BREWIN DOLPHIN

HOLDINGS PLC

ANNUAL REPORTS AND ACCOUNTS 2011

Elgin
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Edinburgh
Newcastle
Penrith
Teesside
York
Leeds
Manchester
Lincoln
Chester
Nottingham
Birmingham
Hereford
Oxford
London
Cardiff
Bristol
Marlborough
Reigate
Dorchester
Truro
Jersey

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DIRECTORS, SECRETARY AND OFFICERS

Directors (including Committee Membership)

Executive Directors		Committees
Jamie Graham Matheson, Chartered FCSI	**Executive Chairman**	(n)
Henry Arthur Algeo, FCSI	**Chief Operating Officer**	
Robin Alec Bayford, FCA	**Finance Director**	
Barry Mark Howard, MCSI	**Head of Regulation & Risk**	
David William McCorkell, FCSI	**Head of Investment Management**	
Sarah Jane Spencer Soar, MCSI		
Ian Benjamin Speke, MCSI		
Michael John Ross Williams, FCSI		

Non-Executive Directors		Committees
William Nicholas Hood, CBE	**Senior Independent Director and Deputy Chairman**	(n) (r)
Angela Ann Knight, CBE		(a) (n) (r)
Sir Stephen Mark Jeffrey Lamport, KCVO, DL		(a) (n) (r)
Simon Edward Callum Miller		(a) (n) (r)
Francis Edward (Jock) Worsley, OBE, FCA		(a) (n) (r)

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

Secretary	Angela Wright, FCCA
Company Registration Number	2685806 (England and Wales)
Registered Office	12 Smithfield Street, London EC1A 9BD
	T: 020 7248 4400 (UK Only) / + 44 20 7248 4400 (International)
	Websites: **www.brewin.co.uk**
	www.stocktrade.co.uk

Officers and Advisors

Registrars
Equiniti Limited
PO Box 4630, Aspect House
Spencer Road, Lancing
West Sussex, BN99 6DA

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

Joint Stockbrokers:
Canaccord Genuity Limited
Cardinal Place
7th Floor, 80 Victoria Street
London, SW1E 5JL

Principal Bankers
Bank of Scotland
Pentland House (2nd Floor)
8 Lochside Avenue
Edinburgh, EH12 9DJ

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

Joint Stockbrokers:
Royal Bank of Canada Europe Ltd
Thames Court, One Queenhithe,
London, EC4V 4DE

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

£24.0bn

Total managed funds £24.0 billion
at 30 September 2011
(26 September 2010: £23.2 billion).

£15.6bn

Discretionary funds £15.6 billion
at 30 September 2011
(26 September 2010: £14.0 billion).

£264.0m

Total income £264.0 million
(26 September 2010: £240.0 million)
an increase of 10%.

£21.9m

Profit before tax £21.9 million
(26 September 2010: £30.0 million)
a 27% decrease.

£39.6m

Adjusted* profit before tax £39.6 million
(26 September 2010: £39.2 million)
a 1% increase.

6.6p

Basic earnings per share 6.6p
(26 September 2010: 9.2p) a decrease of 28%.

Diluted earnings per share 6.3p
(26 September 2010: 9.1p) a decrease of 31%.

12.4p

Basic adjusted* earnings per share:
12.4p *(26 September 2010: 12.2p)*
an increase of 1.6%.

Diluted adjusted* earnings per share 11.7p
(26 September 2010: 12.0p)
a decrease of 2.5%.

7.1p

The total dividend for the period
is 7.1p per ordinary share (2010: 7.1p).

Proposed final dividend
3.55p per share (2010: 3.55p).

* these figures have been adjusted to exclude redundancy costs, additional FSCS levy, contract renewal payments, acquisition of subsidiary costs and amortisation of client relationships.

BUSINESS REVIEW: EXECUTIVE CHAIRMAN'S STATEMENT

I am pleased to report that your Company has delivered a resilient performance, despite turbulence across the financial markets worldwide and the effect on the UK of the continuing difficulties in many countries. Combined with our clear focus on the individual requirements of our clients the scale of our operation underpins Brewin Dolphin's ability to retain and attract clients.

With 41 offices throughout the UK, the Channel Islands and Ireland, our business has made good progress. The total income for the year from continuing operations is up by 10% from £240.0 million to £264.0 million and pre tax profit from continuing operations (excluding redundancy costs, additional FSCS levy, contract renewal payments, acquisition of subsidiary costs and amortisation of client relationships) was £39.6 million, a 1% increase on the previous year.

Funds under Management at the year end were £24 billion, 3.4% higher than last year. This increase is wholly attributable to the increase in funds under discretionary management. During the same period the FTSE 100 fell by 8.4% and the APCIMS Private Investor Series Balanced Portfolio fell by 3.8%.

Investment Management

There have been significant developments in our office network this year.

One is the acquisition of Tilman Brewin Dolphin Limited (formerly Tilman Asset Management Limited) in Dublin. We have long believed that there is a strong demand in the Republic of Ireland for the services that Brewin Dolphin offers. We have known Tilman for many years and we have every confidence that it will prove to be an important addition. Tilman Brewin Dolphin manages €0.9 billion funds on behalf of clients and its style and modus operandi fit well with our ethos and approach.

Another development is the imminent opening of an important new office in Bristol. Bristol is a significant city where we were not represented. This closes a noticeable gap in our national coverage.

We now have a network that is of sufficient size to give us good coverage throughout the UK and we continue to attract new teams in a number of locations, including Glasgow, Leeds and London this year.

We have also doubled our Charity team in London and have risen to 9th place in the top 50 Charity Managers survey 2011 by the Charity Finance Magazine.

Dividend

The Board is proposing a final dividend of 3.55p per share to be approved at the AGM in February 2012 and paid on 10 April 2012. This will bring the total dividend for the period to 7.1p in line with the dividend paid last year.

Regulation

This year we were required to pay a dramatically higher Financial Services Compensation Scheme levy in excess of £6 million (2010: £0.6 million). This related largely to the failure of Keydata. While clearly a charge of this nature is not something that any company would relish, or indeed anticipate, it is important that investors are provided with appropriate redress when the industry has clearly failed them. However, it is important to note that this is only part of the ongoing and increasing cost of regulation. Much work is being done in the United Kingdom and Europe regarding regulatory reform and Brewin Dolphin is fully engaged in the process. We hope that the eventual outcome of a number of important Parliamentary committee hearings and industry inquiries will lead to more efficient and suitable regulation for private investors and greater confidence in the industry as a whole.

Board Changes
I am pleased to announce some changes of responsibility within your Board. Henry Algeo has been appointed Chief Operating Officer and has responsibility for Business Support; Information, Communication and Technology; Facilities and Change Management. Henry brings much knowledge and experience to this role in both the operational and client facing sides of our industry. Ben Speke has taken responsibility for Human Resources to add to his Training & Competence and Health & Safety responsibilities. The Board has great confidence in both Henry and Ben and expects that they will bring many improvements to these vital areas of the business.

It has already been announced that our Deputy Chairman, Nick Hood, will retire from the Board at the forthcoming AGM. Nick has been Deputy Chairman since the summer of 2005, having first joined the Brewin Dolphin Board in 2000. He has been a member of the Audit Committee, the Remuneration Committee and the Nomination Committee, chairing the latter two as well as being Senior Independent Director. During his time on the Board he has been unstinting in his efforts and most generous with his time, and he has consistently provided very welcome advice. I am pleased to inform you that your Board has decided to ask Simon Miller to take on the role of Deputy Chairman and Senior Independent Director with effect from the end of our AGM. The search is well underway for two new Non-Executive Directors.

The process has also begun to search for a candidate to take on the role of Finance Director ahead of the anticipated retirement of Robin Bayford. Robin will be a difficult man to replace. He has been Finance Director since the Company floated in 1994 and his contribution to the Company for over 25 years is incalculable. A final date for Robin's departure is yet to be established and shareholders will be made aware of this in due course.

Strategy
Our focus on cost control to achieve efficiencies is undiminished. During the year we undertook a major strategic review of our investment management activities. As a result of this we are concentrating on the dual targets of reinforcing for the long term our continuing high standard of service to clients, and at the same time re-engineering our processes to improve the return to shareholders. It will take three years to achieve maximum benefits for shareholders, by which time we intend to have increased our operating margin to over 20%. Six months into the project, we are on time and on budget. These strategic initiatives will be delivered without increasing our capital expenditure run rate of recent years, and a much fitter and more responsive Brewin Dolphin will emerge. This will enable us to seize the increasing opportunities in our sector.

Last year, we announced our decision to focus on our core investment management business and are progressing with the disposal of our Corporate Advisory & Broking division to N+1. Disposing of a division rather than a clearly identifiable legal entity is inevitably a lengthy legal process and I would like to record my appreciation for the hard work and patience of all those involved.

Outlook
At the time of writing stock market sentiment remains fractious with the euro zone debt crisis and the possibility of another recession causing concern. However it is your Board's belief that long-term equity investments will continue to have an important role in the wealth management market.

The work undertaken as a result of our strategic review will improve the service to clients and the return to shareholders. With this in mind, your Board looks to the future with cautious optimism.

Jamie Matheson
6 December 2011

BUSINESS REVIEW: INVESTMENT MANAGEMENT

DAVID McCORKELL – EXECUTIVE DIRECTOR – HEAD OF INVESTMENT MANAGEMENT

Investment Management has performed well in what has been a volatile year for global financial markets. Our performance has been supported by our position as one of the UK's largest independent private client portfolio managers, with a network of over 40 offices and since August 2011, one in the Republic of Ireland.

Investment Management has seen its total income grow by 10% to £264.0 million in 2011 and operating profits excluding redundancy costs, additional FSCS levy, contract renewal payments, acquisition of subsidiary costs and amortisation of client relationships rose by 0.7% to £39.1 million.

This is analysed as follows:

	2011 £'000	2010 £'000	
Total income	**264,013**	240,012	10.0%
Salaries	**(90,676)**	(80,786)	12.2%
Other operating costs	**(98,409)**	(87,326)	12.7%
Profit before profit share	**74,928**	71,900	4.2%
Profit share	**(35,780)**	(33,031)	8.3%
Operating profit*	**39,148**	38,869	0.7%

* excluding redundancy costs, additional FSCS levy, contract renewal payments, acquisition of subsidiary costs and amortisation of client relationships

Income comprises:

	2011 £'000	2010 £'000
Fee, interest and other recurring income	**160,652**	**138,087**
Commission	**103,361**	**101,925**
Total income	**264,013**	**240,012**

The split of income and profits between Discretionary and Advisory portfolio management:

	Total Income 2011 £ million	Operating Profit 2011 £ million	Total Income 2010 £ million	Operating Profit 2010 £ million
Discretionary Portfolio Management	**180.5**	**26.8**	157.2	25.5
Advisory Portfolio Management	**83.5**	**12.3**	82.8	13.4
	264.0	**39.1**	240.0	38.9

Fee, interest and other recurring income has increased by 16.3% (2010: 24%) to 61% of total revenue (2010: 57%) whilst commission rose by 1.4% (2010:10%). The trend towards Discretionary management in recent years has continued with the level of recurring income increasing.

Funds under Management (FUM)

	Advisory funds £ billion	Discretionary funds £ billion	Total managed funds £ billion
Value of funds at 26 September 2010	**9.2**	**14.0**	**23.2**
Inflows	**0.3**	**1.6**	**1.9**
Acquired funds*	**0.2**	**0.6**	**0.8**
Outflows	**(0.6)**	**(0.3)**	**(0.9)**
Transfers	**–**	**–**	**–**
Market movement	**(0.7)**	**(0.3)**	**(1.0)**
Value of funds at 30 September 2011	**8.4**	**15.6**	**24.0**
% change in funds year on year	**-8.7%**	**11.4%**	**3.4%**

* Tilman Brewin Dolphin Limited

Excluding the acquisition of Tilman Brewin Dolphin Limited (formerly Tilman Asset Management Limited), there was an inflow of new FUM of £1.9 billion of which 84% was under discretionary mandates; discretionary funds under management have grown by 10.9% above the APCIMS Private Investor Balanced Portfolio Index and the growth in value of total funds under management has exceeded the APCIMS Private Investor Balanced Portfolio Index by 3.8%.

During the period, the FTSE100 Share Index and the APCIMS Private Investor Balanced Portfolio Index fell by 8.4% and 3.8% respectively.

The Business

During the year, five new Investment Management teams have been added to the Group, including a new Charities team in London which will be followed by further specialist charity investment managers before the end of 2011. Our enhanced charities department is now well placed to provide both the investment management and added value services increasingly required by charities, many of whom themselves are under considerable pressure in the current climate. This business is expected to develop further following this expansion.

The offices in Marlborough, Manchester, Cardiff and Leicester have moved to bigger and more suitable premises, our Keswick office has relocated to Penrith and we will be opening a branch in Bristol. The office in Llandudno has now closed. The Group has opened an office in Dublin following the acquisition of Tilman Brewin Dolphin Limited.

Currently there are a total of 643 FSA Approved Persons of which 531 are FSA Registered CF30 Client Executives, Investment Managers and Financial Planners around the country. The business could not function without their efforts and those of their support staff and I thank them all for their dedication to their clients during what has not been an easy year.

In my last report I mentioned the Retail Distribution Review (RDR) and I am confident the remaining client executives who have not yet completed the required professional qualifications will have achieved them by the end of 2012. RDR will bring fundamental changes for most of our industry and alter the way all advisers to private investors manage their businesses. We believe these changes will bring opportunities to Brewin Dolphin.

Early in the year, an independent survey of our clients was commissioned. We were very pleased to achieve an overall satisfaction level of 83% and to learn that 76% of our clients are likely to recommend us to others. Building on the strength of these findings, we instigated the major strategic review that we announced at the time of our interim report. This project will mean considerable change for our Investment Management business and enable Brewin Dolphin to provide a more efficient service to more clients in the future.

On 1st October 2011, a new national charging structure for all new Discretionary and Advisory Managed clients was introduced. During the 2011/12 financial year, existing clients will transfer to these new rates. As part of this repricing policy, trail commission will no longer be accepted from unit trust providers and will be switching retail units to non trail paying units in the coming months. The new structure will be more transparent and efficient and above all, fair to all our clients.

The systems used by our Investment Managers will also be changed over the next two years. Investment Managers will be provided with up to date technology which will enable them to manage client portfolios in a more efficient way and to provide an enhanced reporting service to all our clients. This also presents an opportunity to review the systems structure in our business support areas, which will allow the creation of more efficient processes.

Financial Planning, by client demand, has become an important part of Brewin's business and the number of Financial Planners around the Group will be expanded, so that all offices will provide this service in due course.

The Business Development team has had an excellent year. The team introduces Brewin Dolphin services to Independent Financial Advisers (IFAs) and other professional intermediaries around the UK. The team has introduced £482 million of new business in the year, an increase of 27% on last year; increasing demand for these services in the run up to RDR is expected.

Building brand awareness through targeted advertising and sponsorship of national and local events close to many of Brewin's offices has continued throughout the year. Highlights have included a Show Garden at the Chelsea Flower Show in aid of the British Heart Foundation, and supporting the national tour of Zulu War Talks for Help for Heroes. This has resulted in a steady flow of new business leads. Next year Brewin's will be celebrating its 250th Anniversary and marketing activities and our sponsorship of charitable events around the country will be increased as part of these celebrations.

Our Investment Managers have provided an excellent service to their clients during the year and we are determined that we will continue to provide bespoke investment management in an ever changing regulatory environment.

The Brewin Dolphin Vision
To be the leading independent Investment Management business maintaining trust through complete integrity, fair treatment of all our clients and offering a bespoke service which adds value through 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 and the application of knowledge through a quality recruitment policy, professional training programme and effective performance management.
- 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.

"Deliver what we promise"

The main KPIs used by management are:

- **Profit per team.** We maintain in excess of 150 individual team profit and loss accounts. 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 economic 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.

Measurement of KPIs

- The aggregate team operating profit excluding redundancy costs, additional FSCS levy, contract renewal payments, acquisition of subsidiary costs and amortisation of client relationships was as follows:

	2011 £'000	2010 £'000
Operating profit excluding redundancy costs, additional FSCS levy, contract renewal payments, acquisition of subsidiary costs and amortisation of client relationships	**39,148**	38,869

Detailed team performance was reasonable considering market conditions.

- The aggregate team return on funds under management was as follows:

	2011	2010
Average team return on discretionary funds	**1.19%**	1.21%
Average team return on advisory funds	**0.91%**	0.92%

The above small fall was predicted last year. It is anticipated that the introduction of a national rate card from 1 October 2011 for new clients will reverse this fall in 2012. The new rates will be brought in for existing clients during 2012, when trail commission will be phased out, improving transparency for our clients.

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

	2011	2010
Investment Management	**4.6**	4.5

A slight improvement.

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

	2011	2010
Total fixed business support costs as a % of income	**20.8%**	19.0%
Total fixed overhead costs as a % of income	**15.1%**	12.2%

Overhead and business support costs remain disappointingly high. This year fixed overheads include the cost of the Group investing £3m in the previously announced major strategic review. The results of this review are scheduled to roll out over the next three years to improve margins and provide enhanced services to our clients.

- Staff turnover ratios

Front office staff losses were 10.4% in 2011 (2010: 8%) with gains of 14.5% (2010: 14%).

Targets

The primary target is to grow discretionary funds by 5% p.a. above market movement shown by the FTSE 100 index. This year we have exceeded the movement in the FTSE 100 by 20%, 15.5% if one takes out the Tilman Asset Management Limited acquisition (2010: 8%).

The secondary target is to increase our operating margin to over 20% over a three year period from 1 April 2011.

The Ha'penny Bridge, Dublin, Ireland

The Group

The Brewin Dolphin Group's principal operating company is Brewin Dolphin Limited ("BDL"), which is regulated by the Financial Services Authority ("FSA"). BDL's main business is that of an Investment Manager. Tilman Brewin Dolphin Limited is the Group's Irish subsidiary based in Dublin. It is also operating as an Investment Manager and is regulated by the Central Bank of Ireland.

Competition and Markets

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

Long Term Value

The Group has consistently over the years enhanced the long term value of the business by building funds under management, especially discretionary funds which are far more highly valued by the market. To this effect while total funds were £16bn in 2001, of which £4bn were discretionary, at the end of September 2011 total funds were £24bn of which £16bn were discretionary.

Results for 2011 Financial Year

The performance of continuing operations in the period is set out below (see note 13 to the financial statements for discontinued operations):

	2011	2010	% Change
Average indices for the year			
FTSE 100	**5,764**	5,319	8.4%
FTSE APCIMS Private Investor Series Balanced Portfolio	**2,930**	2,739	7.0%

	2011 £'000	2010 £'000	% Change
Total income	**264,013**	240,012	10.0%
Salaries	**(90,676)**	(80,786)	12.2%
Other operating costs	**(98,409)**	(87,326)	12.7%
Profit before profit share*	**74,928**	71,900	4.2%
Profit share	**(35,780)**	(33,031)	8.3%
Operating profit*	**39,148**	38,869	0.7%
Net finance income and other gains and losses	**494**	345	43.2%
Profit before tax*	**39,642**	39,214	1.1%
Redundancy costs	**(1,008)**	(135)	
Additional FSCS levy	**(6,058)**	(595)	
Acquisition of subsidiary costs	**(228)**	-	
Contract renewal payments	**-**	(2,090)	
Amortisation of client relationships	**(10,486)**	(6,349)	
Profit before tax	**21,862**	30,045	-27.2%
Taxation	**(6,884)**	(9,447)	
Profit after tax	**14,978**	20,598	
Interim and proposed final dividend for the year	**(16,596)**	(16,239)	
	(1,618)	4,359	
Earnings per share			
Basic earning per share	**6.6p**	9.2p	-28.3%
Diluted earnings per share	**6.3p**	9.1p	-30.8%
Earnings per share*			
Basic earning per share	**12.4p**	12.2p	1.6%
Diluted earnings per share	**11.7p**	12.0p	-2.5%

* these figures have been adjusted to exclude redundancy costs, additional FSCS levy, contract renewal payments, acquisition of subsidiary costs and amortisation of client relationships.

Pension Fund
The actuarial gain on the pension fund this year was £2.8m (2010: loss £1.9m). Under IAS19, large annual fluctuations will occur. The Government passed legislation during the year to change the statutory inflation measure for pensions from Retail Price Index (RPI) to Consumer Prices Index (CPI). The change in the inflation measure has led to a reduction in defined benefit obligation of £1.3m out of the £2.8m. The Group has agreed to make additional pension contributions of £3 million per annum with the aim of paying the deficit off over the next 7 years.

Profit Dynamics
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 a FTSE 100 index level of 2,500 (2010: 2,500).

Resources available to the Group
The Group's main resource is its staff: (see note 7 to the financial statements) located in 40 offices around the U.K. and one in the Republic of Ireland.

Investment Management is broken down into small profit centres, in excess of 150, 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.

Significant Relationships
No client provides more than 2% of the Group's revenue. The Group has two main suppliers of computer software, but is in the process of replacing these suppliers with new entities.

Corporate Responsibility
Environmental, Health and Safety, Social and Community responsibility and Employment Issues are discussed in the Directors' Report, key employment policies are dealt with in the Directors' Remuneration Report.

Dividend
The Board has maintained the total dividend for the period at 7.1p per ordinary share (2010: 7.1p).

Cash Flow and Capital Expenditure
2011 saw a net cash outflow of £1.8m (2010: inflow £21.9m) after paying the £6.1m (2010 £0.6m) additional FSCS levy. There was a £32.9m (2010: £45.1m) inflow of funds from operating activities (a figure calculated net of the FSCS levy). £7.9m (2010: £8.3m) of cash was spent on acquiring teams of Investment Managers and their client relationships, and £8.3m (2010: £13.6m) on computer software and other, mainly computer related, fixed assets.

The purchase of Tilman Asset Management Limited for 100% share consideration resulted in a cash injection to the Group of £5.8m. While purchase of the Group's shares for both the Deferred Profit Share Scheme and Share Incentive Plan resulted in an outflow of cash of £10.6m (2010: £0.1m), against this the issue of shares in the year led to a cash inflow of £2.4m (2010: £14.6m).

Dividends paid in the period came to £16.3m (2010: £16.0m).

Capital Structure, Treasury Policy, Liquidity and Capital Requirement
At 30 September 2011 the Group had net assets of £154.8m (2010: £141.6m). Net assets excluding intangible assets and shares to be issued of £68m (2010: £65m) broadly represent the Group's capital for regulatory purposes. These net assets were largely represented by net cash and cash equivalents of £85m (2010: £87m), including £21m (2010: £25m) of client settlement money. The Group, has an agreed overdraft facility of £15m (2010: £15m). At the period end the Group had a surplus of net assets for regulatory capital adequacy purposes of £24.1m (2010: £24.3m).

Our policy is to hold 90% of our clients' and Group's money only at major UK clearers. Our client money is segregated under 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.

Market risk, foreign currency risk, liquidity risk, interest rate risk, and credit risk are small and set out in detail in note 26 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 during the year.

Going Concern
As outlined above under profit dynamics, 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 a FTSE 100 index level of 2,500 (2010: 2,500). The Group has errors and omission insurance of £100 million and on average has cash balance of £45 million.

The Group's business activities, performance and position, together with the factors likely to affect its future development, are set out in this Business 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 26 to the financial statements.

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.

Robin Bayford
Finance Director
6 December 2011

BUSINESS REVIEW: RISKS AND UNCERTAINTIES

Risks to the business are reviewed by the Risk Management Committee and monitored by Investment Management Risk and Controls Committee and the Corporate Advisory and Broking Risk 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 26 to the financial statements. The principal risk to the business remains adverse movements in the market in the short term.

At the Board meeting in October 2011 the following major financial and non financial risks were identified or reconfirmed:

Risk Type	Risk	Key Mitigators
Credit risk	Counterparty risk	Counterparty monitoring for both liquidity and performance as well as intra-day, daily and weekly reports to Group Head of Dealing. All institutional transactions are cash against delivery. High value trades monitored and authorised daily.
Earnings risk		Wide staff shareholdings. Contracts of employment with six months' garden leave. Remuneration structure and deferred profit share lock in staff.
Interest rate risk	Interest rate risk	No client money is held in fixed interest term deposits.
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. Market heavily regulated.
	Capital adequacy	Capital adequacy surplus maintained greater than regulatory requirement. Large cash balances.
Legal and Regulatory 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 Policy and Data Protection Steering Group; and Secure disposal of sensitive documents.
	Fast changing regulatory environment leading to breach of rules	Strong and proactive Regulation & Risk and Internal Audit functions.
	New business and product lines	New business and product lines reviewed by the Project Boards.
	Poor advice/portfolio performance (including mis-selling)	See below "Poor Investment Performance."
Operational and IT risk	Business continuity	Large branch network with back up systems in place. Back up computer site. Main server located outside London.
	Data integrity	Change to data requires authorisation. Data Architecture Team. Exception reporting. Information Security due diligence visits to third party suppliers.
	Electronic dealing errors	Close management supervision. Multiple validation on equity trading platform. E-ticket validation controls.
	Supplier capacity	Service Level agreements. Continuous review of suppliers.
	Significant strategic change	Board approval of new business initiatives taking into account due diligence. Change Management Department. Risk Appetite Statement.
	Project control	Regular meetings by Project Overview committee consisting of Senior Managers and Board Executives. Electronic tracking of resources and full project documentation testing.

Risk Type	Risk	Key Mitigators
Other risk	Financial crime	Segregation of duties. Authorisation processes.
	Acquisition of new teams	Strong vetting system for new recruits.
Reputational risk	Poor investment performance	Good in-house research. Business standards team. Monitoring by Regulation Department. Strong training and appraisal programme. MI Dashboard monitoring. Treating customers fairly embedded into the ethos of the firm.
	Adverse publicity	Media Policy, only authorised employees may communicate with the media. Monitor media coverage.
Settlement risk	Settlement failure	Experienced management team monitors settlement performance. Alternative settlement bank. Counterparty monitoring. High value trades monitored and authorised daily.

Business Review: Cautionary Statement

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 statements are made by the Directors in good faith based on information available to them up to the time of the approval of these reports and should be treated with caution due to inherent uncertainties associated with such statements. The Directors, in preparing this Business Review have complied with s417 of the Companies Act 2006.

DIRECTORS AND THEIR BIOGRAPHIES

Jamie Graham Matheson, Chartered FCSI
Executive Chairman

Jamie Matheson, aged 57, is the Executive Chairman of Brewin Dolphin Holdings PLC. Prior to this Jamie was a Glasgow director of the Bell Lawrie division of the Group and was responsible at Board level for the Group's Corporate Broking activities. He 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 divisional director. He joined the Brewin Dolphin Holdings PLC Board in 2002 and was responsible for Corporate Broking 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 Maven Income and Growth VCT5 PLC (formerly Bluehone AIM VCT2 plc) and STV Group plc.

William Nicholas Hood, CBE
Deputy Chairman and Senior Independent Director

Nick Hood, aged 76, is Deputy Chairman and Senior Independent Director. He was appointed to the Board in April 2000. He was Chairman of Wessex Water from 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.

Henry Arthur Algeo, FCSI
Executive Director

Henry Algeo, aged 59, was appointed to the post of Chief Operating Officer at Brewin Dolphin Holdings Plc. in May 2011. He started his career in 1974 at the London broking firm of Simon and Coates, later joining Josias Cunningham and Company in 1986 and becoming a Partner the following year. He was appointed Finance Director in 1998 and Managing Director in 2002. Henry Algeo joined Brewin Dolphin in February 2005 as Head of its Belfast office and was subsequently appointed Regional Managing Director for Scotland and Northern Ireland. In October 2007 he joined the Operating Board of Brewin Dolphin Limited. He was appointed to the Brewin Dolphin Holdings Board in July 2010.

Robin Alec Bayford, FCA
Finance Director

Robin Bayford, aged 62, is the Finance Director. He 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 as Finance Director. He structured the buy out from Scandinavian Bank in 1992, the acquisition of Bell Lawrie in 1993 and the flotation of Brewin Dolphin Holdings PLC in 1994. In 1998 he structured the acquisition of Wise Speke Limited, Hill Osborne in 2000, Popes in 2002 and Tilman Asset Management Limited in 2011. He was also closely involved with the recruitment of over 100 private client teams over this period and was, until 2011, the Director responsible for personnel.

Barry Howard, MCSI
Head of Regulation

Barry Howard, aged 49, is Head of Regulation & Risk at Brewin Dolphin Holdings PLC. He began his career training as a management accountant with Flight Refuelling in 1980 and his City career with Hoare Govett in 1985. Since then, 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 and was made a Director of the operating company, Brewin Dolphin Limited, in September 2003. He was appointed a Director to Brewin Dolphin Holdings Board in October 2007.

Angela Ann Knight, CBE
Non-Executive Director

Angela Knight, aged 61, was a Councillor and Chief Whip on Sheffield City Council from 1987 to 1992. She entered Parliament in 1992 as MP for Erewash and was Economic Secretary to the HM 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 Board of the Financial Services Skills Partnership and Tullett Prebon PLC.

Sir Stephen Mark Jeffrey Lamport, KCVO
Non-Executive Director

Sir Stephen, aged 60, 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.

David William McCorkell, FCSI
Head of Investment Management

David McCorkell, aged 56, is Head of Investment Management. He 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 Brewin Dolphin 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 and Stockbrokers in September 2009.

Simon Edward Callum Miller
Non-Executive Director

Simon Miller, aged 59, 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 Scottish Friendly Assurance Society Limited.

Sarah Soar, MCSI
Executive Director

Sarah Soar, aged 49, is National Director for the South Eastern regional offices and Business Development Director for the Group. She 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. 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.

Ian Benjamin Speke, MCSI
Executive Director

Ben Speke, aged 61, is responsible for Human Resources, Group Training, Business Standards and Health and Safety. He 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 returned to 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 Board.

Michael John Ross Williams, FCSI
Executive Director

Michael Williams, aged 64, is responsible for the Group's legal matters and for the Associates of Brewin Dolphin Limited. He joined Brewin Dolphin & Co. in 1968 and became a partner in 1978. He has consistently been involved in portfolio management. He joined the Brewin Dolphin Holdings Board on incorporation in 1987.

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

Jock Worsley, aged 70, is a chartered accountant. He 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 Lautro, 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 53 week period ended 30 September 2011. The comparative figures are for the 52 week period ended 26 September 2010.

Principal Activity
The principal activity of Brewin Dolphin Holdings PLC and its subsidiaries (the "Group") is that of Investment Management. It has a Corporate Advisory and Broking division which is being discontinued. The principal activity of Brewin Dolphin Holdings PLC (the "Company") is that of a holding company.

Branches
Operations are carried out in the UK, Channel Islands and Republic of Ireland. Details of branches are set out on page 93.

Review of the Business and its Future Development
Accompanying this Directors' Report are the Business Review, Corporate Governance Report, Audit Committee 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.

Results and Dividends
The results of the Group are set out in detail on page 45. The Company paid a final dividend and an interim dividend during the period, as detailed in note 14 to the financial statements. A final dividend of 3.55 pence per ordinary share is proposed and if approved, will be payable on 10 April 2012 to shareholders on the register at close of business on 16 March 2012.

Capital Structure
Details of the Company's authorised and issued share capital, together with details of the movements are set out in note 28 to the financial statements. This includes the rights and obligations attaching to shares and restrictions on the transfer of shares. The Company has one class of ordinary shares which carry no right to fixed income.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The directors are not aware of any agreements between holders of the company's shares that may result in restrictions on the transfer of securities or on voting rights. Details of employee share schemes are set out in note 28. Shares held by EES Trustees International Limited abstain from voting. Under the rules of the Groups' Share Incentive Plan ("BDSIP"), shares are held in trust for participants by Equiniti Share Plan Trustees Limited (the "Trustee"). Voting rights are exercised by the Trustees on receipt of the participant's instructions; if no such instruction is received by the Trustees then no vote is registered. No person has any special rights of control over the company's share capital and all issued shares are either fully or nil paid.

The Company has over the last three year period, issued a total of 8.4% of its issued share capital of ordinary shares in relation to the acquisition of businesses/client relationships.

Financial Instruments and Risk Management
Disclosures regarding financial instruments are provided within the Business Review and note 26 to the financial statements. Note 26 also contains details of risks and risk management.

Corporate Governance
The Corporate Governance Report on pages 25 to 29 forms part of the Directors' Report.

Directors
The Directors are listed on page 2. Biographies of the Directors are given on pages 16 and 17.

With regard to the appointment and replacement of directors, the Company is governed by its Articles of Association, the UK Corporate Governance Code 2010 (the "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 25.

Directors' Interests in Shares and Substantial Shareholdings
The interests of the Directors in the shares of the Company are set out on page 38 in the Directors' Remuneration Report. The interests of substantial shareholders and Directors are set out on page 92.

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.

Substantial Shareholdings
As at 30 November 2011 the Company had been notified in accordance with Chapter 5 of the Disclosure and Transparency Rules of the interests shown below in the voting rights of the Company since 8 November 2010.

Name	Date Notified	Interest in ordinary shares	% of voting rights
Kames Capital (formerly AEGON Asset Management UK)	02/08/2011	11,692,378	4.80%
Aberforth Partners LLP	12/09/2011	12,412,400	5.10%
Royal London Asset Management Limited	20/09/2011	7,299,147	3.00%
Blackrock Inc	14/10/2011	12,136,094	4.99%

Annual General Meeting
The Annual General Meeting ("AGM") will be held at 12 noon on 24 February 2012 at Merchant Taylors' Hall, 30 Threadneedle Street, London, EC2R 8JB. The Notice of Meeting will be sent to shareholders in January 2012. It will set out all changes in the interests of each director in the Company that occur between 10 November 2011 and the last practicable date of the Notice of the general meeting.

Purchase of Own Shares
At the Annual General Meeting on 25 February 2011 shareholders approved a resolution for the Company to make purchases of its own shares to a maximum number of 23,066,717 ordinary shares. This resolution remains valid until the conclusion of the next Annual General Meeting on 24 February 2012. As at 6 December 2011 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 7 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 arrangements, as described more fully in the Director's Remuneration Report. Employees also have the opportunity to participate in the Groups' Share Incentive Plan ("BDSIP"). To encourage participation the Group has awarded one matching share for every Partnership share purchased up to the value of £20. Staff participation is approximately 50%. Employees of the Group currently own approximately 25% of the Group.

Communication
Communication with our employees is essential. The Group has an Internal Communications Team who ensure that employees have all the information they need in both their professional capacity and as valued members of the Group. They ensure that information is disseminated by the most appropriate method to engage everyone in enhancing morale and productivity. Employees are kept informed of and consulted regularly on key issues affecting them and the Group either by electronic means or on a face to face basis as 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 throughout 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. The Graduate Trainee Scheme provides the opportunity to maximise the individual's experiences in the Group and seeks to increase their knowledge and skills.

One of our key challenges remains the Retail Distribution Review (RDR) and we continue to be 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 where possible that procedures and equipment are in place to aid them.

For the purposes of training, career development and promotion, all employees are treated on equal terms with other employees.

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 pleased to report a low employee turnover (see Business Review).

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

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 Total Remuneration 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 Ben Speke, Director of Human Resources.

Charitable and Political Donations

The Group made charitable donations of £195,677 during the period (2010: £96,000), to local and national charities serving the communities across which the Group operates. No political donations were made during the period (2010: £ nil).

Charitable Fundraising

Throughout the year our branches have organised a range of fundraising events for local and national charities, raising a combined total of £154,624. The Group has contributed to all these great efforts, which included ten employees cycling from London to Paris to raise over £37,000 for Leukaemia and Lymphoma Research; a 100km walk across the South Downs with the Ghurkhas; the Four National Peaks challenge and a cyclist crossed the whole of Jordan. This year, eight employees ran marathons in London, Chicago, Orlando and Belfast and 18 completed half marathons.

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 to charities.

Sponsorship
The Group sponsors a number of sporting and charitable events throughout the country, which this year included a garden at the Chelsea Flower Show (in aid of the British Heart Foundation), the Durham County Cricket Club and Team Northumbria. As usual the Group sponsored the Scottish Schools (Rugby) Cup, the Scottish Series sailing regatta and the Jersey Regatta. Most of our branches supported local charities and other events in their regions including the Abergavenny Food Festival, the Marlborough and Wiltshire Jazz Festivals, Flower Shows in Shrewsbury, Taunton and Norwich and Literary Festivals in Marlborough and the Borders.

Community Policy
The Group encourages its employees to give something back to their local communities. The North East branches are involved in the Young Professionals Forum ("YPF"), a networking channel for young business people in the region, there is also a forum operating from the Edinburgh office. The YPF identified that there was a lack of opportunities for young professionals in the early stages of their career and the aim of the group is to host regular events offering a platform for likeminded professionals to socialise and network in a relaxed environment. The Edinburgh YPF has over 1,400 members and is run by three of our investment managers. 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 2011 and 2010.

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 is 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 large 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.

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. Our external consultants that we work with seek to minimise our computer footprint through virtualisation or consolidation of services wherever possible. Replacement of equipment is in accordance with this policy. Obsolete computer equipment is passed to Euro Recycling who provide a fully compliant WEEE service which adheres to the EU Waste Electrical and Electronic Equipment Directive (WEEE Directive). The Directive aims to minimise the impact of waste electrical and electronic goods on the environment, by increasing re-use and recycling and reducing the amount of WEEE going to land fill.

The impact of the travel undertaken by our employees in the course of their duties is shown in the following table; overall our CO2 emissions were for the 53 week period to 30 September 2011:

Summary	Tonnes CO2e
Air	684
Rail	304
Road	522
	1,510

The Data has been collected for all our branches, and calculated in accordance with the guidelines set out in DEFRA Guidance on How to report GHG Emissions.

The Group has recently installed videoconferencing facilities. In particular the ICT training team now conduct the majority of their training via a virtual training room called Webex, this has significantly reduced the number of actual branch visits by the team. The Group will continue to monitor its CO2 emissions.

The majority of our paper used is from sustainable sources and we are looking to increase the utilisation of recycled paper for printing and photocopying across the Group. We have reduced the use of paper wherever possible by encouraging double sided printing, electronic communications with our shareholders and our clients and internally by the widespread use of the intranet and email communication. We encourage colleagues not to print out emails. Recycling of paper, toners and printer cartridges is encouraged across the Group. All paper used 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. Through its confidential paper recycling program, the Group has recycled over 360,500 kgs during the period the equivalent of saving 7,210 trees.

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, our key principal is for us to protect and enhance the economic interests of our clients but it is also important for us to be able to consider the personal preferences of our clients in relation to ethical, environmental and social governance issues.

We offer a range of ethical screening services alongside our portfolio management, in order to ensure that a client's individual preferences in terms of ethical criteria can be upheld. In order to provide this, we subscribe to the research services of EIRIS, the Ethical Investment Research Service, a leading provider of independent research in this area.

For those invested in unitised funds, we offer the Ethical Collective Portfolio which is a fund based approach, investing in a well diversified range of specialist ethical unit or investment trusts. These funds are researched, selected and monitored on an ongoing basis by the Brewin Dolphin Fund Research Team.

To clients, who seek to apply one or a number of commonly-requested ethical criteria to their segregated investment portfolio, we offer an Ethical Portfolio Service. This allows clients to select a number of areas they may wish to avoid or positively select, empowering investors to align their ethics with their financial investment objectives. Such an approach screens the investment universe and identifies stocks that are suitable for inclusion in their portfolio and those that should be excluded. Fund managers use the stock lists identified by a range of criteria that are available throughout Brewin Dolphin on its extensive research intranet site.

For those clients with more specific criteria, an Individual Ethical Portfolio can be created, monitored and managed. In this instance an in-depth questionnaire is completed at the outset, allowing individual clients to select their own ethical criteria and the level to which they wish this to apply to their portfolio. This is of particular importance to our charity clients. This option is only available as a discretionary service.

We debate with clients any impact their policy may have upon the overall investment performance, in order to agree their policy and appropriate benchmarks.

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.

Auditor
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 auditor is 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 auditor is 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 auditor 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
6 December 2011

Bristol Balloon Fiesta, Clifton Suspension Bridge, Bristol

The Directors are committed to a high standard of corporate governance and to compliance with the best practice provisions of the UK Corporate Governance Code ("the Code"), which was issued by the Financial Reporting Council and replaced the previous Combined Code on Corporate Governance. The following statement, the Directors' Remuneration Report, the Audit Committee Report and the Business Review: Finance explains how the provisions set out in the Code have been applied by the Group and details the Group's compliance with the provisions of the Code for the year. The Directors consider that the Company has been in full compliance with the provisions set out in the Code throughout the period ended 30 September 2011, unless an explanation has been provided otherwise.

The Board

At the end of the year the Board had thirteen members, comprising eight Executive Directors and five Non-Executive Directors. At present the requirement under the Code for at least half the Board to comprise of Non-Executive Directors is not being met. However, this is under review as part of the work being carried out by the Nomination Committee and the number of Non-Executive Directors will increase to 6, which the Board considers is appropriate for the size of the Company. Biographies of all the current Directors are presented on pages 16 and 17. Each of the Non-Executive Directors is considered by the Board to be independent, not withstanding the fact that Nick Hood the Deputy Chairman and Senior Independent Director has served in excess of nine years on the Board. Nick Hood will retire from the Board at the conclusion of the 2012 AGM. Details of attendance of the individual members of the Board at its meetings during the year is shown in the table below:

	Maximum possible attendance	Attendance
Jamie Matheson	11	11
Henry Algeo	11	11
Robin Bayford	11	11
Barry Howard	11	10
David McCorkell	11	11
Sarah Soar	11	11
Ben Speke	11	11
Michael Williams	11	11
Nick Hood	11	10
Angela Knight	11	11
Sir Stephen Lamport	11	11
Simon Miller	11	10
Jock Worsley	11	11

The Non-Executive Directors frequently meet with the Executive Chairman and also on their own, without any executives present, at meetings led by the Senior Independent Director.

The Board maintains a formal schedule of matters reserved for the Board which is reviewed annually by the Company Secretary and approved by the Board. The Board is regularly updated throughout the year and receives in advance of the monthly meetings, detailed board packs, which include an agenda based upon the schedule of matters reserved for its approval and appropriate reports and briefing papers. The specific responsibilities retained by the Board include: 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; ensuring that a reasonable discourse occurs with shareholders and establishing and monitoring Group strategy. In addition to the scheduled board meetings, the Board also has a day devoted entirely to the Group's strategic objectives, which provides a further opportunity for all Directors and particularly the Non-Executive Directors, to ensure the strategy is on course, that KPI's are rigorously reviewed and the objectives are analysed and challenged. Primary responsibility for the day to day operations, the development and recommendations of the Group's long term objectives and the implementation of the commercial strategy for the Group have been delegated to the board of the principal operating company Brewin Dolphin Limited ("BDL Board"). All the Executive Directors on the Group Board also sit on the BDL Board. This separation of responsibilities across the two boards ensures that a range of skills and opinions on strategic and operational matters is applied across the Group.

Appropriate training and induction is made available to newly appointed directors, taking into account any previous experience they may already have as directors of a public limited company or otherwise. Training sessions are regularly undertaken for the entire Board at least twice a year and the Executive Directors have access on request to a professional development trainer, who can provide individual executive training tailored to their requirements. 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
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. The Executive Chairman, Jamie Matheson, has five direct reports: Finance Director Robin Bayford; Head of Investment Management David McCorkell; Chief Operating Officer Henry Algeo; Director of Human Resources Ben Speke and Head of Regulation & Risk Barry Howard.

Board Evaluation
In 2010 the annual evaluation of the Board's performance and that of its sub-committees, individual Directors and Chairman was undertaken internally. This year in line with the Code, an external evaluation of the Board was carried out based on initial briefings with the Executive Chairman, Deputy Chairman and Company Secretary, following which detailed interviews were held with the individual members of the Board and other relevant parties. A full report was provided to the Board of the findings and the results/ recommendations discussed and challenged. The report concluded that the Board functioned well and comprised of members whom understood the nature and extent of the Board's responsibilities and its' role within the Company. There was an open Board culture and effective challenge made.

As a result of the review no major changes were recommended, but a number of suggestions from the report are to be taken further. A separate report was produced on the Chairman's performance and the Deputy Chairman as Senior Independent Director carried out a review of the Chairman's performance, using the feedback obtained from the Board evaluation process and met with the Chairman to discuss any issues raised. The external facilitator selected was independent and has no other connection with the Company.

Appointment of Executive and Non-Executive Directors
The Company's Articles of Association, the Companies Act 2006 and other applicable regulations and policies govern the appointment of the directors. Directors may be elected by shareholders in general meeting or appointed by the board of directors in accordance with the provisions of the Articles of Association. In accordance with the Code all directors will be subject to re-election at the 2012 AGM.

Following the completion of the Board evaluation process, it is the view of the Board that both the Executive and Non-Executive Directors continue to perform effectively and it is appropriate for them to continue to serve as Directors of the Company. The Board shall be recommending that all directors be re-elected by shareholders with the exception of Nick Hood who will retiring at the AGM. The Board is in no doubt as to the continued independence of Nick Hood's thinking and decisions and the rigorous level of challenge provided by him.

The biographical details of the Directors' can be found on pages 16 and 17.

Directors' Conflicts of Interest
The Board has a policy and effective procedures for managing and, where appropriate, approving conflicts or potential conflicts of interest. It 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 had three standing committees during the year: the Nominations Committee; the Remuneration Committee; and the Audit 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. Following the year end a Risk Committee was formed, to adopt the risk management responsibilities of the Audit Committee.

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

Nominations Committee

The majority of the members of the Nomination Committee are Non-Executive Directors, the Committee consists of Nick Hood (Chairman), Jock Worsley, Simon Miller, Sir Stephen Lamport, Angela Knight and the Executive Chairman, Jamie Matheson (appointed on 22 September 2011). The role of the Nominations Committee is to review the structure, size and composition of the Board and to be responsible for the Board's succession planning.

During the year, the Nomination Committee progressed with the current succession plan. Specialist external search consultants have been resourced with a specific remit to source the skills, knowledge and experience required for the continued success of the Board. A planned process for recruitment is in place, involving the entire Board in the selection process. The Committee is mindful of the recent recommendations in the Davis Report on diversity and is committed to providing equal opportunities for all, to appointing and promoting on merit whilst taking into account relevant skills and experience with due regard for the benefits of diversity on the Board.

A table detailing the attendance of the individual members of the committee during the year is shown below:

	Maximum possible attendance	Attendance
Nick Hood	5	5
Angela Knight	5	4
Sir Stephen Lamport	5	3
Simon Miller	5	4
Jock Worsley	5	4

Remuneration Committee

The Remuneration Committee is chaired by Nick Hood and the other members are Simon Miller, Jock Worsley, Sir Stephen Lamport and Angela Knight. The Directors' Remuneration Report is presented on page 34, which gives further information.

A table detailing the attendance of the individual members of the committee during the year is shown below:

	Maximum possible attendance	Attendance
Nick Hood	5	5
Angela Knight	5	4
Sir Stephen Lamport	5	4
Simon Miller	5	4
Jock Worsley	5	4

Audit Committee

The members of the Audit Committee are Jock Worsley (Chairman), Nick Hood, Angela Knight, Simon Miller and Sir Stephen Lamport. Details of meeting attendance of the individual members of the committee during the year are shown below:

	Maximum possible attendance	Attendance
Nick Hood [1]	7	5
Angela Knight [2]	1	1
Sir Stephen Lamport	7	7
Simon Miller	7	7
Jock Worsley	7	7

[1] resigned on 26 July 2011

[2] appointed on 26 July 2011

A separate Audit Committee Report is set out on page 31 and provides details of the role, composition, responsibilities of the Committee and its relationship with internal and external auditors.

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. The Board recognises that its' risk management strategy is essential for achieving good business governance, to protect stakeholders and enhance shareholder value. The Board has adopted a risk-based approach to establish a system of internal control. It reviews its effectiveness periodically, by receiving ongoing reports on internal control from the Audit Committee and the BDL Board which is informed by the established Risk Committees. Day-to-day review and monitoring has been delegated to the Investment Management Risk and Controls Committee ("IMRCC"), Corporate Advisory & Broking Risk and Controls Committee ("CABRCC") and Business Support Risk & Controls Committee of Brewin Dolphin Limited, the activities of which include overseeing and reviewing the controls, monitoring and reporting frameworks and related procedures for risk management.

The Regulation & Risk department and Internal Audit also carry out regular reviews. Full details of the risks considered by the Board are set out in the Business Review: Finance on page 11. Business Continuity Management is now embedded within the business and is reviewed and tested annually. The Board recognises the potential operational and financial losses associated with a service interruption, and the importance of maintaining viable business resilience strategies.

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 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. The Board has implemented the 'Three Lines of Defence' model to ensure a robust and effective framework to manage internal controls and risks across the organisation. It facilitates the decision making process while providing effective governance around risk management and assurance.

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 Regulation & Risk 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. The Audit Committee assists the Board in discharging its review responsibilities.

iv) There is a whistleblowing policy detailing the internal or external procedures through which employees are able to raise any concerns.

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.

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, analysts and financial press. Annual and Interim reports are distributed to other parties who may have an interest in the Group's performance and the Group's website is kept up-to-date covering all corporate activity. The Executive Chairman provides the Board with regular feedback following meetings with shareholders. The Deputy Chairman also met with shareholders during the year to discuss any concerns they had during the year.

The Company recognises the importance of ensuring effective communication with all of its shareholders. Twice-yearly reports, written on the Group by Equity Development Limited, are available to all shareholders on the Web at www.equitydevelopment.co.uk. Regular reports are also available from Edison Investment Research, www.financial@edisoninvestmentresearch.co.uk. The Company welcomes all shareholders to its AGM, with the opportunity to ask questions formally at the meeting or more informally with all members of the board 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.

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 Code
The Directors consider that the Company has been in full compliance with the provisions set out in the Code throughout the period ended 30 September 2011, except as described below:

- The Executive Chairman does not meet the provision that the role of Chairman and Chief Executive should not be exercised by the same individual (A.2 and A.2.1). To ensure that there is a clear balance of power and authority within the Company, there is a clear division of duties between the Executive Chairman and the Independent Non Executive Deputy Chairman.

- In designing schemes of performance-related remuneration, the remuneration committee does not fully follow the provisions in Section D to the Code (D.1.1 and Schedule A) in that, in respect of annual profit share payments paid to executive directors, individual upper limits were not set, nor were predetermined performance criteria applied. There was, however, an overall upper limit as the Director's profit share pool of 3% of Group profit pre profit share and amortisation of client relationships. This pool was allocated by the Remuneration Committee amongst the Executive Directors, taking into consideration individual directors' performance. Following a review of this policy with advice from external advisers for 2012 the split between fixed and variable pay has been adjusted. For the forthcoming year, the profit share pool has been reduced to 2.1% of Group profit as defined above and no individual profit share can be greater than twice fixed salary save for Michael Williams, Executive Director whose profit share participation is determined solely by reference to his own team's investment management performance on a strict formula in line with other investment managers within the Group. 1/3 of profit share above £50,000 is paid in deferred shares, 2/3 if greater than once fixed salary. Individual performance criteria have been agreed for each director save for Michael Williams, Executive Director whose profit share participation is determined solely by reference to his own team's investment management performance on a strict 4 TD(ag.2e to g.2.1). T)111(o(pesuof pr)rticipatiof pr)ris management performaa clear

Summary of the Role of the Audit Committee
The Audit Committee is appointed by the Board from the Non-Executive Directors of the Company. The Audit Committee's terms of reference include all matters indicated by Disclosure and Transparency Rule 7.1 and the Code. The terms of reference are considered annually by the Audit Committee and are then referred to the Board for approval.

The Audit Committee is responsible for:

- monitoring the integrity of the financial statements of the Group and any formal announcement relating to the Group's financial performance and reviewing significant financial reporting judgements contained therein, prior to their submission to the Board;
- reviewing the Group's internal financial controls and the Group's internal control and risk management systems;
- monitoring the work of the Internal Audit function and the Risk Management Department and considering the reports received from the Regulation & Risk and Risk Management Departments;
- reviewing the effectiveness of the Group's internal audit function;
- reviewing the Company's procedures for handling allegations from whistleblowers and for detecting fraud;
- making recommendations to the Board, for a resolution to be put to shareholders for their approval in the annual general meeting, on the appointment of the external auditors and the approval of the remuneration and terms of engagement of the external auditors;
- reviewing and monitoring the external auditors' independence and objectivity and the effectiveness of the audit process; and
- developing and implementing a policy on the engagement of the external auditors to supply non-audit services, taking into account relevant guidance regarding the provision of non-audit services by the external audit firm.

The Audit Committee is required to report its findings to the Board, identifying any matters in respect of which it considers that action or improvement is needed, making recommendations on the steps to be taken.

Composition of the Audit Committee
The members of the Audit Committee are Jock Worsley, FCA (Chairman), Simon Miller, Sir Stephen Lamport and Angela Knight (appointed 26 July 2011). Nick Hood served on the Committee until the 26 July 2011. Membership of the Committee is reviewed by the Chairman of the Committee and the Executive Chairman, who is not a member of the Audit Committee, at regular intervals and they recommend any changes to the Nomination Committee.

The Chairman of the Committee is a qualified Chartered Accountant and the Board is satisfied that the other members of the Committee are all financially literate.

The Group provides an induction programme for new Audit Committee members and on-going training to enable the committee members to carry out their duties.

Meetings
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 and meets its responsibilities. The items to be reviewed are approved by the Audit Committee Chairman on behalf of his fellow members. Each member has the right to require reports on additional matters of interest.

The Finance Director, Head of Regulation & Risk, Head of Internal Audit and the Company Secretary normally attend all Audit Committee meetings. At the Committee's request, other senior management are invited to present such reports as are required for the Committee to discharge its duties.

The number of meetings and attendance for the year are on page 27 of the Corporate Governance Report.

Overview of the actions taken by the Audit Committee to discharge its duties
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, Half-Yearly Financial Report and Interim Management Statements. In doing so, the Committee reviewed significant accounting policies, financial reporting issues and judgements and receiving reports from the external auditors on their audit of the Annual Report and Financial Statements and review of the Half-Yearly Financial Report;
- 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 Audit annual plan, reviewing all reports from internal audit including management responses to the findings of the reports and their proposals and evaluating the effectiveness of Internal Audit;
- reviewing the Company's procedures for handling allegations from whistleblowers and for detecting fraud;
- reviewing regular reports from the Group's Head of Regulation and evaluating the effectiveness of the Group's Regulation & Risk function;
- receiving regular reports from the Group's Risk Management Committee;
- considering the output from the process used to identify, evaluate and mitigate risks;
- considering a report from the external auditors on their review of the effectiveness of controls across the Group and receiving a report on management action taken in response to the report;
- reviewing the effectiveness of the Group's internal controls and disclosures made in the annual report and financial statements on this matter;
- 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;
- reviewing the Audit Committee's own terms of reference; and
- reviewing its own effectiveness.

The Audit Committee reports its findings to the Board, identifying any matter on which it considers that action or improvement is needed and making recommendations on the steps to be taken.

External Auditors
The Audit Committee is responsible for the development, implementation and monitoring of the Group's policy on external audit. The policy sets out the categories of non-audit services and audit services which the external auditors will be allowed to undertake and provides an approval process for the provision of any other non-audit services.

The Board uses the auditors for audit and related activities. It does not use the auditors for non-audit services unless there are appropriate reasons for doing so, thereby retaining their objectivity and independence. The majority of tax advisory and similar work is carried out by another major accountancy firm. An analysis of auditors' remuneration is provided in note 8 to the financial statements.

To fulfil its responsibility regarding the independence of the external auditors, the Audit Committee reviewed:

- the external auditors' plan for the current year, noting the role of the senior statutory audit partner, who signs the audit report and who, in accordance with professional rules, has not held office for more than five years, and any changes in the key audit staff;
- the arrangements for day-to-day management of the audit relationship;

- a report from the external auditors describing their arrangements to identify, report and manage any conflicts of interest;
- the overall extent of non-audit services provided by the external auditors, in addition to its case-by-case approval of the provision of non-audit services by the external auditors; and
- the past service of the auditors who were first appointed in April 2002 and reappointed following a review in 2007.

The Audit Committee is responsible for recommending to the Board the appointment, reappointment or removal of the external auditor. It is the policy of the Board to undertake a major review of the appointment every six years.

The Committee has considered the likelihood of a withdrawal of the external auditor from the market and noted that there are no contractual obligations to restrict the choice of external auditors.

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

An annual review of the effectiveness of the external auditors is carried out by the Audit Committee, taking into consideration:

- the arrangements for ensuring the external auditors independence and objectivity; the external auditors fulfilment of the agreed audit plan;
- the robustness and perceptiveness of the auditors in their handling of the key accounting and audit judgements; and
- the content of the external auditors reporting on internal controls.

Following the annual review of effectiveness, the Audit Committee recommended to the Board that reappointment of the auditors be proposed to shareholders at the 2012 AGM.

Internal Audit
During the year, the Group has outsourced its Internal Audit function, to Grant Thornton LLP. The Audit Committee reviewed:

- Internal Audit's methodology, reporting lines and access to the Audit Committee and all members of the board;
- Internal Audit's plans and its achievement of the planned activity;
- the results of key audits and other significant findings, the adequacy of management's response and the timeliness of resolution; and
- the timeliness of reporting.

Overview
As a result of its work during the year, the Audit Committee has concluded that it has acted in accordance with its terms of reference and has ensured the independence and objectivity of the external auditors. The Chairman of the Audit Committee will be available at the AGM to answer any questions about the work of the committee.

Jock Worsley
Chairman of the Audit Committee
6 December 2011

Introduction
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 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.

Part One: Unaudited Information

Remuneration Committee
The Remuneration Committee is governed by formal terms of reference agreed by the Board. The terms of reference were reviewed during the year to ensure they continued to accurately reflect the remit of the committee. The terms of reference of the Remuneration Committee can be viewed on the Company's website, together with Committee membership.

The Remuneration Committee consists solely of Independent Non-Executive Directors. The composition of the committee and the number of times the committee met can be found in the Corporate Governance Report on page 25. 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 Remuneration Committee determines the individual remuneration packages of each Executive Director. No director plays any part in any discussion about his or her own remuneration. 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. Independent legal advice may be sought by the committee as required. The committee did not take independent legal advice in the period under review.

During the period the committee met five times and a number of issues were considered and discussed, including but not limited to salary level review of the Executive Directors, profit share payable for the 2011 period and the parameters for determining future executive remuneration. Advice was sought from external consultants Hewitt New Bridge Street ("consultants"). The consultants selected are independent and have no other connection with the Company. The advice was taken to ensure that the Board's remuneration complied with the FSA Remuneration Code and the mix of remuneration between fixed and variable elements was competitive in light of the Finance Director indicating that he was considering retirement.

Policy on Remuneration of Executive Directors
The remuneration of Executive Directors, other than Michael Williams, who is paid on the results of his profit centre (see below), has been to date by reference to the performance of the Group and the Executive Directors' contribution to enhancing future growth. No director has been involved in setting his own remuneration. As a result of a review commissioned by the Company and undertaken by external consultants (Hewitt New Bridge Street) it was determined that, while the overall remuneration of the Board was comparable with its peers, the split between fixed remuneration and variable remuneration was out of line, which could make future recruitment difficult, and in the case of the Head of Regulation and Risk was not in compliance with the FSA Remuneration Code. This rebalancing was done on the basis that overall remuneration would not be increased from 2010 levels if profits remained at those levels. In addition, individual targets have been introduced for each Executive Director for 2012 against which they will be judged.

To enforce the long term element of remuneration, in common with all other employees of the Group, under the Deferred Profit Share Plan ("DPSP") (see below for further details) one third of Directors' profit share, above £50,000, has to be paid in deferred shares under the DPSP. Directors and all staff can also elect to have further sums paid under this scheme. It is the intention that all deferred shares will be satisfied by shares purchased in the market by the trustees of the scheme. The compulsory one third element of the deferred scheme is subject to forfeiture on a "bad leaver"

basis. For the forthcoming financial year, for Directors only, two thirds of profit share, if greater than the individual's fixed salary, has to be taken in deferred shares and there is a cap on profit share at twice fixed salary save for Michael Williams, Executive Director whose profit share participation is determined solely by reference to his own team's investment management performance on a strict formula in line with other investment managers within the Group.

Total Remuneration Package ("TRP") Excluding Profit Share
Total fixed remuneration is reviewed annually with changes effective from 1 January each year, taking into account individual performance, market data and levels of increases applicable to other employees in the Group. TRP is benchmarked against comparable roles in companies of a similar size and growth pattern, and against companies within the financial services sector.

Benefits-In-Kind
Some Executive Directors receive certain benefits-in-kind, which includes private medical insurance, permanent health insurance and deemed interest on nil paid shares. These are part of TRP above, with the exception of deemed interest on nil paid shares.

Annual Profit Share Payments
In 2011, the Executive Director profit share participation was based on a number of factors including but not limited to work undertaken and comparable salaries. These Directors are awarded from a profit share pool based on 3% of Group profit pre profit share and amortisation of client relationships. This limit has been reduced to 2.1% and an upper limit of twice fixed salary has been introduced for the forthcoming financial year. The only exception to this is Michael Williams whose profit share participation is determined solely by reference to his own team's investment management performance on a strict formula in line with other investment managers 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.

FSA Remuneration Code ("Code")
Director employment contracts were updated in December 2009, to include, the Deferred Profit Share Plan. Other adjustments have been made to remuneration on the advice of Hewitt New Bridge Street to ensure that the Group is in compliance with the FSA Remuneration Code. Information disclosure required by the Code will be published on the Group's website at www.brewin.co.uk.

Pension Arrangements
Defined Contribution Scheme
Executive Directors' main pension entitlement is via a defined contribution scheme. All Executive Directors are members of the Company Defined Contribution Scheme. Pension contributions are part of the Executive Director's Total Remuneration Package, with the exception of that paid out of annual profit share.

Defined Benefit Scheme
Entry to the Company Defined Benefit Scheme was withdrawn in 2004 for new staff members.

Robin Bayford, Jamie Matheson and Sarah Soar all transferred their pension benefits out of the Defined Benefit Scheme in December 2007. However, their dependants remain eligible for dependants' pensions from this scheme.

Michael Williams remains an active member of this scheme while David McCorkell and Ben Speke remain deferred members of this scheme, and as above, their dependants remain eligible for dependants' pensions from this scheme.

Death in Service Benefits
Executive Directors are eligible for Death in Service benefit cover which is equal to six times the Director's TRP excluding profit share.

Share Options
Details of Directors' interests in share option schemes are shown in Table 6 below.

Terms of Share Option Schemes
The Group's two approved employee option schemes were adopted in 1994 and 2004 respectively. 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. The performance criteria is set by the Remuneration Committee and selected to recognise that recurring income has greater shareholder value. 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. These options are only granted once an employee has been with the Group for two years, and are awarded with the aim of increasing the share ownership of those employees that do not have a significant shareholding in the Group. There is no future intention of issuing any options under the senior employee matching purchase share scheme.

Share Incentive Plan ("SIP")
All employees of the Group are eligible to participate in the SIP following six months of service. Employees may use funds from their gross salary up to a maximum of 10% of their gross salary in regular monthly payments (being not less than £10 and not greater than £125) to acquire ordinary shares in the Company ("Partnership Shares"). Partnership Shares are acquired monthly. For every Partnership Share purchased, the employee receives one matching share up to the value of £20.

Partnership Shares may be withdrawn from the SIP at any time. Matching Shares are subject to good leaver provisions. Under the SIP, the aggregate number of shares which may be issued at any date of grant, when aggregated with shares issued or issuable pursuant to options or awards granted in the preceding 10 years under any employee share plan operated by the Company ("Shares Under Option") other than the senior employee matching share purchase scheme (the "Share Purchase Scheme") shall not exceed 10% of the issued share capital. Furthermore, the aggregate number of Shares Under Option other awards or options granted as a result of an allocation or offer to all or substantially all employees of a member of the Group on similar terms or under an all employee share plan or the Share Purchase scheme shall not exceed 5% of the issued ordinary share capital.

All shares to date awarded under this scheme have been purchased in the market by the Trustees and it is the intention of the Directors to continue this policy in the year to September 2012.

Deferred Profit Share Plan ("DPSP")
The DPSP provides for eligible employees to be required or invited to defer some or all of their annual profit share entitlement into an award over ordinary shares (an "Award"). Under the DPSP there is currently a mandatory deferral of one third of any profit share in excess of £50,000 for a period of three years. Employees can also elect to defer profit share voluntarily into the plan. Awards are generally in the form of nil cost options to acquire ordinary shares although at the discretion of the Committee they may also take the form of a conditional right to receive ordinary shares. Awards in the form of mandatory deferrals made to the employees who leave the Group at any time prior to vesting lapse unless the employee leaves as a result of good leaver provisions.

Under the DPSP the aggregate number of shares which may be issued pursuant to awards granted in the preceding 10 years under any employee share plan operated by the Company ("Shares Under Option"), other than those relating to shares purchased in the market by the Trustees under the DPSP, shall not exceed 10% of the issued share capital.

The trustees have purchased £10.4m shares in the market during the 53 week period to 30 September 2011 to cover both the shares awarded under the scheme in December 2010 and in preparation for the December 2011 award. It is the intention to recommend to our Trustees to purchase the shares in the market for any shares awarded under this scheme in the year to September 2012, in order to avoid dilution.

Discontinued schemes
The senior employee matching share purchase scheme is additional to the above schemes and allowed 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. The Board does not intend to issue any options or shares under this scheme in the future.

Policy on External Appointments
The Group encourages external appointments at a senior level on the grounds that this can help broaden the skills and experience of a Director. Directors' fees arising from external appointments are either paid to the Group or taken into account in assessing the overall executives' remuneration package.

Jamie Matheson is a Non-Executive Director of Maven Income and Growth VCT5 PLC (formerly Bluehone AIM VCT2 plc) and during 2011 received the agreed fee of £12,000 for the financial period ended 30 November 2011 (2010: £11,667). Jamie Matheson is also a Non-Executive Director of STV Group plc and during 2011 he will receive agreed fees of £35,000 for the financial period ended 31 December 2011 (2010: £35,000). The remuneration above was paid directly to him.

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:

Henry Algeo	December 2009
Robin Bayford	December 2009
Barry Howard	December 2009
Jamie Matheson	December 2009
David McCorkell	December 2009
Ben Speke	December 2009
Sarah Soar	December 2009
Michael Williams	December 2009

Non-Executive Directors' letters of engagement are all for a period of three years and are as follows:

	Commencement of engagement period
Nick Hood	6 March 2009
Angela Knight	14 July 2010
Sir Stephen Lamport	19 March 2010
Simon Miller	26 October 2011
Jock Worsley	26 August 2009

Non-Executive Directors' Remuneration
All Non–Executive Directors serve under three year letters of appointment and either party can terminate on one month's written notice or in accordance with the Articles of Association. Their remuneration is determined by the Board within the limits set by the Articles of Association and is based on information on fees paid by similar companies and the skills and expected time commitment of the individual concerned. The Non-Executive Directors do not have any right to compensation on the early termination of their appointment. In addition to the basic fees, fees for additional committee chairmanship duties, and to the Senior Independent Director, are paid, to reflect the extra responsibilities attached to these roles. The Non–Executive Directors do not participate in any of the Group's incentive scheme or share schemes. Nor do they receive any other benefits. The fees are reviewed in December of each year and fees for 2011 are shown in Table 5 below.

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 Barry Howard and Sarah Soar 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 30 September 2011 and 26 September 2010.

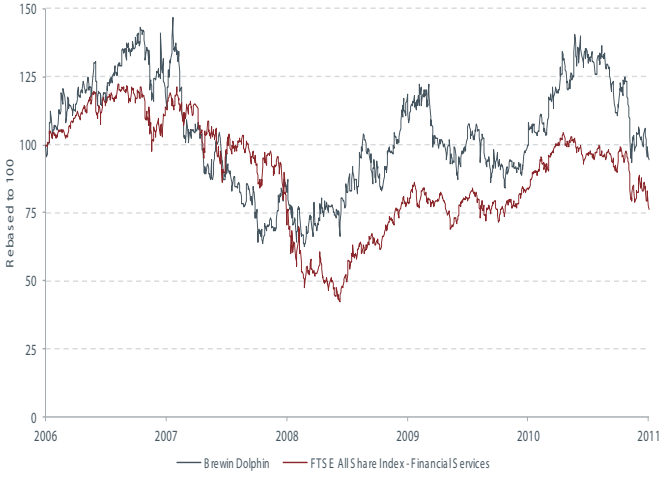
Policy on Remuneration of other Senior Executives

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 All Share Index – Financial Services. The FTSE All Share Index – Financial Services has been chosen as a comparator because it is the index that encompasses most of our key competitors. TSR is calculated assuming dividends are reinvested on receipt.

Brewin Dolphin vs. FTSE All Share Index – Financial Services



Share Price

At 30 September 2011 the Company's share price was 119.4p (2010: 129.5p). The highest price in the period was 185.4p and the lowest 119.4p.

Shareholder Information

Directors' shareholdings are as follows as at 30 September 2011 and 26 September 2010. The only changes to the Directors' shareholdings between 30 September 2011 and 6 December 2011 were as a result of the Brewin Dolphin Share Incentive Plan ("BDSIP") (see page 36). Executive Directors are encouraged to build a significant shareholding in the Company.

Fully paid ordinary 1 pence shares.

Directors	**2011 Fully paid**	2010 Fully paid
Henry Algeo[1]	**73,606**	72,426
Robin Bayford[2]	**700,511**	847,061
Nick Hood	**75,000**	75,000
Barry Howard[3]	**99,843**	88,663
Sir Stephen Lamport	**4,500**	4,500
Jamie Matheson[1]	**483,751**	482,571
David McCorkell[1]	**664,810**	663,630
Simon Miller[4]	**35,000**	30,000
Sarah Soar[5]	**258,649**	227,093
Ben Speke	**360,287**	360,287
Michael Williams[1]	**967,087**	965,907
Jock Worsley	**18,000**	18,000
	3,741,044	3,835,138

[1] The changes in beneficial interests in the Period related to 'partnership' and 'matching' shares acquired under the BDSIP.

[2] The changes in beneficial interests in the Period were due to a disposal of 146,550 ordinary shares, matched by the acquisition of an identical number of notional shares under the DPSP. The total holding includes 12,198 held in a non beneficial capacity.

[3] The changes in beneficial interests in the Period were due to an exercise of 10,000 options and the remainder are related to 'partnership' and 'matching' shares acquired under the BDSIP.

[4] The changes in beneficial interests in the Period were due to an acquisition of 5,000 ordinary shares.

[5] The changes in beneficial interests in the Period were due to an exercise of 39,376 options and a disposal of 9,000 shares, the remainder were related to 'partnership' and 'matching' shares acquired under the BDSIP.

"Period" refers to the period between 26 September 2010 and 30 September 2011.

In addition, Directors held the following nil paid shares:

	Price	Latest repayment date	2011 Nil Paid	2010 Nil Paid
Barry 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**	9,208
Total			**125,234**	125,234
Sarah 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**	9,208
Total			**70,319**	70,319

Part two: Audited information

Table 1: Directors' emoluments and compensations

	Salary and fees £'000	Benefits in kind £'000	Profit share paid in cash £'000	Profit share paid under the voluntary DPSP (see page 36) £'000	Profit share taken as pension £'000	Total £'000	Basic pension contributions £'000	2011 Total £'000	2010 Total £'000
Executives remunerated on the results of the Group									
Jamie Matheson	200	3	277	–	–	480	54	**534**	567
Henry Algeo*	144	3	147	–	57	351	20	**371**	188
Robin Bayford	177	3	77	61	96	414	6	**420**	428
Barry Howard	180	9	183	–	–	372	3	**375**	396
David McCorkell	156	3	159	–	44	362	26	**388**	402
Sarah Soar	144	7	150	–	–	301	7	**308**	321
Ben Speke	131	2	110	18	40	301	30	**331**	318
Executives remunerated on their own profit centres results									
Michael Williams	128	2	171	–	–	301	20	**321**	405
Non-Executives									
Nick Hood	55	–	–	–	–	55	–	**55**	55
Angela Knight	34	–	–	–	–	34	–	**34**	34
Sir Stephen Lamport	34	–	–	–	–	34	–	**34**	34
Simon Miller	49	–	–	–	–	49	–	**49**	49
Jock Worsley	51	–	–	–	–	51	–	**51**	51
Total	**1,483**	**32**	**1,274**	**79**	**237**	**3,105**	**166**	**3,271**	3,248
Total 2010	1,333	30	1,525	173	20	3,081	167	3,248	

* appointed on 27 July 2010

Table 2: Deferred Profit Share Plan – Mandatory Award

	Profit share paid under the mandatory DPSP (see page 36) 2011 £'000	Profit share paid under the mandatory DPSP (see page 36) 2010 £'000
Executives remunerated on the results of the Group		
Jamie Matheson	**113**	130
Henry Algeo*	**73**	57
Robin Bayford	**87**	97
Barry Howard	**67**	77
David McCorkell	**73**	83
Sarah Soar	**50**	57
Ben Speke	**57**	57
Executives remunerated on their own profit centres results		
Michael Williams	**46**	92
Total	**566**	650

* appointed on 27 July 2010

The nil cost options over ordinary shares to be granted will be determined by the closing share price on the date prior to the grant of the award. The award date will be after the signing of the financial statements.

Table 3: Deferred Profit Share Plan Awards (nil cost options – subject to forfeiture, see page 36)

	Date of Grant	No. of nil cost options at 26 September 2010	No. of nil cost options awarded	No. of nil cost options exercised	No. of nil cost options lapsed	No. of nil cost options as at 30 September 2011	Value at the end of the period £	Value at the start of the period £	Vesting Date	Exercisable to
Henry Algeo	02/12/2010	–	38,288	–	–	38,288	45,716	–	02/12/2013	01/12/2016
Robin Bayford[1]	02/12/2010	–	146,550	–	–	146,550	174,981	–	02/12/2013	01/12/2016
Barry Howard	02/12/2010	–	51,801	–	–	51,801	61,850	–	02/12/2013	01/12/2016
Jamie Matheson	02/12/2010	–	87,837	–	–	87,837	104,877	–	02/12/2013	01/12/2016
David McCorkell	02/12/2010	–	56,306	–	–	56,306	67,229	–	02/12/2013	01/12/2016
Sarah Soar	02/12/2010	–	38,288	–	–	38,288	45,716	–	02/12/2013	01/12/2016
Ben Speke[2]	02/12/2010	–	74,324	–	–	74,324	88,743	–	02/12/2013	01/12/2016
Michael Williams	02/12/2010	–	62,217	–	–	62,217	74,287	–	02/12/2013	01/12/2016

[1] Robin Bayford's award includes a voluntary deferral of profit share equating to 81,235 nil cost options, these are not subject to forfeiture.
[2] Ben Speke's award includes a voluntary deferral of profit share equating to 36,036 nil cost options, these are not subject to forfeiture.

Table 4: Pension Information Defined Benefit Scheme

	Accrued pension entitlement at 30 September 2011* £'000	Increase in accrued pension (implicitly including inflation) £'000	Transfer value of accrued pension at 30 September 2011 £'000	Transfer value of accrued pension entitlement at 30 September 2010 £'000	Change in transfer value over year less members' contributions made £'000	Increase in accrued pension (explicitly excluding inflation*) £'000	Transfer value of increase in accrued pension less member's contributions over year to 30 September 2011 £'000	Cost to Group over and above member's contributions where still accruing service in the Scheme over the year to 30 September 2011 £'000
David McCorkell	7	–	101	101	–	–	–	–
Ben Speke[1]	14	–	242	232	10	–	10	–
Michael Williams[1]	16	1	273	243	26	1	26	7

[1] 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.
* An inflation adjustment of 4.6% has been excluded from the increase to the accrued pension.

Table 5: Non-Executive Director Remuneration

	Basic Fee £'000	Senior Independent Director Fee £'000	Chairman of Audit Committee £'000	Chairman of Remuneration Committee £'000	Chairman of Nomination Committee £'000	Corporate Advisory & Broking Board £'000	Total Fees for 2011 £'000	Total Fees for 2010 £'000
Nick Hood	34	10	–	5.5	5.5	–	55	55
Angela Knight	34	–	–	–	–	–	34	34
Sir Stephen Lamport	34	–	–	–	–	–	34	34
Simon Miller	34	–	–	–	–	15	49	49
Jock Worsley	34	–	17	–	–	–	51	51
	170	10	17	5.5	5.5	15	223	223

Table 6: Directors interest in Share Options

	Scheme	Date of Grant	Exercise Price	No. of options at 26 September 2010	No. of options issued	No. of options exercised	No. of options lapsed	No. of options at 30 September 2011	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
Barry Howard	1994 AESOS	05/12/2003	81.30p	6,000	–	6,000	–	–	4,674	2,892	05/12/2008	05/12/2013
	SEMP	26/05/2005	101.00p	49,504	–	–	–	49,504	9,109	14,109	26/05/2009	26/05/2012
	2004 ASOP	05/12/2005	145.00p	4,000	–	4,000	–	–	568	–	05/12/2010	05/12/2015
	SEMP	18/12/2006	184.50p	27,100	–	–	–	27,100	–	–	18/12/2010	18/12/2013
	2004 ASOP	29/11/2007	168.00p	10,925	–	–	–	10,925	–	–	29/11/2012	29/11/2017
	SEMP	14/12/2007	162.50p	15,384	–	–	–	15,384	–	–	14/12/2012	14/12/2015
	SEMP	24/07/2008	104.00p	24,038	–	–	–	24,038	3,702	6,130	24/07/2012	24/07/2015
	SEMP	12/12/2008	108.60p	9,208	–	–	–	9,208	994	1,924	12/12/2012	12/12/2015
Total				**146,159**	**–**	**10,000**	**–**	**136,159**	**19,047**	**25,055**		
Sarah Soar	1994 AESOS	04/06/2001	139.00p	9,000	–	9,000	–	–	2,493	–	04/06/2006	04/06/2011
	SEMP	19/12/2003	82.30p	30,376	–	30,376	–	–	22,083	14,337	19/12/2007	19/12/2010
	SEMP	26/05/2005	101.00p	9,900	–	–	–	9,900	1,822	2,822	26/05/2009	26/05/2012
	SEMP	19/12/2005	157.00p	6,369	–	–	–	6,369	–	–	19/12/2009	19/12/2012
	SEMP	18/12/2006	184.50p	5,420	–	–	–	5,420	–	–	18/12/2010	18/12/2013
	SEMP	14/12/2007	162.50p	15,384	–	–	–	15,384	–	–	14/12/2012	14/12/2015
	SEMP	24/07/2008	104.00p	24,038	–	–	–	24,038	3,702	6,130	24/07/2012	24/07/2015
	SEMP	12/12/2008	108.60p	9,208	–	–	–	9,208	994	1,924	12/12/2012	12/12/2015
Total				**109,695**	**–**	**39,376**	**–**	**70,319**	**31,094**	**25,213**		
Henry Algeo	2004 ASOP	28/11/2008	103.50p	10,000	–	–	–	10,000	1,590	2,600	28/11/2013	28/11/2018
	2004 ASOP	07/12/2009	165.70p	4,000	–	–	–	4,000	–	–	07/12/2014	06/12/2019
Total				**14,000**	**–**	**–**	**–**	**14,000**	**1,590**	**2,600**		

Key
"AESOS" Approved Executive Share Option Scheme
"SEMP" Senior Employee Matching Share Purchase Scheme
"ASOP" Approved Share Option Plan

Performance criteria are on page 36 for the Share Option schemes.

Nick Hood
Chairman of Remuneration Committee
6 December 2011

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, the directors are required to:

- 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 proper 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 Business 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

Jamie Matheson
Executive Chairman
6 December 2011

Robin Bayford
Finance Director

Independent Auditor's Report
to the members of Brewin Dolphin Holdings PLC

We have audited the financial statements of Brewin Dolphin Holdings PLC for the 53 week period ended 30 September 2011 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Balance Sheet, the Company Statement of Changes in Equity, the Consolidated Cash Flow Statement and Company Cash Flow Statement and the related notes 1 to 36. 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 Chapter 3 of Part 16 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 auditor's 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 auditor
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 and express an opinion on 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 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 September 2011 and of the group's profit for the 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 Director's report, in relation to going concern;
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to shareholders by the Board on directors' remuneration.

Simon Hardy
Senior Statutory Auditor
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
6 December 2011

CONSOLIDATED INCOME STATEMENT

53 week period ended 30 September 2011

	Note	53 weeks to 30 September 2011 £'000	52 weeks to 26 September 2010 £'000
Continuing operations			
Revenue	5	**248,375**	224,013
Other operating income	3i	**15,638**	15,999
Total income	6	**264,013**	240,012
Staff costs	7	**(126,456)**	(115,907)
Redundancy costs	7	**(1,008)**	(135)
Additional FSCS levy		**(6,058)**	(595)
Acquisition of subsidiary costs		**(228)**	–
Amortisation of intangible assets – client relationships	16	**(10,486)**	(6,349)
Other operating costs		**(98,409)**	(87,326)
Operating expenses		**(242,645)**	(210,312)
Operating profit		**21,368**	29,700
Finance income	9	**1,253**	1,293
Other gains and losses	10	**(27)**	(495)
Finance costs	9	**(732)**	(453)
Profit before tax	6 & 8	**21,862**	30,045
Tax	11	**(6,884)**	(9,447)
Profit for the period from continuing operations		**14,978**	20,598
Discontinued operations			
(Loss)/profit for the period from discontinued operations	13	**(877)**	955
Profit for the period		**14,101**	21,553
Attributable to:			
Equity shareholders of the parent		**14,101**	21,553
		14,101	21,553
Earnings per share			
From continuing operations			
Basic	15	**6.6p**	9.2p
Diluted	15	**6.3p**	9.1p
From continuing and discontinued operations			
Basic	15	**6.2p**	9.7p
Diluted	15	**5.9p**	9.5p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

53 week period ended 30 September 2011

	53 weeks to 30 September 2011 £'000	52 weeks to 26 September 2010 £'000
Profit for the period	**14,101**	21,553
Loss on revaluation of available-for-sale investments	**–**	(4,000)
Deferred tax credit on revaluation of available-for-sale investments	**56**	1,177
Exchange differences on translation of foreign operations	**(83)**	–
Actuarial profit/(loss) on defined benefit pension scheme	**2,766**	(1,878)
Deferred tax (charge)/credit on actuarial profit/(loss) on defined benefit pension scheme	**(719)**	507
Other comprehensive income/(expense) for the period	**2,020**	(4,194)
Total comprehensive income for the period	**16,121**	17,359
Attributable to:		
Equity shareholders of the parent	**16,121**	17,359
	16,121	17,359

CONSOLIDATED BALANCE SHEET

As at 30 September 2011

	Note	As at 30 September 2011 £'000	As at 26 September 2010 £'000
ASSETS			
Non-current assets			
Intangible assets	16	**115,805**	91,114
Property, plant and equipment	17	**15,869**	19,384
Available-for-sale investments	19	**6,087**	6,114
Other receivables	20	**2,377**	2,306
Deferred tax asset	21	**559**	1,097
Total non-current assets		**140,697**	120,015
Current assets			
Trading investments	19	**744**	632
Trade and other receivables	20	**242,492**	331,423
Cash and cash equivalents	22	**85,702**	87,921
Total current assets		**328,938**	419,976
Total assets		**469,635**	539,991
LIABILITIES			
Current liabilities			
Bank overdrafts	23	**672**	1,046
Trade and other payables	24	**267,819**	359,086
Current tax liabilities		**1,390**	4,433
Provisions	33	**5,931**	5,420
Shares to be issued including premium	25	**6,541**	438
Total current liabilities		**282,353**	370,423
Net current assets		**46,585**	49,553
Non-current liabilities			
Retirement benefit obligation	27	**7,101**	12,498
Deferred purchase consideration	25	**2,556**	1,749
Provisions	33	**–**	44
Shares to be issued including premium	25	**22,840**	13,661
Total non-current liabilities		**32,497**	27,952
Total liabilities		**314,850**	398,375
Net assets		**154,785**	141,616
EQUITY			
Called up share capital	28	**2,405**	2,270
Share premium account	28	**116,028**	113,612
Own shares	29	**(10,686)**	(101)
Revaluation reserve		**4,118**	4,062
Merger reserve		**22,950**	4,562
Profit and loss account		**19,970**	17,211
Equity attributable to equity holders of the parent		**154,785**	141,616

Approved by the Board of Directors and authorised for issue on 6 December 2011
Signed on its behalf by

Jamie Matheson
Executive Chairman

Robin Bayford
Finance Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

53 week period ended 30 September 2011

	Attributable to the equity shareholders of the parent						
	Called up share capital £'000	Share premium account £'000	Own shares £'000	Revaluation reserve £'000	Merger reserve £'000	Profit and loss account £'000	Total £'000
Balance at 27 September 2009	2,122	94,140	–	6,885	4,562	10,510	118,219
Profit for the period	–	–	–	–	–	21,553	21,553
Other comprehensive income for the period							
Deferred and current tax on other comprehensive income	–	–	–	1,177	–	507	1,684
Actuarial loss on defined benefit pension scheme	–	–	–	–	–	(1,878)	(1,878)
Revaluation of available-for-sale investments	–	–	–	(4,000)	–	–	(4,000)
Total comprehensive income for the period	–	–	–	(2,823)	–	20,182	17,359
Dividends	–	–	–	–	–	(16,038)	(16,038)
Issue of shares	148	19,472	–	–	–	–	19,620
Own shares acquired in the period	–	–	(101)	–	–	–	(101)
Share-based payments	–	–	–	–	–	2,679	2,679
Current tax credit on share-based payments	–	–	–	–	–	23	23
Deferred tax charge on share-based payments	–	–	–	–	–	(145)	(145)
Balance at 26 September 2010	**2,270**	**113,612**	**(101)**	**4,062**	**4,562**	**17,211**	**141,616**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**14,101**	**14,101**
Other comprehensive income for the period							
Deferred and current tax on other comprehensive income	**–**	**–**	**–**	**56**	**–**	**(719)**	**(663)**
Actuarial profit on defined benefit pension scheme	**–**	**–**	**–**	**–**	**–**	**2,766**	**2,766**
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**–**	**–**	**(83)**	**(83)**
Total comprehensive income for the period	**–**	**–**	**–**	**56**	**–**	**16,065**	**16,121**
Dividends	**–**	**–**	**–**	**–**	**–**	**(16,286)**	**(16,286)**
Issue of shares	**135**	**2,416**	**–**	**–**	**18,388**	**–**	**20,939**
Own shares acquired in the period	**–**	**–**	**(10,585)**	**–**	**–**	**–**	**(10,585)**
Share-based payments	**–**	**–**	**–**	**–**	**–**	**3,029**	**3,029**
Current tax credit on share-based payments	**–**	**–**	**–**	**–**	**–**	**(124)**	**(124)**
Deferred tax charge on share-based payments	**–**	**–**	**–**	**–**	**–**	**75**	**75**
Balance at 30 September 2011	**2,405**	**116,028**	**(10,686)**	**4,118**	**22,950**	**19,970**	**154,785**

COMPANY BALANCE SHEET
As at 30 September 2011

	Note	As at 30 September 2011 £'000	As at 26 September 2010 £'000
ASSETS			
Non-current assets			
Investment in subsidiaries	18	**168,953**	140,702
Other receivables	20	**130**	329
Total non-current assets		**169,083**	141,031
Current assets			
Trade and other receivables	20	**19,171**	12,242
Cash and cash equivalents	22	**597**	621
Total current assets		**19,768**	12,863
Total assets		**188,851**	153,894
LIABILITIES			
Current liabilities			
Trade and other payables	24	**13,401**	7,447
Shares to be issued including premium	25	**6,541**	438
Total current liabilities		**19,942**	7,885
Net current (liabilities)/assets		**(174)**	4,978
Non-current liabilities			
Shares to be issued including premium	25	**22,840**	13,661
Total non-current liabilities		**22,840**	13,661
Total liabilities		**42,782**	21,546
Net assets		**146,069**	132,348
EQUITY			
Called up share capital	28	**2,405**	2,270
Share premium account	28	**116,028**	113,612
Own shares	29	**(10,686)**	(101)
Merger reserve		**23,235**	4,847
Profit and loss account		**15,087**	11,720
Equity attributable to equity holders		**146,069**	132,348

Approved by the Board of Directors and authorised for issue on 6 December 2011
Signed on its behalf by

Jamie Matheson
Executive Chairman

Robin Bayford
Finance Director

COMPANY STATEMENT OF CHANGES IN EQUITY

53 week period ended 30 September 2011

	Attributable to the equity shareholders of the company					
	Called up share capital £'000	Share premium account £'000	Own shares £'000	Merger reserve £'000	Profit and loss account £'000	Total £'000
Balance at 27 September 2009	2,122	94,140	–	4,847	15,176	116,285
Profit for the period	–	–	–	–	9,903	9,903
Total comprehensive income for the period	–	–	–	–	9,903	9,903
Dividends	–	–	–	–	(16,038)	(16,038)
Issue of shares	148	19,472	–	–	–	19,620
Own shares acquired in the period	–	–	(101)	–	–	(101)
Share-based payments	–	–	–	–	2,679	2,679
Balance at 26 September 2010	**2,270**	**113,612**	**(101)**	**4,847**	**11,720**	**132,348**
Profit for the period	**–**	**–**	**–**	**–**	**16,624**	**16,624**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**16,624**	**16,624**
Dividends	**–**	**–**	**–**	**–**	**(16,286)**	**(16,286)**
Issue of shares	**135**	**2,416**	**–**	**18,388**	**–**	**20,939**
Own shares acquired in the period	**–**	**–**	**(10,585)**	**–**	**–**	**(10,585)**
Share-based payments	**–**	**–**	**–**	**–**	**3,029**	**3,029**
Balance at 30 September 2011	**2,405**	**116,028**	**(10,686)**	**23,235**	**15,087**	**146,069**

CONSOLIDATED CASH FLOW STATEMENT

53 week period ended 30 September 2011

	Note	53 weeks to 30 September 2011 £'000	52 weeks to 26 September 2010 £'000
Net cash inflow from operating activities	34	**32,858**	45,114
Cash flows from investing activities			
Purchase of intangible assets – goodwill	16	**–**	(268)
Purchase of intangible assets – client relationships	16	**(7,946)**	(8,048)
Purchase of intangible assets – software	16	**(3,147)**	(5,982)
Purchases of property, plant and equipment	17	**(5,171)**	(7,669)
Acquisition of subsidiary	35	**5,802**	–
Dividend received from available-for-sale investments	9	**194**	188
Net cash used in investing activities		**(10,268)**	(21,779)
Cash flows from financing activities			
Dividends paid to equity shareholders		**(16,286)**	(16,038)
Purchase of own shares	29	**(10,585)**	(101)
Proceeds on issue of shares		**2,436**	14,697
Net cash used in financing activities		**(24,435)**	(1,442)
Net (decrease)/increase in cash and cash equivalents		**(1,845)**	21,893
Cash and cash equivalents at the start of period		**86,875**	64,982
Cash and cash equivalents at the end of period		**85,030**	86,875
Firm's cash		**64,469**	62,886
Firm's overdraft		**(672)**	(1,046)
Firm's net cash		**63,797**	61,840
Client settlement cash		**21,233**	25,035
Net cash and cash equivalents		**85,030**	86,875
Cash and cash equivalents shown in current assets		**85,702**	87,921
Bank overdrafts		**(672)**	(1,046)
Net cash and cash equivalents		**85,030**	86,875

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

COMPANY CASH FLOW STATEMENT

53 week period ended 30 September 2011

	Note	**53 weeks to 30 September 2011**	52 weeks to 26 September 2010
		£'000	£'000
Net cash inflow from operating activities	34	**13,826**	1,671
Cash flows from financing activities			
Dividends paid to equity shareholders		**(16,286)**	(16,038)
Proceeds on issue of shares		**2,436**	14,697
Net cash used in financing activities		**(13,850)**	(1,341)
Net increase in cash and cash equivalents		**(24)**	330
Cash and cash equivalents at the start of period		**621**	291
Cash and cash equivalents at the end of period		**597**	621

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 and Business Review. The company is registered in England and Wales.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the group operates. Foreign operations are included in accordance with the policies set out in note 3.

2. Adoption of new and revised standards

In the current year, the following new and revised Standards and Interpretations have been adopted and have had no impact on these financial statements.

– IFRIC 19, 'Extinguishing liabilities with equity instruments'.
– IAS 24 (revised), 'Related party disclosures'
– Amendment to IAS 27, 'Consolidated and Separate Financial Statements (2008)'
– Amendment to IAS 32, 'Financial instruments: Presentation'
– Amendment to IFRS 3, 'Business combinations'
– Amendment to IFRIC 14, 'Pre-payments of a Minimum Funding Requirement'

New standards, amendments and interpretations issued but not effective and yet to be endorsed by the EU are as follows:

– IFRS 9, 'Financial instruments'
– IFRS 10, 'Consolidated financial statements'
– IFRS 11, 'Joint arrangements'
– IFRS 12, 'Disclosures of interests in other entities'
– IFRS 13, 'Fair value measurement'
– IAS 19 (revised 2011) 'Employee benefits'
– IAS 27 (revised 2011) 'Separate financial statements'
– IAS 28 (revised 2011) 'Associates and joint ventures'
– Amendment to IAS 12, 'Income taxes' on 'deferred tax'
– Amendment to IFRS 7, 'Financial instruments: Disclosures'
– Amendment to IFRS 1, 'on hyperinflation and fixed dates'
– Amendment to IAS 1, 'Presentation of financial statements' on 'OCI'

The Group is currently reviewing the impact of these new standards, amendments and interpretations but does not intend to adopt the standards early.

IFRS 9 introduces new requirements for the measurement and disclosure of financial instruments. The Group is yet to assess IFRS 9's full impact.

IAS 19 (revised 2011) makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits. The changes will affect the Group and may also increase the volume of disclosures.

The directors do not expect that the adoption of the other standards listed above will have a material impact on the financial statements of the Group in future periods.

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. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below.

b. Going concern

As discussed in the Business Review, the Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements 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.

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.

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 statement of comprehensive income or 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.

d. Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the income statement as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously-held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3(2008) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits" respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with IFRS 2 "Share-based Payment"; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

e. Transaction date accounting

All securities transactions entered into on behalf of clients are recorded in the accounts on the date of the transaction. The underlying investments are not shown in the financial statements of the Group.

f. Foreign currencies

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group company are expressed in pounds sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items 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. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

g. Revenue recognition

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

Investment management fees, renewal commissions and corporate advisory & broking 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.

Dividends received and receivable are credited to the income statement to the extent that they represent a realised profit and loss for the Company.

h. Operating profit

Operating profit is stated as being profit before finance income, finance costs, other gains/losses and tax.

i. 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".

j. Cash and cash equivalents

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

k. 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.

l. Share-based payments

The Group has applied the requirements of IFRS 2 "Share-based payments".

Equity-settled share-based payments to employees are measured at fair value of the equity instruments at the date of grant. The fair value excludes the effect of non market-based vesting conditons.

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.

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. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

m. Taxation

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

Current 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

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 based on tax laws and rates that have been enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

n. Intangible assets

i) Goodwill

Goodwill represents the excess of the sum of the consideration transferred, the amount of any non controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net 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 the income statement and is not reversed in a subsequent period.

Elements of the total sum of the consideration 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 income statement. Such deferred or contingent consideration may be settled in shares (see note 3(t)).

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(t)).

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

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.

o. 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	to first break clause of lease
Motor vehicles	5 years

The gain or loss arising on the disposal or scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

p. 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.

q. Financial assets

All financial assets 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 financial asset 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 19.

Available-for-sale financial assets (AFS)

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 19. Gains and losses are recognised directly in other comprehensive income and accumulated 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 reclassified to profit or loss.

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.

For listed and unlisted equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of the impairment.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period. In subsequent periods if the amount of impaired loss decreases, in respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

r. 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 and an operational intention to settle net. Amounts due to and from counterparties due to settle against delivery of stock are shown gross.

s. 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.

t. 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.

u. 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 other comprehensive income.

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.

v. 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.

w. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation and are discounted to present value where the effect is material.

Where some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that the reimbursement will be received and the amount receivable can be measured reliably.

4. 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 27.

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 dividend yield and the prices of similar quoted companies.

5. Revenue

	2011 £'000 53 weeks	2010 £'000 52 weeks
Continuing operations		
Commission income	**100,225**	98,566
Financial planning and trail income	**39,563**	34,960
Investment management fees	**108,587**	90,487
	248,375	224,013
Other operating income	**15,638**	15,999
Revenue from continuing operations	**264,013**	240,012
Discontinued operations		
Corporate Advisory & Broking Division (see note 13)	**10,346**	10,877
Total revenue from continuing and discontinued operations	**274,359**	250,889

6. Segmental information

For management purposes, the Group is divided into two business streams: Investment Management and Corporate Advisory & Broking which is being discontinued (see note 13). These form the reportable segments of the Group.

Until the 1 August 2011, all operations were carried out in the United Kingdom and the Channel Islands. On 1 August 2011, the Group acquired Tilman Asset Management Limited (see note 35) which is based in Republic of Ireland. This income is reported as part of the Investment Management business stream. All segment income relates to external clients.

The accounting policies of the operating segments are the same as those of the Group.

52 week period ended 30 September 2011

			Continuing operations	Discontinued operations	
	Discretionary Portfolio Management	Advisory Portfolio Management	Total Investment Management	Corporate Advisory & Broking	Group
	£'000	£'000	£'000	£'000	£'000
Total income	180,518	83,495	264,013	10,346	274,359
Operating profit before redundancy costs, additional FSCS levy, contract renewal payments, acquisition of subsidiary costs and amortisation of client relationships	26,767	12,381	39,148	1,204	40,352
Additional FSCS levy			(6,058)	–	(6,058)
Redundancy costs			(1,008)	(12)	(1,020)
Acquisition of subsidiary costs			(228)	–	(228)
Amortisation of client relationships			(10,486)	–	(10,486)
Operating profit			21,368	1,192	22,560
Finance income (net)			521	–	521
Other gains and losses			(27)	–	(27)
Costs of separation			–	(2,393)	(2,393)
Profit/(loss) before tax			21,862	(1,201)	20,661
Other Information					
Capital expenditure			8,287	31	8,318
Depreciation			8,704	131	8,835
Amortisation of intangible asset – software			3,370	76	3,446
Share-based payments			3,015	14	3,029
Segment assets excluding current tax assets			458,417	11,218	469,635
Segment liabilities excluding current tax liabilities			269,745	11,218	280,963

6. Segmental information (continued)

52 week period ended 26 September 2010

	Discretionary Portfolio Management	Advisory Portfolio Management	Continuing operations Total Investment Management	Discontinued operations Corporate Advisory & Broking	Group
	£'000	£'000	£'000	£'000	£'000
Total income	157,233	82,779	240,012	10,877	250,889
Operating profit before redundancy costs, additional FSCS Levy, contract renewal payments, acquisition of subsidiary costs and amortisation of client relationships	25,463	13,406	38,869	1,545	40,414
Contract renewal payments (see note 15)			(2,090)	(101)	(2,191)
Additional FSCS levy			(595)	–	(595)
Redundancy costs			(135)	(118)	(253)
Amortisation of client relationships			(6,349)	–	(6,349)
Operating profit			29,700	1,326	31,026
Finance income (net)			840	–	840
Other gains and losses			(495)	–	(495)
Profit before tax			30,045	1,326	31,371
Other Information					
Capital expenditure			13,558	93	13,651
Depreciation			10,358	123	10,481
Amortisation of intangible asset – software			1,797	11	1,808
Share-based payments			2,647	32	2,679
Segment assets excluding current tax assets			506,578	33,413	539,991
Segment liabilities excluding current tax liabilities			332,577	33,413	365,990

7. Staff costs and related party transactions

Group	**2011**	2010
Continuing and discontinued operations	**53 Weeks**	52 Weeks
	No.	No.
The average monthly number of employees including Directors by category was:		
Investment Management	**1,065**	1,023
Discontinued operations	**58**	62
Business Support	**740**	695
	1,863	1,780

	Continuing operations		Discontinued operations		Total	
	2011 53 Weeks £'000	2010 52 Weeks £'000	**2011 53 Weeks £'000**	2010 52 Weeks £'000	**2011 53 Weeks £'000**	2010 52 Weeks £'000
The aggregate payroll costs were as follows including Directors:						
Wages and salaries	**102,302**	93,673	**5,293**	4,358	**107,595**	98,031
Social security costs	**12,208**	10,752	**692**	535	**12,900**	11,287
Share-based payments	**3,015**	2,647	**14**	32	**3,029**	2,679
Termination benefits – redundancy costs	**1,008**	135	**12**	118	**1,020**	253
Other pension costs	**8,931**	8,835	**269**	335	**9,200**	9,170
	127,464	116,042	**6,280**	5,378	**133,744**	121,420

The Company does not have any employees (2010: 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 39.

Directors' transactions

Material contracts with Directors and loans to Directors are shown in the Directors' Remuneration Report on page 37; there are no other related party transactions with Directors.

8. Profit for the period

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

	Continuing operations		Discontinued operations		Total	
	2011 53 Weeks £'000	2010 52 Weeks £'000	**2011 53 Weeks £'000**	2010 52 Weeks £'000	**2011 53 Weeks £'000**	2010 52 Weeks £'000
Net Foreign exchange gains	**(648)**	(660)	**–**	–	**(648)**	(660)
Depreciation of property, plant and equipment (note 17)	**8,704**	10,358	**131**	123	**8,835**	10,481
Amortisation of intangible assets – client relationships (note 16)	**10,486**	6,349	**–**	–	**10,486**	6,349
Impairment of intangible assets – client relationships (note 16)	**207**	–	**–**	–	**207**	–
Amortisation of intangible assets – software (note 16)	**3,370**	1,797	**76**	11	**3,446**	1,808
Staff costs (note 7)	**127,464**	116,042	**6,280**	5,378	**133,744**	121,420
Other pension costs (note 7)						
Defined benefit scheme – including death in service contributions	**1,148**	1,308	**147**	138	**1,295**	1,446
Defined contribution scheme	**7,783**	7,527	**122**	197	**7,905**	7,724
Impairment loss recognised on available-for-sale equity investments	**27**	495	**–**	–	**27**	495
Impairment of trade receivables/(reversal of impairment of trade receivables)	**(95)**	(95)	**345**	174	**250**	79
Auditors remuneration (see analysis below)	**432**	485	**–**	–	**432**	485

		2011 53 Weeks £'000		2010 52 Weeks £'000
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		**210**		210
Other services pursuant to legislation				
Interim review	**40**		40	
Regulatory audit work	**33**		30	
		73		70
Tax services		**–**		–
Information technology services		**–**		25
Corporate finance services		**–**		20
Other services				
Assurance services for external parties	**24**		37	
AAF 01/06 – controls assurance report	**60**		60	
Accounting and regulatory advice	**10**		8	
		94		105
		432		485

9. Finance income and finance costs

	2011 53 Weeks £'000	2010 52 Weeks £'000
Finance income		
Dividends from available-for-sale investments	**194**	188
Interest on bank deposits	**1,059**	1,105
	1,253	1,293
Finance costs		
Finance cost of deferred consideration	**317**	24
Interest expense on defined pension obligation	**369**	366
Interest on bank overdrafts	**46**	63
	732	453

10. Other gains and losses

	2011 53 Weeks £'000	2010 52 Weeks £'000
Impairment loss recognised on available-for-sale equity investments	**27**	495

11. Taxation

	Continuing operations		Discontinued operations		Total	
	2011 53 Weeks £'000	2010 52 Weeks £'000	**2011 53 Weeks £'000**	2010 52 Weeks £'000	**2011 53 Weeks £'000**	2010 52 Weeks £'000
United Kingdom						
Current tax	**6,246**	8,340	**(122)**	371	**6,124**	8,711
Prior year	**422**	(363)	**–**	–	**422**	(363)
Overseas tax						
Current tax	**181**	153	**–**	–	**181**	153
Prior year	**–**	–	**–**	–	**–**	–
	6,849	8,130	**(122)**	371	**6,727**	8,501
United Kingdom deferred tax						
Current year	**439**	1,142	**(202)**	–	**237**	1,142
Prior year	**(404)**	175	**–**	–	**(404)**	175
	6,884	9,447	**(324)**	371	**6,560**	9,818

United Kingdom corporation tax is calculated at 27% (2010: 28%) of the estimated assessable taxable profit for the period. The Finance Act 2011 received royal assent on 19 July 2010 and reduced the corporation tax rate to 26% (28%) from 1 April 2011.

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

11. Taxation (continued)

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

	2011 53 Weeks £'000	2010 52 Weeks £'000
Profit before tax on continuing operations	**21,862**	30,045
Tax at the UK corporation tax rate of 27% (2010: 28%)	**5,903**	8,413
Tax effect of expenses that are not deductible in determining taxable profit	**591**	474
Tax effect of deferred tax timing differences	**147**	95
Tax effect of leasehold property depreciation	**391**	320
Tax effect of prior year tax	**422**	(363)
Tax effect of prior year deferred tax	**(404)**	175
Tax effect of share-based payments	**(117)**	342
Tax effect of lower rates in subsidiaries	**(35)**	–
Tax effect of exempt dividend income	**(52)**	–
Tax effect of change in tax rate on deferred tax	**38**	(9)
Tax expense for the period	**6,884**	9,447
Effective tax rate for the year	**31%**	31%

In addition to the amount credited to the income statement, deferred tax relating to the revaluation of the Group's available-for-sale investments amounting to £56,000 (2010: £1,177,000) has been credited directly to equity and deferred tax relating to the actuarial gain/(loss) in the defined benefit pension scheme amounting to £719,000 (2010: £507,000 credited) has been debited directly to equity. Deferred tax on share-based payments of £75,000 (2010: £145,000 credit) has been debited directly to equity.

12. Profit attributable to equity shareholders of the parent

	2011 53 Weeks £'000	2010 52 Weeks £'000
Profit after taxation dealt with in the accounts of the Company	**16,624**	9,903

13. Discontinued operations

The Group's operating subsidiary, Brewin Dolphin Limited, signed an agreement on 11 May 2011 for the disposal of its Corporate Advisory and Broking Division to a new partnership called N+1 Brewin. Completion of the disposal is subject, inter alia, to receipt of certain regulatory authorisations for the new entity. The disposal has not yet completed but it is anticipated that it will be in January 2012.

The Group will receive nominal goodwill consideration of £4m for the disposal by way of a 14% preferred interest in N+1 Brewin.

The Corporate Advisory and Broking Division represents a reportable segment of the Group and the effect of the discontinued operation on segment results is disclosed in note 6.

The results of the discontinued operations, which have been included in the consolidated income statement, were as follows:

	2011 53 Weeks £'000	2010 52 Weeks £'000
Revenue	**10,346**	10,877
Expenses	**(9,154)**	(9,551)
Operating profit	**1,192**	1,326
Costs of separation	**(2,393)**	–
Profit before tax	**(1,201)**	1,326
Attributable tax	**324**	(371)
Net (loss)/profit attributable to discontinued operations (attributable to the owners of the Company)	**(877)**	955

During the year the division contributed a net cash outflow of £1.1m (2010: £1.8m inflow) to the Group's net operating cash flows.

14. Dividends

	2011 53 Weeks £'000	2010 52 Weeks £'000
Amounts recognised as distributions to equity shareholders in the period:		
Final dividend paid 5 April 2011, 3.55p per share (2010: 3.55p per share)	**7,989**	7,975
Interim dividend paid 22 September 2011, 3.55p per share (2010: 3.55p per share)	**8,297**	8,063
	16,286	16,038
Proposed final dividend for the 53 weeks ended 30 September 2011 of 3.55p (2010: 3.55p) per share based on shares in issue at 30 November 2011 (8 November 2010)	**8,299**	8,176

The proposed final dividend for the 53 week period ended 30 September 2011 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.

Under an arrangement dated 1 April 2011, EES Trustees International Limited (the "Trustee") who holds 6,857,822 number of ordinary shares representing 2.82% of the Company's called up share capital has agreed to waive all dividends due to the Trustee.

15. Earnings per share

From continuing and discontinuing operations

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

Number of shares	2011 '000	2010 '000
Basic		
Weighted average number of shares in issue in the period	**226,796**	223,193
Diluted		
Weighted average number of options outstanding for the period	**4,275**	1,486
Estimated weighted average number of shares earned under deferred consideration arrangements	**9,464**	3,628
Diluted weighted average number of options and shares for the period	**240,535**	228,307

Earnings attributable to ordinary shareholders **Continuing operations**	£'000	£'000
Profit for the period from continuing operations	**14,978**	20,598
Redundancy costs	**1,008**	135
less tax	**(272)**	(38)
Additional FSCS levy	**6,058**	595
less tax	**(1,636)**	(167)
Contract renewal payment (Note b)	**–**	2,090
less tax	**–**	(585)
Acquisition of subsidiary	**228**	–
Amortisation of intangible assets – client relationships	**10,486**	6,349
less tax	**(2,831)**	(1,778)
Adjusted basic profit for the period and attributable earnings excluding redundancy costs, additional FSCS levy, contract renewal payments, acquisition of subsidiary costs and amortisation of client relationships	**28,019**	27,199

15. Earnings per share (continued)

	2011 £'000	2010 £'000
Profit for the period from continuing operations	**14,978**	20,598
Finance costs of deferred consideration (Note a)	**237**	203
less tax	**(64)**	(57)
Adjusted fully diluted profit for the period and attributable earnings	**15,151**	20,744
Redundancy costs	**1,008**	135
less tax	**(272)**	(38)
Additional FSCS levy	**6,058**	595
less tax	**(1,636)**	(167)
Contract renewal payment (Note b)	**–**	2,090
less tax	**–**	(585)
Acquisition of subsidiary	**228**	–
Amortisation of intangible assets – client relationships	**10,486**	6,349
less tax	**(2,831)**	(1,778)
Adjusted fully diluted profit for the period and attributable earnings excluding redundancy costs, additional FSCS levy, contract renewal payments, acquisition of subsidiary costs and amortisation of client relationships	**28,192**	27,345
From continuing operations		
Basic	**6.6p**	9.2p
Diluted	**6.3p**	9.1p
From continuing operations excluding redundancy costs, additional FSCS levy, contract renewal payments, acquisition of subsidiary costs and amortisation of client relationships		
Basic	**12.4p**	12.2p
Diluted	**11.7p**	12.0p

a) Finance costs of deferred consideration are added back where the issue of shares is more dilutive than the interest cost saved.
b) Once every ten years, the Group reissues its contracts to all personnel; the cost of this is shown within staff costs.

Earnings attributable to ordinary shareholders **Continuing and discontinued operations**	**2011 £'000**	2010 £'000
Profit for the period	**14,101**	21,553
Redundancy costs	**1,020**	253
less tax	**(275)**	(71)
Additional FSCS levy	**6,058**	595
less tax	**(1,636)**	(167)
Contract renewal payment (Note b)	**–**	2,191
less tax	**–**	(613)
Acquisition of subsidiary	**228**	–
Amortisation of intangible assets – client relationships	**10,486**	6,349
less tax	**(2,831)**	(1,778)
Adjusted basic profit for the period and attributable earnings excluding redundancy costs, additional FSCS levy, contract renewal payments, acquisition of subsidiary costs and amortisation of client relationships	**27,151**	28,312

15. Earnings per share (continued)

	2011 £'000	2010 £'000
Profit for the period	**14,101**	21,553
Finance costs of deferred consideration (Note a above)	**236**	203
less tax	**(64)**	(57)
Adjusted fully diluted profit for the period and attributable earnings	**14,273**	21,699
Redundancy costs	**1,020**	253
less tax	**(275)**	(71)
Additional FSCS levy	**6,058**	595
less tax	**(1,636)**	(167)
Contract renewal payment (Note b)	**–**	2,191
less tax	**–**	(613)
Acquisition of subsidiary	**228**	–
Amortisation of intangible assets – client relationships	**10,486**	6,349
less tax	**(2,831)**	(1,778)
Adjusted fully diluted profit for the period and attributable earnings excluding redundancy costs, additional FSCS levy, contract renewal payments, acquisition of subsidiary costs and amortisation of client relationships	**27,323**	28,458

The denominators used are the same as those detailed above for both basic and diluted earnings from continuing operations.

From continuing and discontinued operations

Basic	**6.2p**	9.7p
Diluted	**5.9p**	9.5p

From continuing and discontinued operations excluding redundancy costs, additional FSCS levy, contract renewal payments, acquisition of subsidiary costs and amortisation of client relationships

Basic	**12.0p**	12.7p
Diluted	**11.4p**	12.5p

From discontinued operations

The denominators used are the same as those detailed above for both basic and diluted earnings from continuing operations.

From continuing and discontinued operations excluding redundancy costs, additional FSCS levy, contract renewal payments, acquisition of subsidiary costs and amortisation of client relationships

Basic	**(0.4p)**	0.5p
Diluted	**(0.4p)**	0.4p

16. Intangible assets

Group

Cost	Goodwill £'000	Client relationships £'000	Software development costs £'000	Purchased software £'000	Total £'000
At 27 September 2009	48,438	51,317	391	4,697	104,843
Additions	199	2,566	475	5,507	8,747
Revaluation of shares to be issued and deferred purchase consideration in respect of acquisitions in prior periods (note 25)	–	919	–	–	919
At 26 September 2010	48,637	54,802	866	10,204	114,509
Additions	–	30,432	268	2,879	33,579
Revaluation of shares to be issued and deferred purchase consideration in respect of acquisitions in prior periods (note 25)	–	5,251	–	–	5,251
At 30 September 2011	**48,637**	**90,485**	**1,134**	**13,083**	**153,339**
Accumulated amortisation and impairment					
At 27 September 2009	–	14,564	49	625	15,238
Amortisation charge for the period	–	6,349	147	1,661	8,157
Impairment losses for the period	–	–	–	–	–
At 26 September 2010	–	20,913	196	2,286	23,395
Amortisation charge for the period	–	10,486	262	3,184	13,932
Impairment losses for the period	–	207	–	–	207
At 30 September 2011	**–**	**31,606**	**458**	**5,470**	**37,534**
Net book value					
At 30 September 2011	**48,637**	**58,879**	**676**	**7,613**	**115,805**
At 26 September 2010	48,637	33,889	670	7,918	91,114
At 27 September 2009	48,438	36,753	342	4,072	89,605

There has been an impairment loss to client relationships of £207,000 recognised in the period, this related to one cash-generating unit within the Investment Management Division (2010: £nil).

16. Intangible assets (continued)

Additions are made up as follows:	Goodwill £'000	Client relationships £'000	Software development costs £'000	Purchased software £'000	Total £'000
2011					
Cash paid for additions in period	**–**	**5,890**	**268**	**2,879**	**9,037**
Deferred purchase liability	**–**	**920**	**–**	**–**	**920**
Shares issued on acquisition of subsidiary	**–**	**12,430**	**–**	**–**	**12,430**
Value of shares to be issued*	**–**	**10,942**	**–**	**–**	**10,942**
	–	**30,182**	**268**	**2,879**	**33,329**
Cash paid for businesses or client relationships acquired in previous periods	**–**	**2,056**	**–**	**–**	**2,056**
Utilisation of provisions for deferred purchase liability and shares to be issued (note 25)	**–**	**(1,806)**	**–**	**–**	**(1,806)**
Adjustments to prior year acquisitions	**–**	**250**	**–**	**–**	**250**
Total additions	**–**	**30,432**	**268**	**2,879**	**33,579**
2010					
Cash paid for additions in period	–	1,800	475	5,507	7,782
Deferred purchase liability	–	34	–	–	34
Value of shares to be issued*	–	260	–	–	260
	–	2,094	475	5,507	8,076
Cash paid for businesses or client relationships acquired in previous periods	268	6,248	–	–	6,516
Utilisation of provisions for deferred purchase liability and shares to be issued (note 25)	(428)	(10,340)	–	–	(10,768)
Shares issued in period	359	4,564	–	–	4,923
Adjustments to prior year acquisitions	199	472	–	–	671
Total additions	199	2,566	475	5,507	8,747

* The number of shares issuable is 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 9,194,958 based on the closing share price as at 30 September 2011 (2010: 200,772) 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**	–	3,731	3,731
Midland investment management team 3	5,289	–	5,289
Tilman Brewin Dolphin Limited*	–	16,552	16,552
Other investment management teams ~	28,208	38,596	66,804
	48,637	58,879	107,516

* Amortisation period remaining 14 years 10 months.
** Amortisation period remaining 4 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.

17. Property, plant and equipment

Group

	Leasehold Improvements £'000	Office Equipment £'000	Motor Vehicles £'000	Computer Equipment £'000	Total £'000
Cost					
At 27 September 2009	7,888	7,619	–	67,386	82,893
Additions	2,795	1,290	–	3,584	7,669
Disposals	(341)	(49)	–	–	(390)
At 26 September 2010	10,342	8,860	–	70,970	90,172
Additions	611	2,212	–	2,348	5,171
Acquisition of subsidiary	16	101	36	–	153
Exchange differences	(4)	(11)	(1)	–	(16)
Disposals	(49)	(31)	–	(38)	(118)
At 30 September 2011	**10,916**	**11,131**	**35**	**73,280**	**95,362**
Depreciation					
At 27 September 2009	3,279	5,228	–	52,126	60,633
Charge for the period	1,143	1,370	–	7,968	10,481
Eliminated on disposal	(291)	(35)	–	–	(326)
At 26 September 2010	4,131	6,563	–	60,094	70,788
Charge for the period	1,451	1,315	1	6,068	8,835
Exchange differences	(4)	(8)	–	–	(12)
Eliminated on disposal	(49)	(31)	–	(38)	(118)
At 30 September 2011	**5,529**	**7,839**	**1**	**66,124**	**79,493**
Net book value					
At 30 September 2011	**5,387**	**3,292**	**34**	**7,156**	**15,869**
At 26 September 2010	6,211	2,297	–	10,876	19,384
At 26 September 2009	4,609	2,391	–	15,260	22,260

18. 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%
Tilman Brewin Dolphin Limited	Republic of Ireland	Investment Manager	Ordinary	100%
Brewin Nominees Limited	England & Wales	Nominee Company	Ordinary	100%
Brewin Dolphin MP	England & Wales	Investment Manager	A Ordinary	100%
			B Ordinary	100%
North Castle Street (Nominee) Limited	Scotland	Nominee Company	Ordinary	100%

Company

	2011 £'000	2010 £'000
At start of period	**140,702**	141,719
Change in investment in Brewin Dolphin Limited*	**10,965**	(3,689)
Investment in Tilman Brewin Dolphin Limited**	**18,889**	–
Capital contribution to Brewin Dolphin Limited re share-based payments	**(1,603)**	2,672
At end of period	**168,953**	140,702

* Due to change in the value of shares to be issued.

** Net of impairment of £3.9 million.

19. Investments

Available-for-sale investments

Group

	Listed investments £'000	Unlisted investments £'000	Total £'000
At 27 September 2009	609	10,000	10,609
Net loss from changes in fair value recognised in equity	–	(4,000)	(4,000)
Impairment recognised in the income statement	(495)	–	(495)
At 26 September 2010	114	6,000	6,114
Net loss from changes in fair value recognised in equity	–	–	–
Impairment recognised in the income statement	(27)	–	(27)
At 30 September 2011	**87**	**6,000**	**6,087**

The listed available-for-sale investment is in PLUS Markets Group PLC and was a strategic investment designed to reduce the then monopoly of the London Stock Exchange.

The unlisted available-for-sale investment in Euroclear plc is as a result of a £431,000 strategic investment in Crest, the London based settlement system. Crest was taken over by Euroclear plc and the resultant stake in Euroclear plc was 0.52% of its share capital or 19,899 ordinary shares. As at 30 September 2011 the Directors updated their valuation of the Group's holding in Euroclear plc; the valuation is £6 million (2010: £6 million). This valuation takes into account dividend yield and the prices of similar quoted companies.

Trading investments

Group

	Listed investments £'000	Unlisted investments £'000	Total £'000
Fair value			
At 26 September 2010	632	–	632
At 30 September 2011	**744**	**–**	**744**

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

20. Trade and other receivables

Group

	2011 £'000	2010 £'000
Non-current: other receivables		
Loans – see (i) below	**2,377**	2,306
	2,377	2,306
Current: trade and other receivables		
Trade debtors	**194,914**	287,728
Other debtors	**2,501**	2,511
Prepayments and accrued income	**45,077**	41,184
	242,492	331,423

(i) £2,377,000 (2010: £2,306,000) represents loans to staff. The loans are mainly secured on the Company's shares. The Directors believe that these balances are fully recoverable.

Company

	2011 £'000	2010 £'000
Non-current: other receivables		
Loans	**130**	329
	130	329
Current: trade and other receivables		
Prepayments and accrued income	**17**	7
Amounts due from subsidiary undertakings	**19,154**	12,235
	19,171	12,242

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	2011 £'000	2010 £'000
Not past due	**190,793**	277,457
Up to 15 days past due	**2,153**	8,952
16 to 30 days past due	**247**	262
31 to 45 days past due	**663**	343
More than 45 days past due	**946**	577
	194,802	287,591
Individually impaired trade debtors		
Individually impaired trade debtors	**1,133**	908
Provision for doubtful debts	**(1,021)**	(771)
	112	137
Trade debtors	**194,914**	287,728

Movements in provision for doubtful debts		
At start of period	**771**	692
Net addition to the income statement	**250**	79
At end of period	**1,021**	771

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

21. Deferred tax asset/(liability)

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period:

Group	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
At 27 September 2009	1,624	(2,680)	1,729	4,551	603	(4,975)	852
Credit/(charge) in the period to the income statement	977	–	574	(1,683)	(230)	(955)	(1,317)
Credit/(charge) in the period to the statement of comprehensive income	–	1,177	–	507	(122)	–	1,562
At 26 September 2010	2,601	(1,503)	2,303	3,375	251	(5,930)	1,097
Credit/(charge) in the period to the income statement	21	–	873	(809)	(75)	157	167
Credit/(charge) in the period to the statement of comprehensive income	–	56	–	(719)	(42)	–	(705)
At 30 September 2011	**2,622**	**(1,447)**	**3,176**	**1,847**	**134**	**(5,773)**	**559**

22. Cash and cash equivalents

	2011 £'000	2010 £'000
Group		
Firm's cash	**64,469**	62,886
Client settlement cash	**21,233**	25,035
	85,702	87,921
Company		
Firm's cash	**597**	621
	597	621

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. The carrying amount of these assets is approximately equal to their fair value.

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 £1,422,146,314 (2010: £1,449,391,082).

23. Bank overdrafts

	2011 £'000	2010 £'000
Group		
Bank overdrafts	**672**	1,046
	672	1,046

Bank overdrafts are unsecured and repayable on demand.

24. Trade and other payables

Current

	2011 £'000	2010 £'000
Group		
Trade creditors	**207,264**	303,693
Other creditors	**4,817**	4,979
Other taxes and social security	**6,529**	4,895
Accruals and deferred income	**48,306**	44,151
Deferred purchase consideration (note 25)	**903**	1,368
	267,819	359,086
Company		
Other creditors	**16**	17
Accruals and deferred income	**6,049**	94
Amounts payable to subsidiary undertakings	**7,336**	7,336
	13,401	7,447

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.

25. 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(t) and 4. At the period end there was a net upward assessment of £5.2m (2010: net upward £0.9m). These adjustments are inevitably subjective and dependent on events, influenced by market conditions. The other side of the liability is recorded in intangible assets – client relationships (see note 16).

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 £27m (2010: £5m) for shares to be issued within one year, £68m (2010: £57m) for shares to be issued from one to five years, with a further potential of £5m (2010: £7m) in relation to expenditure contracted for but not provided in the accounts which would be payable in 2015/16.

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.

As at 30 September 2011	Shares to be issued inc. premium (Group & Company) 2011 £'000	Deferred Purchase Consideration (Group only) 2011 £'000	Total 2011 £'000
Deferred consideration relating to acquisitions			
Current liability			
Payments relating to 8 cash generating units	**6,541**	**903**	**7,444**
	6,541	**903***	**7,444**
Non-current liability			
Payments relating to 8 cash generating units payable in 2012/13	**8,355**	**1,153**	**9,508**
Payments relating to 4 cash generating units payable in 2013/14	**3,725**	**514**	**4,239**
Payments relating to 3 cash generating units payable in 2014/15	**5,437**	**155**	**5,592**
Payments relating to 5 cash generating units payable in 2015/16	**5,323**	**734**	**6,057**
	22,840	**2,556**	**25,396**
Total current and non-current liability	**29,381**	**3,459**	**32,840**
Expenditure contracted for but not provided in the accounts			
Due after more than one year 2015/16	**750**	**–**	**750**
Reconciliation of movement in total of current and non-current liabilities			
Balance as at 26 September 2010	**14,099**	**3,117**	**17,216**
On acquisitions in the period	**10,942**	**920**	**11,862**
Adjustment to prior year acquisitions (see notes 3(t) and 16)	**4,476**	**775**	**5,251**
Unwind of discount charged to the income statement	**302**	**15**	**317**
Utilised in period	**(438)**	**(1,368)**	**(1,806)**
Balance as at 30 September 2011	**29,381**	**3,459**	**32,840**

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

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

As at 26 September 2010	Shares to be issued inc.premium (Group & Company) 2010 £'000	Deferred Purchase Consideration (Group only) 2010 £'000	Total 2010 £'000
Deferred consideration relating to acquisitions			
Current liability			
Payments relating to 2 cash generating units	438	1,368	1,806
	438	1,368*	1,806
Non-current liability			
Payments relating to 8 cash generating units payable in 2011/12	7,153	916	8,069
Payments relating to 7 cash generating units payable in 2012/13	6,213	795	7,008
Payments relating to 2 cash generating units payable in 2013/14	295	38	333
	13,661	1,749	15,410
Total current and non-current liability	14,099	3,117	17,216
Expenditure contracted for but not provided in the accounts			
Due after more than one year 2013/14	2,500	–	2,500
Reconciliation of movement in total of current and non-current liabilities			
Balance as at 28 September 2009	22,441	4,307	26,748
On acquisitions in the period	260	33	293
Adjustment to prior year acquisitions (see notes 3(t) and 16)	297	622	919
Unwind of discount charged to the income statement	22	2	24
Utilised in period	(8,921)	(1,847)	(10,768)
Balance as at 26 September 2010	14,099	3,117	17,216

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

26. 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 Committee 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.

26. 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 Group manages its capital to ensure that entities in the Group will be able to continue as going concerns. The capital structure of the Group and Company consists of issued share capital, reserves and retained earnings as disclosed in the Consolidated Statement of Changes in Equity.

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; There are two regulated entities in the Group; Brewin Dolphin Limited ("BDL") regulated by the FSA and Tilman Brewin Dolphin Limited regulated by the Central Bank of Ireland.

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 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:

	30 September 2011 £'000	26 September 2010 £'000
Tier 1 capital resources		
Ordinary share capital	**2,405**	2,270
Share premium account	**116,028**	113,612
Own shares held	**(10,686)**	(101)
Retained earnings	**19,970**	17,211
Merger reserve	**22,950**	4,562
Shares to be issued	**29,381**	14,099
	180,048	151,653
Deduction – Intangible assets	**(115,805)**	(91,114)
	64,243	60,539
Tier 2 capital resources		
Revaluation reserve	**4,118**	4,062
Deductions	**–**	–
	4,118	4,062
Tier 1 plus tier 2 capital resources	**68,361**	64,601
Deduction – Material holdings	**–**	–
Total capital before deductions	**68,361**	64,601
Deductions from total capital	**(284)**	(641)
Total capital resources after deductions	**68,077**	63,960

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

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.

26. Financial instruments and risk management (continued)

Categories of financial instruments

Group

	Carrying value	
	2011	2010
	£'000	£'000
Financial assets		
Fair value through profit and loss – held for trading	**744**	632
Loans and receivables (including cash and trade receivables)	**321,797**	413,099
Available-for-sale financial assets	**6,087**	6,114
	328,628	419,845
Financial liabilities		
Amortised cost	**297,592**	377,775
	297,592	377,775

Company

	Carrying value	
	2011	2010
	£'000	£'000
Financial assets		
Loans and receivables (including cash and trade receivables)	**19,898**	13,192
	19,898	13,192
Financial liabilities		
Amortised cost	**36,719**	21,452
	36,719	21,452

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

Fair value measurement recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 at fair value measurement are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurement are those derived from inputs other than the quoted price included within Level 1 that are observable for the asset or a liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from formal valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Held for trading				
Quoted equities	744	–	–	744
Available-for-sale financial assets				
Quoted equities	87	–	–	87
Unquoted equities	–	–	6,000	6,000
Total	**831**	**–**	**6,000**	**6,831**

There were no transfers between and Level 1 and 2 during the year.

26. Financial instruments and risk management (continued)

Reconciliation of Level 3 fair value measurement of financial assets:

Available-for-sale

	Unquoted equities £'000
Balance at 26 September 2010	6,000
Total gains or losses in other comprehensive income	–
Balance at 30 September 2011	**6,000**

The table above only includes financial assets. There were no financial liabilities subsequently measured at fair value on Level 3 fair value measurement basis.

All gains and losses included in other comprehensive income relate to unquoted equity held at the balance sheet date and are reported as "Loss on Revaluation of available-for-sale investments".

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 and Republic of Ireland; all trades are matched in the market.

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 £13,000 (2010: £334,000 debtor).

At the period end Tilman Brewin Dolphin Limited had net assets of £3.4m denominated in their local currency (Euros).

The Group does not hold any derivatives (2010: none).

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.

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 53 week period ended 30 September 2011 would have been £35,000 higher/lower (2010: £31,000 higher/lower) due to change in the value of held-for-trading investments and available-for-sale investments; and
- other equity reserves as at 30 September 2011 would increase/decrease by £304,000/£300,000 (2010: increase/decrease by £306,000/£300,000) 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 in respect of the Group's cash and in respect of client deposits. The latter arises because the interest rate paid to its clients on their deposits is linked to the base rate. The Group holds client deposits on demand (variable interest rate) and in 95 day notice accounts (interest rate marked to market monthly). At the end of the period a 1% increase in base rate would increase profitability by £328,000 (2010: £314,000).

26. Financial instruments and risk management (continued)

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.

Exposure to credit risk is 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 has no significant concentration of credit risk with the exception of cash where the majority is spread across three major banks.

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 in the current period of £13,500; 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 £1,132,000 (2010: £908,000). Collateral valued at fair value by the Group in relation to these impaired assets was £112,000 (2010: £137,000). This collateral is stock held in the clients' account which per our client terms and conditions can be sold to meet any unpaid liabilities falling due. The net difference has been provided as a doubtful debt (see note 20). Note 20 also details amounts past due but not impaired.

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 (2010: none).

Loans to employees are repayable over 5 to 10 years and are secured against the employees' shareholdings in the Company (see note 20).

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

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.

26. Financial instruments and risk management (continued)

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 30 September 2011, the Group had access to an overdraft facility of £15 million (2010: £15 million).

The Group has a Liquidity Policy which is reviewed by the Board annually. 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 30 September 2011

	Up to 1 month £'000	**1 month to 3 months £'000**	**3 months to 1 year £'000**	**1 year to 5 years £'000**	**Over 5 years £'000**	**Total £'000**
Financial liabilities						
Amortised cost	**213,615**	**57,727**	**17**	**26,233**	**–**	**297,592**
	213,615	**57,727**	**17**	**26,233**	**–**	**297,592**

As at 26 September 2010

	Up to 1 month £'000	1 month to 3 months £'000	3 months to 1 year £'000	1 year to 5 years £'000	Over 5 years £'000	Total £'000
Financial liabilities						
Amortised cost	307,754	54,045	106	15,870	–	377,775
	307,754	54,045	106	15,870	–	377,775

Company
As at 30 September 2011

	Up to 1 month £'000	**1 month to 3 months £'000**	**3 months to 1 year £'000**	**1 year to 5 years £'000**	**Over 5 years £'000**	**Total £'000**
Financial liabilities						
Amortised cost	**7,338**	**6,541**	**–**	**22,840**	**–**	**36,719**
	7,338	**6,541**	**–**	**22,840**	**–**	**36,719**

As at 26 September 2010

	Up to 1 month £'000	1 month to 3 months £'000	3 months to 1 year £'000	1 year to 5 years £'000	Over 5 years £'000	Total £'000
Financial liabilities						
Amortised cost	7,353	438	–	13,661	–	21,452
	7,353	438	–	13,661	–	21,452

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 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 2011 at www.brewin.co.uk.

27. 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 30 September 2011 are expected to be £3.2m 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 Comprehensive Income.

The Government passed legislation during the year to change the statutory inflation measure for pensions from Retail Price Index (RPI) to Consumer Prices Index (CPI). Where pension scheme rules refer explicitly to statutory provisions, the Group has accounted for this change immediately. The change in the inflation measure has led to a reduction in defined benefit obligation of £1.3m.

A full actuarial valuation of the scheme was carried out as at 31 December 2008 and has been updated to 30 September 2011 by a qualified independent actuary. The major assumptions used by the actuary were (in nominal terms) as follows:

	As at 26 September 2011	As at 26 September 2010
Discount rate	**5.10%**	5.10%
RPI Inflation assumption	**3.00%**	3.10%
CPI Inflation assumption	**2.25%**	n/a
Rate of increase in salaries	**3.00%**	3.10%
Pension Increases	**3.00%**	3.10%
Average assumed life expectancies for members on retirement at age 65.		
Existing pensioners		
Males	**87.5 years**	87.4 years
Females	**88.9 years**	88.9 years
Future pensioners		
Males	**88.6 years**	88.6 years
Females	**90.1 years**	90.0 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. The assumed returns avaliable on bonds are 0.5% above gilts. 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.

The assets in the scheme and the expected rates of return were

	Long-term rate of return expected at 30 September 2011	**Value at 30 September 2011 £'000**	Long-term rate of return expected at 26 September 2010	Value at 26 September 2010 £'000
Equities	**7.00%**	**17,668**	7.50%	19,631
Bonds	**4.00%**	**30,392**	4.50%	27,050
Other	**0.50%**	**6,340**	0.50%	2,557
Total plan assets		**54,400**		49,238
The actual return on assets over the period was		**3,351**		4,486
Present value of defined obligation:				
Funded plans		**61,501**		61,737
Unfunded plans		**–**		–
Total		**61,501**		61,737
Present value of unfunded obligations		**7,101**		12,498
Net liability in balance sheet		**7,101**		12,498

27. Retirement benefit obligation (continued)

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

	2011 £'000	2010 £'000
Benefit obligation at beginning of period	**61,737**	55,849
Service cost	**218**	229
Interest cost	**3,120**	3,104
Contributions by scheme participants	**136**	166
Actuarial (gain)/loss	**(2,165)**	3,626
Benefits paid	**(1,545)**	(1,237)
Benefit obligation at end of period	**61,501**	61,737

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

Fair value of plan assets at beginning of period	**49,239**	39,596
Expected return on plan assets	**2,751**	2,738
Actuarial gain/(loss)	**600**	1,748
Contributions by employers	**3,219**	6,228
Contributions by plan participants	**136**	166
Benefits paid	**(1,545)**	(1,237)
Fair value of plan assets at end of period	**54,400**	49,239

The amounts recognised in the income statement are:

Current service cost	**218**	229
Interest on obligation	**3,120**	3,104
Expected return on Plan assets	**(2,751)**	(2,738)
Total expense	**587**	595

Actuarial gain/(losses) to be shown in Statement of Comprehensive Income

Actuarial gain (losses)	**2,766**	(1,878)
	2,766	(1,878)
Cumulative losses recognised in Statement of Comprehensive Income	**(15,541)**	(18,306)

History of scheme assets, obligations and experience adjustments

	As at 30/09/2011 £'000	As at 26/09/2010 £'000	As at 27/09/2009 £'000	As at 28/09/2008 £'000	As at 30/09/2007 £'000
Present value of defined benefit obligation	61,501	61,737	55,849	47,746	57,684
Fair value of scheme assets	54,400	49,239	39,596	39,782	47,949
Deficit in the scheme	(7,101)	(12,498)	(16,253)	(7,964)	(9,735)
Total actuarial gains and losses arising on scheme liabilities	(2,165)	3,626	9,114	(7,397)	(1,542)
Total actuarial gains and losses as a percentage of scheme liabilities	-4%	6%	16%	-15%	-3%
Experience adjustments arising on scheme liabilities	85	(1,718)	273	542	278
Experience adjustments as a percentage of scheme liabilities	0%	-3%	0%	1%	0%
Changes in assumptions underlying the present value of the liabilities	(2,250)	5,344	8,841	(7,940)	(1,820)
Changes in assumptions as a percentage of scheme liabilities	-4%	9%	16%	-17%	-3%
Experience adjustments arising on scheme assets	600	1,748	(442)	(11,772)	(122)
Experience adjustments as a percentage of scheme assets	1%	4%	-1%	-30%	0%

28. Called up share capital

Group and Company

	2011 No.	2010 No.	2011 £'000	2010 £'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:	**240,607,878**	227,130,752	**2,405**	2,270
Allotted, issued Dec 2004 at 103.3p, nil paid last subscription date Dec 2011	**58,080**	67,760	**–**	–
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	**191,071**	391,696	**–**	–
Allotted, issued Dec 2006 at 184.5p, nil paid last subscription date Dec 2013	**368,560**	420,050	**–**	–
Allotted, issued June 2007 at 217.5p, nil paid last subscription date June 2014	**413,360**	443,633	**–**	–
Allotted, issued Dec 2007 at 162.5p, nil paid last subscription date Dec 2014	**596,239**	686,076	**–**	–
Allotted, issued July 2008 at 104p, nil paid last subscription date June 2015	**706,708**	766,783	**–**	–
Allotted, issued Dec 2008 at 108.6p, nil paid last subscription date Dec 2015	**319,280**	340,696	**–**	–
	243,320,580	230,306,850	**2,405**	2,270

During the period the following shares were issued:

	Date	No. of Fully Paid Shares	No. of Nil Paid Shares	Exercise/Issue Price (pence)	Called up share capital £'000	Share premium account £'000	Total £'000
At 26 September 2010		227,130,752	3,176,098		2,270	113,612	115,882
Issue of options	Various	1,463,821	–	37.5p-168.0p	15	1,707	1,722
Nil paid shares now paid up	Various	463,396	(463,396)	103.3p-217.5p	5	712	717
Acquisition of Tilman Asset Management Ltd	1 August 2011	11,549,909	–	132.6p	115	–	115
Cost of issue of shares	Various	–	–		–	(3)	(3)
At 30 September 2011		**240,607,878**	**2,712,702**		**2,405**	**116,028**	**118,433**

The share premium on the shares issued for the acquisition of Tilman Asset Management Limited has been credited to the Merger Reserve.

The following options have been granted and remain outstanding:

	Exercise price	Grant date	2011 No.	2010 No.
Approved share option	139p	June 2001	**–**	523,000
Approved share option	37.5p	December 2002	**144,070**	205,080
Approved share option	81.3p	December 2003	**243,772**	420,142
Unapproved share option #	82.3p	December 2003	**–**	115,429
Approved share option	98p	December 2004	**232,661**	412,592
Unapproved share option #	103.3p	December 2004	**392,049**	464,650
Unapproved share option #	101p	May 2005	**59,404**	84,156
Approved share option	145p	December 2005	**495,819**	711,819
Unapproved share option #	157p	December 2005	**363,036**	477,679
Unapproved share option #	179.8p	May 2006	**16,689**	16,689
Approved share option	175.25p	November 2006	**832,334**	868,334
Unapproved share option #	184.5p	December 2006	**457,990**	463,410
Unapproved share option #	217.5p	June 2007	**439,036**	452,827
Approved share option	168p	November 2007	**724,620**	761,973
Unapproved share option #	162.5p	December 2007	**692,229**	704,535
Unapproved share option #	104p	July 2008	**769,206**	798,051
Approved share option	103.5p	November 2008	**668,176**	702,676
Unapproved share option #	108.6p	December 2008	**340,696**	349,904
Approved share option	165.7p	December 2009	**774,838**	813,518
Deferred Profit Share Plan*	148p	December 2010	**3,440,095**	–
Approved share option	148p	December 2010	**372,478**	–
Total options outstanding			**11,459,198**	9,346,464

Under the Senior Employee Matching Share Purchase Scheme.

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

*These options do not count towards dilution limits because the shares have been purchased in the market by the Brewin Dolphin Holdings PLC Share Ownership Trust.

Further details of the terms of the options and the Senior Employee Matching Share Purchase Scheme are given in the Directors Remuneration Report.

28. Called up share capital (continued)

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 2,712,702 (2010: 3,176,098) nil paid shares held by the Trustees in Brewin Dolphin Holdings PLC Employee Share Ownership Trust (the "Trust"), see note 14 for further information.
- 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:

- 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.
- Deferred Profit Share Plan: A replacement award could be made over shares in the acquiring company, otherwise the shares will vest in full and can be exercised within six months of control being obtained.
- Share Incentive Plan: No Matching Shares shall be forfeited as a consequence of a change of control.

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 Share Purchase Scheme, details of which are set out on page 36 of the Directors Remuneration Report and also note 30. 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.

29. Own shares

	£'000
Balance at 26 September 2010	101
Acquired in the period	10,569
Value of shares to be acquired	16
Balance at 30 September 2011	**10,686**

The own shares reserve represents the matching shares purchased in the market and held by the Brewin Dolphin Share Incentive Plan and shares purchased by the Brewin Dolphin Holdings PLC Employee Share Ownership Trust.

The number of ordinary shares held by the Brewin Dolphin Share Incentive Plan at 30 September 2011 was 185,886 (2010: 62,638), a further 13,232 shares were purchased on 5 October 2011 which represents the value of shares to be acquired at the end of the period.

The number of ordinary shares held by the Brewin Dolphin Holdings PLC Employee Share Ownership Trust at 30 September 2011 was 6,857,822 (2010: nil).

30. Share-based payments

Equity-settled share option schemes

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:

Scheme	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 Purchase 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

Details of the share options outstanding during the period ended 30 September 2011 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	**625,222**	**66.93**	**4,287,601**	**148.13**	**3,910,641**	**144.22**
Granted during the period	**–**	**–**	**378,478**	**155.00**	**–**	**–**
Forfeited during the period	**(1,500)**	**37.50**	**(150,825)**	**157.32**	**(72,693)**	**152.44**
Exercised during the period	**(235,880)**	**70.25**	**(397,639)**	**122.62**	**(324,302)**	**112.66**
Expired during the period	**–**	**–**	**–**	**–**	**–**	–
Outstanding at the end of the period	**387,842**	**65.03**	**4,117,615**	**150.89**	**3,513,646**	**146.96**
Exercisable at the end of the period	**387,842**	**65.03**	**745,169**	**131.10**	**211,570**	**129.97**

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 26 September 2010 were 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	785,532	67.24	4,030,896	141.29	4,087,398	142.91
Granted during the period	–	–	840,518	165.70	–	–
Forfeited during the period	(16,975)	56.14	(296,635)	151.95	(63,632)	151.34
Exercised during the period	(143,335)	69.89	(287,178)	99.67	(113,125)	92.81
Expired during the period	–	–	–	–	–	–
Outstanding at the end of the period	625,222	66.93	4,287,601	148.13	3,910,641	144.22
Exercisable at the end of the period	625,222	66.93	412,592	98.00	418,706	113.44

The weighted average share price at the date of exercise for share options exercised during the period was 166p (2010: 136p). The options outstanding at 30 September 2011 had a weighted average exercise price of 144p (2010: 140p), and a weighted average remaining contractual life of 1.4 years (2010: 1.7 years). During the 53 week period ended 30 September 2011 options under the Approved 2004 Scheme were granted on 2 December 2010. The aggregate of the estimated fair value of the options granted on these dates is £102,407 (2010: £611,548).

30. Share-based payments (continued)

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	148.90	136.01
Weighted average exercise price	59.40	147.90	135.63
Expected volatility	52%	39%	38%
Expected life (yrs)	5.00	5.00	4.00
Risk free rate	4.5%	3.9%	4.6%
Expected dividend yield	1.2%	4.1%	3.9%

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

Other share based payment plans

Share Incentive Plan ("SIP")

The Group has a Share Incentive Plan ("SIP"). Employees may use funds from their gross salary up to a maximum of 10% of their gross salary in regular monthly payments (being not less than £10 and not greater than £125) to acquire ordinary shares in the Company ("Partnership Shares"). Partnership Shares are acquired monthly. For every Partnership Share purchased, the employee receives one matching share up to the value of £20. All shares to date awarded under this scheme have been purchased in the market monthly, it is the intention of the Directors to continue this policy in the year to September 2012. For further details of the scheme please see the Directors' Remuneration Report.

Deferred Profit Share Plan ("DPSP")

The DPSP provides for eligible employees to be required or invited to defer some or all of their annual profit share entitlement into an award over ordinary shares (an "Award"). Under the DPSP there is currently a mandatory deferral of 33% of any profit share in excess of £50,000 for a period of three years. Employees can elect to voluntarily defer profit share into the plan. Awards are generally in the form of nil cost options to acquire ordinary shares although at the discretion of the Committee they may also take the form of a conditional right to receive ordinary shares. Awards in the form of mandatory deferrals made to the employees who leave the Group at any time prior to vesting lapse unless the employee leaves as a result of good leaver provisions. The trustees have purchased shares in the market during the 53 week period to 30 September 2011 to cover both the shares awarded under the scheme in December 2010 and in preparation for the December 2011 award. It is the intention to recommend to our Trustees to purchase the shares in the market for any shares awarded under this scheme in the year to September 2012.

The Group recognised total expenses of £3,029,000 (2010: £2,679,000) related to equity-settled share-based payment transactions.

31. Operating lease arrangements

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

	2011		2010	
	Land and buildings £'000	**Hire of equipment £'000**	Land and buildings £'000	Hire of equipment £'000
Lease payments	**5,481**	**1,669**	4,262	2,025
	5,481	**1,669**	4,262	2,025

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:

	2011		2010	
	Land and buildings £'000	**Hire of equipment £'000**	Land and buildings £'000	Hire of equipment £'000
Amounts payable under operating leases:				
Within one year	**6,615**	**904**	5,038	1,293
In the second to fifth years inclusive	**24,275**	**486**	22,577	920
After five years	**37,255**	**–**	23,369	–
	68,145	**1,390**	50,984	2,213

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

32. Capital commitments

	2011 £'000	2010 £'000
Expenditure contracted for but not provided in these accounts	**249**	740
Expenditure authorised by the directors but not contracted for	**730**	–

33. Provisions

	Sundry claims and associated costs £'000	Vacant property £'000	Total £'000
At start of period	**5,303**	**161**	**5,464**
Additions	**2,076**	**33**	**2,109**
Utilisation of provision	**(1,211)**	**(62)**	**(1,273)**
Unused amounts reversed during the period	**(293)**	**(76)**	**(369)**
At end of period	**5,875**	**56**	**5,931**
Provisions			
Included in current liabilities	**5,875**	**56**	**5,931**
	5,875	**56**	**5,931**

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 £ nil (2010: £399,000) included in other debtors.

The timing of settlements cannot be accurately forecast; settlement of £ nil (2010: £ nil) has been made since the balance sheet date.

34. Notes to the cash flow statement

Group	53 weeks to 30 September 2011 £'000	52 weeks to 26 September 2010 £'000
Operating profit from continuing operations	**21,368**	29,700
(Loss)/profit for the period from discontinued operations (note 13)	**(1,201)**	1,326
Adjustments for:		
Depreciation of property, plant and equipment	**8,835**	10,481
Amortisation of intangible assets – client relationships	**10,486**	6,349
Amortisation of intangible assets – software	**3,446**	1,808
Loss on disposal of property, plant and equipment	**–**	64
Intangible asset impairment	**207**	–
Retirement benefit obligation	**(2,631)**	(5,633)
Share-based payment expense	**3,029**	2,679
Translation adjustments	**(83)**	–
Unwind of discount of shares to be issued and deferred purchase consideration	**317**	24
Interest income	**1,059**	1,105
Interest expense	**(732)**	(453)
Operating cash flows before movements in working capital	**44,100**	47,450
Decrease in payables and trading investments	**(91,996)**	(106,395)
Decrease in receivables and trading investments	**90,465**	109,775
Cash generated by operating activities	**42,569**	50,830
Tax paid	**(9,711)**	(5,716)
Net cash inflow from operating activities	**32,858**	45,114

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

34. Notes to the cash flow statement (continued)

Company	53 weeks to 30 September 2011 £'000	52 weeks to 26 September 2010 £'000
Operating profit	**16,624**	9,903
Adjustments for:		
Impairment of subsidiary	**3,921**	–
Unwind of discount of shares to be issued and deferred purchase consideration	**11**	–
Operating cash flows before movements in working capital	**20,556**	9,903
Decrease in payables and trading investments	**(6,730)**	(8,232)
Increase/(decrease) in payables	**–**	–
Cash generated by operating activities	**13,826**	1,671
Tax paid	**–**	–
Net cash inflow from operating activities	**13,826**	1,671

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

35. Acquisition of subsidiary

The Group has applied IFRS 3(2008) 'Business Combinations' and IAS 27(2008) 'Consolidated and Separate Financial Statements' in relation to acquisitions in the period.

On 1 August 2011, the Group acquired 100 percent of Tilman Brewin Dolphin Limited (formerly Tilman Asset Management Limited) which is based in Dublin, Republic of Ireland. Tilman Brewin Dolphin Limited principal activity is discretionary, private client, fund management. It was acquired to allow the Board to address its long held view that there is a strong demand in the Republic of Ireland for the services that Brewin Dolphin offers.

	Book value £'000	Fair value £'000
Recognised amounts of identifiable assets and liabilites assumed:		
Financial assets		
Cash	**5,802**	**5,802**
Other financial assets	**1,778**	**1,778**
	7,580	**7,580**
Property, plant and equipment	**153**	**153**
Identifiable intangible assets	**–**	**16,738**
Financial liabilities	**(1,661)**	**(1,661)**
Total identifiable assets	**6,072**	**22,810**
Goodwill		**–**
Total consideration		**22,810**
Satisfied by:		
Equity instruments (11,549,909 ordinary 1p shares of parent company)		**18,503**
Contingent consideration arrangement*		**4,307**
Total consideration transferred		**22,810**

* Discounted for the time value of money

There was a £0.2m cash outflow arising on acquisition.

The fair value of the financial assets is expected to be collected in full.

The fair value of the 11,549,909 ordinary shares issued as the consideration for Tilman Brewin Dolphin Limited £18.5m was determined by the average mid market value of the ordinary shares for the three days prior to the receipt of regulatory permission from the Central Bank of Ireland for the acquisition of Tilman Brewin Dolphin Limited by the Group.

35. Acquisition of subsidiary (continued)

The contingent consideration arrangement is subject to the performance of Tilman Brewin Dolphin Limited and capped at €15 million (£13.2 million). It will be based on an 11.5 P/E on Tilman's profits for the year to September 2014 less €15 million, the initial consideration excluding net assets. The fair value of the final consideration payment of £4.5 million has been made based on an estimate of profits for Tilman Brewin Dolphin Limited for the year ended 30 September 2014 and will be payable in ordinary shares. Due to uncertainties over future profits the final consideration payment may vary from the current best estimate, the lowest the payment could be is €nil and the highest €15 million (£13.2 million).

Acquisition related costs (included in other operating expenses) of £0.2 million.

Goodwill did not arise on the acquisition of Tilman Brewin Dolphin Limited.

Tilman Brewin Dolphin Limited contributed £0.7 million revenue and £0.25 million to the Group's profit for the period between the date of acquisition and the balance sheet date.

If the acquisition of the Tilman Brewin Dolphin Limited had been completed on the first day of the financial year, Group revenues for the period would have been £3.0 million greater and Group profit would have been £0.9 million greater.

36. 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	
	2011	2010	**2011**	2010
	£'000	£'000	**£'000**	£'000
Bell Lawrie White & Co. Limited	**–**	–	**2,436**	2,436
Brewin Dolphin Limited	**19,154**	12,235	**–**	–
Tilman Brewin Dolphin Limited	**–**	–	**–**	–
Stocktrade Broking Limited	**–**	–	**4,900**	4,900
	19,154	12,235	**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 £17,000,000 (2010: £10,000,000) from Brewin Dolphin Limited and £3,920,838 from Tilman Brewin Dolphin 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
(continuing operations)

	2011 £'000	2010 £'000	2009 £'000	2008 £'000	2007 £'000
Continuing operations					
Revenue	**248,375**	224,013	178,944	174,170	168,492
Other operating income	**15,638**	15,999	25,071	19,526	11,247
Total income	**264,013**	240,012	204,015	193,696	179,739
Staff costs	**(126,456)**	(113,817)	(98,947)	(97,926)	(98,664)
Additional FSCS levy	**(6,058)**	(595)	–	–	–
Redundancy costs	**(1,008)**	(135)	(3,393)	(634)	(946)
Acquisition of subsidiary	**(228)**	–	–	–	–
Contract renewal payments	**–**	(2,090)	–	–	–
Amortisation of intangible assets – client relationships	**(10,486)**	(6,349)	(6,566)	(4,244)	(1,774)
Other operating costs	**(98,409)**	(87,326)	(74,712)	(65,580)	(52,420)
Operating expenses	**(242,645)**	(210,312)	(183,618)	(168,384)	(153,804)
Profit on ordinary activities before redundancy costs/ exceptional item (2005) and intangible asset amortisation of client relationships	**39,148**	38,869	30,356	30,190	28,655
Intangible asset client relationship amortisation	**(10,486)**	(6,349)	(6,566)	(4,244)	(1,774)
One off items listed above	**(7,294)**	(2,820)	(3,393)	(634)	(946)
Operating profit	**21,368**	29,700	20,397	25,312	25,935
Net finance income	**494**	345	1,467	6,148	6,900
Profit before tax	**21,862**	30,045	21,864	31,460	32,835
Tax	**(6,884)**	(9,447)	(6,383)	(9,795)	(10,097)
Profit attributable to equity shareholders of the parent from continuing operations	**14,978**	20,598	15,481	21,665	22,738
Dividend per share (2007 rebased to current pattern)	**7.1p**	7.1p	7.1p	7.1p	6.875p
Earnings per share					
From continuing operations before amortisation of client relationships and one off items listed above.					
Basic	**12.4p**	12.2p	10.8p	12.2p	12.1p
Diluted	**11.7p**	12.0p	10.6p	11.7p	11.5p

FUNDS

	At 30 September 2011 £ billion	At 26 September 2010 £ billion
In Group's nominee or sponsored member	**15.3**	13.8
Stock not held in Group's nominee	**0.3**	0.2
Discretionary funds under management	**15.6**	14.0
In Group's nominee or sponsored member	**7.2**	7.7
Other funds where valuations are carried out but where the stock is not under the Group's control	**1.2**	1.5
Advisory funds under management	**8.4**	9.2
Managed funds	**24.0**	23.2
In Group's nominee or sponsored member	**4.1**	4.0
Stock not held in Group's nominee	**0.3**	0.3
Execution only stock	**4.4**	4.3
Total funds	**28.4**	27.5
Stock		
In Group's nominee or sponsored member	**26.6**	25.5
Stock not held in Group's nominee	**1.8**	2.0
	28.4	27.5

SHAREHOLDERS AT 10 NOVEMBER 2011

There were changes in Directors' shareholdings between 1 October 2011 and 10 November 2011, the changes were in relation to the Brewin Dolphin Share Incentive Plan.

	Number of ordinary shares, shares to be issued (see note 25) and options	% Voting equity after exercise of options	Number of ordinary shares#	% Voting equity prior to exercise of options
Directors				
Henry Algeo	126,134		73,846	
Robin Bayford*	847,061		700,511	
Nick Hood	75,000		75,000	
Barry Howard	413,277		225,317	
Sir Stephen Lamport	4,500		4,500	
Jamie Matheson	571,828		483,991	
David McCorkell	721,356		665,050	
Simon Miller	35,000		35,000	
Sarah Soar	437,815		329,208	
Ben Speke	434,611		360,287	
Michael Williams	1,029,544		967,327	
Jock Worsley	18,000		18,000	
	4,714,126	1.7%	3,938,037	1.6%
Other employees of the Group	68,715,570	24.7%	58,032,461	23.8%
Shares to be issued (see note 25)**	23,922,213	8.6%	–	–
Employee Ownership	97,351,909	35.0%	61,970,498	25.4%
Institutions				
Aberforth Partners	16,261,800	5.8%	16,261,800	6.7%
Schroder Investment Management	12,490,154	4.5%	12,490,154	5.1%
Kames Capital	11,706,378	4.2%	11,706,378	4.8%
Legal & General Investment Management	8,258,737	3.0%	8,258,737	3.4%
JP Morgan Asset Management	7,741,717	2.8%	7,741,717	3.2%
Royal London Asset Management	7,398,894	2.7%	7,398,894	3.0%
Standard Life Investments	6,701,143	2.4%	6,701,143	2.8%
Other	110,803,259	39.6%	110,803,259	45.6%
Total	278,713,991	100.0%	243,332,580	100.0%

* Includes 12,198 non beneficial
** Shares to be issued are estimated using the share price as at 10 November 2011
# Nil paid, fully paid and shares held in the SIP

At 30 September 2011 the Company's share price was 119.4p (26 September 2010: 129.5p). The highest price in the 53 week period ended 30 September 2011 was 185.4p and the lowest 119.4p.

The paper used in this report is made from 50% recycled post-consumer waste.
Both mill and printer are FSC Certified, our printer is also "Carbon Neutral" accredited.

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