/12/2015
	Total			111,987	9,208	-	121,195	54,153	23,417		

* retired 25 September 2009

Terms of the Option Schemes (Audited)

The Group's two approved employee option schemes were adopted in 1994 and 2004 respectively. An unapproved option scheme was adopted in 2000 currently no options are in issue under this scheme. The approved and unapproved option schemes have the same performance criteria, namely that the year on year growth in annual fee income charged on portfolios shall not be less than 10% per annum compound or a 33% increase in annual fees over a three year period. Under the above schemes the number of options over ordinary shares may not exceed 10% of the Company's ordinary share capital over a ten year period. The approved and unapproved options are exercisable from five to ten years from grant.

The senior employee matching share purchase scheme is additional to the above schemes and allows a further 5% issue of options over a ten year period, provided that a similar number of shares are subscribed for by senior executives at the price the options are issued. These shares are issued nil paid but have to be subscribed for at the earlier of the exercise of the matching option, the sale of the shares, the employee leaving the Group, or after seven years. The options can be exercised within four to seven years.

There are two strict performance criteria for the options to be exercised involving both the client executive team's profitability and Group earnings per share exceeding the growth in the retail price index by 4% compound and 2% compound respectively. This is a criteria thought to be realistic but not easy to achieve. The Group operates in a cyclical business, and over a seven year period there will be downturns, but the compound rate of return means that the hurdle increases over time. The incentive is designed to be long term and is matched by an equal commitment with considerable risk by the employee.

Options are only granted once an employee has been with the Group for two years and are awarded with the aim of increasing share ownership of those employees that do not have a significant shareholding in the Group. There is no intention of issuing any options under the senior employee matching purchase share scheme or the unapproved option scheme in the forthcoming year.

Policy on External Appointments

The Group encourages external appointments at a senior level. Directors' fees arising from external appointments are either paid to the Group or taken into account in assessing the overall executives' remuneration package.

J G Matheson is a Non-Executive Director of Bluehone AIM VCT2 plc and during 2009 received remuneration of £11,000 for the financial period ended 30 November 2009 (2008: £11,000).

J G Matheson is a Non-Executive Director of STV Group plc; during 2009 he received remuneration of £35,000 for the financial period ended 31 December 2009 (2008: £32,000 includes committee fee of £5,000). S J H Still received nil remuneration for external appointments (2008: £15,000 – resigned July 2008). The remuneration above was paid directly to the individual directors.

Group Policy on Contracts of Service

All senior executives including Executive Directors have substantially identical six-month rolling contracts. There are no exceptional termination provisions for either senior executives or Executive Directors. All contracts include six-month garden leave clauses, which are vigorously enforced. If Directors were allowed to leave without going on garden leave within the six-month notice period, the normal policy would be to only pay them for the period worked. Profit share is never paid to any employee who has indicated that they will be leaving except in the case of ill health or retirement when exceptions can be made. Directors' contracts of service which include details of remuneration are made available for inspection at the Annual General Meeting.

The commencement dates of the executive contracts are as follows:

R A Bayford	January 2000
B M Howard	April 2003
J G Matheson	May 2005
D W McCorkell	January 2000
I B Speke	August 1998
S J S Soar	January 2000
M J R Williams	March 2000

Non-Executive Directors' Remuneration

The Board determines the level of non-executive fees. Non-Executive Directors have three year letters of appointment.

Material Contracts with Directors

There were no material contracts between the Group and the Directors other than the loans outstanding for nil paid shares for B Howard and S Soar as part of the Senior Employee Matching Purchase Share Scheme. Simon Still on retirement had an outstanding loan for nil paid shares as part of the Senior Employee

Matching Purchase Share Scheme. The Directors undertake transactions in stocks and shares in the ordinary course of the Group's business for their own account. The transactions are not material to the Group in the context of its operations. £nil was outstanding in respect of these transactions at 27 September 2009 and 28 September 2008.

Policy on Remuneration of other Senior Executives

The Remuneration Committee approves any change to profit share schemes throughout the Group. These schemes are progressively geared on set formulae depending on the nature of the business undertaken.

Performance Graph

The Graph below shows the Company's total shareholder return (TSR) against that of the FTSE 250 Speciality and Other Finance Index; the sector in which the Company is included. TSR is calculated assuming dividends are reinvested on receipt.



Share Price

At 27 September 2009 the Company's share price was 161.5p (2008:126.25p). The highest price in the period was 163.5p and the lowest 93.00p.

Nick Hood

Chairman of Remuneration Committee

1 December 2009

Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and have also chosen to prepare the parent company financial statements under IFRSs as adopted by the EU. Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Responsibility Statement

We confirm that to the best of our knowledge:

1. the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
2. the management report, which is incorporated into the Directors' Report together with the information provided in the Executive Chairman's Statement, the Business Review and the Operating and Financial Review, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board

J Matheson
Executive Chairman
1 December 2009

Robin Bayford
Finance Director

Independent Auditors' Report to the members of Brewin Dolphin Holdings PLC

We have audited the financial statements of Brewin Dolphin Holdings PLC for the 52 week period ended 27 September 2009 which comprise the Consolidated Income Statement, the Consolidated Statement of Recognised Income and Expense, the Consolidated Balance Sheet, the Company Balance Sheet, the Company Statement of Recognised Income and Expense, the Consolidated and Company Cash Flow Statements and the related notes 1 to 34. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with sections 495, 496 and 497 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on Financial Statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 27 September 2009 and of the group's profit for the 52 week period then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and

- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

Separate Opinion in relation to IFRSs as issued by the IASB

As explained in note 3 to the Group financial statements, the Group in addition to complying with its legal obligation to apply IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the Group financial statements comply with IFRSs as issued by the IASB.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the directors' statement contained within the Directors' Report in relation to going concern; and
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

Simon Hardy (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
1 December 2009

Consolidated Income Statement

52 week period ended 27 September 2009

	Note	52 weeks to 27 September 2009 £'000	(Restated) 52 weeks to 28 September 2008 £'000
Continuing operations			
Revenue	6	187,241	186,969
Other operating income	3g	25,071	19,526
Total income	7	212,312	206,495
Staff costs	8	(102,763)	(105,200)
Redundancy costs	8	(3,638)	(634)
Amortisation of intangible assets - client relationships	15	(6,566)	(4,244)
Other operating costs		(78,873)	(70,607)
Operating expenses		(191,840)	(180,685)
Operating profit		20,472	25,810
Finance income	10	2,435	7,142
Finance costs	10	(968)	(994)
Profit before tax	7 & 9	21,939	31,958
Tax	11	(6,404)	(9,939)
Profit attributable to equity shareholders of the parent from continuing operations		15,535	22,019
Earnings per share			
From continuing operations			
Basic	14	7.4p	10.7p
Diluted	14	7.2p	10.3p

Consolidated Statement of Recognised Income and Expense

52 week period ended 27 September 2009

	Note	52 weeks to 27 September 2009 £'000	(Restated) 52 weeks to 28 September 2008 £'000
Loss on revaluation of available-for-sale investments		(17)	(900)
Deferred tax credit on revaluation of available-for-sale investments		4	254
Actuarial loss on defined benefit pension scheme		(9,556)	(4,375)
Deferred tax credit on actuarial loss on defined benefit pension scheme		2,676	1,225
Current tax credit on share-based payments		63	568
Deferred tax charge on share-based payments		(75)	(1,255)
Net expense recognised directly in equity		(6,905)	(4,483)
Profit for period		15,535	22,019
Total recognised income and expense for the period attributable to equity shareholders of the parent		8,630	17,536
Effects of change in accounting policy attributable to equity shareholders of the parent	4	–	(2,227)
		8,630	15,309

Consolidated Balance Sheet

As at 27 September 2009

	Note	As at 27 September 2009 £'000	(Restated) As at 28 September 2008 £'000
Assets			
Non-current assets			
Intangible assets	15	89,605	85,685
Property, plant and equipment	16	22,260	27,975
Available-for-sale investments	18	10,609	10,626
Other receivables	19	2,269	2,098
Deferred tax asset	20	852	–
Total non-current assets		125,595	126,384
Current assets			
Trading investments	18	644	724
Trade and other receivables	19	441,290	283,404
Cash and cash equivalents	21	69,271	60,546
Total current assets		511,205	344,674
Total assets		636,800	471,058
Liabilities			
Current liabilities			
Bank overdrafts	22	4,289	3,717
Trade and other payables	23	468,619	306,855
Current tax liabilities		1,715	484
Provisions	32	1,871	2,068
Shares to be issued including premium	24	5,056	8,233
Total current liabilities		481,550	321,357
Net current assets		29,655	23,317
Non-current liabilities			
Retirement benefit obligation	26	16,253	7,964
Deferred tax liabilities	20	–	1,938
Deferred purchase consideration	24	3,221	2,960
Provisions	32	172	–
Shares to be issued including premium	24	17,385	16,946
Total non-current liabilities		37,031	29,808
Total liabilities		518,581	351,165
Net assets		118,219	119,893
Equity			
Called up share capital	27	2,122	2,080
Share premium account	29	94,140	90,145
Revaluation reserve	29	6,885	6,898
Merger reserve	29	4,562	4,562
Profit and loss account	29	10,510	16,208
Equity attributable to equity holders of the parent	29	118,219	119,893

Approved by the Board of Directors and authorised for issue on 1 December 2009.

Signed on its behalf by

J G Matheson
Executive Chairman

R A Bayford
Finance Director

Company Balance Sheet

As at 27 September 2009

	Note	As at 27 September 2009 £'000	As at 28 September 2008 £'000
Assets			
Non-current assets			
Investment in subsidiaries	17	141,719	141,052
Other receivables	19	329	430
Total non-current assets		142,048	141,482
Current assets			
Trade and other receivables	19	3,739	7,708
Cash and cash equivalents	21	291	57
Total current assets		4,030	7,765
Total assets		146,078	149,247
Liabilities			
Current liabilities			
Trade and other payables	23	7,352	7,357
Shares to be issued including premium	24	5,056	8,233
Total current liabilities		12,408	15,590
Net current liabilities		(8,378)	(7,825)
Non-current liabilities			
Shares to be issued including premium	24	17,385	16,946
Total non-current liabilities		17,385	16,946
Total liabilities		29,793	32,536
Net assets		116,285	116,711
Equity			
Called up share capital	27	2,122	2,080
Share premium account	29	94,140	90,145
Merger reserve	29	4,847	4,847
Profit and loss account	29	15,176	19,639
Equity attributable to equity holders	29	116,285	116,711

Approved by the Board of Directors and authorised for issue on 1 December 2009.

Signed on its behalf by

J G Matheson
Executive Chairman

R A Bayford
Finance Director

Company Statement of Recognised Income and Expense

52 week period ended 27 September 2009

	52 weeks to 27 September 2009 £'000	52 weeks to 28 September 2008 £'000
Profit for period	9,878	14,895
Total recognised income and expense for the period attributable to equity shareholders	9,878	14,895

Consolidated Cash Flow Statement

52 week period ended 27 September 2009

		52 weeks to 27 September 2009 £'000	(Restated) 52 weeks to 28 September 2008 £'000
Net cash inflow from operating activities	33	37,389	14,104
Cash flows from investing activities			
Purchase of intangible assets - goodwill	15	(987)	–
Purchase of intangible assets - client relationships	15	(5,360)	(10,681)
Purchase of intangible assets - software	15	(5,088)	–
Purchases of property, plant and equipment	16	(4,443)	(15,746)
Dividend received from available-for-sale investments	10	352	404
Net cash used in investing activities		(15,526)	(26,023)
Cash flows from financing activities			
Dividends paid to equity shareholders		(15,027)	(21,500)
Proceeds on issue of shares		1,317	2,845
Net cash used in financing activities		(13,710)	(18,655)
Net increase/(decrease) in cash and cash equivalents		8,153	(30,574)
Cash and cash equivalents at the start of period		56,829	87,403
Cash and cash equivalents at the end of period		64,982	56,829
Firm's cash		43,118	38,189
Firm's overdraft		(4,289)	(3,717)
Firm's net cash		38,829	34,472
Client settlement cash		26,153	22,357
Net cash and cash equivalents		64,982	56,829
Cash and cash equivalents shown in current assets		69,271	60,546
Bank overdrafts		(4,289)	(3,717)
Net cash and cash equivalents		64,982	56,829

For the purposes of the cash flow statement, cash and cash equivalents include bank overdrafts.

Company Cash Flow Statement

52 week period ended 27 September 2009

	Note	52 weeks to 27 September 2009 £'000	52 weeks to 28 September 2008 £'000
Net cash inflow from operating activities	33	13,944	18,530
Cash flows from financing activities			
Dividends paid to equity shareholders		(15,027)	(21,500)
Proceeds on issue of shares		1,317	2,845
Net cash used in financing activities		(13,710)	(18,655)
Net increase/(decrease) in cash and cash equivalents		234	(125)
Cash and cash equivalents at the start of period		57	182
Cash and cash equivalents at the end of period		291	57

Notes to the Financial Statements

1. General information

Brewin Dolphin Holdings PLC is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 2. The nature of the Group's operations and its principal activities are set out in the Directors' Report. The company is registered in England and Wales.

2. Adoption of new and revised standards

Two Interpretations issued by the International Financial Reporting Interpretations Committee are effective for the current period. These are: IFRIC 11 "IFRS 2 – Group and Treasury Share Transactions", IFRIC 14 and "IAS 19 – The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction". The adoption of these Interpretations has not led to any changes in the Group's accounting policies or financial statements.

During the year there was a change in accounting policy, see note 4.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IAS 24 (revised Nov. 2009)	Related Party Disclosures
Amendment to IAS 32 (Oct. 2009)	Classification of Rights Issues
Amendments to IFRS 1 (Jul. 2009)	Additional Exemptions for First-time Adopters
IFRS for SMEs	IFRS for small and medium-sized entities
Amendments to IFRS 2 (Jun. 2009)	Group Cash-settled Share-based Payment Transactions
Improvements to IFRSs 2009 (Apr. 2009)	Improvements to IFRSs 2009
Amendments to IFRIC 9 and IAS 39 (Mar. 2009)	Embedded Derivatives
Amendments to IFRS 7 (Mar. 2009)	Improving Disclosures about Financial Instruments
IFRS 1 (revised Nov. 2008)	First-time Adoption of International Financial Reporting Standards
IFRS 3 (revised Jan. 2008)	Business Combinations
Amendment to IAS 23 (Mar. 2007)	Borrowing Costs
Amendments to IAS 1 (Sept. 2007)	Presentation of Financial Statements
Amendments to IAS 27 (Jan. 2008)	Consolidated and Separate Financial Statements
Amendment to IFRS 2 (Jan. 2008)	Vesting Conditions and Cancellations
Amendments to IAS 32 and IAS 1 (Feb. 2008)	Puttable Financial Instruments and Obligations Arising on Liquidation
Amendments to IFRS 1 and IAS 27	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Improvements to IFRSs 2008 (May 2008)	Improvements to IFRSs 2008
Amendment to IAS 39 (Jul. 2008)	Eligible Hedged Items
IFRS 8	Operating Segments
Amendments to IFRIC 9 and IAS 39 (Mar. 2009)	Embedded Derivatives
IFRIC 12	Service Concession Arrangements
IFRIC 13	Customer Loyalty Programmes
IFRIC 15	Agreements for the Construction of Real Estate
IFRIC 16	Hedges of a Net Investment in a Foreign Operation
IFRIC 17	Distributions of Non-cash Assets to Owners
IFRIC 18	Transfers of Assets from Customers

Adoption of these Standards and Interpretations is not expected to have a material impact on the financial statements of the Group except for the treatment of the acquisition of subsidiaries when IFRS 3 (revised January 2008) comes into effect on any business combinations arising in the next financial period. When IFRS 8 comes into effect for periods commencing on or after 1 January 2009, it is not expected to lead to additional segmental disclosures.

3. Significant accounting policies

a. Basis of accounting

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have also been prepared in accordance with IFRSs adopted by the European Union and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation.

The financial statements of the Company have also been prepared in accordance with International Financial Reporting Standards (IFRSs).

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. The principal accounting policies adopted are set out below.

As discussed in the Directors' Report, the Directors believe that the Group is well placed to manage its business risks successfully. The Group's forecasts and projections, taking account of possible adverse changes in trading performance, show that the Group should be able to operate within the level of its current financing arrangements. Accordingly, the Directors continue to adopt the going concern basis for the preparation of the financial statements.

b. Basis of consolidation

The Group accounts consolidate the accounts of Brewin Dolphin Holdings PLC and all its subsidiary undertakings.

The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired during the period are included in the consolidated income statement from the date of acquisition to the date of disposal.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

In the Company's accounts investments in subsidiary undertakings are stated at cost less any provision for impairment. Dividends received and receivable are credited to the income statement to the extent that they represent a realised profit and loss for the Company.

In accordance with Section 408 of the Companies Act 2006 Brewin Dolphin Holdings PLC has taken advantage of the legal dispensation not to present its own income statement. The amount of the profit for the financial period dealt with in the financial statements of the Company is disclosed in note 12 to the financial statements.

c. Transaction date accounting

All securities transactions entered into on behalf of clients are recorded in the accounts on the date of the transaction.

d. Foreign currencies

The Group's functional currency is Sterling. Foreign currency monetary assets and liabilities have been translated into Sterling at the exchange rates ruling at the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Transactions during the period have been translated into Sterling at the rates ruling at the time the transactions were executed.

All exchange differences are reflected in the income statement, except for any exchange differences arising on any non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

e. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents gross commission, investment management fees and investment banking retainers, other fees plus other income, excluding VAT, receivable in respect of the period.

Investment management fees and investment banking retainers are recognised in the period in which the related service is provided and investment management commissions are recognised when the transaction is performed.

Other fees including corporate finance fees and placing commissions are taken to the income statement when payment is contractually due.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

f. Operating profit

Operating profit is stated as being profit before finance income, finance costs and tax.

g. Other operating income

Interest receivable and payable on client free money balances is netted to calculate the Group's share of interest receivable and included under the heading "Other operating income".

h. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and bank overdrafts.

i. Leases

Annual rentals on operating leases are charged to the income statement on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

j. Share-based payments

The Group has applied the requirements of IFRS 2 "Share-based payments". In accordance with IFRS 1, IFRS 2 has been applied to all grants of equity instruments made after 7 November 2002 that were unvested as of 1 January 2005.

Notes to the Financial Statements (continued)

j. Share-based payments (continued)

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

Fair value is measured by use of a Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

k. Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

l. Intangible assets

i) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in profit and loss and is not reversed.

Elements of the total cost of an acquisition may be deferred or contingent. In such cases the cost of the acquisition indicates the Company's best estimate of the future consideration likely to be made, discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money, and is revised at each balance sheet date, potentially leading to adjustments in the value of goodwill balances. Such deferred or contingent consideration may be settled in shares (see note 3(r)).

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date. Goodwill written off to reserves under UK GAAP prior to 1998 has not been reinstated and is not included in determining any subsequent profit or loss on disposal.

ii) Client relationships

Intangible assets classified as "client relationships" are recognised when acquired as part of a business combination or when separate payments are made to acquire funds under management by adding teams of investment managers. Client relationships are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. If acquired as part of a business combination the initial cost of client relationships is the fair value at the acquisition date.

When separate payments are made to acquire funds under management by adding teams of investment managers, elements of the total consideration may be deferred or contingent. In such cases the cost of the recognised client relationships includes the Company's best estimate of the future consideration likely to be made, discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money, and is revised at each balance sheet date. Such deferred or contingent consideration may be settled in shares (see note 3(r)).

Client relationships are amortised over seven to fifteen years, their minimum estimated useful lives.

I. Intangible assets (continued)

iii) Computer software

Computer software which is not an integral part of the related hardware is classified as an intangible asset. Costs of acquiring computer software are treated as an intangible asset and amortised over four years on a straight line basis from the date the software comes into use. Computer software developed internally is separately identified and recognised as an intangible asset if it is part of a specifically authorised project which will give probable future economic benefits over a period of not less than four years, and is amortised over four years on a straight line basis from the date the software comes into use.

m. Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment. Depreciation has been provided on the basis of equal annual instalments to write off the cost less estimated residual values of tangible fixed assets over their estimated useful lives as follows:

Computer equipment	3 to 4 years
Office equipment	4 to 10 years
Leasehold improvements	over 5 years

n. Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

o. Financial assets

Investments are recognised and derecognised on trade date, where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held to maturity' investments, 'available-for-sale' financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as at FVTPL where the financial asset is held-for-trading or it is designated as at FVTPL. A financial asset is classified as held-for-trading if it has been acquired principally for the purpose of selling in the near future.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporate any dividends or interest earned on the financial asset. Their value is determined in the manner described in note 18.

Available-for-sale financial assets

Certain shares held by the Group are classified as being available-for-sale and are stated at fair value. Fair value is determined in the manner described in note 18. Gains and losses are recognised directly in equity in the revaluation reserve with the exception of impairment losses which are recognised directly in profit or loss.

Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the revaluation reserve is included in profit or loss for the period.

Dividends on available-for-sale equity instruments are recognised in profit and loss when the Group's right to receive payment is established.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments and are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

p. Netting of balances

Amounts due to and from counterparties due to settle on balance are shown net where there is a currently enforceable legal right to set off the recognised amounts. Amounts due to and from counterparties due to settle against delivery of stock are shown gross.

Notes to the Financial Statements (continued)

q. Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the contractual arrangements entered into.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

r. Shares to be issued including premium

Shares to be issued represent the Company's best estimate of the amount of ordinary shares in the Company, which are likely to be issued following business combinations or the acquisition of client relationships which involve deferred payments in the Company's shares. The sum is discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and is revised annually in the light of actual results. The resulting interest charge from the unwind of the discount is included within finance costs. Where shares are due to be issued within a year then the sum is included in current liabilities. Where the team of investment managers, bringing with them funds under management, have not yet joined and the client relationships assets have not been brought into use, the resultant liability is shown as an amount contracted for but not provided in the accounts.

s. Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

For defined benefit retirement benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in full in the period in which they occur.

They are recognised outside the profit or loss and presented in the statement of recognised income and expense ("SORIE").

Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation, as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

t. Impairment of tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Goodwill is tested for impairment at least annually. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

For the purposes of impairment testing, client relationships and goodwill are allocated to each of the Group's cash-generating units. Fair value is established by valuing clients' funds under management in each of the cash-generating units based on the value of funds under management at the period end; the percentages of funds being used depending on values attributed in recent public transactions for the purchase of advisory and discretionary funds. If the carrying amount relating to any cash-generating unit exceeds the calculated fair value less costs to sell, a value in use is calculated using a discounted cash flow method. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

If the recoverable amount of any asset other than client relationships or goodwill is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

u. Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

4. Change in accounting policy

After a long and constructive dialogue with the Financial Reporting Review Panel the Group has considered the additional clarification which the forthcoming standard IFRS 3 (2008) brings to the recognition of intangible assets and the various practices currently applied by other firms in the purchase of investment management businesses, and has retrospectively changed its accounting policy. Payments to acquire teams of investment managers, bringing with them funds under management, have been re-classified as the intangible asset – client relationships, rather than goodwill. Similarly intangible assets representing client relationships acquired as part of business combinations have been recognised separately to goodwill. The new accounting policy is considered preferable as it brings us into line with our peers and is more transparent.

This new accounting policy has been applied retrospectively from the date of the Group's transition to IFRS and the comparative figures for 2008 in these financial statements have been restated.

Opening retained earnings as at 1 October 2007 have been reduced by £2.2m after deferred taxation which is the cumulative amount of the adjustment relating to periods prior to 2008.

The main changes to our financial statements are presented below:

	2009 Prior to change of accounting policy £'000	2009 Following change of accounting policy £'000	2008 Previously reported £'000	2008 As restated £'000
Profit before tax and amortisation	28,505	28,505	36,202	36,202
Amortisation of the intangible asset - client relationships	–	(6,566)	–	(4,244)
Profit before tax	28,505	21,939	36,202	31,958
Taxation	(8,242)	(6,404)	(11,127)	(9,939)
Profit after taxation	20,263	15,535	25,075	22,019
Basic earning per share post amortisation	9.6p	7.4p	12.2p	10.7p
Fully diluted earning per share post amortisation	9.4p	7.2p	11.7p	10.3p
	2009 Prior to change of accounting policy £'000	2009 Following change of accounting policy £'000	2008 Previously reported £'000	2008 As restated £'000
Net assets	128,230	118,219	125,176	119,893
Intangible assets				
Goodwill	99,095	48,438	93,023	48,376
Client relationships	–	36,753	–	37,309
	99,095	85,191	93,023	85,685
Deferred tax asset / (liability)	(3,041)	852	(3,993)	(1,938)

Notes to the Financial Statements (continued)

5. Critical accounting judgements and key sources of estimation uncertainty

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities and profits and losses. Evaluation of the accounting judgements takes into account historical experience as well as future expectations.

Retirement benefit obligation

In conjunction with the Group's Actuary, the Group makes estimates about a range of long term trends, including life expectancy. These estimates are governed by the rules set out in IAS 19 Employee Benefits which inevitably lead to significant swings in the pension deficit from year to year, as long term interest rates change and short term market movements affect asset valuations. The detailed assumptions are set out in note 26.

Shares to be issued including premium and deferred purchase consideration

The Group includes within these headings its best estimate discounted to present value of the ultimate sum which will be paid for businesses or client relationships under deferred purchase agreements. This is inevitably judgemental and depends on events which transpire over periods up to five years. Market conditions are an important factor.

Impairment of goodwill and client relationships

For the purposes of impairment testing, the Group values goodwill and client relationships based on the valuation of individual units making up the relevant intangible asset. For an investment management business this is normally based on the value of funds under management at the period end; the percentages of funds being used depending on values attributed in recent public transactions for the purchase of advisory and discretionary funds. A price earnings basis is used where more appropriate.

Valuation of investment in Euroclear plc

The fair valuation of the Group's investment in Euroclear plc is based upon the Group's share of net assets, dividend yield and the prices of similar quoted companies discounted for marketability. This calculation inevitably includes a number of areas of judgement.

6. Revenue

	2009 £'000 52 weeks	2008 £'000 52 weeks
Commission income	90,650	87,471
Financial planning and trail income	20,225	21,009
Investment banking fees and retainers	8,297	9,410
Investment management fees	68,069	69,079
	187,241	186,969

7. Segmental information

For management purposes, the Group is divided into two business streams: Investment Management and Investment Banking. These form the basis for the primary segment information reported below. All operations are carried out in the United Kingdom and the Channel Islands. All segment income relates to external clients.

52 week period ended 27 September 2009	Discretionary Portfolio Management £'000	Advisory Portfolio Management £'000	Total Investment Management £'000	Investment Banking £'000	Group £'000
Total income	128,790	75,225	204,015	8,297	212,312
Operating profit before redundancy costs and amortisation of client relationships	19,428	11,173	30,601	75	30,676
Redundancy costs			(3,393)	(245)	(3,638)
Amortisation of client relationships			(6,566)	–	(6,566)
Operating profit					20,472
Finance income (net)					1,467
Profit before tax					21,939
Other Information					
Capital expenditure			4,404	39	4,443
Depreciation			9,982	171	10,153
Amortisation of intangible asset – software			674	–	674
Share-based payments			652	34	686
Segment assets excluding current tax assets			567,683	69,117	636,800
Segment liabilities excluding current tax liabilities			447,749	69,117	516,866
52 week period ended 28 September 2008 (Restated)	Discretionary Portfolio Management £'000	Advisory Portfolio Management £'000	Total Investment Management £'000	Investment Banking £'000	Group £'000
Total income	122,975	70,721	193,696	12,799	206,495
Operating profit before redundancy costs and amortisation of client relationships	18,845	10,845	29,690	998	30,688
Redundancy costs			(134)	(500)	(634)
Amortisation of client relationships			(4,244)	–	(4,244)
Operating profit					25,810
Finance income (net)					6,148
Profit before tax					31,958
Other Information					
Capital expenditure			15,147	599	15,746
Depreciation			8,459	126	8,585
Share-based payments			621	40	661
Segment assets excluding current tax assets			439,744	31,314	471,058
Segment liabilities excluding current tax liabilities			319,367	31,314	350,681

Notes to the Financial Statements (continued)

8. Staff costs and related party transactions

Group	2009 52 Weeks No.	2008 52 Weeks No.
The average monthly number of employees including Directors by category was:		
Investment Management	941	913
Investment Banking	60	76
Business Support	667	665
	1,668	1,654
	£'000	£'000
The aggregate payroll costs were as follows including Directors:		
Wages and salaries	81,363	85,476
Social security costs	9,661	9,724
Share-based payments	686	661
Termination benefits - redundancy costs	3,638	634
Other pension costs	11,053	9,339
	106,401	105,834

The Company does not have any employees (2008: nil).

Remuneration of key management personnel

The remuneration of the directors, who are the key management personnel of the Group, is set out in the Directors' Remuneration Report on page 26.

Directors' transactions

Material contracts with Directors and loans to Directors are shown in the Directors' Remuneration Report on page 30; there are no other related party transactions with Directors.

9. Profit for the period

Profit for the period has been arrived at after charging/(crediting):

	2009 52 Weeks £'000	2008 52 Weeks £'000
Net foreign exchange gains	(720)	(603)
Depreciation of property, plant and equipment (note 16)	10,153	8,585
Amortisation of intangible assets – client relationships (note 15)	6,566	4,244
Impairment of intangible assets – client relationships (note 15)	230	430
Amortisation of intangible assets – software (note 15)	674	–
Staff costs (note 8)	106,401	105,834
Other pension costs (note 8)		
Defined benefit scheme – including death in service contributions	1,977	482
Defined contribution scheme	9,076	8,857
Reversal of impairment of trade receivables	(443)	(65)
Auditors' remuneration (see analysis below)	607	502

Analysis of auditors' remuneration

Fees payable to the Company's auditors for the audit of the Company's annual accounts	55	55
Fees payable to the Company's auditors and their associates for other services to the Group: the audit of the Company's subsidiaries pursuant to legislation (including additional cost relating to 2008 audit)	214	180
Other services pursuant to legislation		
Interim review	40	40
Regulatory audit work	30	30
	70	70
Tax services	23	95
Information technology services	50	47
Corporate finance services	20	–
Other services		
Assurance services for external parties	46	–
AAF 01/06 – controls assurance report	55	55
Accounting and regulatory advice	74	–
	175	55
	607	502

10. Finance income and finance costs

	2009 52 Weeks £'000	2008 52 Weeks £'000
Finance income		
Interest income on pension plan assets	–	159
Dividends from available-for-sale investments	352	404
Interest on bank deposits	2,083	6,579
	2,435	7,142
Finance costs		
Finance cost of deferred consideration	509	981
Interest expense on defined benefit obligation	412	–
Interest on bank overdrafts	47	13
	968	994

Notes to the Financial Statements (continued)

11. Taxation

	2009 52 Weeks £'000	(Restated) 2008 52 Weeks £'000
United Kingdom		
Current tax	5,931	5,955
Prior year	667	192
Overseas tax		
Current tax	174	216
Prior year	(246)	5
	6,526	6,368
United Kingdom deferred tax		
Current year	531	3,836
Prior year	(653)	(265)
	6,404	9,939

United Kingdom corporation tax is calculated at 28% (2008: 29%) of the estimated assessable taxable profit for the period.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The charge for the year can be reconciled to the profit per the income statement as follows:

Profit before tax	21,939	31,958
Tax at the UK corporation tax rate of 28% (2008: 29%)	6,143	9,268
Tax effect of expenses that are not deductible in determining taxable profit	493	551
Tax effect of prior year tax	532	197
Tax effect of prior year deferred tax	(653)	(265)
Tax effect of share-based payments	(196)	162
Tax effect of deferred tax timing differences	(83)	(148)
Tax effect of leasehold property depreciation	279	174
Tax effect of prior year leasehold property allowances	(111)	–
Tax expense	6,404	9,939
Effective tax rate for the year	29%	31%

In addition to the amount charged to the income statement, deferred tax relating to the revaluation of the Group's available-for-sale investments amounting to £4,000 (2008: £254,000) has been credited directly to equity and deferred tax relating to the actuarial loss in the defined benefit pension scheme amounting to £2,676,000 (2008: £1,225,000) has been credited directly to equity. Deferred tax on share-based payments of £75,000 (2008: £1,255,000) has been credited directly to equity.

12. Profit attributable to equity shareholders of the parent

	2009 52 Weeks £'000	2008 52 Weeks £'000
Profit after taxation dealt with in the accounts of the Company	9,878	14,895

13. Dividends

	2009 52 Weeks £'000	2008 52 Weeks £'000
Amounts recognised as distributions to equity shareholders in the period:		
Final dividend paid 6 April 2009, 3.55p per share (2008: 3.5p per share)	7,504	7,248
Interim dividend paid 25 September 2009, 3.55p per share (2008: 3.55p per share)	7,523	7,383
	15,027	14,631
Proposed final dividend for the 52 weeks ended 27 September 2009 of 3.55p (2008: 3.55p) per share based on shares in issue at 10 November 2009 (7 November 2008)	7,537	7,388

The proposed final dividend for the 52 week period ended 27 September 2009 of 3.55p per share is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

14. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	2009 '000	(Restated) 2008 '000
Number of shares		
Basic		
Weighted average number of shares in issue in the period	210,940	206,157
Diluted		
Weighted average number of options outstanding for the period	1,271	2,415
Estimated weighted average number of shares earned under deferred consideration arrangements	6,555	8,527
Diluted weighted average number of options and shares for the period	218,766	217,099
Earnings attributable to ordinary shareholders		
	£'000	£'000
Profit attributable to equity shareholders of the parent from continuing operations	15,535	22,019
Redundancy costs	3,638	634
less tax	(1,019)	(184)
Amortisation of intangible assets – client relationships	6,566	4,244
less tax	(1,838)	(1,188)
Adjusted basic profit for the period and attributable earnings excluding redundancy costs and amortisation of client relationships	22,882	25,525
Profit attributable to equity shareholders of the parent from continuing operations	15,535	22,019
Finance costs of deferred consideration (note a)	277	549
less tax	(78)	(159)
Adjusted fully diluted profit for the period and attributable earnings	15,734	22,409
Redundancy costs	3,638	634
less tax	(1,019)	(184)
Amortisation of intangible assets – client relationships	6,566	4,244
less tax	(1,838)	(1,188)
Adjusted fully diluted profit for the period and attributable earnings excluding redundancy costs and amortisation of client relationships	23,081	25,915
From continuing operations		
Basic	7.4p	10.7p
Diluted	7.2p	10.3p
From continuing operations excluding redundancy costs and amortisation of client relationships		
Basic	10.8p	12.4p
Diluted	10.6p	11.9p

a) Finance costs of deferred consideration are added back where the issue of shares is more dilutive than the interest cost saved. The numerators for the purposes of calculating both basic and diluted earnings per share have been adjusted following the change in accounting policy described in note 4.

Notes to the Financial Statements (continued)

15. Intangible assets

Group	Goodwill £'000	Client relationships £'000	Software development costs £'000	Purchased software £'000	Total £'000
Cost					
As previously reported at 30 September 2007	65,767	–	–	–	65,767
Prior period adjustment (note 4)	(18,052)	18,052	–	–	–
As restated at 1 October 2007	47,715	18,052	–	–	65,767
Additions	166	25,045	–	–	25,211
Revaluation of shares to be issued and deferred purchase consideration in respect of acquisitions in prior periods (note 24)	495	1,980	–	–	2,475
At 28 September 2008	48,376	45,077	–	–	93,453
Additions	62	5,663	391	4,697	10,813
Revaluation of shares to be issued and deferred purchase consideration in respect of acquisitions in prior periods (note 24)	–	577	–	–	577
At 27 September 2009	48,438	51,317	391	4,697	104,843
Accumulated amortisation and impairment					
As previously reported at 30 September 2007	–	–	–	–	–
Prior period adjustment (note 4)	–	3,094	–	–	3,094
As restated at 1 October 2007	–	3,094	–	–	3,094
Amortisation charge for the period	–	4,244	–	–	4,244
Impairment losses for the period	–	430	–	–	430
At 28 September 2008	–	7,768	–	–	7,768
Amortisation charge for the period	–	6,566	49	625	7,240
Impairment losses for the period	–	230	–	–	230
At 27 September 2009	–	14,564	49	625	15,238
The £230,000 client relationships impairment loss in the period related to two cash generating units within the Investment Management Division. (2008: £430,000 - £340,000 two cash generating units within Investment Management and £90,000 one cash generating unit within Investment Banking).					
Net book value					
At 27 September 2009	48,438	36,753	342	4,072	89,605
At 28 September 2008	48,376	37,309	–	–	85,685
At 1 October 2007 (Restated)	47,715	14,958	–	–	62,673

15. Intangible assets (continued)

	Goodwill £'000	Client relationships £'000	Software development costs £'000	Purchased software £'000	Total £'000
Additions are made up as follows:					
2009					
Cash paid for additions in period	–	1,509	391	4,697	6,597
Deferred purchase liability	–	412	–	–	412
Value of shares to be issued*	–	2,814	–	–	2,814
	–	4,735	391	4,697	9,823
Cash paid for businesses or client relationships acquired in previous periods	987	3,851	–	–	4,838
Utilisation of provisions for deferred purchase liability and shares to be issued (note 24)	(2,425)	(4,143)	–	–	(6,568)
Shares issued in period (note 27)	1,500	1,220	–	–	2,720
Adjustments to prior year acquisitions	62	928	–	–	990
Total additions	62	5,663	391	4,697	10,813
2008					
Cash paid for additions in period	–	10,681	–	–	10,681
Deferred purchase liability	–	2,183	–	–	2,183
Value of shares to be issued*	–	12,181	–	–	12,181
Shares issued in period	166	–	–	–	166
	166	25,045	–	–	25,211

*The number of shares issuable will be determined by the share price at the date of issue. If the shares had been issued at the end of the period the number of shares issued would have been 1,742,415 (2008: 9,648,317) ordinary 1 pence shares.

Analysis of goodwill and client relationships

	Goodwill £'000	Client relationships £'000	Total £'000
Carrying amount at period end			
South East investment management team	9,987	–	9,987
Midland investment management team 1	5,153	–	5,153
Midland investment management team 2**	–	5,066	5,066
Midland investment management team 3	5,289	–	5,289
Other investment management teams ~	28,009	31,687	59,696
	48,438	36,753	85,191

**Amortisation period remaining 6 years.

~None of the constituent parts of the goodwill or client relationships relating to the other investment management teams is individually significant in comparison to the total value of goodwill or client relationships respectively.

Notes to the Financial Statements (continued)

16. Property, plant and equipment

Group	Leasehold Improvements £'000	Office Equipment £'000	Computer Equipment £'000	Total £'000
Cost				
At 1 October 2007	4,177	5,939	54,020	64,136
Additions	3,381	2,089	10,276	15,746
Disposals	(533)	(868)	(1)	(1,402)
At 28 September 2008	7,025	7,160	64,295	78,480
Additions	891	459	3,093	4,443
Disposals	(28)	–	(2)	(30)
At 27 September 2009	7,888	7,619	67,386	82,893
Depreciation				
At 1 October 2007	1,989	3,678	37,520	43,187
Charge for the period	764	1,023	6,798	8,585
Eliminated on disposal	(447)	(820)	–	(1,267)
At 28 September 2008	2,306	3,881	44,318	50,505
Charge for the period	998	1,347	7,808	10,153
Eliminated on disposal	(25)	–	–	(25)
At 27 September 2009	3,279	5,228	52,126	60,633
Net book value				
At 27 September 2009	4,609	2,391	15,260	22,260
At 28 September 2008	4,719	3,279	19,977	27,975
At 1 October 2007	2,188	2,261	16,500	20,949

17. Subsidiaries

The following are the Group's principal subsidiary undertakings, all of which are included in the consolidated financial statements:

Name	Country of registration	Trade	Class of share capital	Percentage of voting rights held
Brewin Dolphin Limited	England & Wales	Investment Manager	Ordinary	100%
Brewin Nominees Limited	England & Wales	Nominee Company	Ordinary	100%
Brewin Dolphin MP	England & Wales	Investment Manager	A Ordinary B Ordinary	100%
North Castle Street (Nominee) Limited	Scotland	Nominee Company	Ordinary	100%

Company	2009 £'000	2008 £'000
At start of period	141,052	125,160
Change in investment in Brewin Dolphin Limited	(19)	15,231
Capital contribution to Brewin Dolphin Limited re share-based payments	686	661
At end of period	141,719	141,052

18. Investments

Available-for-sale investments

	Listed investments £'000	Unlisted investments £'000	Total £'000
Group			
At 1 October 2007	1,526	10,000	11,526
Net gains from changes in fair value recognised in equity	(900)	–	(900)
At 28 September 2008	626	10,000	10,626
Net gains from changes in fair value recognised in equity	(17)	–	(17)
At 27 September 2009	609	10,000	10,609

Unlisted available-for-sale investments represent the Group's holding of 19,899 ordinary shares in Euroclear plc. This holding represents 0.52% of Euroclear plc's shares. As at 27 September 2009 the Directors updated their valuation of the Group's holding in Euroclear plc; the valuation remains at £10 million. This valuation took into account the Group's share of net assets, dividend yield and the prices of similar quoted companies discounted for marketability.

Trading investments

	Listed investments £'000	Unlisted investments £'000	Total £'000
Group			
Fair value			
At 28 September 2008	724	–	724
At 27 September 2009	644	–	644

Investments are measured at fair value which is determined directly by reference to published prices in an active market where available. During the period the Group realised gains from trading investments of £1,312,000 (2008: £1,308,000). At the period end losses recognised on investments not yet sold were £1,000 (2008: £35,000).

19. Other financial assets

Trade and other receivables

Group	2009	2008
	£'000	£'000
Non-current: other receivables		
Loans – see (i) below	2,269	2,098
	2,269	2,098
Current: trade and other receivables		
Trade debtors	411,935	249,633
Other debtors	1,978	3,275
Prepayments and accrued income	27,377	30,496
	441,290	283,404

(i) £2,269,000 (2008: £2,098,000) represents loans to staff under the Group share schemes which are repayable in more than one year. The loans are secured on the Company's shares. The Directors believe that these balances are fully recoverable.

Notes to the Financial Statements (continued)

19. Other financial assets (continued)

Company	2009 £'000	2008 £'000
Non-current: other receivables		
Loans	329	430
	329	430
Current: trade and other receivables		
Prepayments and accrued income	20	11
Amounts due from subsidiary undertakings	3,719	7,697
	3,739	7,708

The Directors consider that the carrying amount of the trade and other receivables approximates to their fair value. Any trade debtor in relation to client balances which are older than ninety days are provided for unless collateral is held.

Trade debtors relate to either market or client transactions and are considered to be past due once the date for settlement has passed. The date for settlement is determined when the trade is booked. It is expected that some transactions may become past due in the normal course of business. Fees owed by clients are considered to be past due when they remain unpaid after 30 days after the relevant billing date. The maximum exposure to credit risk is the carrying value as above.

Ageing of past due but not impaired trade debtors

	2009 £'000	2008 £'000
Not past due	399,535	239,299
Up to 15 days past due	10,631	8,016
16 to 30 days past due	467	746
31 to 45 days past due	376	685
More than 45 days past due	798	853
	411,807	249,599

Individually impaired trade debtors

Individually impaired trade debtors	820	1,169
Provision for doubtful debts	(692)	(1,135)
	128	34

Trade debtors	411,935	249,633
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Movements in provision for doubtful debts

At start of period	1,135	1,200
Net release to the income statement	(443)	(65)
At end of period	692	1,135

No other financial assets of the Group or the Company, other than doubtful debts, are impaired.

20. Deferred tax asset/(liability)

	Capital allowances £'000	Revaluation £'000	Other short term timing differences £'000	Retirement benefit obligation £'000	Share based payments £'000	Intangible asset amortisation £'000	Total £'000
Group							
Previously reported 30 September 2007	65	(2,938)	2,951	2,726	1,871	(4,133)	542
Prior period adjustment (note 4)	–	–	–	–	–	867	867
As restated at 1 October 2007	65	(2,938)	2,951	2,726	1,871	(3,266)	1,409
Credit/(charge) in the period to the income statement	(10)	–	(714)	(1,721)	(266)	(860)	(3,571)
Credit/(charge) in the period to the statement of recognised income and expense	–	254	–	1,225	(1,255)	–	224
At 28 September 2008	55	(2,684)	2,237	2,230	350	(4,126)	(1,938)
Credit/(charge) in the period to the income statement	1,569	–	(508)	(355)	265	(849)	122
Credit/(charge) in the period to the statement of recognised income and expense	–	4	–	2,676	(12)	–	2,668
At 27 September 2009	1,624	(2,680)	1,729	4,551	603	(4,975)	852

21. Cash and cash equivalents

	2009 £'000	2008 £'000
Group		
Firm's cash	43,118	38,189
Client settlement cash	26,153	22,357
	69,271	60,546
Company		
Firm's cash	291	57
	291	57

Client settlement cash is held in segregated client accounts and is not available for use in the business. Cash and cash equivalents comprises cash at banks.

At the balance sheet date there were also deposits for clients, not included in the consolidated balance sheet, which were held in segregated client bank accounts amounting to £1,512,468,094 (2008: £1,586,497,156).

22. Bank overdrafts

	2009 £'000	2008 £'000
Group		
Bank overdrafts	4,289	3,717
	4,289	3,717

Bank overdrafts are unsecured and repayable on demand.

Notes to the Financial Statements (continued)

23. Other financial liabilities

Trade and other payables	2009 £'000	2008 £'000
Current Group		
Trade creditors	421,554	239,132
Other creditors	5,970	4,573
Other taxes and social security	3,670	4,847
Accruals and deferred income	36,339	57,438
Deferred purchase consideration (note 24)	1,086	865
	468,619	306,855
Company		
Other creditors	16	21
Amounts payable to subsidiary undertakings	7,336	7,336
	7,352	7,357

Trade creditors relate to either market or client transactions; the date for settlement is determined when the trade is booked. Other trade and other payable balances principally comprise amounts outstanding for ongoing costs.

The directors consider that the carrying amount of trade and other payables approximates to their fair value.

24. Shares to be issued including premium and other deferred purchase liabilities

The Group acquires investment businesses and teams of investment managers, bringing with them funds under management (the latter classified as the intangible asset client relationships) on deferred purchase terms based on the value of income introduced over, normally, a three year period. The payment is normally made in ordinary shares and these shares typically have to be held for a further three years. At the discretion of the Board these shares can be purchased in the market rather than issued. The estimated likely cost of these shares is reassessed annually, see notes 3(r) and 5. At the period end there was a net upward assessment of £0.6m (2008: net upward £2.5m). These adjustments are inevitably subjective and dependent on events, influenced by market conditions. The other side of the liability is recorded in intangible assets, goodwill and/or client relationships, depending on the type of acquisition (see note 15).

Each individual transaction has a cap as to the maximum value that could be paid out. The value of the cap is always set at a value substantially above what it is expected will be paid out. The total value of these caps is £12m (2008: £15m) for shares to be issued within one year, £93.7m (2008: £83m) for shares to be issued from one to five years, with a further potential of £2m (2008: £3m) in relation to expenditure contracted for but not provided in the accounts which would be payable in 2012/13.

In the event of the Group being acquired by a third party, provisions exist to renegotiate the deferred purchase consideration into the shares of the acquiring entity, or for the deferred settlement period to be truncated.

24. Shares to be issued including premium and other deferred purchase liabilities (continued)

	Shares to be issued including premium (Group & Company) £'000	Deferred Purchase Consideration (Group only) £'000	Total £'000
As at 27 September 2009			
Deferred consideration relating to acquisitions			
Current liability			
Payments relating to 7 cash generating units	5,056	1,086	6,142
	5,056	1,086*	6,142
Non-current liability			
Payments relating to 12 cash generating units payable in 2010/11	6,621	1,794	8,415
Payments relating to 7 cash generating units payable in 2011/12	5,529	708	6,237
Payments relating to 4 cash generating units payable in 2012/13	3,728	477	4,205
Payments relating to 2 cash generating units payable in 2013/14	1,507	242	1,749
	17,385	3,221	20,606
Total current and non-current liability	22,441	4,307	26,748
Expenditure contracted for but not provided in the accounts			
Due after more than one year 2012/13	1,100	–	1,100
Reconciliation of movement in total of current and non-current liabilities			
Balance as at 29 September 2008	25,179	3,825	29,004
On acquisitions in the period	2,814	412	3,226
Adjustment to prior year acquisitions (see notes 3(r) and 15)	(141)	718	577
Unwind of discount charged to the income statement	484	25	509
Utilised in period	(5,895)	(673)	(6,568)
Balance as at 27 September 2009	22,441	4,307	26,748

* Current liability for Deferred Purchase Consideration is included in the consolidated balance sheet within Trade and other payables.

Notes to the Financial Statements (continued)

24. Shares to be issued including premium and other deferred purchase liabilities (continued)

As at 28 September 2008	Shares to be issued inc.premium (Group & Company) £'000	Deferred Purchase Consideration (Group only) £'000	Total £'000
Deferred consideration relating to acquisitions			
Current liability			
Payments relating to 10 cash generating units	8,233	865	9,098
	8,233	865	9,098
Non-current liability			
Payments relating to 6 cash generating units payable in 2009/10	3,037	316	3,353
Payments relating to 12 cash generating units 2010/11	5,752	1,599	7,351
Payments relating to 7 cash generating units payable in 2011/12	4,832	619	5,451
Payments relating to 3 cash generating units payable in 2012/13	2,677	343	3,020
Payments relating to 1 cash generating unit payable in 2013/14	648	83	731
	16,946	2,960	19,906
Total current and non-current liability	25,179	3,825	29,004
Expenditure contracted for but not provided in the accounts			
Due within one year	–	75	75
Due within more than one year 2011/2012	2,000	–	2,000
Reconciliation of movement in total of current and non-current liabilities			
Balance as at 1 October 2007	10,313	1,081	11,394
On acquisitions in the period	12,181	2,393	14,574
Adjustment to prior year acquisitions (see notes 3(r) and 15)	2,042	433	2,475
Unwind of discount charged to the income statement	853	128	981
Payments made	(210)	(210)	(420)
Balance as at 28 September 2008	25,179	3,825	29,004

25. Financial instruments and risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- market risk;
- credit risk;
- liquidity risk; and
- operational risk.

This note presents information about the Group's exposure to each of the above risks, the Group's policy and processes for measuring and managing risk and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management considers the major areas of market risk, credit risk, liquidity risk and operational risk. The Board determines the risk appetite and is responsible for the implementation of a risk management framework that recognises the risks faced by the Group. Authority flows from the Board to the Risk Management Committee ("RMC") and from there to specific committees which are integral to the management of risk.

Brewin Dolphin's activities involve the measurement, evaluation, acceptance and management of some degree of risk, or combination of risks. The Board has set a low risk appetite whilst recognising the inevitable risk of being exposed to adverse movements in the stock market.

25. Financial instruments and risk management (continued)

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its role by Internal Audit. The Audit Committee's key role in risk management is the assessment of controls that are in place to mitigate risk and the review of the Risk Management Schedule bi-annually which is prepared by the RMC.

Capital risk management

The capital structure of the Group and Company consists of issued share capital, reserves and retained earnings as disclosed in note 29.

The Group has an Internal Capital Adequacy Assessment Process ("ICAAP"), as required by the Financial Services Authority ("FSA") for establishing the amount of regulatory capital to be held by the Group; Brewin Dolphin Limited ("BDL") is the only regulated entity within the Group.

The ICAAP draws on the Group's Annual Corporate Risk Review which is based on bi-annual risk assessments. It gives consideration to both current and projected financial and capital positions. The ICAAP is updated throughout the year to take account of the bi-annual risk assessments and for any significant changes to business plans and any unexpected issues that may occur. The ICAAP is discussed and approved at a Brewin Dolphin Holdings PLC Board meeting at least annually.

Capital adequacy is monitored daily by management. The Group uses the simplified approach to Credit Risk and the standardised approach for Operational Risk to calculate Pillar 1 requirements. The Group observed the FSA's regulatory requirements throughout the period.

The regulatory capital resources of the Group calculated in accordance with FSA definitions were as follows:

	27 September 2009 £'000	(Restated) 28 September 2008 £'000
Tier 1 capital resources		
Ordinary share capital	2,122	2,080
Share premium account	94,140	90,145
Retained earnings*	18,612	18,342
Merger reserve	4,562	4,562
Shares to be issued	22,441	25,179
	141,877	140,308
Deduction – Intangible assets	(89,605)	(85,685)
	52,272	54,623
Tier 2 capital resources		
Revaluation reserve	6,885	6,898
Deductions	–	–
	6,885	6,898
Tier 1 plus tier 2 capital resources	59,157	61,521
Deduction – Material holdings	(4,084)	(3,848)
Total capital before deductions	55,073	57,673
Deductions from total capital	(579)	(618)
Total capital resources after deductions	54,494	57,055
Total capital requirement	43,659	31,653

* includes adjustment for defined pension liability in accordance with FSA rules.

There were no changes in the Group's approach for capital management during the period.

Notes to the Financial Statements (continued)

25. Financial instruments and risk management (continued)

Significant accounting policies

Details of the significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each financial asset and financial liability, are disclosed in note 3 to the financial statements.

Categories of financial instruments

Group	Carrying value	
	2009 £'000	2008 £'000
Financial assets		
Fair value through profit and loss – held for trading	644	724
Loans and receivables (including cash and trade receivables)	512,830	346,048
Available-for-sale financial assets	10,609	10,626
	524,083	357,398
Financial liabilities		
Amortised cost	496,562	337,916
	496,562	337,916
Company		
	Carrying value	
	2009 £'000	2008 £'000
Financial assets		
Loans and receivables (including cash and trade receivables)	4,359	8,195
	4,359	8,195
Financial liabilities		
Amortised cost	29,793	32,536
	29,793	32,536

The carrying value approximates to the fair value of the financial assets and liabilities held.

I. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of the Group's market risk management is to both control and manage our exposure within the Group's risk appetite whilst accepting the inherent risk of market fluctuations.

The Group acts as an Investment Manager and agency stockbroker within the UK; all trades are matched in the market.

The Group undertakes only limited principal trading on its own behalf; a maximum gross position of £2 million has been set as a limit by the Board. No single trade or accumulative position in any one stock can be in excess of £0.5 million. A hurdle stop loss price is operated in which the stop loss is set at a fixed percentage below the market price. This sets a limit on the maximum possible loss, as the stop loss will be triggered if the market price drops below the level set, resulting in the stock being sold. Conversely, where the market price rises the stop loss price will rise proportionately, to set a new stop loss price, thus protecting any profits. The stop loss position is monitored on average three times a day and is recalculated when necessary. Principal trading positions are monitored daily by the Risk Management Department and closing positions are reported to management. Any breaches of limits are notified immediately to management, as are stop losses, which are enforced.

The Group policy is to never underwrite without full sub-underwriting in place.

The Group deals in foreign currencies on a matched basis on behalf of clients, limiting foreign exchange exposure. The total net foreign exchange exposure at the year end was a creditor of £673,000 (2008: £342,000 debtor).

The Group does not hold any derivatives.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk during the period.

25. Financial instruments and risk management (continued)

Equity price risk

The Group is exposed to equity risk arising from its available-for-sale investments and those held-for-trading. Equity investments designated as available-for-sale are held for strategic purposes rather than trading purposes and the Group does not actively trade in these investments.

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risk at the reporting date.

If equity prices had been 5% higher/lower:

- profit for the 52 week period ended 27 September 2009 would have been £29,000/£27,000 higher/lower (2008: £37,000/£52,000 higher/lower) due to change in the value of held-for-trading investments and available-for-sale investments; and
- other equity reserves as at 27 September 2009 would increase/decrease by £528,000 (2008: increase by £531,000/decrease by £516,000) for the Group as a result of the changes in fair value of available-for-sale investments.

The Group's sensitivity to equity prices has not changed significantly from the prior period.

Interest rate risk

The Group is exposed to interest rate risk; this arises because the interest rate paid to its clients on their deposits is linked to the base rate. The Group holds client deposits on both fixed rate short term deposit and on demand. At the period end, £100 million was held on 40 day terms, with the balance of client monies held on demand. At the end of the period a 1% increase in base rate would increase profitability by £390,000 (2008: increase profitability by £200,000).

II. Credit risk

Credit risk refers to the risk that a client or other counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises principally from the settlement of client and market transactions and cash deposited at banks. The Group uses the simplified approach to calculate credit risk as defined by the FSA. The aim of the Group's approach to credit risk management is to minimise the risk as far as possible.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and clients and with collateral held, in the main, in Group nominee companies which helps to mitigate credit risk. The collateral held consists of equity and gilts quoted on recognised exchanges plus cash.

The Group undertakes traded options as part of its service to clients, this is an insignificant part of the Group's business. This business is transacted as principal as per the LIFFE rules, all such transactions are always on a matched basis, clients are required to pledge collateral if they hold option positions, which are monitored on a daily basis.

Maximum exposure

The maximum exposure to credit risk at the end of the reporting period is equal to the balance sheet figure.

Credit exposure

Credit exposure in relation to both client and market transactions is monitored daily. The Group's exposure to large trades is limited with an average bargain size of £35,000; there are additional controls for high value trades.

Impaired assets

The total gross amount of individually impaired assets in relation to trade receivables at the period end was £820,000 (2008: £1,169,500). Collateral valued at fair value by the Group in relation to these impaired assets was £128,000 (2008: £34,500). The net difference has been provided as a doubtful debt (see note 19).

Credit quality

Financial assets that are neither past due nor impaired in respect of trade receivables relate mainly to bonds, equity and gilt trades quoted on a recognised exchange, are matched in the market, and are either traded on a cash against documents basis or against a client's portfolio in respect of which any one trade would normally be a small percentage of the client's collateral held in the Group nominee. At the period end no financial assets, that would otherwise be past due or impaired had been renegotiated.

Loans to employees are repayable over 5 to 10 years and are secured against the employees' shareholdings in the Company (see note 19).

The credit risk on liquid funds, cash and cash equivalents is limited due to deposits being held at three major banks with minimum credit rating of "A", assigned by international credit rating agencies. Deposits are managed by the Treasury Department and are reviewed regularly by the Management Committee.

Notes to the Financial Statements (continued)

25. Financial instruments and risk management (continued)

The Group carries out at least an annual review of all its banks' and custodians' credit ratings.

There has been no change to the Group's exposure to credit risk or the manner in which it manages and measures the risk during the period.

III. Liquidity risk

Liquidity risk refers to risk that the Group will be unable to meet its financial obligations as they fall due. The Group maintains adequate cash resources to meet its financial obligations at all times. All client cash deposits are repayable on demand. At 27 September 2009, the Group had access to an overdraft facility of £15 million (2008: £15 million).

As the Group normally deals with the market on cash against document basis, liquidity risk is monitored by daily exception reports of unmatched items past settlement date and managed by the Treasury Department and Credit Control Department, reports are reviewed regularly by the Management Committee.

There has been no change to the Group's exposure to liquidity risk or the manner in which it manages and measures the risk during the period.

The following are the undiscounted cash flows, with the exception of shares to be issued, of financial liabilities based on the earliest date on which the Group can be required to pay.

Group

As at 27 September 2009

	Up to 1 month £'000	1 month to 3 months £'000	3 months to 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Financial liabilities						
Amortised cost	407,357	44,035	24,365	20,805	–	496,562
	407,357	44,035	24,365	20,805	–	496,562

As at 28 September 2008

	Up to 1 month £'000	1 month to 3 months £'000	3 months to 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Financial liabilities						
Amortised cost	255,287	47,058	14,767	20,073	731	337,916
	255,287	47,058	14,767	20,073	731	337,916

Company

As at 27 September 2009

	Up to 1 month £'000	1 month to 3 months £'000	3 months to 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Financial liabilities						
Amortised cost	7,352	5,056	–	17,385	–	29,793
	7,352	5,056	–	17,385	–	29,793

As at 28 September 2008

	Up to 1 month £'000	1 month to 3 months £'000	3 months to 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Financial liabilities						
Amortised cost	7,357	8,233	–	16,298	648	32,536
	7,357	8,233	–	16,298	648	32,536

25. Financial instruments and risk management (continued)

IV. Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes whether due to internal, people and systems risks or from external events, including legal and financial crime risk but does not include strategic, reputation and business risk.

The objective of the Group's approach to operational risk management is to both control and manage the risk in a cost effective manner consistent with the Group's risk appetite. Operational risk is monitored and reported via specific committees that report into the Risk Management Committee.

The Group uses the Standardised Approach under Pillar 1 for regulatory purposes and uses the results of its annual risk management and control review process for risk management and Pillar 2 purposes.

Information disclosure under Pillar 3 of the Capital Requirements Directive will be published on the Group's website before 31 December 2009 at www.brewin.co.uk.

26. Retirement benefit obligation

The Group operates a registered Defined Contribution Scheme (the Brewin Dolphin Senior Staff Pension Fund) and a registered Defined Benefit Scheme (the Brewin Dolphin Limited RBS) in the UK which both offer pensions in retirement and death benefits to members. The disclosures provided are in respect of the Defined Benefit Scheme only.

Pension benefits are related to the members' final salary at retirement and their length of service. Since 1 April 2003 the Scheme has been closed to new members. Members under age 55 at 1 April 2004 ceased to accrue further service in the Brewin Dolphin Limited RBS from that date. Contributions to the Scheme for the period beginning 28 September 2009 are expected to be £1.3m plus the member contributions for those members still accruing service.

The Group has opted to recognise all actuarial gains and losses immediately via the Statement of Recognised Income and Expenditure (SORIE).

A full actuarial valuation of the scheme was carried out as at 31 December 2005 and a further full actuarial valuation is currently in the process of being carried out. The former has been updated to 27 September 2009 by a qualified independent actuary. The major assumptions used by the actuary were (in nominal terms) as follows:

	As at 27 September 2009	As at 28 September 2008
Discount rate	5.60%	7.00%
Rate of salary increase	3.00%	3.60%
Rate of increase to pensions in payment	3.00%	3.60%
Rate of inflation	3.00%	3.60%
Average assumed life expectancies for members on retirement at age 65.		
Existing pensioners		
Males	87.4 years	87.0 years
Females	88.9 years	89.8 years
Future pensioners		
Males	88.6 years	88.1 years
Females	90.0 years	90.9 years

In order to determine the expected return on Scheme assets, it is assumed that the returns available on equities will exceed those available from gilts by 3.5% per annum. This is 1.0% per annum greater than the out-performance allowance used for the funding valuation. Under IAS 19, the expected return on assets does not affect the surplus/deficit to be disclosed but will determine the IAS 19 pension cost for the next accounting period.

Notes to the Financial Statements (continued)

26. Retirement benefit obligation (continued)

The assets in the Scheme and the expected rates of return were:

	Long-term rate of return expected at 27 September 2009	Value at 27 September 2009 £'000	Long-term rate of return expected at 28 September 2008	Value at 28 September 2008 £'000
Equities	7.60%	26,461	8.10%	27,533
Bonds	4.60%	12,108	5.10%	11,676
Other	0.50%	1,027	5.00%	573
Total plan assets		39,596		39,782
The actual return on assets over the period was:		2,324		(8,410)
Present value of defined obligation:				
Funded plans		55,849		47,746
Unfunded plans		-		-
Total		55,849		47,746
Present value of unfunded obligations		16,253		7,964
Net liability in balance sheet		16,253		7,964

26. Retirement benefit obligation (continued)

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

	2009 £'000	2008 £'000
Benefit obligation at beginning of period	47,746	57,684
Service cost	174	378
Interest cost	3,178	3,203
Contributions by scheme participants	229	258
Actuarial loss/(gain)	9,114	(7,397)
Benefits paid	(874)	(993)
Curtailments and settlements	(3,718)	(5,387)
Benefit obligation at end of period	55,849	47,746

Reconciliation of opening and closing balances of the fair value of plan assets

Fair value of plan assets at beginning of period	39,782	47,949
Expected return on plan assets	2,766	3,362
Actuarial gain/(loss)	(442)	(11,772)
Contributions by employers	2,444	5,602
Contributions by plan participants	229	258
Benefits paid	(874)	(993)
Curtailments and settlements	(4,309)	(4,624)
Fair value of plan assets at end of period	39,596	39,782

The amounts recognised in the income statement are:

Current service cost	174	378
Interest on obligation	3,178	3,203
Expected return on plan assets	(2,766)	(3,362)
Curtailments and settlements	591	(763)
Total expense/(income)	1,177	(544)

Actuarial losses to be shown in SORIE

Actuarial losses	(9,556)	(4,375)
	(9,556)	(4,375)

Cumulative losses recognised in SORIE

	(16,428)	(6,872)
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History of scheme assets, obligations and experience adjustments

	As at 27/09/2009 £'000	As at 28/09/2008 £'000	As at 30/09/2007 £'000	As at 30/09/2006 £'000	As at 30/09/2005 £'000
Present value of defined benefit obligation	55,849	47,746	57,684	56,315	49,158
Fair value of scheme assets	39,596	39,782	47,949	40,893	36,221
Deficit in the scheme	(16,253)	(7,964)	(9,735)	(15,422)	(12,937)
Total actuarial gains and losses arising on scheme liabilities	9,114	(7,397)	(1,542)	4,558	4,332
Total actuarial gains and losses as a percentage of scheme liabilities	16%	-15%	-3%	8%	9%
Experience adjustments arising on scheme liabilities	273	542	278	2,543	(89)
Experience adjustments as a percentage of scheme liabilities	0%	1%	0%	5%	0%
Changes in assumptions underlying the present value of the liabilities	8,841	(7,940)	(1,820)	2,015	4,421
Changes in assumptions as a percentage of scheme liabilities	16%	-17%	-3%	4%	9%
Experience adjustments arising on scheme assets	(442)	(11,772)	(122)	1,307	3,666
Experience adjustments as a percentage of scheme assets	-1%	-30%	0%	3%	10%

Notes to the Financial Statements (continued)

27. Called up share capital

Group and Company

	2009 No.	2008 No.	2009 £'000	2008 £'000
Authorised:				
Ordinary shares of 1p each	500,000,000	500,000,000	5,000	5,000
Ordinary shares of 1p each				
Allotted, issued and fully paid:	212,293,167	208,109,706	2,122	2,080
Allotted, issued Dec 2004 at 103.3p, nil paid last subscription date Dec 2011	212,966	653,411	-	-
Allotted, issued May 2005 at 101p, nil paid last subscription date Dec 2012	59,404	59,404	-	-
Allotted, issued Dec 2005 at 157p, nil paid last subscription date Dec 2012	461,756	503,155	-	-
Allotted, issued Dec 2006 at 185.5p, nil paid last subscription date Dec 2013	439,020	474,250	-	-
Allotted, issued Jun 2007 at 217.5p, nil paid last subscription date Jun 2014	452,827	466,618	-	-
Allotted, issued Dec 2007 at 162.5p, nil paid last subscription date Dec 2014	704,535	750,684	-	-
Allotted, issued Jul 2008 at 104p, nil paid last subscription date Jun 2015	788,436	798,051	-	-
Allotted, issued Dec 2008 at 108.6p, nil paid last subscription date Dec 2015	359,112	-	-	-
	215,771,223	211,815,279	2,122	2,080

During the period the following shares were issued:

Date	Price £	Reason	No of shares issued	Nominal value £'000	Share premium £'000	Total £'000
November 2008	0.98	Settlement of deferred consideration	2,774,802	28	2,692	2,720
Various	0.30 to 1.45	Options	822,030	8	633	641
586,629 previously nil paid shares now paid up	0.823 to 2.175	Now paid up	-	6	694	700
December 2008	1.086	Nil paid under matching share purchase scheme	359,112	-	-	-
Costs of issue			-	-	(24)	(24)
			3,955,944	42	3,995	4,037

27. Called up share capital (continued)

The following options have been granted and remain outstanding:

	Exercise price	Grant date	2009 No	2008 No
Approved share option	71.5p	April 1998	–	10,000
Approved share option	167.5p	June 2000	644,900	692,900
Approved share option	139p	June 2001	548,500	569,500
Approved share option	37.5p	December 2002	252,165	482,415
Approved share option	81.3p	December 2003	533,367	811,190
Unapproved share option [#]	82.3p	December 2003	212,631	224,781
Approved share option	98p	December 2004	704,708	760,708
Unapproved share option [#]	103.3p	December 2004	464,650	793,776
Unapproved share option [#]	101p	May 2005	84,156	84,156
Approved share option	145p	December 2005	781,544	823,544
Unapproved share option [#]	157p	December 2005	499,971	519,078
Unapproved share option [#]	179.8p	May 2006	16,689	16,689
Approved share option	175.25p	November 2006	943,679	983,679
Unapproved share option [#]	184.5p	December 2006	463,410	474,250
Unapproved share option [#]	217.5p	June 2007	457,424	462,021
Approved share option	168p	November 2007	836,758	875,258
Unapproved share option [#]	162.5p	December 2007	738,378	744,531
Unapproved share option [#]	104p	July 2008	807,666	807,666
Approved share option	103.5p	November 2008	747,518	–
Unapproved share option [#]	108.6p	December 2008	359,112	–
Total options outstanding			10,097,226	10,136,142

[#] Under the senior employee matching share purchase scheme.

Certain options lapsed during the year on personnel leaving the Group.

Further details of the terms of the options and the senior employee matching share purchase scheme are given in the Directors' Remuneration Report.

The rights and obligations attached to the ordinary shares of 1 pence each in the Company are as follows:

- In terms of voting every member who is present in person or by proxy at a general meeting of the Company shall have one vote on a show of hands and one vote for every share held on a poll.
- As regards dividends, all shares in issue at the period end rank *pari passu* for dividends. Shareholders shall be entitled to receive dividends following declaration by the Company. Dividends are not payable in respect of the 3,478,056 (2008: 3,705,573) nil paid shares held by the Trustees in Brewin Dolphin Holdings PLC Employee Share Ownership Trust (the "Trust").
- Employees are restricted from any transfer of shares of the Company that would result in a change in beneficial holding during the period between the end of the Group's financial year end each year and the date on which the Group announces its preliminary final results. This restriction also applies during the period between the end of the Group's financial half-year and the announcement of the Group's half year results. Further restrictions may apply under the Disclosure and Transparency rules of the Financial Services Authority in respect of certain employees.
- There are no special rights for the ordinary shares in relation to control of the Company.

On takeover, the following criteria will apply to the option schemes:

- Approved share option schemes: under the 1994 scheme options can be exercised within three months of such control being obtained; they will automatically lapse at the end of the period. Under the 2004 approved scheme options can be exercised within 30 days of control being obtained. The options will lapse after six months.
- 2002 senior employee matching share scheme: options can be exercised within six months of the takeover, after such period the options will lapse.
- 2000 unapproved executive share option scheme: options can be exercised within six months of control being obtained, after such period any unexercised options will lapse.

All nil paid shares are held in the Trust up until they become fully paid shares. Nil paid shares are issued as part of the Senior Employee Matching Purchase Scheme, details of which are set out on page 30 of the Directors Remuneration Report and also note 28. The issue of nil paid shares to the Trust does not reduce shareholders' funds as the individuals subscribe at the market value on the day of issue.

Notes to the Financial Statements (continued)

28. Share-based payments

The Group has a number of share incentive plans for the granting of non-transferable options to employees.

The details of the plans are as follows:

Exercise Price	Vesting Period	Exercisable	Expiry Date
2004 Approved Share Option Plan			
The mid market average on the 3 dealing days immediately preceding date of grant	After the third anniversary of the date of grant provided the performance condition has been met with an opportunity for retesting after one further year	5 to 10 years from date of grant	The tenth anniversary of the date of grant
1994 Approved Executive Share Option Scheme			
The mid market average on the 3 dealing days immediately preceding date of grant	From the fifth anniversary of the date of grant subject to the performance conditions being met	5 to 10 years from date of grant	The tenth anniversary of the date of grant
2002 Senior Employee Matching Share Scheme			
The average closing mid market price on the 3 dealing days immediately preceding date of grant	Matching Option: From the fourth anniversary of the date of grant, upon the payment in full for the Purchased Shares to which the Matching Option relates and subject to satisfaction of a performance condition determined prior to the date of grant	4 to 7 years from date of grant	The seventh anniversary of the date of grant
2000 Unapproved Executive Share Option Scheme			
The average closing mid market price on the 3 dealing days immediately preceding date of grant	From the fifth anniversary of the date of grant subject to the performance conditions being met	5 to 10 years from date of grant	The tenth anniversary of the date of grant

Details of the share options outstanding during the period ended 27 September 2009 are as follows:

	1994 Approved Option Scheme	Weighted Average Exercise Price (pence)	2004 Approved Option Scheme	Weighted Average Exercise Price (pence)	2002 Senior Employee Matching Share Purchase Scheme	Weighted Average Exercise Price (pence)
Outstanding at the beginning of the period	1,293,605	64.97	3,459,878	149.51	4,110,259	142.78
Granted during the period	-	-	757,518	103.50	359,112	109.25
Forfeited during the period	(20,917)	71.00	(147,500)	149.96	(89,099)	134.48
Exercised during the period	(487,156)	61.04	(39,000)	102.82	(292,874)	102.43
Expired during the period	-	-	-	-	-	-
Outstanding at the end of the period	785,532	67.24	4,030,896	141.29	4,087,398	142.91
Exercisable at the end of the period	-	-	-	-	169,401	103.30

The table above and the one following exclude all options issued prior to November 2002.

Details of the share options outstanding during the period ended 28 September 2008 were as follows:

	1994 Approved Option Scheme	Weighted Average Exercise Price (pence)	2004 Approved Option Scheme	Weighted Average Exercise Price (pence)	1998 SAYE Scheme	Weighted Average Exercise Price (pence)	2000 Unapproved Option Scheme	Weighted Average Exercise Price (pence)	2002 Senior Employee Matching Share Purchase Scheme	Weighted Average Exercise Price (pence)
Outstanding at the beginning of the period	1,635,505	60.12	2,650,620	142.87	1,779,685	55.56	100,000	33.50	3,467,756	134.65
Granted during the period	-	-	897,758	169.00	-	-	-	-	1,576,809	135.93
Forfeited during the period	(27,150)	68.80	(82,500)	152.04	(21,622)	89.79	-	-	(229,581)	158.62
Exercised during the period	(314,750)	39.45	(6,000)	98.00	(1,758,063)	55.14	(100,000)	33.50	(704,725)	82.30
Expired during the period	-	-	-	-	-	-	-	-	-	-
Outstanding at the end of the period	1,293,605	64.97	3,459,878	149.51	-	-	-	-	4,110,259	142.78
Exercisable at the end of the period	-	-	-	-	-	-	-	-	-	-

28. Share-based payments (continued)

The weighted average share price at the date of exercise for share options exercised during the period was 136p (2008: 157p). The options outstanding at 27 September 2009 had a weighted average exercise price of 135p (2008: 134p), and a weighted average remaining contractual life of 1.2 years (2008: 1.4 years). During the 52 week period ended 27 September 2009 options were granted on 28 November 2008 and 12 December 2008. The aggregate of the estimated fair value of the options granted on these dates is £509,533. During the 52 week period ended 28 September 2008 options were granted on 29 November 2007, 14 December 2007 and 24 July 2008; the aggregate of the estimated fair value of the options granted on these dates was £1,258,484.

The inputs into the Black-Scholes model used for the purposes of determining fair value of options were as follows:

	1994 Approved Option Scheme	2004 Approved Option Scheme	2002 Senior Employee Matching Share Purchase Scheme
Weighted average share price	59.40	145.08	136.01
Weighted average exercise price	59.40	144.92	135.63
Expected volatility	52%	39%	38%
Expected life (yrs)	5.00	5.00	4.00
Risk free rate	4.5%	4.4%	4.6%
Expected dividend yield	1.2%	2.8%	3.1%

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous year.

The Group recognised total expenses of £686,000 (2008: £661,000) related to equity-settled share-based payment transactions.

29. Reserves and reconciliation of changes in equity

Group	Called up share capital £'000	Share premium account £'000	Revaluation reserve £'000	Merger reserve £'000	Profit and loss account £'000	Total £'000
Previously reported 30 September 2007	2,035	86,968	7,544	4,562	14,223	115,332
Prior year adjustment (note 4)	-	-	-	-	(2,227)	(2,227)
As restated 30 September 2007	2,035	86,968	7,544	4,562	11,996	113,105
Profit for the period	-	-	-	-	22,019	22,019
Dividends	-	-	-	-	(14,631)	(14,631)
Issue of shares	45	3,177	-	-	-	3,222
Revaluation	-	-	(900)	-	-	(900)
Deferred and current tax on items taken directly to equity	-	-	254	-	538	792
Share-based payments	-	-	-	-	661	661
Actuarial loss on defined benefit pension scheme	-	-	-	-	(4,375)	(4,375)
28 September 2008	2,080	90,145	6,898	4,562	16,208	119,893
Profit for the period	-	-	-	-	15,535	15,535
Dividends	-	-	-	-	(15,027)	(15,027)
Issue of shares	42	3,995	-	-	-	4,037
Revaluation	-	-	(17)	-	-	(17)
Deferred and current tax on items taken directly to equity	-	-	4	-	2,664	2,668
Share-based payments	-	-	-	-	686	686
Actuarial loss on defined benefit pension scheme	-	-	-	-	(9,556)	(9,556)
27 September 2009	2,122	94,140	6,885	4,562	10,510	118,219

Company	Called up share capital £'000	Share premium account £'000	Revaluation reserve £'000	Merger reserve £'000	Profit and loss account £'000	Total £'000
30 September 2007	2,035	86,968	-	4,847	18,714	112,564
Profit for the period	-	-	-	-	14,895	14,895
Dividends	-	-	-	-	(14,631)	(14,631)
Share-based payments	-	-	-	-	661	661
Issue of shares	45	3,177	-	-	-	3,222
28 September 2008	2,080	90,145	-	4,847	19,639	116,711
Profit for the period	-	-	-	-	9,878	9,878
Dividends	-	-	-	-	(15,027)	(15,027)
Share-based payments	-	-	-	-	686	686
Issue of shares	42	3,995	-	-	-	4,037
27 September 2009	2,122	94,140	-	4,847	15,176	116,285

Notes to the Financial Statements (continued)

30. Financial commitments

The Group recognised operating leases payments as an expense in the year as follows:

	2009		2008	
	Land and buildings £'000	Hire of equipment £'000	Land and buildings £'000	Hire of equipment £'000
Lease payments	4,039	1,808	3,221	2,350
	4,039	1,808	3,221	2,350

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2009		2008	
	Land and buildings £'000	Hire of equipment £'000	Land and buildings £'000	Hire of equipment £'000
Operating leases which expire:				
Not later than one year	4,339	1,745	4,145	1,960
Later than one year not later than five years	15,984	1,356	15,701	2,988
Later than five years	27,700	–	27,684	–
	48,023	3,101	47,530	4,948

The Group had significant operating lease arrangements with respect to the premises it occupies, computer hardware and office equipment including photocopiers and franking machines.

31. Capital commitments

	2009 £'000	2008 £'000
Expenditure contracted for but not provided in these accounts	300	750
Expenditure authorised by the directors but not contracted for	500	2,000

32. Provisions

	2009 £'000	2009 £'000	2009 £'000	2008 £'000
	Sundry claims	Vacant Property	Total	Sundry claims
At start of period	2,068	–	2,068	–
Additions	1,184	309	1,493	2,068
Utilisation of provision	(1,243)	–	(1,243)	–
Unused amounts reversed during the period	(275)	–	(275)	–
At end of period	1,734	309	2,043	2,068
Provisions				
Included in current liabilities	1,734	137	1,871	2,068
Included in non-current liabilities	–	172	172	–
	1,734	309	2,043	2,068

The provisions relate to sundry claims against the Group and the future cost of vacant property. Where there are sundry claims against the Group the estimated liability has been included above with the related insurance debtor of £326,000 (2008: £1,172,000) included in other debtors.

The timing of settlements cannot be accurately forecast; settlement of £1,910 (2008: £159,000) has been made since the balance sheet date.

33. Notes to the cash flow statement

	52 weeks to 27 September 2009 £'000	(Restated) 52 weeks to 28 September 2008 £'000
Group		
Operating profit as previously reported		30,054
Prior period adjustment (note 4)		(4,244)
Operating profit	20,472	25,810
Adjustments for:		
Depreciation of property, plant and equipment	10,153	8,585
Amortisation of intangible assets - client relationships	6,566	4,244
Amortisation of intangible assets - software	674	-
Loss on disposal of property, plant and equipment	5	135
Intangible asset impairment	230	430
Retirement benefit obligation	(1,267)	(6,146)
Share-based payment cost	686	661
Unwind of discount of shares to be issued and deferred purchase consideration	509	981
Interest income	2,083	6,785
Interest expense	(968)	(994)
Operating cash flows before movements in working capital	39,143	40,491
Decrease in receivables and trading investments	161,518	73,280
Decrease in payables	(157,976)	(89,528)
Cash generated by operating activities	42,685	24,243
Tax paid	(5,296)	(10,139)
Net cash inflow from operating activities	37,389	14,104

Company

Operating profit	9,878	14,895
Unwind of discount of shares to be issued and deferred purchase consideration	-	11
Operating cash flows before movements in working capital	9,878	14,906
Decrease in receivables and trading investments	4,070	3,619
(Decrease)/Increase in payables	(4)	5
Cash generated by operating activities	13,944	18,530
Tax paid	-	-
Net cash inflow from operating activities	13,944	18,530

Cash and cash equivalents comprise cash at bank and bank overdrafts.

34. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation. The captions in the primary statements of the Company include amounts attributable to subsidiaries. These amounts have been disclosed in aggregate in the relevant notes to the financial statements and in detail in the following table:

	Amounts owed by related parties		Amounts owed to related parties	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Bell Lawrie White & Co. Limited	-	-	2,436	2,436
Brewin Dolphin Limited	3,719	7,697	-	-
Stocktrade Broking Limited	-	-	4,900	4,900
	3,719	7,697	7,336	7,336

All amounts owed by related parties are interest free and repayable on demand.

The only effect of related party transactions on the profit and loss of the Company was in respect of dividends. The Company received dividends of £10,000,000 (2008: £15,000,000) from Brewin Dolphin Limited and £nil (2008: £16,600) from Webrich Limited.

The Group companies did not enter into any transactions with related parties who are not members of the Group during the period, save as disclosed elsewhere in these financial statements.

Five Year Record

	2009 £'000	Restated			2005 £'000
		2008 £'000	2007 £'000	2006 £'000	
Continuing operations					
Revenue	187,241	186,969	198,032	164,594	136,563
Other operating income	25,071	19,526	11,247	9,044	8,097
Total income	212,312	206,495	209,279	173,638	144,660
Staff costs	(102,763)	(105,200)	(116,695)	(91,621)	(78,293)
Redundancy costs/exceptional item (2005)	(3,638)	(634)	(946)	–	(6,831)
Amortisation of intangible assets – client relationships	(6,566)	(4,244)	(1,774)	(992)	(315)
Other operating costs	(78,873)	(70,607)	(56,882)	(55,166)	(46,068)
Operating expenses	(191,840)	(180,685)	(176,297)	(147,779)	(131,507)
Profit on ordinary activities before redundancy costs/ exceptional item (2005) and intangible asset amortisation of client relationships	30,676	30,688	35,702	26,851	20,299
Intangible asset client relationship amortisation	(6,566)	(4,244)	(1,774)	(992)	(315)
Redundancy costs/exceptional item (2005)	(3,638)	(634)	(946)	–	(6,831)
Operating profit	20,472	25,810	32,982	25,859	13,153
Net finance income	1,467	6,148	6,900	5,199	4,301
Profit before tax	21,939	31,958	39,882	31,058	17,454
Tax	(6,404)	(9,939)	(12,211)	(9,748)	(5,461)
Profit attributable to equity shareholders of the parent from continuing operations	15,535	22,019	27,671	21,310	11,993
Dividend per share (2007 to 2005 rebased to current pattern)	7.1p	7.1p	6.875p	5.625p	5p
Earnings per share					
From continuing operations excluding redundancy costs and amortisation of client relationships and exceptional item.					
Basic	10.8p	12.4p	14.5p	11.1p	8.7p
Diluted	10.6p	11.9p	13.8p	10.6p	8.3p

	At 27 September 2009 £ Billion	At 28 September 2008 £ Billion
In Group's nominee or sponsored member	11.6	10.0
Stock not held in Group's nominee	0.2	0.2
Discretionary funds under management	11.8	10.2
In Group's nominee or sponsored member	7.2	6.8
Other funds where valuations are carried out but where the stock is not under the Group's control	1.5	1.7
Advisory funds under management	8.7	8.5
Managed funds	20.5	18.7
In Group's nominee or sponsored member	3.7	3.7
Stock not held in Group's nominee	0.4	0.2
Execution only stock	4.1	3.9
Total funds	24.6	22.6
Stock		
In Group's nominee or sponsored member	22.5	20.5
Stock not held in Group's nominee	2.1	2.1
	24.6	22.6

Shareholders at 10 November 2009

There were no changes in Directors' shareholdings between 28 September 2009 and 1 December 2009.

	Number of ordinary shares and options	% Voting equity after exercise of options	Number of ordinary shares [#]	% Voting equity prior to exercise of options
Directors				
R A Bayford *	838,761		838,761	
W N Hood	65,000		65,000	
B M Howard	339,485		193,326	
S M J Lamport	4,500		4,500	
J G Matheson	470,621		466,621	
D W McCorkell	653,059		653,059	
S E C Miller	20,000		20,000	
S J S Soar	415,536		294,341	
I B Speke	377,787		360,287	
M J R Williams	965,336		965,336	
F E Worsley	18,000		18,000	
	4,168,085	1.8%	3,879,231	1.8%
Other employees of the Group	58,722,427	26.0%	48,929,825	22.7%
Employee Ownership	62,890,512	27.8%	52,809,056	24.5%
Institutions				
BlackRock Investment Management	14,769,344	6.5%	14,769,344	6.8%
Aberforth Partners	12,621,517	5.6%	12,621,517	5.8%
Aegon Asset Management	10,956,349	4.9%	10,956,349	5.1%
Standard Life Investments	10,587,900	4.7%	10,587,900	4.9%
Legal & General Investment Management	8,910,081	3.9%	8,910,081	4.1%
Schroder Investment Management	8,889,349	3.9%	8,889,349	4.1%
Hermes Investment Management	8,381,042	3.7%	8,831,042	3.9%
Other	87,862,355	39.0%	87,862,355	40.8%
Total	225,868,449	100.0%	215,786,993	100.0%

* Includes 12,198 non beneficial

Nil paid and fully paid

At 27 September 2009 the Company's share price was 161.5p (28 September 2008: 126.25p). The highest price in the 52 week period ended 27 September 2009 was 163.5p and the lowest 93p.



- | | |
|------------|----------------|
| Aberdeen | Leeds |
| Belfast | Leicester |
| Birmingham | Lincoln |
| Bradford | Llandudno |
| Brighton | London |
| Cardiff | Lymington |
| Cheltenham | Manchester |
| Chester | Marlborough |
| Dorchester | Newcastle |
| Dumfries | Norwich |
| Dundee | Nottingham |
| Edinburgh | Oxford |
| Elgin | Plymouth |
| Exeter | Reigate |
| Glasgow | Stoke-on-Trent |
| Guernsey | Swansea |
| Hereford | Taunton |
| Inverness | Teesside |
| Jersey | Truro |
| Keswick | York |

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