Annual Report and Accounts 2016

Realising ambitions, *Creating* value

1762 BREWIN DOLPHIN

As a leading UK wealth manager, we exist to protect and grow our clients' wealth.

Our Annual Report 2016 explains how we are realising ambitions – for ourselves, our clients and our shareholders.

Visit our corporate website for more information:
https://www.brewin.co.uk

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Realising ambitions

By helping clients to realise their financial ambitions, we can realise our own ambitions to grow the business and deliver sustainable returns for shareholders.

Our talented and knowledgeable people are delivering the right services and expertise across the country to help clients reach their goals.

Our eight key enablers allow us to work with our clients to realise their ambitions:

- *A focused strategy for growth*
- *Using technology to support relationships*
- *Investing in talent*
- *An evolving proposition based on trust*
- *We're always there for our clients*
- *Building long-term relationships*
- *Client-focused leadership*
- *A progressive business with a distinctive culture*

A focused strategy for growth

We continue to grow our core revenue by expanding the proportion of the wealth we manage for increasing numbers of clients. That's why we focus on giving our people the support and systems, confidence and capacity they need to increase both the value and number of our client relationships.

Using technology to support relationships

We are constantly seeking new ways to improve client and intermediary relationships. Technology is increasingly underpinning the streamlined support that allows our advisers to spend more time with clients. We're creating new portals, apps and communication channels to give clients and agents an expanding range of contact options to meet every requirement.

Investing in talent

Providing high-quality advice and consistently doing more for clients is what drives our people to excel. So we enable them to be as good as they can be, investing in their learning and development. By ensuring they're highly engaged and well rewarded, we can rely on their commitment and expertise for the long term.

An evolving proposition based on trust

Clients' needs and ambitions evolve over time, influenced by changing circumstances and shifting economic trends. We're there to track every change, drawing on our flexible business model, market-leading research and innovative culture to ensure our advice is constantly relevant and tailored to their needs. That's how we earn and preserve our clients' trust.

We're always there for our clients

As many other companies withdraw from the advice market, our network of 28 offices across the UK, the Channel Islands and the Republic of Ireland makes it easy for clients and prospects to drop in for face-to-face meetings with our advisers. It's how we build and sustain close relationships with individuals and communities.

Building long-term relationships

Our approach revolves around creating sustainable value through mutually rewarding relationships that deliver what clients and shareholders are looking for. That's why we take time to thoroughly understand every client's goals and ambitions. Only when we have a complete picture of what they want to achieve with their wealth are we ready to offer expert tailored planning and advice.

Client-focused leadership

Our Executive Committee ensures that client needs are at the forefront of our business thinking. By including client-facing specialists, who together represent all disciplines, we have shortened lines of communication to ensure our most senior strategic decision-makers are constantly focused on client needs.

A progressive business with a distinctive culture

Our business has been evolving for over 250 years. Built on trust and integrity, our culture helps us focus our collective skills and knowledge on continually seeking to improve our services for our clients. As we advance and innovate, our values guide us in growing and protecting our clients' wealth in a way that helps them achieve their ambitions.

Creating value

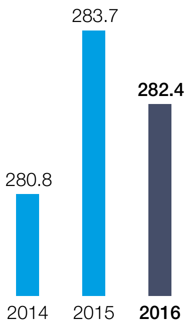
Our personalised approach to client service, combined with the expertise of our professionally qualified staff, enables us to create value, both for ourselves and our clients.

2016 Highlights[1]

To read about the key performance indicators we use to measure our strategic progress turn to page 30.

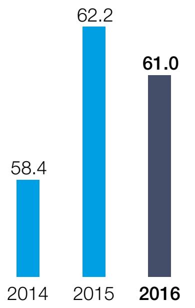
Total income (£m)

£282.4m



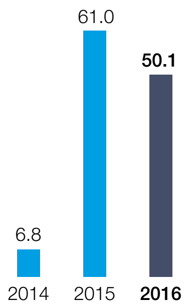
Adjusted[2] profit before tax (£m)

£61.0m



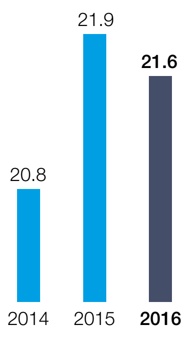
Statutory profit before tax (£m)

£50.1m



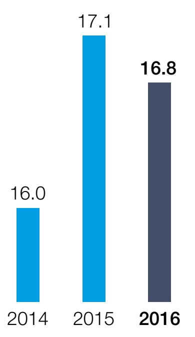
Adjusted[2] PBT margin (%)

21.6%



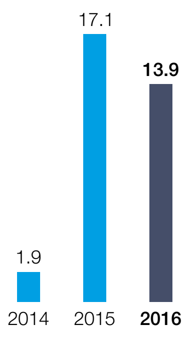
Adjusted[2] earnings per share – diluted[3] (p)

16.8p



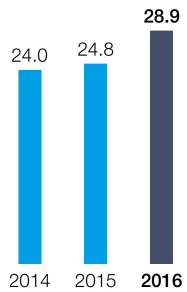
Earnings per share – diluted[3] (p)

13.9p

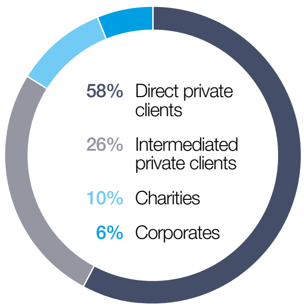


Discretionary funds (£bn)

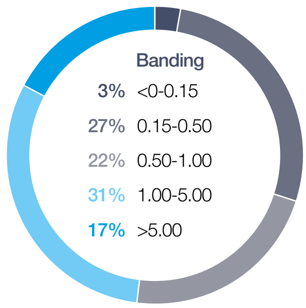
£28.9bn



Discretionary funds by client type

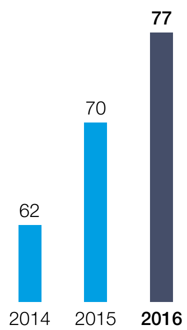


Discretionary funds by portfolio size (£m)



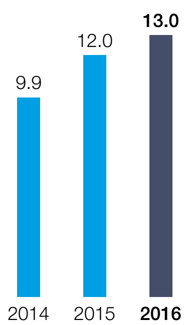
Dividend payout ratio (%)

77%



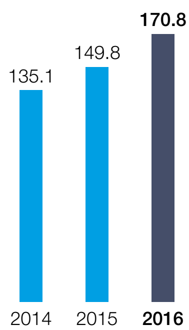
Full year dividend (p)

13.0p



Cash (£m)

£170.8m



1 Continuing operations.
2 These figures have been adjusted to exclude redundancy costs, FSCS levy rebate, onerous contracts, one-off migration costs, amortisation of client relationships and disposal of available-for-sale investment – see page 42.
3 See note 15.

A scalable platform for growth

Our rich heritage and reputation for trust, integrity and service alongside our regional presence provides a strong platform from which we can grow our business.

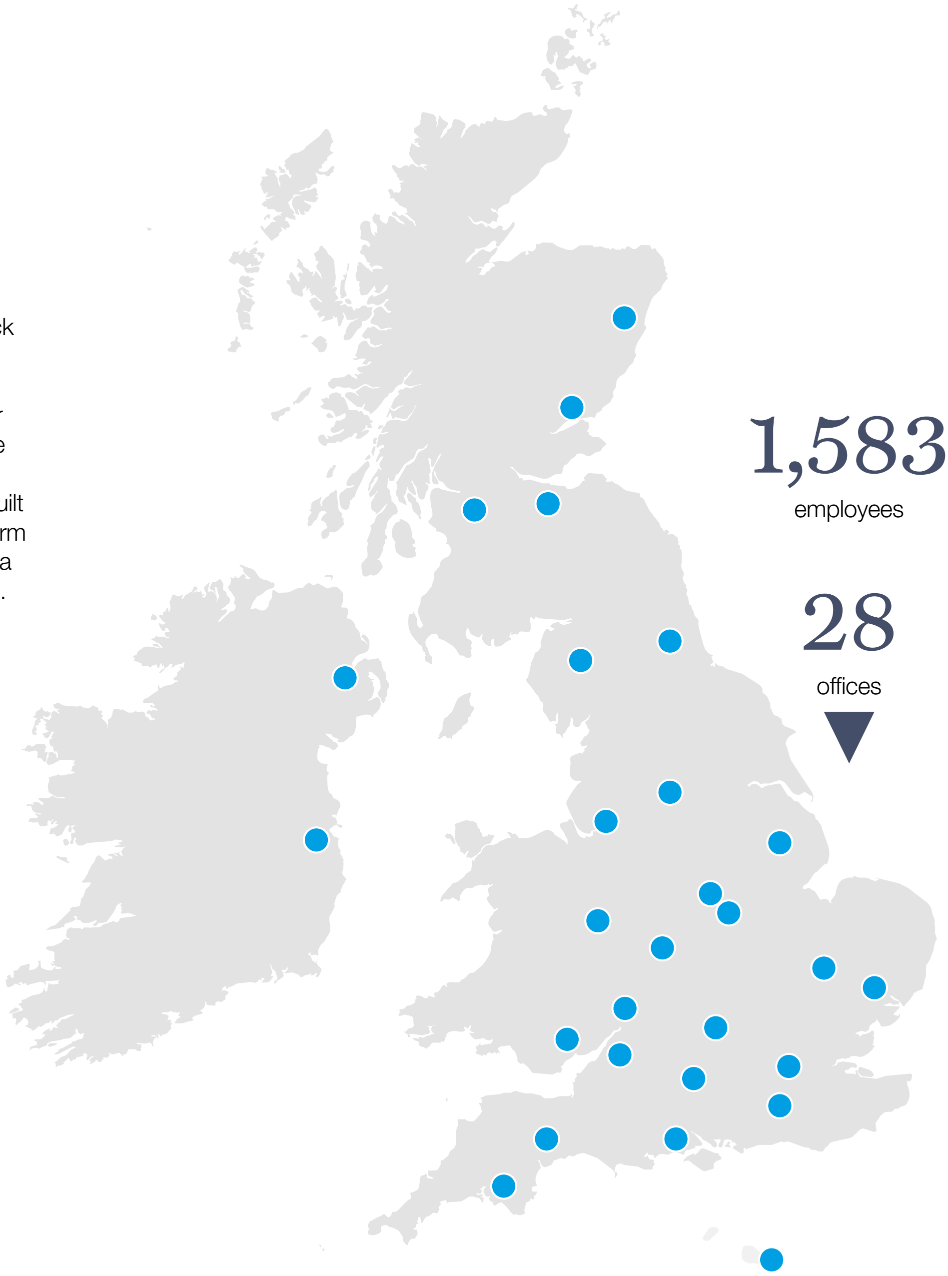
Who we are

Founded in 1762, Brewin Dolphin is a leading independently-owned UK wealth manager. We are listed on the London Stock Exchange, and are a member of the FTSE 250 Index. We take an integrated, advice-led approach to protecting and growing our clients' wealth by combining our experience and expertise in financial planning and investment management. Our success is built upon our belief in the importance of long-term client relationships and our commitment to a highly personalised and high-quality service.

Who our clients are

		Funds
PI	Direct private individuals	£19.2bn
PI	Private individuals via intermediaries	£7.5bn
CO	Corporates	£2.6bn
CH	Charities	£3.1bn
	Total core[1] funds	£32.4bn

1 Discretionary and execution only funds.



1,583
employees

28
offices

Our services

The table below outlines the services provided by the Group.

Core services	Available to
Wealth Management Integrated approach to protecting and growing wealth that combines both Financial Planning and Investment Management.	PI
Investment Management Designed for clients who want to benefit from a personal focus on their investment portfolio but do not require financial planning.	PI PI CH CO
Financial Planning This service helps address our clients' wider financial planning needs including advice on investment, protection or retirement requirements.	PI
Managed Portfolio Service ('MPS') This service is provided for financial advisers who offer a suite of risk rated model portfolios designed for their clients who do not require, or for whom it is not cost effective, to have a personalised solution.	PI
Brewin Portfolio Service ('BPS') A cost effective service for clients with smaller sums to invest who do not need advice. It combines the investment expertise of Brewin Dolphin with the freedom for individuals who are happy making their own risk decisions and investment choices. It gives access to six risk rated portfolios which are primarily invested in passive funds.	PI
Execution Only Custody, trade execution and settlement services for clients who have no need for advice and prefer to make their own investment decisions. This service is limited and we no longer provide it on a standalone basis to new clients.	PI CH CO

Non-core services	
Advisory The service provided is either 'Advisory Managed', where we provide advice on both the structure of the portfolio and the individual investments within it, or 'Dealing with Advice' where advice is provided on a transactional basis only. We no longer offer this service for new clients, other than on an exceptional basis.	PI CH CO

Our Business Model

Designed for *growth*

Our business model is underpinned by our strategy, risk management framework and our high standards of corporate governance.

1 How we meet our clients' needs

We seek to employ and develop the best people throughout our network of local branches to help both our clients manage the financial complexities of life and financial intermediaries to fulfil their responsibilities to their clients.

Brewin advice

Our people take time to establish strong client relationships based on a full understanding of individual circumstances. This enables us to build a tailored financial solution.

This may include our integrated wealth management service, just financial planning or just our investment solutions, depending on client needs and how they access our services.

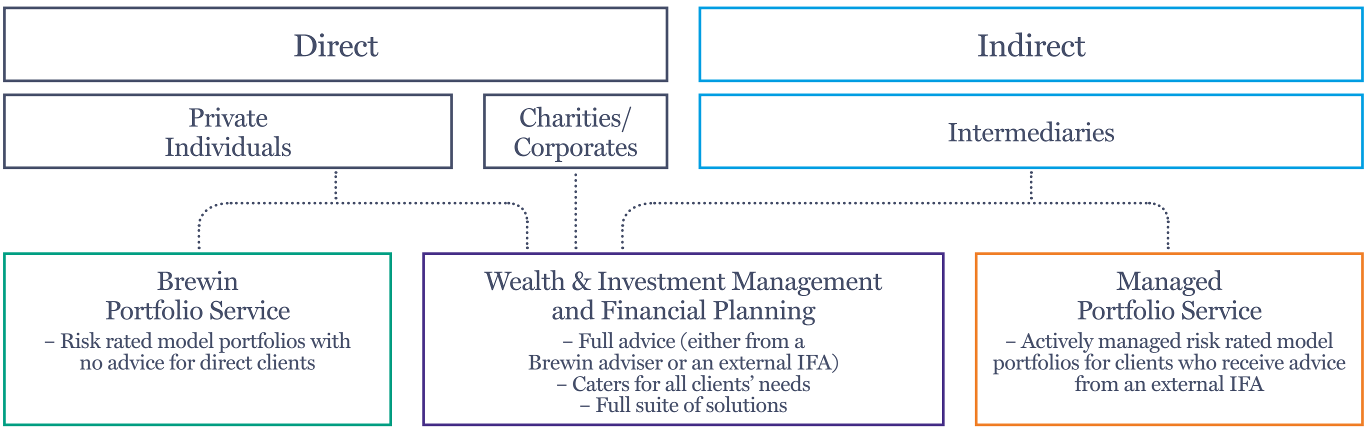
Investment solutions

We are an independently owned business with no in-house funds, which means we can look across a wide range of financial products to choose the best and most appropriate options from the market place.

Our direct portfolios and our model portfolio services are underpinned by our award winning in-house research as well as our firm-wide asset allocation framework.

2 How our clients access our services

See page 15 for a full table of services we offer



3 How our business creates value for ourselves and our clients

For Brewin Dolphin

We earn income for services based on the amount of funds we manage, fees we charge for financial planning or the investment business we transact on our clients' behalf. Our personalised approach to client service combined with the expertise of our professionally qualified and experienced staff demonstrates the value of our services and helps us earn the trust of clients and create loyal client relationships.

This creates value to the business through the generation of new leads via referrals and brand enhancement.

For Clients

Clients with advice

We help clients to achieve their long-term goals by managing their wealth for key stages in their life such as retirement. Every client is different so we individually assess their needs and develop personalised plans.

We guide them through today's highly complex financial services environment, helping them nurture their wealth in the most tax-efficient manner we can.

Clients without advice

Our Brewin Portfolio Service gives clients a low-cost alternative to the full wealth management service whilst enabling them to still benefit from the research and investment expertise of Brewin Dolphin.

The service is simple to access and each portfolio includes a diverse mix of investment funds chosen by our specialised teams to deliver a measured exposure to stock market risk.

Intermediaries

Both our discretionary investment management service and model portfolio service allow intermediaries to effectively outsource the investment management of their clients' portfolios whilst retaining secure access to portfolio valuations and having regular close contact with us.

Our national business development team and network of offices mean we can service advisers and their clients face-to-face across the UK.

4 How this value is reinvested in the business to drive growth

The value we create generates additional capacity for us to invest further in our business. You can read more about our strategy on page 28.

5 Resources and relationships

We rely on our resources and relationships in order to run our business. We actively engage with our stakeholders throughout our business cycle:

Employees

Our strength is in our 1,583 people, both client-facing colleagues and those who provide support to them. We have a strong commitment to development and we use initiatives like the employee engagement survey to understand what is working well and what can be improved.

Clients

We help to protect and grow wealth for our clients and maintaining close personal relationships with them is key to our business.

Investors

We engage with our shareholders and potential investors at external events such as AGMs and roadshows.

Suppliers

We actively engage with our suppliers at different stages of our business model, which ensures commitment and transparency of all parties.

Regulator

We ensure a regular dialogue with regulatory bodies and can therefore adapt to the changing regulatory landscape and identify where these changes can provide an opportunity for the business.

Challenges and *opportunities*

	Society	An ageing population	Increasing consumer freedom	Changing consumer demands
Market drivers	People are having to become increasingly self-reliant regarding their financial futures, seeking solutions that suit them in areas including retirement provision and planning for long-term care.	A larger number of people are approaching or entering periods of long retirement who may have benefited from generous pensions and rising house prices.	The introduction of new pension freedom rules and other changes have increased complexity and more people are seeking advice.	Clients are increasingly requiring outcome-oriented solutions that enable them to fulfil their personal ambitions rather than focusing solely on investment performance.
Opportunities for Brewin Dolphin	To be known for providing an integrated set of services that help meet an individual's full set of financial planning and investment needs.	A growing number of people require an advice-led solution to protect and grow their substantial personal wealth.	To be recognised as providing high-quality advice that enables people to extract the greatest possible value from their pensions and other assets.	More people are seeking advice-led, goal oriented propositions rather than pure investment management.
Our response	Our advice-led proposition supports long-term relationships and enables us to help clients fulfil their long-term goals.	Our advice offers tailored solutions to meet these needs.	We ensure through recruitment and development that our people are of an industry-leading quality and expertise, so they are able to advise on complex needs.	We build and sustain long-term relationships with clients that enable us to understand and respond to their changing needs.

The financial services marketplace never stands still, driven by societal, economic, legislative and technological change. Here we identify some of the most powerful forces at play, the opportunities they represent and how we are responding to them.

Low interest rates	Regulatory change	Competitive environment	The advice gap	Technological change
Within the continuing environment of exceptionally low interest rates, people require more guidance on how to gain an adequate return from their savings.	Increasing regulatory change within the investment and wealth management sector results in higher costs of compliance across the industry.	Our industry remains fragmented and continues to see new entrants as well as withdrawals from some competitors.	The FCA encourages innovation to meet the needs of customers failing to access advice for cost, trust and knowledge reasons.	Increasing numbers of people wish to use digital channels to engage when, where and how they choose.
Growing numbers of people require advice to be able to generate sufficient returns within their risk appetite.	To capitalise on our scale to efficiently absorb the increased costs of compliance.	People are looking for consistent and trusted advisers to build long-term relationships with.	To introduce new ways of meeting the needs of more people.	To provide clients with a range of easy-to-use communication channels that match their preferences and complement our emphasis on face-to-face relationships.
Our outcome oriented advice-led solutions allow us to adapt to clients' needs in changing external environments.	Our scale means that we are able to absorb the costs of regulatory change within our operating model and allocate appropriate resources.	To leverage our reputation as a long-standing wealth manager to attract a growing number of clients.	We focus on innovation to develop better ways of serving clients through refining our services.	In 2016, we introduced several technological improvements including automated onboarding and client self-service on our Brewin Portfolio Service. We are continuing to develop a range of digital channels across our business.

Chairman's Statement

Shaping the *future*

Dear Shareholder,

2016 was another year of achievement for Brewin Dolphin. We continued to implement our client-focused strategy, which aims to increase shareholder value by growing revenue and improving operational efficiency.

The wealth management sector continues to develop rapidly, in terms of both the regulatory and the market environment. More stringent regulation and growing demand for an increasingly diverse offering form the backdrop to our strategic objectives. We have concluded that Brewin Dolphin must offer a range of investment services across the board, serving both clients with significant wealth and those with smaller sums to invest.

Clients and employees

Clients are at the heart of Brewin Dolphin's business. Altogether, we serve around 55,000 clients, including individuals, charities and corporate organisations, providing them with advice and investment management. We also deliver investment management services to clients of more than 1,300 intermediaries, including IFAs and professional services firms.

The most important role of every Brewin Dolphin team is to earn and preserve the trust of their clients. The long-term client relationships that they create and sustain are the foundation stones of our business.

During the course of the year, I met many clients and employees. I never cease to be impressed by the complimentary feedback from clients or by the dedication of our employees who are committed to protecting and enhancing their clients' wealth.

These impressions are confirmed by the findings of our annual client survey, where we have had outstanding feedback with clients rating their satisfaction across all categories at 8.4/10, well above the 2015 industry benchmark. Such a strong endorsement of our employees, delivered by the people whose opinions count the most, bodes well for the Group's future.

Board and executive team

During 2016, the Board continued to have the right balance of skills and experience to support the Group in the pursuit of its strategy and to support and challenge the executive management team.

Angela Knight will retire following the Company's forthcoming Annual General Meeting (AGM) on 3 February 2017. She was appointed as a Non-Executive Director in 2007, since when she has served the Group with great distinction. She became Senior Independent Director in 2014, and she will be particularly missed in that capacity. I am happy to say, however, that she has agreed to continue her association with the Group by staying on as Chairman of Tilman Brewin Dolphin Limited, our subsidiary in the Republic of Ireland.

Kath Cates, a Non-Executive Director of the Company since 2014, has agreed to replace Angela as Senior Independent Director.

The Executive Committee, chaired by David Nicol, was expanded during the year. Charged by the Board with responsibility for the day-to-day running of the business, this Committee now consists of 10 executives who between them represent all the Group's key business areas. Four members are senior wealth management executives, which has brought the voice of the client closer to the leaders of the business.

Financial strength

During 2016, the Group's balance sheet continued to strengthen. At year end, we held £170.8 million in cash on the balance sheet and had shareholder equity of £242.8 million, of which £164.0 million represented regulatory capital. This strong position has provided the Board with considerable comfort during times of uncertainty. This was the case during the run up to and the aftermath of the Brexit referendum. It also gives us the flexibility we need to consider any emerging corporate opportunities from a position of strength. Overall, the Board is confident that our results for 2016 confirm the significant potential for generating long-term shareholder value for wealth management companies which have the right strategy and business model.

Shareholders

In order to ensure shareholders benefit from the growth of the Company the Board has approved a dividend policy which seeks to pay out between 60% to 80% of earnings. The Board is proposing a final dividend of 9.15p per share, to be paid on 10 March 2017 to those shareholders who were on the register on 17 February 2017. This represents 77% of earnings compared to 70% last year and is an increase of 11% over 2015, in line with our strategic objective of growing our dividend.

This year, the Company's AGM will be held on 3 February 2017 at 11.30am in the Haberdashers' Hall, 18 West Smithfield, London EC9A 1HQ, a few minutes' walk from our own head office. Light refreshments will be served after the meeting. I do hope that you will be able to attend. If you are not able to do so, please write to me with any questions or comments you may have, and I will ensure that you receive a timely response. We endeavour to maintain a regular dialogue with our shareholders, large and small, and your views are always most welcome.

Simon Miller
Chairman

29 November 2016

An ambitious strategy for *growth*

"We always need to give sound advice and manage people's affairs appropriately to achieve good outcomes for them that match the needs-based targets they have set us."

David Nicol
Chief Executive

Overview

We have made encouraging progress in 2016. Financial performance has been resilient against the increasingly volatile and uncertain market backdrop. The strategic transition we have undergone over the last few years, focusing on our core services of discretionary investment management and financial advice, coupled with improving operational efficiency is further evident in 2016 in terms of the continued growth in the core business. Good progress has been made against the growth objectives we have set ourselves as part of this strategy, in particular in the development and innovation of existing and new services to meet different client needs.

Implementing our growth strategy

During our 2015 Capital Markets Day, we highlighted a number of key initiatives in support of our long-term strategy as outlined on pages 28 to 29, especially in relation to our strategic objective to grow our revenue.

This saw us start to capitalise on the intensive preparatory work of the previous three years to generate meaningful, long-term organic growth, with a stated aim to grow our core discretionary business by a third within five years.

Progress in 2016 was encouraging. We are already delivering higher gross inflows of discretionary funds from new and existing clients and have seen our managed portfolio service pass the £1 billion milestone, with funds at year end of more than £1.25 billion.

We achieved this despite the significant challenges we had to face during the year, including the poor market conditions of the first six months and the residual effects of the business restructuring over the last three years. In addition, we have just started to introduce some of the new services we have in planning and development, meaning that positive impact is yet to come.

Increasing focus on expansion

Overall, this was a year when we initiated expansion as we continued to build a culture that is ambitious and focused on achieving growth. We will expand by helping clients to grow and protect their wealth in order to achieve their goals. As such, we added to our UK wide branch network with the opening of a new branch in Cambridge and focused much energy and effort on hiring the best professional talent we could find.

We have segmented and developed client propositions to ensure that our services are relevant to growing numbers of clients. Progress this year includes the development of new professional services propositions, the introduction of client portals for both our core business and the Brewin Portfolio Service, and the streamlining of the client take-on process. We continue to invest in technology to support our strategy and have implemented new HR and financial reporting systems, upgraded our portfolio management and order management systems and automated the unit trust settlement process.

Our investment ethos is based around long-term horizons that enable us to consistently generate appropriate returns for clients. We have provided our performance data to Asset Risk Consultants (ARC) for the first time this year, enabling external validation of our risk-weighted performance and giving intermediaries the opportunity to assess our performance against our competitors.

Our investment proposition

Why invest in Brewin Dolphin Holdings PLC?

Brewin Dolphin is recognised and trusted, well known for providing investment expertise and trusted advice

During our long history as a respected provider of high quality financial services to clients, we have earned a reputation for integrity and trustworthiness that stands us in good stead today and in the future.

See page 14 for further information.

The future direction of our market place is positive

As the role of the state diminishes, people need increasingly to take responsibility for their own financial affairs, including savings and investments, retirement planning and long-term care. Demand for investment management and financial advisory services is therefore growing, with good long-term prospects for continued growth.

You'll find more about this on page 18.

Our brand, scale and investment in our people enable us to stand out

We are one of the largest wealth management companies in a fragmented sector. We attract and develop the best talent to strengthen existing client relationships, win new ones and help us build an even stronger organisation.

We go into greater detail on this subject on page 18.

We are implementing the growth phase of our strategy

Having strengthened our operations and significantly improved our operational efficiency in recent years, we are now poised to deliver on our strategy for growth by increasing the number of clients we serve and the proportion of their wealth that we manage.

Page 28 has more detail on our growth strategy.

I believe these early results are already confirming that the wealth management sector offers companies with the right strategy and business model significant potential for generating enhanced long-term shareholder returns.

Under our approach, long-term client and intermediary relationships based on respect and trust are underpinned by the commitment of our people and the quality of the advice they provide. These qualities give Brewin Dolphin its unique character and strength, and they will continue to be at the heart of how we operate in the future.

Delivering on our promise

We outlined our strategy for growth at our 2015 Capital Markets Day and highlighted a number of initiatives in development, several of which came to fruition in 2016. I would like to look at some of these, starting with those relating to our most valuable asset – our people.

Building on the strength of our culture and our people, rewarding growth and building an engaged workforce

Staff engagement is the key to high performance, and in 2016 we ran our second "Your future, your say" employee survey to measure and benchmark our overall engagement score.

I was very pleased with many aspects of the exercise. First, 83% of our workforce took the trouble to respond. Even more important, the proportion of those who believed positive action would follow the survey's findings rose substantially from 2015, up by 18 percentage points.

This was due to the way in which we had responded to feedback and suggestions made in the previous survey, implementing initiatives to address reported issues. Comments following the second survey included "Overall communication across the business has improved," and "Career development has taken a huge leap forward".

Naturally, I am delighted by such responses, and am also pleased with the improvement of our engagement score to 78%, which is 2% up on 2015 and 3% ahead of our industry benchmark. I am very keen that we continue to take action to improve employee engagement further, as I firmly believe that the stronger it is, the better our overall performance will be.

Uncovering our values

The people who are most important to the success of our business are our employees and our existing and prospective clients. It was therefore only right that we should involve both groups during the year in uncovering and expressing our values.

These were identified as "genuine", "expert" and "ambitious" – all qualities that have an important role to play in making us an attractive target employer for industry professionals who share our commitment to providing high quality advice and consistently doing more for clients.

Hiring the best

We hired a number of new staff during 2016, of the high quality required to deliver our advice-led and goals-focused proposition. By recruiting new professionals across our branch network, we improved ease of access to quality advice for clients across the country.

Enhanced client acquisition

We recognise that growth will come through successfully expanding the proportion of the wealth we manage for increasing numbers of clients. It is therefore important that we give our people the confidence and capacity they need to seek new opportunities for providing advice.

For this reason, we invested significantly during the year in improving the business development capabilities of our people, including sales training and the launch of a LinkedIn-based programme. We also piloted a lead-generation system during the year, readied our new Client Management System to go live in 2017 and strengthened the link between incentives and growth.

"When we fully explore the source of referrals, we recognise that the client 'networks' resulting from the recommendations of happy clients are of significantly more value than had been appreciated in the past; this emphasises more strongly than ever the importance of building close long-term relationships that our clients value."

Diversity matters

We have established a Diversity and Inclusion Committee as it is important to us that we track, understand and respond to the diversity issues we face.

One issue that is high on our agenda is gender equality, so it was particularly pleasing that more than half (55%) of our senior client facing hires in 2016 were female. The year also saw the launch of our "Women @ Brewin" initiative, in which female employees get the opportunity to meet and discuss career progression with highly successful women from our Board, management and from outside the Group.

On a personal note regarding our approach to diversity, I was tremendously impressed by the Unconscious Bias seminar I attended, one of a series presented across the organisation to help us confront prejudices held as a result of our upbringing and environment. I am certain this training will help us in areas that range from recruiting and promoting the best talent to understanding the goals and motivations of our clients.

See our Corporate Responsibility report (page 46) for more detailed information on 2016 initiatives targeting our people and culture.

Managing risk

I believe that our people collectively have a broader set of skills than our competition. Their quality and expertise are a powerful source of competitive advantage for us, not least because they provide a reduced risk of giving advice that is not appropriate or relevant to our clients' needs.

Much of the work we have undertaken to improve processes and reorganise the Group has also strengthened our ability to manage risk as we pursue our growth strategy.

"The day the Brexit referendum result was announced, our people reached out to our clients – by phone, email, however suited them best – reassuring them that our focus remained firmly on growing and protecting their wealth."

Understanding our target clients and their changing needs

We took a major step forward in sharpening our focus on client and intermediary relationships during 2016, when we expanded the Executive Committee to include representatives of client-facing disciplines at the most senior level of the Group. Now the voices of both clients and intermediaries are heard even more where our most important strategic decisions are made, enabling us to understand their requirements and points of view as we develop and refine new ways of serving and interacting with them.

Streamlined onboarding and tighter targeting

We made strong progress during 2016 in developing and refining our understanding of client segmentation and their differing needs. This has increasingly enabled us to create more effective and precisely targeted propositions and messaging, including a range of new services such as offering a choice of managed and non-managed funds.

We have responded to client feedback and streamlined and simplified the client onboarding process, reducing the number of documents involved as well as introducing a number of new technology-enabled methods for clients to communicate and transact with us. These include a range of client portals across our services, and automatic account opening and a mobile app for the Brewin Portfolio Service we launched in 2015. We have more innovations on the way, all focused on further strengthening relationships by listening to, understanding and responding to client needs.

Delivering specialist services

We developed new specialist services during the year for solicitors and their clients, partners in law and accountancy firms, and corporate advisers. These have all been positively received, and are the first services to be launched in a growing portfolio targeting a range of special interest groups.

The way in which we created our services indicates the depth to which we immerse ourselves in our clients' worlds, so that we can demonstrate detailed understanding of their needs, their aims and their challenges. For example, when developing services for lawyers, we recruited a highly respected professional from outside the wealth management arena and spent time researching and gaining an in-depth understanding of what family lawyers need from a wealth management adviser. This input has enabled us to see the world through the eyes of lawyers and demonstrate genuine understanding of their needs which has contributed greatly to both the quality of the services we provide and to our credibility within the profession.

Monitoring client feedback

There are numerous ways a business can measure success but one of the most important in a client focused business such as ours is customer satisfaction. With this in mind, we commissioned a client experience survey with the aim of examining client perceptions in order to better identify where our strengths and weaknesses lie, to establish a base from which to judge future performance and to help guide the business going forward.

The top line from the survey is that we have been outstanding in every area, with clients rating their satisfaction with our advisers, wider team, and services all at 8.4/10, well above the 2015 industry benchmarks. The net promoter score is a measure of how many clients would recommend our services to friends which can be a powerful source of new business generation. The score is a balance of those who would recommend our business netted against those who would not measured between -100% and +100%. We scored a positive balance of 44.6% compared to a 2015 financial services industry average of just 4.7%. We have included client satisfaction and the net promoter score in our key performance indicators on page 30.

Improving our brand awareness

Our single-minded focus on helping clients achieve their goals was at the core of the range of content-led and event-based client marketing campaigns we ran during the year.

Designed to attract new clients and grow existing relationships, these centred around messages relating to each target segment. They were, however, all based on the new goals-based brand positioning we finalised and rolled out during the year, which is best expressed in the hard-backed book we published exclusively for Brewin Dolphin clients and prospects. "This isn't about us," it says. "It's about you."

Increasing take up of our integrated wealth management service proposition

As a result of our growing emphasis on advice and our focus on meeting the widest possible range of client needs, the number of clients receiving a service that combines investment management and financial planning grew significantly during 2016.

This is enabling us to take a wider role in the lives of our clients, as it allows us to give them a more comprehensive understanding of their total financial position. For this reason, we are continuing to seek and develop increasing numbers of financial advisers and planning professionals.

Enhancing our regional presence

We built further on our already strong regional presence during the year with the opening of a new office in Cambridge and we continue to seek opportunities where the potential for expanding our business is greatest. We are also focused on building a network of regional "hubs", supported by smaller local offices, to enable larger teams of specialist advisers to offer our full range of advisory services to more people.

Charities

We continued to grow and develop our charity business, maintaining a strong position in the marketplace with a position of no. 6 in the UK charity investment industry.

Focusing on the intermediary channel

We were delighted to see strong growth in our intermediary business during 2016, in terms of both a 15% increase in fund inflows and more firms than ever before choosing to work with us.

These positive trends were due in no small part to the ongoing impact of our 16-strong national network of highly respected business development managers who are known throughout the industry for the depth of their experience and knowledge. Their value to us and our intermediary partners continues to grow, and they have contributed strongly to Brewin Dolphin becoming one of the UK's most widely used discretionary fund managers.

During 2016, we introduced a more regionally focused management structure for the network, which is helping us to concentrate more efficiently on specific regional needs and opportunities for sharing innovative ideas and best practice.

Empathy and understanding

I believe that our ability to pioneer new services, such as those outlined above, for solicitors and corporate advisers demonstrates our commitment to building empathy and understanding with intermediaries. Being able to participate fully in client conversations and contribute insight greatly strengthens partnerships, an ethos that extends strongly into our intermediary relationships.

I was therefore delighted but not surprised to read the results of the first Defaqto discretionary fund management review, based on a survey of adviser firms and published in 2016. This showed that Brewin Dolphin not only has the strongest provider brand, it is also top-ranked for client onboarding and rates very highly for investment flexibility and service. Most pleasing of all, we were voted top for the quality of both our administrative and our investment staff.

Our financial performance in 2016

We achieved a good result in the face of considerable uncertainty in the market with adjusted profit before tax from continuing operations of £61.0 million (2015: £62.2 million) and costs being held flat year on year, statutory profit before tax was £50.1 million (2015: £61.0 million). The first half of the financial year was particularly challenging with the FTSE 100 Index dropping to a low in February of 5,537 and then rallying to 6,899 at the end of September.

We made progress against our revenue growth objectives with gross new discretionary funds inflows of £2.4 billion (2015: £2.1 billion) and continued strong inflows into our Model Portfolio Service. Net discretionary funds inflows of £1.1 billion were broadly similar to 2015 as they were impacted by outflows linked to previous business restructuring. Read more in our financial review on page 38.

Looking ahead

These were some of the key initiatives that helped us drive organic growth during 2016. More were at planning, development and early implementation stages during the year, and these will continue to accelerate and consolidate our momentum on many fronts in 2017 and beyond.

The future shape and direction of the business grows clearer. We know what we are doing, where we are going, what we are good at and how we will continue to provide increasing value as we confidently pursue our growth strategy.

We are excited by the great potential that resides in the closer integration of our investment management and financial planning service propositions. And we are consistently ambitious to innovate – continuing "business as usual" is not enough to derive full value for all our stakeholders. We will continue in particular to actively seek new ways of increasing shareholder value throughout 2017 and in the years ahead.

"We scored over 90% on the client outcomes measure of satisfaction with our overall service and results. This is an outstanding outcome and well above the 2015 industry benchmark."

We will do this not only through introducing new services. We will also ensure that we remain relevant to our clients' and intermediaries' needs in every way, using technology to introduce new communication channels and further support our advisers at an administration level so they can spend more time advising and developing opportunities.

We recognise that the world we live in is complex and prone to geo-political uncertainties. Over more than 250 years, however, we have applied the same calm and confident clarity to address some of history's greatest challenges. Every time we have ensured that the interests of our clients, employees and shareholders are upheld.

Today, we believe as ever that the continuing value of skilled people providing quality advice is the cornerstone of long-term client relationships. With major opportunities for us, I believe our long-term growth prospects have never been stronger.

The near-term market outlook is clearly marked by the heightened sense of political and economic uncertainty, both in the UK and elsewhere. Nonetheless, I believe our business, which is financially strong and willing to innovate and adopt new approaches alongside our traditional values, is well placed to withstand any near term downturns whilst remaining focused on implementing our growth plans. In doing this we are confident of capturing future long-term growth opportunities.

Finally, all members of the Board and Executive Committee join me in thanking our people – at every level of the organisation – for making such a superb contribution to a strong year for the Group in a challenging environment. Their efforts, commitment and expertise are what will continue to support Brewin Dolphin's success as we deliver together against our growth strategy.

David Nicol
Chief Executive

29 November 2016

From strengthening to expanding

Objectives		What we said we would do
1 Revenue growth – grow the business in both absolute and market share terms, by increasing the number of clients and the proportion of their wealth that we manage	▶	– Introduce multiple new initiatives to achieve or exceed 5% annual net inflows target. – Develop new marketing and promotional ideas to attract new clients. – Develop strategic national relationships with selected intermediaries. – Work on understanding the views of clients. – Launch Professional Services proposition to support direct private client growth.
2 Improved efficiency – maintain an efficient operating model enabling investment, developing productivity and sustaining competitive pricing	▶	– Implement enhanced portfolio management systems.
3 Capital sufficiency – maintain sufficient capital to maximise opportunities and cover risks	▶	– Evaluate opportunities for further investment in the business.
4 Dividend growth – grow our dividend in line with earnings	▶	– Maintain the current dividend policy with a target pay out ratio of 60% to 80% of adjusted diluted EPS.

Our vision is to become the UK's leading provider of personalised wealth and investment management services, delivering rewarding careers and sustainable shareholder returns.

2016 progress	Future focus
– Achieved £2.7 billion gross inflows into our core business, including £0.9 billion gross inflows from intermediaries and £0.5 billion of funds into our model portfolios. Net inflows of 4.4% were impacted by the effects of prior year restructuring. – Developed the business development capabilities of our people through focused training initiatives and acted to enhance employee engagement levels. – Invested in high quality hires. – Launched the first professional services propositions. – Ran content-led and event-based marketing campaigns supporting our needs-based proposition. – Updated visual brand identity. – Conducted a client satisfaction survey.	– Further new services targeting range of discrete segments, based on client and intermediary research. – Continued investment in client-facing new hires. – Actively develop our already strong intermediary relationships. – Further training in business development capabilities for our people. – Continued investment in technology to ease accessibility for clients.
– Upgraded portfolio management and order management systems to reduce time spent on administration and maximise time with clients. – Roll out of new system for our financial planning business and implementation of new HR and financial reporting systems. – Increased instances of straight through processing in internal systems and simplified reconciliations by restructuring custody and settlement arrangements. – Automation of unit trust settlement to increase efficiency.	– Investing in technology and process improvement to increase efficiency and reduce costs.
– Capital sufficiency maintained to enable investment opportunities and provide comfort during periods of uncertainty.	– Continue to maintain capital at a level that enables investment in emerging opportunities from a position of strength.
– Dividend pay out ratio of 77% of adjusted diluted EPS.	– Continue policy of target payment of 60% to 80% of adjusted diluted EPS to ensure we grow our dividend in line with earnings.

For more information see our Key Performance Indicators on page 30 and our Principal Risks on page 33.

Key Performance Indicators[1]

Measuring progress

We use key performance indicators (KPIs) to measure the progress and the success of our strategy implementation.

We set out the KPIs for each strategic and financial objective below, with a measure of our performance to date and an indication where applicable of potential challenges to success.

Changes to KPIs

We have removed the following KPIs following an assessment of their ongoing suitability for measuring the success of our strategy implementation:

- Discretionary income per CF30 – this measure is the same as the discretionary funds per CF30 KPI.
- Revenue growth – this is closely aligned to discretionary funds inflow which is a more appropriate metric.
- Dividend payout ratio – this policy has been fully embedded.

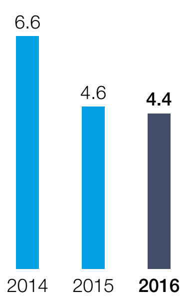
We have introduced new non-financial KPIs to help measure key drivers of revenue growth and efficiency:

- Net promoter score.
- Overall client satisfaction.
- Employee engagement.

1 Revenue growth

Discretionary funds inflows (%)

Target: 5



Definition

The value of annual net inflows as a percentage of opening funds for our discretionary service.

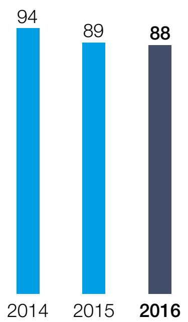
Performance during the year

Net fund inflows were £1.1 billion and consistent with the prior year; higher inflows were offset by elevated outflows (see page 40 for more detail).

Potential challenges

Failure to successfully execute on the strategy for attracting direct inflows.

Discretionary service yield (bps)



Definition

The total discretionary fee and commission income over the average discretionary funds for the period, measured as a percentage.

Performance during the year

The yield has reduced in line with the change in mix of new fund flows, with higher inflows from intermediaries and model portfolios which have lower charges than direct advised services.

Potential challenges

Market volatility reducing transactional volumes.

Net promoter score (%)

Benchmark: 4.7

Definition

An indication of how likely clients are to recommend us. Scored from -100% to +100%, measured by a client survey conducted by an independent third party.

Performance during the year

The first year of measurement saw a score of 44.6%, significantly above an industry benchmark measured in 2015 of 4.7%.

Potential challenges

Failure to maintain reputation may adversely impact client loyalty.

Overall client satisfaction

Benchmark: 7.3

Definition

An indication of overall client satisfaction as a score out of 10, measured by a client satisfaction survey conducted by an independent third party.

Performance during the year

The first year of measurement saw a score of 8.4/10, 15% above the 2015 industry benchmark of 7.3.

Potential challenges

Failure to deliver a good client experience.

2 Improved efficiency

Adjusted PBT[2] margin (%)

Target: 25

Definition

Reported Group total annual adjusted profit before tax as a percentage of Group total income.

Performance during the year

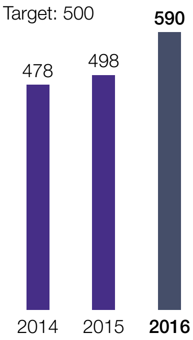
The adjusted PBT margin is three basis points (bps) lower than 2015, a fall that is mainly attributable to lower trail income and interest income.

Potential challenges

Failure to deliver both revenue growth and cost targets combined with changes in the investment market and economic conditions.

Average client portfolio (£000)

Target: 500



Definition

The average value of funds per client for our managed/advised services. This is calculated based on total reported managed/advised funds at period end, divided by the period-end number of client relationships.

Performance during the year

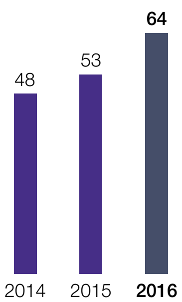
Change in client mix towards larger portfolio sizes; the target set in 2012 has now been reached.

Potential challenges

Failure to grow funds in an efficient manner.

Discretionary funds per CF30 (£m)

Target: 75



Definition

The total value of client funds at period end in our discretionary service, divided by the period end number of client-facing professional investment managers and financial planners ("CF30s").

Performance during the year

The increase in the period reflects the net funds inflow, investment performance and lower headcount.

Potential challenges

Failure to grow discretionary funds in an efficient manner.

Employee engagement (%)

Definition

A survey that measures overall employee engagement on matters that affect them. Measured by a specialist external company. The survey is benchmarked against other financial services firms.

Performance during the year

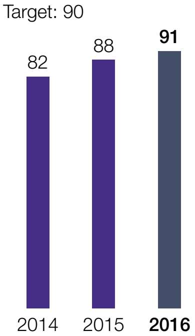
The employee engagement survey undertaken in 2016 showed a 2% increase in employee satisfaction over the 2015 result with increased employee engagement and scores for 53 out of 59 questions rising.

Potential challenges

Failure to engage our employees effectively could impact productivity and could result in loss of key staff.

% of managed funds in our discretionary service

Target: 90



Definition

The proportion of our period end value of client funds in our discretionary service, as a percentage of total managed and advised funds at the period end.

Performance during the year

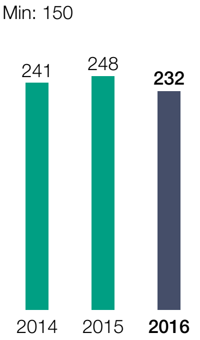
The increase is the result of implementing our strategy to focus on discretionary services.

1 Adjusted for discontinued operations.
2 Excluding redundancy costs, FSCS levy, onerous contracts, amortisation of client relationships, one-off migration costs and disposal of available-for-sale investment.

A detailed explanation of the calculations used for the KPIs is contained in the Appendix on page 162.

3 Capital sufficiency

Capital adequacy ratio (%)



Definition

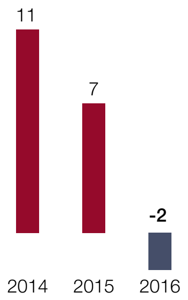
The ratio, as a percentage, of the Group's period end total regulatory capital resources to the period end regulatory capital requirement.

Performance during the year

Our capital adequacy ratio remains well above our minimum target of 150%.

4 Dividend growth

Adjusted[1,3] EPS growth – diluted (%)



Definition

The annual percentage change in reported adjusted diluted earnings per share.

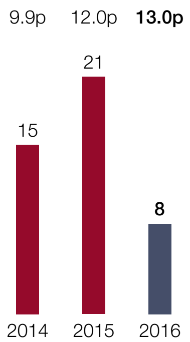
Performance during the year

The fall in EPS growth was driven by a 2% reduction in adjusted PBT.

Potential challenges

In the longer term, failure to effectively execute growth strategy. In the short term, investment market conditions are the biggest driver of our income and therefore earnings.

Dividend growth (%)



Definition

The percentage change in total annual dividend per share (interim and final).

Performance during the year

Dividend growth was driven by an increase in the payout ratio from 70% to 77%, in line with dividend policy to pay out between 60% and 80% of diluted EPS.

Potential challenges

Failure to maintain capital strength and profitability.

1 Adjusted for discontinued operations.
2 Excluding redundancy costs, FSCS levy, onerous contracts, amortisation of client relationships, one-off migration costs and disposal of available-for-sale investment.
3 See note 15.

A detailed explanation of the calculations used for the KPIs is contained in the Appendix on page 162.

Managing our risks

Effective risk management is key to the success of our business. We identify, monitor and manage principal risks to our business within the context of our Risk Management Framework.

The overall level of risk we face continues to increase as a result of external market conditions; increasing regulatory standards, with higher financial penalties for failure to comply with these standards; an increasingly uncertain political environment and associated market volatility; and increasing cyber criminality targeting businesses. Our approach is to develop and maintain a strong control framework to identify, monitor and manage the principal risks we face, adequately quantify them and ensure we retain sufficient capital in the business to support our strategy for further growth.

We use a number of high-level risk groups that allow us to identify potential risks. These are:

- Business and strategic
- Financial
- Operational
- Conduct
- Regulatory compliance
- Criminality
- Investment

Each of these high-level risk groups contains a series of specific risks. As well as ensuring we can identify principal risks and report on them clearly and accurately, this approach allows us to assess robustly the financial resources we need and so helps to protect our clients' interests.

Risk management

It is the responsibility of all our employees to manage risks within their domain. Ultimately, accountability for risk management resides with the Board which is responsible for ensuring that there is an adequate and appropriate Risk Management Framework and culture in place. The Board maintains oversight while delegating the management of these responsibilities to individuals and committees.

An effective Risk Management Framework is a fundamental requirement for good governance and requires every employee within the organisation to adhere to and advocate the risk culture that we set. We follow industry good practice for risk management through the "three lines of defence" model. The first line is the business that owns and manages the risk, the second line is the control functions and the third line is independent assurance provided by internal audit.

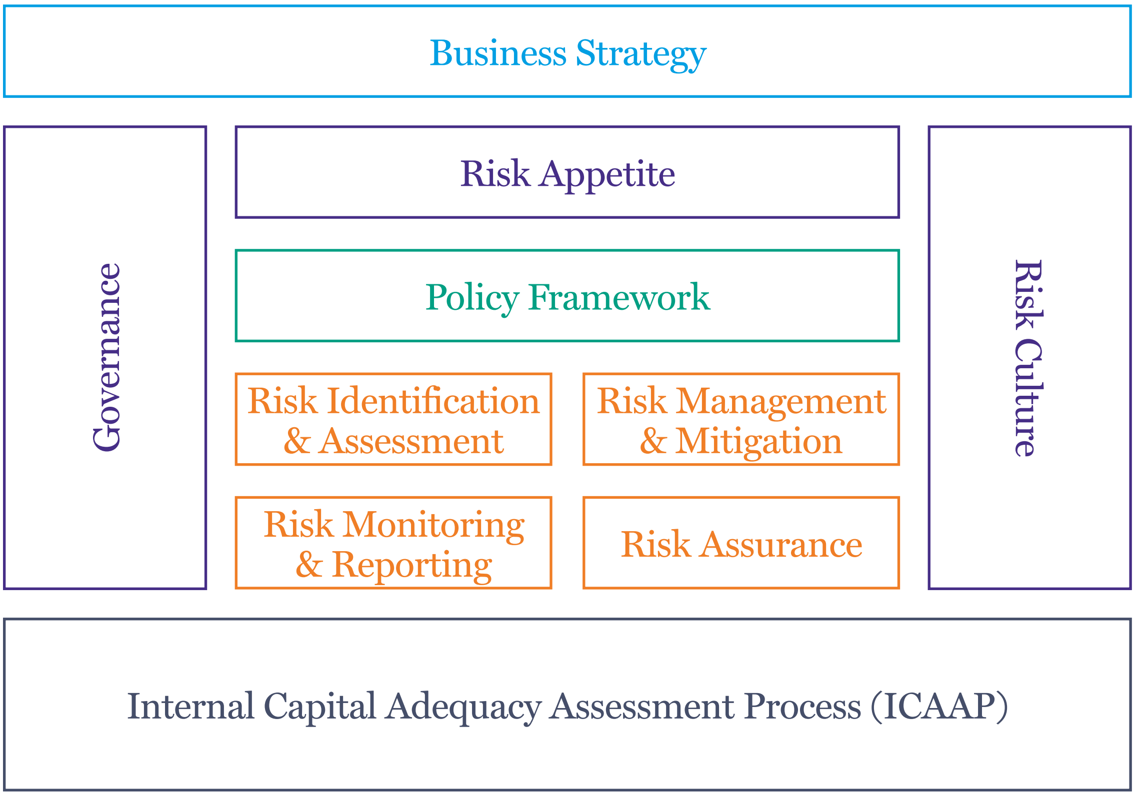
The Board regularly assesses the effectiveness of the Group's internal controls. It does so by reviewing and challenging reports from the Audit Committee and Board Risk Committee, and by appraising issues escalated from the business through the Group's Executive Committee. In addition, our Risk and Compliance department and Internal Audit function carry out reviews and report independently to the Audit Committee and the Board Risk Committee.

Risk management objectives

The primary objectives of risk management at Brewin Dolphin are to ensure there is:

- A strong risk culture that enables employees to identify, monitor, manage and report against the key risks the business faces or may confront as it implements the Group's strategy.
- An appropriate balance between risk and the cost of control.
- A defined risk appetite within which risks are managed.
- A swift and effective response to incidents in order to minimise impact.

The following diagram depicts our overall Risk Management Framework:



Risk culture

The Board drives our risk culture, most particularly in terms of the conduct of our people. We aim to foster a risk-aware culture throughout the business by promoting and encouraging:

- A distinct and consistent tone from the top, with clear values.
- Clear accountabilities for those managing risk.
- The three lines of defence model.
- Prompt sharing and reporting of risk information.
- A commitment to ethical principles.
- Appropriate levels of conduct and considered risk-taking behaviour.
- Recognition of the importance of knowledge, skill and experience in risk management.
- Members of staff at all levels encouraged to make suggestions for improving processes and controls.
- An acceptance of the importance of the continuous management of risk, including clear accountability for and ownership of specific risks.

2016 developments

The external risk environment has been marked by considerable uncertainty over the past year, particularly since the outcome of the EU referendum vote in June. Throughout 2016, we continued to consider and assess the referendum's impact. Although we are largely a UK domiciled business, it may have an impact on some of our principal risks. The longer-term impacts are still uncertain and we will keep developments under review to ensure we are prepared to address them.

We continued to strengthen and embed our risk framework within the first line of defence during 2016. Work on this will continue into 2017. The focus in 2016 was on financial risk, conduct risk, information security and operational risk. We have improved the quality of our internal risk reporting by incorporating detailed key risk indicators to our risk appetite statements for each of our principal risks. We have also introduced a monthly dashboard to more clearly illustrate the actual position against risk appetite.

Principal risks and uncertainties

The table below details the principal risks and uncertainties we have identified. We have put in place a process to regularly report key risk indicators and identify movements within these principal risks. We also consider emerging risks as part of this process.

Risk description	Principal risks	Key mitigants
BUSINESS AND STRATEGIC		
This is the risk that we do not set the right strategic and business objectives or that we fail to deliver against the agreed objectives. This could include an inability to introduce or enter into new business lines effectively, to expand organically or through merger/acquisition, or to enhance the effectiveness of our operational infrastructure.	Failure to develop a strategy which can deliver results in changing external market conditions or failure to execute against the agreed Group strategy within the agreed risk appetite.	We have: – A strategic plan approved by the Board. – A robust governance structure that includes challenge from our independent Non-Executive Directors. – A risk appetite that is aligned with our key strategic aims and principal risks, and monitored on a regular basis by our formal governance committees. – A control environment that is regularly reviewed by our independent Internal Audit function.
Direction of change:	These risks have increased over the past year as we may have to take on additional risk in order to grow the business, particularly if we pursue opportunities for inorganic growth. We remain confident that we have the proper framework in place to manage this effectively. Brexit concerns have also caused uncertainty in the market which may impact us in the future.	
FINANCIAL		
These are the risks facing our business in terms of management and control of finances and the effects of external factors such as availability of credit, foreign exchange rates, interest-rate movements and other market exposures that could affect our cash flow, capital and liquidity.	Default by our banking and trading counterparties (credit risk) which could put at risk either our own or our clients' cash deposits or assets.	We have in place: – A robust financial risk framework which allows us to set limits for our counterparties. – Diversity across our trading and banking counterparties. – In-depth due diligence on our banking counterparties, focusing particularly on those holding client money. We additionally monitor their creditworthiness within assessed limits on a daily basis. – Similar due diligence on our trading counterparties. We review our trading activities regularly to monitor exposure to our trading counterparties. – A Financial Risk Committee, tasked with overseeing this risk, and regular reporting of our position against appetite.
Direction of change:	These risks are slightly increased due to the uncertainty caused by Brexit. This has the potential to make our counterparties slightly more volatile in their profitability, and therefore could negatively impact their credit ratings.	

Risk description	Principal risks	Key mitigants
OPERATIONAL		
This is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.	This is a diverse risk as it comprises many different operational areas. We have identified the following as the two main risks: – Technology strategy and change – secure and robust technology systems are not maintained, particularly when seeking to implement change resulting from our growth strategy or new regulatory requirements. – People – talented individuals are not attracted or retained, impacting service to clients and potentially the level of funds outflows.	We have: Technology strategy and change – A Strategic Projects Committee to oversee business change, which allows projects to be prioritised effectively. – Rigorous overview of project delivery. – A technology roadmap taking us into 2018. – Continual investment in our technology. People – Competitive remuneration and retention plans. – Regular succession planning and ongoing reviews of our development plans through which we seek to build strength across our employee base. – Appropriate training programmes. – Employee engagement surveys to review our progress and acting positively in areas where we are able to improve.
CONDUCT		
This is the risk that our clients do not receive fair outcomes at all stages of our service delivery as a result of the behaviour of our employees.	Employees' actions may result in poor outcomes for clients.	We have: – Ensured that we set the right tone from the top and have culture awareness initiatives within the Group. – A conduct risk framework which ensures that this risk receives the focus that it requires. – A risk based client on-boarding process which ensures that we understand our clients' needs and attitudes to risk. – Regular reporting of key metrics to provide visibility of outcomes. – A performance management process to identify and address any instances where the best outcomes for clients are not achieved.

Risk description	Principal risks	Key mitigants
REGULATORY COMPLIANCE		
This is the risk of regulatory change negatively impacting the Group or regulatory sanction as a result of failure to comply.	That we are not compliant with all existing regulation or are unable to understand and implement the wide variety of new regulation and legislation that is continually coming into force.	We have: – An established Compliance function that oversees fulfilment of our regulatory requirements and interactions with our key regulators. – A Compliance function which works closely with our Strategic Project Committee to ensure that change processes include all necessary regulatory requirements. – Legal and Compliance functions which review new regulation and legislation as it is drafted to ensure we are able to comply when it is implemented. We are also active in various industry and trade associations to help influence regulation and legislation, with the aim of ensuring that it is reasonable and commensurate.
CRIMINALITY		
This is the risk of criminal activities (including fraud, money laundering and cyber crime) being perpetrated through whatever means, whether externally or internally, by paper, phone or technology.	Cyber risk has been identified in particular as we increase our online presence.	We have: – A risk framework which includes information security, data protection and fraud. – Cyber Essentials certification. – Strong technology and process controls which reduce our exposure to criminal activity. – Regular testing of our business continuity, disaster recovery and crisis management plans.
INVESTMENT		
This is the risk that we fail to manage our clients' assets in line with the agreed mandate.	That clients suffer poor outcomes as a result of assets not being managed within their agreed mandate.	We have: – An Investment Governance Committee which provides product and service governance, including alignment with strategy, appetite for risk and client interests and outcomes. – A dedicated Research department which sets the Group's asset allocation framework. – A restricted assets policy to identify those assets not considered to be suitable for clients' portfolios. – A risk portfolio tool to monitor whether portfolios are constructed in accordance with a client's risk mandate. – Access to ARC metrics to benchmark the performance of our Model Portfolio Service against our peers.
Direction of change:	Our risk exposure to operational, conduct, criminality and investment risk has decreased as we have strengthened our monitoring and oversight activities. We are facing increased regulatory compliance risk as the number of regulatory changes is increasing and often have concurrent timelines.	

Financial Review

A resilient *performance*

"Good growth in our core services, despite the tough markets."

Andrew Westenberger
Finance Director

Results for the year

The Group's underlying financial performance for the period ended 30 September 2016 was resilient. Adjusted profit before tax (adjusted PBT), from continuing operations, fell by 1.9% to £61.0 million (2015: £62.2 million) with diluted adjusted earnings per share (adjusted EPS) of 16.8p per share (2015: 17.1p).

The modest fall in adjusted PBT was a result of the total income declining by 0.5% to £282.4 million (2015: £283.7 million) whilst total operating costs remained broadly unchanged at £221.7 million (2015: £222.0 million).

The adjusted PBT margin declined slightly to 21.6% (2015: 21.9%). Statutory profit before tax (PBT) was £50.1 million (2015: £61.0 million), the decline being principally due to the prior year benefiting from a material gain from the sale of the Group's holding in Euroclear plc and higher exceptional charges in 2016 from business restructuring.

We have received sales proceeds of £14.0 million from the sale of Stocktrade, which completed in April. We report the impact of this receipt, the costs of separation and sale-related costs as discontinued operations.

Continuing operations

	2016 £m	2015 £m	Change
Core[1] income	**263.3**	251.3	4.8%
Other income	**19.1**	32.4	-41.0%
Total income	**282.4**	283.7	-0.5%
Fixed staff costs	**(103.5)**	(104.0)	-0.5%
Other operating costs	**(69.5)**	(69.0)	0.7%
Total fixed operating costs	**(173.0)**	(173.0)	0.0%
Adjusted[2] profit before variable staff costs	**109.4**	110.7	-1.2%
Variable staff costs	**(48.7)**	(49.0)	-0.6%
Adjusted[2] operating profit	**60.7**	61.7	-1.6%
Net finance income and other gains and losses	**0.3**	0.5	
Adjusted[2] profit before tax	**61.0**	62.2	-1.9%
Exceptional items[3]	**(4.6)**	8.0	
Amortisation of client relationships	**(6.3)**	(9.2)	
Profit before tax	**50.1**	61.0	-17.9%
Taxation	**(11.1)**	(12.7)	
Profit after tax	**39.0**	48.3	
Earnings per share			
Basic earnings per share	**14.4p**	17.7p	
Diluted earnings per share	**13.9p**	17.1p	
Adjusted[4] earnings per share			
Basic earnings per share	**17.7p**	18.0p	-1.7%
Diluted earnings per share	**16.8p**	17.1p	-1.8%

For more information see our KPIs on page 30.

See page 42 for explanation and reconciliation of adjusted profit before tax to statutory profit before tax.

1 Core income is defined as income derived from discretionary investment management, financial planning and execution only.
2 These figures have been adjusted to exclude redundancy costs, FSCS levy rebate, onerous contracts, one-off migration costs, amortisation of client relationships and disposal of available-for-sale investment.
3 Exceptional items include redundancy costs, FSCS levy rebate, onerous contracts, one-off migration costs and disposal of available-for-sale investment.
4 See note 15.

Funds

£bn	30 September 2015	Inflows	Outflows	Internal transfers	Net flows	Growth rate	Investment performance	**30 September 2016**	Change
Discretionary									
Direct	18.8	1.0	(1.2)	0.2	–	0.0%	2.3	**21.1**	12.2%
Intermediaries	5.3	0.9	(0.3)	–	0.6	11.3%	0.6	**6.5**	22.6%
MPS	0.6	0.5	–	–	0.5	83.3%	0.1	**1.2**	100.0%
BPS	0.1	–	–	–	–	–	–	**0.1**	0.0%
Total discretionary	24.8	2.4	(1.5)	0.2	1.1	4.4%	3.0	**28.9**	16.5%
Execution only	3.7	0.3	(0.7)	0.3	(0.1)	-2.7%	(0.1)	**3.5**	-5.4%
Core funds	**28.5**	**2.7**	**(2.2)**	**0.5**	**1.0**	**3.5%**	**2.9**	32.4	**13.7%**
Advisory	3.5	–	(0.4)	(0.5)	(0.9)	-25.7%	0.4	**3.0**	-14.3%
Total funds	32.0	2.7	(2.6)	–	0.1	0.3%	3.3	**35.4**	10.6%

Indices	30 September 2015	**30 September 2016**	Change
FTSE WMA Private Investor Series Balanced Portfolio	3,421	**3,915**	14.4%
FTSE 100	6,062	**6,899**	13.8%

Total funds grew by 10.6% to £35.4 billion (2015: £32.0 billion).

We continued our focus on growing our discretionary service, and we had a record total discretionary funds of £28.9 billion at the end of the period, a 16.5% increase over the previous year (2015: £24.8 billion). The total growth of £4.1 billion resulted from strong positive investment returns of £3.0 billion (2015: £0.3 billion loss) and net inflows of £1.1 billion (2015: £1.1 billion).

Net discretionary inflows equated to an annual growth rate of 4.4%, just below our target of 5% and the prior year's growth of 4.6% but was a good achievement in the difficult market conditions experienced in the first half of the period and immediately around the UK vote to leave the European Union.

Record gross organic external discretionary inflows of £2.4 billion (2015: £2.1 billion) were achieved. This includes strong gross inflows of £1.4 billion (2015: £1.1 billion) from our intermediaries business including both bespoke and model solutions (MPS and BPS), an increase of 27%.

We also maintained our direct discretionary inflows of £1.0 billion (2015: £1.0 billion) as we continued to attract new clients to our core service. 30% (£0.3 billion) of these direct inflows during the period were into our integrated wealth service which combines financial planning advice with investment management. 13% (2015: 10%) of our direct private client discretionary funds are now receiving financial planning advice. As part of the growth initiative for our direct business, we aim to grow this to 30% over the course of the next five years.

As we anticipated, outflows from our discretionary service remained at an elevated level of £1.5 billion (2015: £1.3 billion). This was due to the residual effects of the last of the office restructurings completed at the end of 2015. The elevated rate of outflows has now reached a peak and we expect it to begin to decline over the coming 12 months towards more normal levels. The continued conversion of advisory accounts added £0.2 billion (2015: £0.3 billion) to our discretionary funds.

Between September 2015 and September 2016, the FTSE WMA Private Investor Series Balanced Portfolio Index increased by 14.4%, with a particularly strong rise (10%) in the second half of the year.

Execution only funds were £3.5 billion (2015: £3.7 billion), benefiting from positive transfers of £0.3 billion. We no longer offer execution only services on a standalone basis.

Total advisory funds fell by £0.5 billion during the year (2015: £1.9 billion), a 14.3% reduction (2015: 35%) resulting from net outflows of £0.9 billion (2015: £1.7 billion) that were offset by positive investment returns of £0.4 billion. We anticipated this decline given the withdrawal of this service to new clients and our focus on our discretionary service. We successfully retained £0.5 billion into core funds.

Income

Total income fell by 0.5% to £282.4 million (2015: £283.7 million), and is analysed as follows:

	2016 £m	2015 £m	Change
Discretionary investment management	**235.4**	225.5	4.4%
Financial planning	**17.5**	15.7	11.5%
Execution only	**10.4**	10.1	3.0%
Core income	**263.3**	251.3	4.8%
Advisory investment management	**15.7**	24.4	-35.7%
Trail income	**1.5**	4.5	-66.7%
Interest	**1.9**	3.5	-45.7%
Other income	**19.1**	32.4	-41.0%
Total income	**282.4**	283.7	-0.5%

Core income increased by 4.8% to £263.3 million (2015: £251.3 million), mainly driven by the higher average discretionary funds level during the year. Core income now represents 93% (2015: 89%) of our total income.

Financial planning income continued to grow, increasing by 11.5% to £17.5 million (2015: £15.7 million).

Execution only income increased slightly by 3.0% to £10.4 million (2015: £10.1 million) as higher transactional commissions offset lower average funds levels.

In line with expectations, other income continued to decline reflecting the ongoing outflows and transfers from advisory funds, the loss of trail income which has now ceased completely and the continued low interest rate environment.

Advisory investment management income fell by 35.7% to £15.7 million (2015: £24.4 million), in line with a reduction of funds.

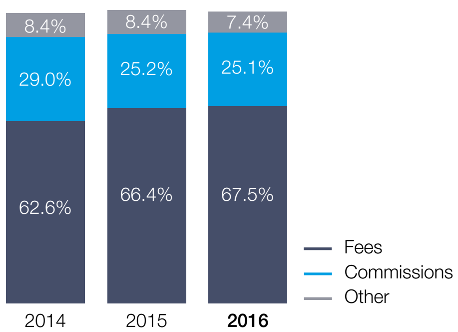
Fees and commissions

Core fee income now represents 68% of core income. This has increased steadily from 62% in 2013 and 48% in 2010.

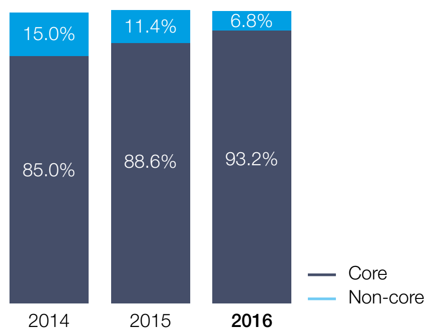
Fees from our core services increased by 4.8% to £179.7 million (2015: £171.5 million), with commissions from these services increasing by 3.1% to £66.1 million (2015: £64.1 million). The split of fees and commissions is shown in the table below:

	2016 £m	2015 £m	Change
Core fees	**179.7**	171.5	4.8%
Core commissions	**66.1**	64.1	3.1%
Advisory fees	**10.8**	17.0	-36.5%
Advisory commissions	**4.9**	7.4	-33.8%
Total fees	**190.5**	188.5	1.1%
Total commissions	**71.0**	71.5	-0.7%
Financial planning	**17.5**	15.7	11.5%
Trail income	**1.5**	4.5	n/a
Interest	**1.9**	3.5	n/a
Total income	**282.4**	283.7	-0.5%

Fees and commissions



Core income



Income yield

Investment market conditions during the year were mixed, with periods of elevated volatility and uncertainty in the first half of the year followed by a market rally in the fourth quarter. This resulted in lower transactional volumes across all service categories during the first half of the year, although these recovered in the second half in line with the strong rally in equity markets. Overall volumes remained at subdued levels, albeit marginally up on 2015.

	2016 bps	2015 bps
Discretionary	**88**	89
Advisory	**49**	57
Execution only	**29**	28
Overall	**78**	78

Overall income yield for our investment management services remained in line with 2015 at 78 basis points (bps).

The yield on our core discretionary service declined marginally to 88bps (2015: 89bps). This was a result of an increasing proportion of intermediary related investment management business, which has a lower fee level than our direct client business.

The yield on our advisory service fell by 8bps to 49bps (2015: 57bps). This was due to a reduction in transactional income and an increase in average client size resulting from the loss of smaller accounts.

Explanation of adjusted profit before tax and reconciliation to financial statements

We use adjusted PBT and adjusted diluted EPS to measure and report on the underlying financial performance of the Group. Together with the adjusted PBT margin (being adjusted PBT as a percentage of total income), these are useful measures for investors and analysts. Additionally, we use them as key performance indicators (KPIs) for various incentive schemes, including the annual bonuses of Executive Directors and long term incentive plans.

These adjusted profit measures are calculated based on statutory PBT, as reported in the financial statements, adjusted to exclude various items of income or expense. Such adjusted items are typically infrequent or unusual in nature. They can include non-recurring items such as a material one-off gain, including the sale of an available-for-sale asset (like the sale of the Group's holding in Euroclear plc during 2015). They can also be one-off expenses, such as the migration charge suffered this year. Other adjusted-for-items of income or expense may, like the redundancy costs and onerous contract charges detailed below, recur from one period to the next. Although these may recur over one or more periods, they are the result of material restructuring decisions and do not represent long-term expenses of the business.

Additionally, the amortisation expense of acquired client relationships is an expense which investors and analysts typically add back when considering PBT or earnings per share (EPS) ratios.

Reconciliation of adjusted profit before tax to statutory profit before tax

	2016 £m	2015 £m	Change
Adjusted profit before tax	**61.0**	62.2	-1.9%
Redundancy costs	**(2.7)**	(2.4)	
FSCS levy rebate	**–**	1.1	
One-off migration costs	**(1.6)**	–	
Profit on disposal of available-for-sale investment	**–**	9.7	
Onerous contracts	**(0.3)**	(0.4)	
Total exceptional items	**(4.6)**	8.0	
Amortisation of client relationships	**(6.3)**	(9.2)	
Statutory profit before tax of continuing operations	**50.1**	61.0	-17.9%
Statutory profit before tax of discontinuing operations	**14.0**	(10.4)	
Statutory profit before tax	**64.1**	50.6	26.7%

Costs

Total fixed operating costs remained flat at £173.0 million (2015: £173.0 million) as the effect of salary inflation was offset by lower average headcount during the year.

Fixed staff costs

Fixed staff costs fell by £0.5 million to £103.5 million (2015: £104.0 million), driven by lower average staff numbers during the year due to increased efficiencies within the business. The total full time headcount fell by 6% to 1,583 as at 30 September 2016 (2015: 1,693). There was also a reduction in the costs of temporary staff associated with the now completed implementation and quality assurance phase of the new enhanced client advice process.

Other operating costs

Other operating costs increased by £0.5 million to £69.5 million (2015: £69.0 million) primarily as a result of higher market data costs offset by lower depreciation charges and professional fees.

Variable staff costs

Variable staff costs fell by 0.6% to £48.7 million (2015: £49.0 million), in line with lower income. This expense relates to a combination of cash awards and deferred equity linked awards, the cost of which is spread over the vesting period.

Exceptional items

Net exceptional costs of £4.6 million in 2016 (2015: net gain of £8.0 million) comprised a number of elements: redundancy costs of £2.7 million (2015: £2.4 million); one-off migration costs of £1.6 million (2015: £nil) relating to the migration to a new third party settlement and custody provider by our Irish subsidiary; and onerous contract costs of £0.3 million (2015: £0.4 million).

In 2015, a £9.7 million gain was recorded from the sale of the Group's stake in Euroclear plc and £1.1 million was received as a result of a levy rebate from the Financial Services Compensation Scheme (FSCS).

Amortisation of client relationships

Amortisation of client relationships decreased to £6.3 million (2015: £9.2 million). This was a result of previously acquired client relationships reaching the end of their amortisation periods.

Taxation

The Group's overall tax rate is a blend of rates which apply in the jurisdictions in which it operates (United Kingdom and Republic of Ireland).

The adjusted effective tax rate was 21.5% (2015: 20.8%) and the statutory effective rate was 22.2% (2015: 20.9%). The effective tax rate is higher than the UK corporation tax due to the impact of non-allowable expenses such as client entertainment and leasehold improvements, as well as movements in deferred tax rates and overseas subsidiaries taxed at different rates.

See note 12 to the financial statements for a full reconciliation of the income tax expense.

Pension fund

The deficit on the final salary pension scheme increased from £2.9 million to £7.0 million; under IAS 19, large annual fluctuations can occur. The increase in the deficit has been largely driven by a reduction in the discount rate representing the significant fall in corporate bond yields increasing liabilities, offset by an increase in assets which were hedged against falls in gilt yields and cash contributions to the scheme.

The Group continues to make annual contributions of £3 million as part of the recovery plan agreed with the trustees of the Group's Defined Benefit Pension Scheme (see note 21 to the financial statements).

Capital resources and regulatory capital

The Group's financial position remains strong, with net assets of £242.8 million at 30 September 2016 (2015: £219.2 million). Tangible net assets (net assets excluding intangibles and shares to be issued) are £161.8 million (2015: £141.5 million), representing growth of 14% in 2016.

At 30 September 2016, the Group had regulatory capital resources of £164.0 million (2015: £145.3 million). See note 32 to the financial statements.

The Group's primary regulator is the Financial Conduct Authority (FCA). FCA rules determine the calculation of the Group's regulatory capital resources and regulatory capital requirements. As required under FCA rules, we perform an Internal Capital Adequacy Assessment Process (ICAAP), which includes performing a range of stress tests to determine the appropriate level of regulatory capital that the Group needs to hold.

The Group's Pillar III disclosures are published annually on our website and provide further details about regulatory capital resources and requirements.

Cash flow and capital expenditure

The Group again generated a good positive cash flow of £20.5 million in the period (2015: £15.0 million). This has resulted in the Group's cash balances increasing to £170.8 million (2015: £149.8 million).

Adjusted EBITDA was £75.6 million (2015: £78.6 million); the fall of 4% was largely a result of lower adjusted PBT. £3.0 million was contributed to the defined benefit pension scheme (2015: £3.0 million). Capital expenditure, principally relating to software, fell slightly in the year to £6.4 million (2015: £7.6 million).

A net cash inflow from discontinued operations of £5.8 million (2015: £1.7 million) arose from the gain on the sale of Stocktrade. The sale proceeds of £14.0 million were received at the end of April 2016 once the migration of the business was complete. This was offset by settlement in the year of a number of contractual costs relating to the separation of the business previously provided for.

Cash outflow for own share "matching" purchases in the period comprised £6.7 million (2015: £19.8 million) for the Deferred Profit Share Plan (DPSP) and Equity Award Plan, to match the awards made in 2015; all past awards are fully matched. £0.2 million (2015: £0.2 million) of shares were purchased for the Share Incentive Plan (see note 33 to the financial statements).

Shares issued for cash of £0.4 million (2015: £1.9 million) is a result of the issue of shares in relation to Approved Share Options and Nil Paid Shares (see note 33 to the financial statements) and is £1.5 million lower than in 2015.

Dividends paid in the period increased by 21.5% to £32.8 million (2015: £27.0 million).

	2016 £m	2015 £m
Adjusted profit before tax	**61.0**	62.2
Finance income and costs	**(0.3)**	(0.5)
Adjusted operating profit (EBIT)	**60.7**	61.7
Share-based payments	**8.4**	8.9
Depreciation and amortisation	**6.5**	8.0
Adjusted EBITDA	**75.6**	78.6
Pension funding	**(3.0)**	(3.0)
Capital expenditure	**(6.4)**	(7.6)
Working capital	**(0.6)**	(4.2)
Interest and taxation	**(8.5)**	(10.6)
Exceptional items	**(3.1)**	5.2
Discontinued operations	**5.8**	1.7
Shares purchased and disposed of	**(6.9)**	(20.0)
Shares issued for cash	**0.4**	1.9
Cash flow pre-dividends	**53.3**	42.0
Dividends paid	**(32.8)**	(27.0)
Cash flow	**20.5**	15.0
Opening firm's cash	**149.8**	135.1
Exchange and other non-cash movements	**0.5**	(0.3)
Closing firm's cash	**170.8**	149.8

Going concern

The Group's business activities, performance and position, together with the factors likely to affect its future development, are set out in the Chairman's Statement, Strategic Report and Board Risk Committee Report.

Note 32 to the financial statements describes: 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.

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 has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis for the preparation of the financial statements. In forming their view, the Directors have considered the Group's prospects for a period exceeding 12 months from the date when the financial statements are approved.

Viability statement

The Directors have assessed the outlook of the Company over a longer period than the 12 months required by the going concern statement in accordance with the 2014 UK Corporate Governance Code.

The assessment is based on the Medium Term Plan (MTP), the Internal Capital Adequacy Assessment Process (ICAAP) and the evaluation of the Group's principal risks and uncertainties, including those that would threaten its business model, future performance or solvency.

The Group prepares an MTP as part of its corporate planning process, which is a financial articulation of the Group's strategy. The Group is continually improving the quality of its financial forecasting model, which is predicated on a detailed year one budget and higher-level forecasts for future years.

As a matter of good practice and as part of the ICAAP required by the Financial Conduct Authority (FCA), the Group performs a range of three stress tests including reverse stress tests. These assess the Group's ability to withstand a market-wide stress, a Group-specific (idiosyncratic) stress and a combined stress taking into account both market-wide and Group-specific events. The stress tests are derived through discussions with senior management, after considering the principal risks and uncertainties faced by the Group.

The stress tests enable the:

- Group to model a variety of external and internal events that impact the MTP, identifying the potential impact of stress events on the Group's income, costs, cash flow and capital; and
- Board to assess the effectiveness of any management actions that may be taken to mitigate the impact of the stress events.

The reverse stress tests allow the Board to assess scenarios and circumstances that would render its business model unviable. This enables the identification of potential business vulnerabilities and the development of potentially mitigating actions.

Following the assessment of the above, the Board concluded that the Viability Statement should cover a period of four years. While the Directors have no reason to believe that the Group will not be viable over a longer period, this period has been chosen to be consistent with the remaining life of the current MTP used as part of the Group's corporate planning process.

Taking into account the Group's current position and principal risks and the Board's assessment of the Group's prospects, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over a period of at least four years.

Andrew Westenberger
Finance Director

29 November 2016

Rising engagement, driving performance

Our people - helping them be as great as they can

At Brewin Dolphin, we believe that a company can only deliver sustainable long-term value to its shareholders if it has a skilled, experienced and engaged workforce. We also believe strongly in a virtuous circle where performance drives engagement and engagement drives performance. As a result, the third of these attributes is the most important to us – engagement is the foundation on which we build everything else.

That's why we focused so closely in 2016 on initiatives aimed directly or indirectly at strengthening the engagement of all our teams, no matter whether they are client facing or in support roles, based at our head office or in our branch network.

These initiatives were largely a continuation of work we started in 2015, although several are still very much in their growth phase. Closely interconnected by their positive impact on engagement levels, they fall broadly into the categories on which we expand below.

A rising engagement score

In many ways, 2016 offered a testing market and operational environment that contributed to the pressure felt by many of our people during the year. We are embedding some significant changes to the way we work, and this added more gravity to the challenges experienced by employees at every level.

Given the nature of the internal and external working environment, we were pleased by the findings of "Your Future, Your Say", our second annual staff survey carried out independently by People Insight. This showed the headline engagement score of our workforce move upwards by two percentage points from 76% in 2015 to 78%, three percentage points ahead of the financial services industry benchmark of 75%.

78%

Employee engagement score

Although there is still clear room for improvement, we are generally pleased with this outcome, not least because we were starting from an already high score. We also found some very substantial reasons for satisfaction when we looked more deeply into results beyond the headline score itself, which is based on just five of the 45 questions asked in the survey.

In total 90% of questions were scored higher than in 2015, and some of these showed very significant improvements. For example, the positive response to the statement "I have sufficient opportunity to get involved in Brewin Dolphin's Corporate Responsibility activities" doubled, rising from 34% to 68%. "Brewin Dolphin demonstrates good support for worthy causes" received a 21 percentage point increase in endorsement (from 57% to 78%), and support for "I believe the organisation is committed to equal opportunity and valuing diversity" grew by 14 percentage points to 64%. We can directly correlate many of the improvements achieved with initiatives we undertook during the year.

However, while we are very pleased to be moving in the right direction, we are aware that we are not as yet in the top quartile for employee engagement among the FTSE 100 companies with whom we compare ourselves. Our focus is on making more progress in years to come.

Culture and engagement

Ultimately, all the actions taken by our people are informed by our culture and have an impact on engagement. These are some of the initiatives that focused specifically on these areas:

Employees and clients identify our brand values

When seeking to identify the living and breathing values that differentiate and guide Brewin Dolphin, we invited those people who are most important and closely involved to undertake the work. So not only did we invite 120 staff members to participate in a series of focused workshops, we also sought the opinions of clients and prospects. This was an approach that removed any

Employee engagement through volunteering

Four teams from our London office took part in the Business in the Community's Give & Gain day in May 2016. Teams spent the day at a primary school, two community centres and a YMCA all within easy reach of our Smithfield office. Each team set out to improve the physical environment of their chosen location, with plenty of painting, weeding, digging and planting going on to help create cleaner and tidier environments for those who use the facilities.

risk of artificially creating and enforcing values. Rather, it enabled us to uncover our values of:

Genuine – heartfelt advice, delivered by people who care.

Expert – skilfully facilitating important decisions.

Ambitious – making more of life's opportunities.

Building our "Engagement Partner" network

Every office and department now has an official "Engagement Partner" who oversees an annual action plan of activities that drive greater commitment, loyalty and satisfaction among our people. This initiative had a direct impact on meaningful improvements in engagement during the year.

Streamlining internal communications

The improvement highlighted above in how our people perceive internal communication is an early result of a carefully conceived effort to enhance information flows. During 2016, we initiated a better planned, more joined-up and thoughtful set of processes supporting communication from the top. These included regular updates from management, better internal use of social media and greater visibility of senior managers and Board members. The survey findings demonstrate that people are aware of these efforts to improve.

Driving diversity

At Brewin Dolphin we appreciate that a diverse workforce allows us to benefit from a range of views and perspectives helping us to deliver on our strategy. We have a dedicated Diversity and Inclusion Committee made up of members from throughout the organisation which addresses matters relating to gender, race, age and sexual orientation. We have female representation on the Executive Committee of 10% (one in ten); this has reduced from one in six in 2015, due to the expansion of the Executive Committee discussed on page 25. Across the Group, we have an employee headcount of 1,583 of which 693 (44%) of our employees are women. We are aware that there is considerable room for improvement, particularly in the racial and gender balance of our workforce, and we have implemented the following initiatives:

Women @ Brewin

"Women @ Brewin" is a new initiative that enables our female employees to meet and discuss career issues with high-profile role models. These include our female Directors (who represent 37% of the Board) as well as people from outside the Group, such as Professor Heather McGregor, Executive Dean of Edinburgh Business School and until recently author of the weekly "Miss Moneypenny" column in the Financial Times.

Gender in recruitment and promotion

We are very pleased that more than half (55%) of the senior client-facing new hires we made during 2016 were female. In addition, when we opened our new branch in Cambridge we appointed a female manager to run it.

Maternity and related initiatives

Our Maternity and New Parent social network, launched in 2016, encourages and enables support for people balancing parenthood and the demands of work. We have also introduced new and better guidance for individuals and managers both before and following maternity leave. And we have improved our maternity leave policies, as well as introducing time off for fostering.

Unconscious bias training

We launched an unconscious bias training programme in 2016, attended by managers across the Group including the Chief Executive, to help employees across our network recognise and overcome any bias resulting from their cultural environment, personal experience and background. As part of a fully revised approach to diversity when seeking new employees, we also instructed the recruitment agencies we work with to take measures to avoid unconscious bias when assessing candidates.

Learning and development

We make every effort to be as good as anybody in our industry in terms of training, both to enable our people to excel at their jobs and to reduce the risk of clients not gaining the right outcomes. We therefore constantly review our performance against the market place, and adapt our activities to ensure we are a leader in this area.

Performance management and business development

We also continued our successful Aspire mentoring scheme, and launched a series of management seminars and learning initiatives to improve in the areas of performance management, motivation and leadership skills. And, as mentioned in the Chief Executive's Review, we invested heavily in the business development capabilities of our people.

Succession and career planning

Leadership development was an area of particular focus, and we undertook a full succession planning process in 2016, including the identification of the high-potential leaders of the future. In parallel, we invested considerable effort in designing clear career paths for employees, and were pleased to see the fruits of this work come through in the results of our employee engagement survey. Support for the response "I understand the options available for me to progress my career" rose by 12 percentage points.

Talent

Emerging talent and apprenticeships

We grew our emerging talent programme by 50% during 2016, with 30 employees – including a high proportion of new graduates – experiencing the scheme. We also launched a formal business support apprenticeship programme in our Newcastle-upon-Tyne office, with the potential to expand into other offices.

Performance management

We understand that reward is an important factor behind engagement, so we strengthened the alignment between performance and compensation during the year. This involved strengthening the performance review for all employees, which took into account individuals' behaviours and client outcomes as well as financial success.

Stewardship

We have established a Stewardship Committee to ensure that discretionary clients' interests as holders of securities are protected and, where appropriate, to ensure proactive shareholder action is taken in the best interest of its discretionary clients. We give our clients the first opportunity to vote the shares for which they are the underlying beneficiary using our online facility, Vote Your Shares. In the closing days before each AGM, we vote the balance of each shareholding not voted by clients and over which we have discretion for the majority of the stocks held in our nominees. Brewin Dolphin publishes the aggregate voting record for these companies on our website after each AGM. For more information on our Stewardship Policy please see our website brewin.co.uk/corporate-responsibility.

Tax strategy

We take our corporate responsibility seriously with respect to taxation and aim to be a good corporate citizen by bearing our fair share of the tax burden while at the same time safeguarding our reputation and relationships with clients, shareholders and tax authorities alike. While we are mindful of our obligations to shareholders to ensure tax efficiency, we use only legitimate tax reliefs for the purposes for which they were intended and do not take part in aggressive tax planning or condone tax avoidance as both would contravene our ethics and conservative culture. A key driver of our tax strategy is to reduce risk as our appetite for tax risk is low. We also aim to promote tax awareness among our staff so that our processes and controls encompass best practice and keep pace with changing tax legislation and requirements. Tax governance is embedded in our formal governance structure to ensure that we are in compliance with tax law in all territories in which we operate.

Other Corporate Responsibility initiatives

Charitable and community activities

Our charitable and community activities are the sole area of interest of our Corporate Responsibility Committee. This reports to the Board twice a year on activities carried out throughout the Group.

Chaired by a client-facing business professional, the Committee is deliberately close to the business in the communities where the majority of our Corporate Responsibility activities take place. As a locally focused organisation, our Corporate Responsibility activities enable us to express our culture and values within communities where our clients live and work.

This is aligned with our goal of building long-term relationships with our clients. As we strengthen our relationships with our clients, we strengthen our relationship with their communities.

2016 was a very important year for Corporate Responsibility at Brewin Dolphin. Not only did we carry out a great deal of work on helping our people across the branch network co-ordinate their activities for greater impact, we also formalised much of what we do and put more resource behind several initiatives.

For example, we expanded the role of our Corporate Responsibility Manager to become a full time role, doubled our commitment to payroll giving, created a paid-for volunteering scheme across the Group and launched a dedicated Corporate Responsibility section on our website. Highlights of the year include:

- Partnerships: we renewed and expanded our commitment to the Enabling Enterprise organisation, in which school children learn enterprise skills and gain insights into the world of work by visiting our offices. We hosted 12 office visits across our branches nationwide.
- Volunteering: every employee can now spend a working day a year volunteering in the community. In the year to 30 September 2016, our people had volunteered for a total of 2,124 hours.
- Matched payroll giving: we doubled our matched payroll giving limit to £20 a month during 2016 and as a result, we received a Gold Award from the Charities Aid Foundation.
- Fundraising matching: we offer an employee fundraising matching scheme and excluding our donations, staff raised a magnificent £218,000 during the year.
- Small grants: we awarded £31,710 through 42 small grants to community projects.
- Work experience programme: we ran a number of events in Birmingham and London to encourage local students to get a flavour of our working environment.
- The Brewin Dolphin Foundation makes donations to international disaster appeals and this year donations were made for events including Hurricane Matthew and the Ecuador earthquake in line with employee wishes.

We also put a great deal of emphasis on internal communications. This included the launch of “Making a difference” magazine, dedicated campaigns supporting the payroll giving and volunteering initiatives as well introducing a Corporate Responsibility section on the newly launched Brewin website. We believe such activities contributed greatly to the dramatically improved response to the Corporate Responsibility statement in the 2016 staff engagement survey from 34% to 68%.

As we seek to strengthen relationships with local communities, we also seek marketing opportunities that wherever possible deliver a favourable community outcome. We were again very active on this front in 2016, and we contributed to events

London to Paris Sponsored Bike Ride

On Sunday 22 May 2016, 42 Brewin Dolphin cyclists from 12 offices, led by former England footballer and blood cancer survivor Geoff Thomas, arrived in Paris to complete the four day 500km Brewin Dolphin sponsored ride. The team, part of a 200-strong group that rode to Paris to raise funds for blood cancer charity Cure Leukaemia, were elated to have completed the gruelling ride raising £100,000 for the charity. Brewin Dolphin was awarded the Cure Leukemia Corporate Partner of the Year 2016 Award.

including the Great Yorkshire Show, the Borders Book Festival, the Highland Sports Fair, the Cheltenham Cricket Festival and the Shrewsbury and Taunton Flower shows.

Environmental activities

At Brewin Dolphin, our main environmental impacts are through largely UK-based travel and the consumption of resources and emissions at the buildings in our branch network. We do all we can to reduce any such impacts as much as we can, through sensible policies and initiatives including Green IT and recycling programmes. Please see page 99 for our full environmental statement.

Supplier initiatives

Even though we are largely UK based, we are aware of the risks associated with a supply chain that crosses borders, potentially into nations where employee rights do not match our own standards. We take our responsibilities very seriously in this area and are taking those actions necessary to understand our supply chain and carry out any required remedial activities that we identify.

Chairman's Introduction to Governance

How good governance underpins our ambition

"We recognise the need to lead on values and conduct in order to encourage the right behaviours throughout the Group."

Highlights from 2015/16

- Reviewed financial KPIs and included new non-financial metrics of client satisfaction, net promoter score and employee engagement.
- Full review of key risks as part of internal capital adequacy assessment process.
- Review of strategy with expanded executive management team and approval of medium-term plan.
- Extended discussions on different parts of the business at each meeting.
- Reviewed results of second annual employee engagement survey.

Dear Shareholders,

This Corporate Governance Report describes how the Group is governed and managed, and how Brewin Dolphin Holdings PLC applied the principles of the UK Corporate Governance Code throughout the year. The Board continues to ensure it upholds the highest governance standards. We recognise the need to lead on values and conduct in order to encourage the right behaviours throughout the Group. We believe that our culture and the quality of our people are critical to the success of the Group. You can read more about how we have developed our culture in the Chief Executive's Review on pages 22 to 27.

Board changes

At the beginning of 2016 we strengthened the Executive Committee with the appointment of five senior leaders from our business. This means our clients' voices are represented more directly at the Group's most senior executive governance committee. As part of this reorganisation, Stephen Ford resigned from the Board.

Angela Knight, the Senior Independent Director, has served on the Board for nine years. It has now been agreed that she will not stand for re-election at the Annual General Meeting (AGM) in February 2017. She has served the Board and the Company with great distinction and we are indebted to her. Kath Cates, who was appointed as an Independent Non-Executive Director in December 2014 and is Chair of the Board Risk Committee, will take over as the Senior Independent Director at the AGM.

Board effectiveness

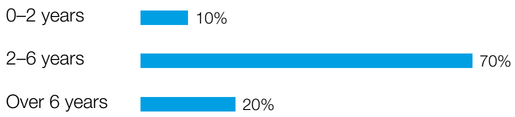
As part of our three year performance evaluation cycle, I conducted an internal evaluation process of the Board during the year through individual meetings with each Director to obtain their views on what was working well and what could be improved.

The discussions were wide-ranging, covering how well the Board operates and approaches its work, the balance of skills and experience on the Board, the culture and dynamics of the Board and the effectiveness of Committee composition. We identified the following areas for focus next year:

- A review of how the Board and its Committees interact, to ensure that key issues are discussed appropriately at full Board meetings following more detailed discussion in the relevant Committee.
- Succession planning for Non-Executive Directors will need to reflect the fact that they were all appointed within a relatively short time frame, with the exception of the current Senior Independent Director. The Nomination Committee will develop plans to address this in 2017.

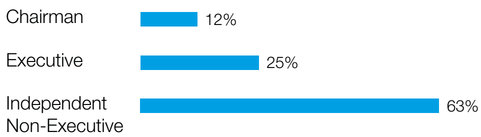
There will be an externally facilitated performance evaluation in 2017. Read how Executive Directors' remuneration is linked to performance on pages 86 to 89.

Length of tenure



Board gender diversity

Balance of Executive and Non-Executive Directors



Non-executive engagement

An important part of my role is to ensure that our Non-Executive Directors offer both support and challenge to the executive management team. The Non-Executive Directors meet with the wider executive management team and regularly visit different offices.

Succession planning

Succession planning is an important element of good governance, ensuring that we are fully prepared for planned or sudden departures from key positions throughout the Group. The Nomination Committee has reviewed the succession plans for the Board, the Executive Committee and other key roles within the organisation. This review also provided visibility of the Group's talent pipeline and the leadership development programmes in place to ensure we are maximising the potential of our people.

Remuneration policy

The Remuneration Committee conducted a full review of our remuneration policy during 2016. You can read more about this in the Directors' Remuneration Report on page 74. The Directors' Remuneration Policy will be put to shareholders for approval at the forthcoming AGM.

Disclosure Committee

During 2016, the new EU Market Abuse Regulation ('MAR') was implemented to ensure the smooth functioning of the market for financial securities by curbing behaviours that distort the price of securities and harm investor confidence. We have formalised the way in which we meet our obligations under MAR and established a Disclosure Committee to oversee the implementation of the governance and procedures associated with the assessment, control and disclosure of inside information. You can read more about our Board and Committee structure on page 54.

Simon Miller
Chairman

29 November 2016

Board of Directors

Simon Miller
Chairman

N* R

Simon Miller was appointed Chairman in March 2013. He joined the Board in 2005 and became Deputy Chairman and Senior Independent Director in 2012. He read law at Cambridge and was called to the Bar. He subsequently worked for Lazard Brothers and County NatWest. He is also chairman of Blackrock North American Income Trust PLC, JPMorgan Global Convertibles Income Fund and a director of Scottish Friendly Assurance Society.

David Nicol, CA, Chartered FCSI
Chief Executive

D*

David Nicol joined the Board as a Non-Executive Director in March 2012 and was subsequently appointed Chief Executive in March 2013. He trained and qualified in 1980 as a chartered accountant with Ernst & Young and spent two years working for KPMG in Hong Kong. He joined Morgan Stanley in 1984, where he worked for 26 years in a number of operations and finance roles. He was a director of Morgan Stanley International PLC from 2004 to 2010. David was a non-executive director of Euroclear plc from 1998 to 2010 and was on the board of the Chartered Institute of Securities and Investments until September 2015. He is on the Council of the Institute of Chartered Accountants of Scotland and is a member of the appointment committee of the Hermes Property Unit Trust.

Andrew Westenberger, FCA
Finance Director

D

Andrew Westenberger joined the Board in January 2013. He was Group Finance Director of Evolution Group PLC from 2009 until August 2011 and a director of its principal subsidiary, Williams de Broe Limited. Andrew qualified as a chartered accountant with Coopers & Lybrand. From 2000 to 2008, he held various senior finance roles in London and New York with Barclays Capital. He is a non-executive director of the Chartered Institute of Securities and Investments.

Angela Knight, CBE
Senior Independent Director

A N

Angela Knight was appointed as a Non-Executive Director in July 2007 and as Senior Independent Director in February 2014. She worked in the engineering industry for many years before becoming 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 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, and Chief Executive of the British Bankers Association from April 2007 to July 2012. She was Chief Executive of Energy UK until December 2015 and is currently the chair of the Office of Tax Simplification. Angela is also a non-executive director of Tullett Prebon PLC, Arbuthnot Latham & Co Limited and Taylor Wimpey PLC.

Key to our committees

A Member of the Audit Committee	RK Member of the Board Risk Committee
N Member of the Nomination Committee	D Member of the Disclosure Committee
R Member of the Remuneration Committee	* Denotes Committee Chairman

Ian Dewar, FCA

Non-Executive Director

A* RK R

Ian Dewar was appointed as a Non-Executive Director in November 2013. He retired from KPMG in 2012 after a 32-year career, including 19 years as a partner. During that time, he performed a wide variety of roles, both within KPMG and as a non-executive trustee in the charity sector. An accountant by training, his experience has been in audit, advisory, client relationship and practice management roles. He has spent the last 27 years working in the financial services sector. Ian is a non-executive director of Manchester Building Society and Arbuthnot Banking Group PLC.

Paul Wilson

Non-Executive Director

RK R* N

Paul Wilson was appointed as a Non-Executive Director in December 2013. Paul has over 25 years' experience of the financial services industry. Until February 2014, he was an advisory partner at Bain & Company, responsible for their financial services practice. Paul is the senior independent director of XL Catlin UK and chair of the risk and reserving committee. He is also CEO of the World Platinum Investment Council and is a group board independent director at Unigestion Holding SA, based in Geneva. Paul is international chairman of Action Against Hunger, a global charity addressing the problems of acute malnutrition in children in 35 countries worldwide. He holds an MBA from Harvard Business School.

Caroline Taylor

Non-Executive Director

A R N

Caroline Taylor was appointed as a Non-Executive Director in May 2014 and has responsibility for the Corporate Responsibility Committee. Caroline has over 25 years' experience in the financial services sector with a strong background in investment management and in-depth knowledge of all aspects of investment management operations, compliance and legal issues. Caroline was a director of Goldman Sachs Asset Management International from 2005 to 2012 and is currently a non-executive director of Ecclesiastical Insurance Office PLC.

Kath Cates

Non-Executive Director

A RK*

Kath Cates was appointed as a Non-Executive Director on 18 December 2014 and became Chair of the Board Risk Committee on 1 September 2015. Kath has over 20 years' experience in international financial services, latterly as chief operating officer, wholesale banking for Standard Chartered Bank. She is currently a non-executive director and chair of the risk committee for RSA Insurance Group plc and a non-executive director of Threadneedle Investment Services Limited.

Corporate Governance Statement

The Board is committed to ensuring the highest standards of corporate governance which are so critical to creating value

Governance Framework

Board responsibilities

- Collectively responsible for the long-term success of the Group.
- Setting strategy and being accountable to shareholders for delivery of value.
- Monitoring management activity and performance against targets.
- Providing constructive challenge to management.

For more detail on what the Board has considered during the year please go to page 56.

Matters reserved for the Board's decision

- Group strategy, long-term objectives, annual budgets and medium-term plans.
- Approval of the annual and interim results.
- Material acquisitions, disposals and contracts.
- Approval of risk appetite.
- Ensuring that a sound system of internal control and risk management is maintained.
- Changes relating to the Group's capital structure.
- Approval of dividend policy.
- Changes to Board composition.

Certain Board responsibilities are delegated to formal Board Committees, which play an important governance role through the work they carry out.

Audit Committee

- Reviews the Group's financial reporting and recommends to the Board that the Report and Accounts should be approved.
- Reviews internal financial controls.
- Assesses the independence and effectiveness of the internal and external auditors.

Board Risk Committee

- Oversees the Risk Management Framework of the Group.
- Assists the Board in discharging its responsibilities for the integrity of the Group's internal control and risk management systems.

Remuneration Committee

- Sets the remuneration policy for the Group.
- Sets the individual remuneration of the Executive Directors and other staff designated as Material Risk Takers under the FCA's Remuneration Code.

Nomination Committee

- Reviews the composition of the Board and its Committees.
- Ensures that appropriate procedures are in place for the nomination, selection, training and evaluation of Directors.
- Ensures that there is an effective framework for succession planning.

Executive Committee

- Manages the day-to-day running of the Group, including the development and implementation of strategy, monitoring the operating and financial performance and the prioritisation and allocation of resources.

Disclosure Committee

- Oversees the implementation of the governance and procedures associated with the assessment, control and disclosure of inside information in accordance with the Market Abuse Regulation.

Board composition and roles

Our Board comprises the Chairman, two Executive Directors and five independent Non-Executive Directors. Their key responsibilities are:

Chairman

Simon Miller

- Provides leadership to the Board, setting its agenda, style and tone to promote constructive debate and challenge between the Executive and Non-Executive Directors.
- Ensures good information flows from the Executive to the Board, and from the Board to its key stakeholders.
- Supports and advises the Chief Executive, particularly in the development of strategy.
- Chairs the Nomination Committee and builds an effective and complementary Board, regularly considering its composition and balance, diversity and succession planning.
- Ensures that the induction and training programmes for Non-Executive Directors are implemented and are effective.

Chief Executive

David Nicol

- Provides leadership to the Group.
- Develops strategy proposals for recommendation to the Board and is accountable for business performance.
- Maintains a dialogue with the Chairman on all important matters and strategic issues facing the Group.
- Ensures that there is an effective framework of internal controls, including risk management, covering all business activities.
- Ensures that the Group has the capabilities and resources required to achieve its plans and that robust management succession and development plans are in place.
- Ensures that the Board is fully informed of all key matters.

Finance Director

Andrew Westenberger

- Supports the Chief Executive in developing and implementing strategy.
- Oversees the financial delivery and performance of the Group.
- Leads the development of the finance function to provide insightful financial analysis that informs key decision making.
- Leads treasury activities.
- Leads investor relations activities and communication with investors alongside the Chief Executive.
- Works with the Chief Executive to develop budgets and medium-term plans to support the agreed strategy.

Senior Independent Director

Angela Knight*

- Acts as a point of contact for shareholders and other stakeholders to discuss matters of concern that are not appropriate to address through normal channels of communication with the Chairman or Chief Executive.
- Acts as a sounding board for the Chairman and serves when required as an intermediary for the other Directors.
- Meets with the Non-Executive Directors (without the Chairman present) at least annually and leads the Board in the ongoing monitoring and annual evaluation of the Chairman's performance.
- Is available to meet with major shareholders to develop a balanced understanding of their issues and concerns and report the outcome of these meetings to the Board.

Independent Non-Executive Directors

Kath Cates, Ian Dewar, Paul Wilson and Caroline Taylor

- Constructively challenge management and decisions taken at Board level.
- Constructively challenge and help develop proposals on strategy.
- Scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of their performance.
- Uphold high standards of integrity and probity, and support the Chairman and Executive Directors in instilling appropriate culture, values and behaviours in the boardroom and across the Group.
- Make sure they receive high-quality information sufficiently in advance of Board meetings and challenge the adequacy and quality of such information.

Company Secretary

Louise Meads

- Acts as Secretary to the Board and Committees.
- Develops Board and Committee agendas and collates and distributes papers.
- Advises on corporate governance.
- Ensures compliance with Board procedures.
- Facilitates induction programmes.
- Organises the Annual General Meeting.
- Makes herself available to all Directors for advice.

* Angela Knight will retire as a Director at the February 2017 AGM and Kath Cates will succeed her as Senior Independent Director. The Board has reviewed Angela Knight's independence in light of the length of her tenure and has concluded that she remains independent in every respect.

Board activity during the year

Strategy

- Received presentations from different parts of the business on strategic opportunities.
- Held strategy review discussions with the executive management team in June.
- Received a presentation on the updated strategy in September and approved strategy for the Group.
- Approved updated budget and medium-term plans in the context of the agreed strategy.
- Reviewed progress with implementation of strategy through regular reports from the Chief Executive.

For more information on our strategy see page 28.

Shareholder engagement

- Consulted with shareholders and proxy voting bodies on the revised remuneration policy.
- Reviewed reports from brokers on shareholder feedback following meetings with the Chief Executive and Finance Director.
- Received presentations from our broker on the market perception of Brewin Dolphin.

For more information see page 58.

People

- Our Directors visited various offices around the country.
- Held the March Board meeting in the Edinburgh office.
- Discussed results of the annual employee engagement survey.
- Received presentations from the Group Human Resources Director on our people strategy.

For more information see Corporate Responsibility report on page 46.

Performance monitoring

- Reviewed reports on performance against plans.
- Reviewed reports on the Group's financial position.
- Reviewed the year-end and interim results.

For more information see KPIs on page 30.

Other

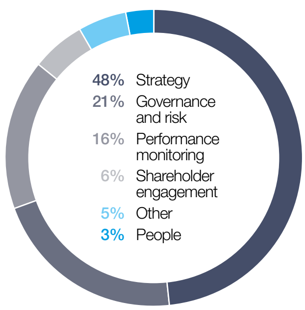
- Approved the 2015 Annual Report and Accounts and the 2016 notice of AGM.
- Approved the 2017 budget and medium-term plan.
- Approved Q1 and Q3 interim management statements.
- Approved the Group's tax strategy.
- Reviewed the Group's annual insurance programme renewal.
- Training.

Governance and risk

- Received reports from the Group Head of Risk and Compliance.
- Approved principal risks and risk appetite statements.
- Deep dive into cyber risk.
- Approved a refreshed policy for firm and client money diversification.
- Received formal reports from the CF10a (the individual responsible for oversight and the operational effectiveness of the systems and controls that are designed to achieve compliance with the FCA's Client Assets Sourcebook rules) on the governance and operational oversight of client assets.
- Discussed the results of the Board performance evaluation.
- Received reports from the Chairs of the Board Risk, Audit, Nomination and Remuneration Committees.

For more information see Principal Risks and Uncertainties on page 33 and Board Committee reports on pages 60 to 72.

How we spent our time



Board attendance during the year

Executive Directors	Independent	Nov	Dec	Jan	Mar	Jun	July	Sept	Attendance*
		Board meetings							
David Nicol	No	✓	✓	✓	✓	✓	✓	✓	100%
Andrew Westenberger	No	✓	✓	✓	✓	✓	✓	✓	100%
Stephen Ford**	No	✓	✓	n/a	n/a	n/a	n/a	n/a	100%
Non-Executive Directors									
Simon Miller (Chairman)***	No	✓	✓	✓	✓	✓	✓	✓	100%
Angela Knight (SID)	Yes	✓	✓	✓	✓	✓	✓	✓	100%
Kath Cates	Yes	✓	✓	✓	✓	✓	✓	✓	100%
Ian Dewar	Yes	✓	✓	✓	✓	✓	✓	✓	100%
Caroline Taylor	Yes	✓	✓	✓	✓	✓	✓	✓	100%
Paul Wilson	Yes	✓	✓	✓	✓	✓	✓	✓	100%

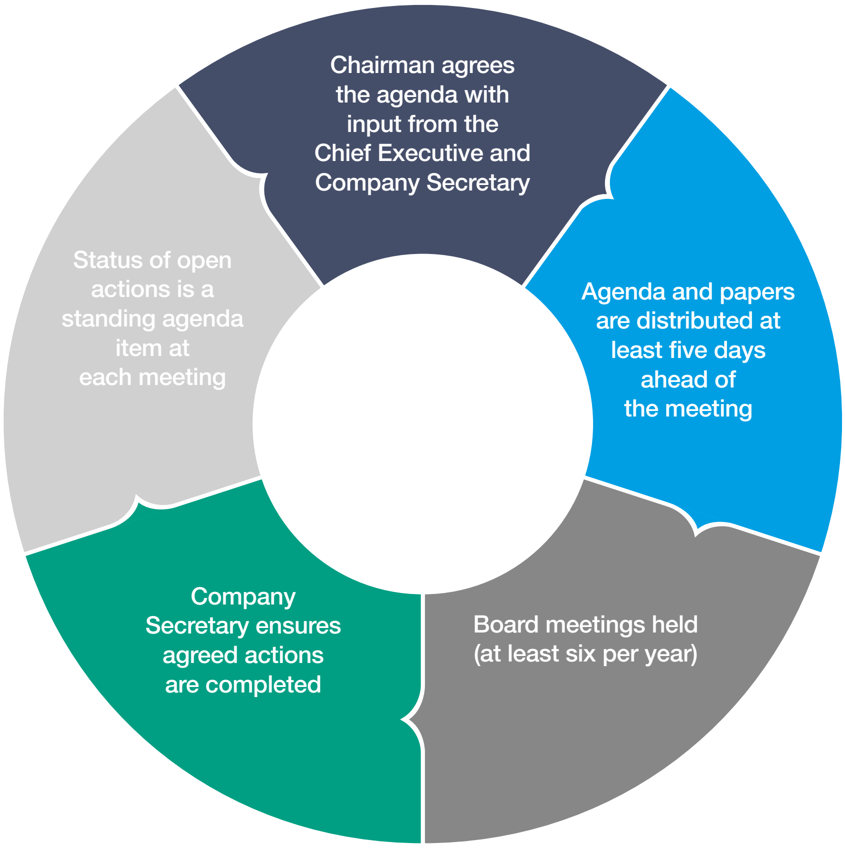
* % based on the meetings entitled to attend.
** Stephen Ford attended all meetings until he stepped down from the Board on 7 January 2016.
*** Simon Miller satisfied the independence criteria of the Code on his appointment as Chairman in March 2013.

In addition to the schedule of formal Board meetings, the Board meets informally throughout the year for dinners that give the Directors additional time together to discuss issues more broadly. The Chairman and Non-Executive Directors meet periodically without Executive Directors present, and the Senior Independent Director meets with the other Non-Executive Directors without the Chairman present.

Information flow at Board and Committee meetings

The Board and its Committees use an electronic board portal to gain quick and secure access to meeting papers and other reference materials. The Directors indicated in their response to the Board performance evaluation that the quality of information supplied to them continues to be of a high standard. They recognise, however, that Board reporting continues to evolve and improve. The chart on this page describes the information flow before and after Board meetings.

All Board Committees operate on a similar cycle, planning forward agendas for the year to ensure that all important issues are addressed as part of the annual cycle. The chairman of each Committee agrees every agenda with the Company Secretary and relevant members of senior management. Any Committee member can call for reports on additional matters of interest.



STRATEGIC REPORT
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OTHER INFORMATION

Development and induction

All new Directors participate in a full induction programme that takes into account any previous experience they may already have as directors of a public limited company. The induction programme for new Directors typically includes meetings with the Executive Directors and members of the senior management team covering the Board, the business, finance, risk and compliance, operations and key change programmes as well as branch visits.

Brewin Dolphin undertakes training sessions for the entire Board. All Directors are members of the Deloitte Academy, which provides a year-round programme of briefings and update sessions on relevant topics including accounting and auditing standards, corporate governance and regulation.

The whole Board training programme for the year included briefings on the EU Market Abuse Regulation, FCA enforcement actions, the FCA's Senior Managers' Certification Regime, cyber risk, corporate governance updates and detailed briefings from the business.

Directors' conflicts of interest

The Board has a policy and effective procedures in place for managing and, where appropriate, approving conflicts or potential conflicts of interest. This is a recurring agenda item at all Board meetings, giving Directors the opportunity to raise any conflicts of interest they may have or to update the Board on any changes to previously lodged interests. A Director may be required to leave a Board meeting while such matters are discussed.

The Company Secretary holds a register of interests, and a log of all potential conflicts raised is maintained and updated. Whenever a Director takes on additional external responsibilities, the Chairman considers any potential conflicts that may arise and whether or not the Director continues to have sufficient time to fulfil his or her duties. If a potential conflict exists, the Board is empowered to authorise potential conflicts and agree what measures, if any, are required to mitigate or manage them.

Relationship with shareholders

Led by the Chairman, the Board recognises the important and valuable role that shareholders play in safeguarding the Group's governance. The Chairman, Chief Executive and Finance Director meet regularly with the Group's major shareholders. Following these meetings, the Board discusses the feedback received. We hold analyst and investor meetings and presentations following the release of our annual and interim results, posting a webcast of our presentations on our website for those unable to attend in person. The Group's broker provides the Board directly with anonymised investor and analyst feedback following the results of meetings and presentations.

We hold our Annual General Meeting ('AGM') in London. We have changed its venue this year following feedback from shareholders who attended previous AGMs. It will be held in Haberdashers' Hall, 18 West Smithfield, London EC1A 9HQ on 3 February 2017 at 11.30am. You can see details of the meeting and the resolutions to be proposed in the Notice of AGM which is available to download from our website (www.brewin.co.uk/investors).

The AGM gives shareholders, our smaller shareholders in particular, an opportunity to meet the Board and ask questions, either formally at the meeting or informally afterwards.

Internal control and risk management

The Board recognises that its risk management strategy is essential for achieving good business governance that protects stakeholders and enhances shareholder value. It also understands that it is responsible for ensuring that there is an effective system for identifying, evaluating and managing the significant risks that the Group faces. The Board has adopted a risk-based approach to establishing a system of internal control and operates a “three lines of defence” model to help ensure our framework for managing internal controls and risks across the Group is robust and effective. The Board reviews the effectiveness of this framework periodically, receiving reports on internal control from the Audit Committee and the Board Risk Committee, and debating key risks for the Group following more detailed work by the Board Risk Committee. The Board sets the Group’s risk appetite statements and reviews operational risk scenarios, stress testing and reverse stress testing as part of the internal capital adequacy assessment process.

The Directors confirm that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. The Board considers that the information it receives enables it to review the effectiveness of the Group’s internal controls in accordance with the Financial Reporting Council’s (FRC’s) Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. Areas where internal controls can be improved are identified and appropriate actions agreed as part of our internal control systems. Management and the Board (with the support of the Audit Committee) regularly monitor progress towards completion of these actions. The Board considers that none of the identified areas for improvement constitutes a significant failing or weakness.

Read more about our principal risks and risk management process on pages 33 to 37.

UK Corporate Governance Code Compliance statement

We have complied with all principals and provisions of the 2014 Code ('the Code') throughout the financial year ended 30 September 2016. The Corporate Governance Statement and the cross referenced reports within set out our approach to applying the Code. A new version of the Code was introduced in September 2016, and the revised provisions will apply to the Group for the 2016/17 financial year. The Board will therefore report on its implementation of those new responsibilities in next year’s Annual Report.

Nomination Committee Report

"We continued to focus on succession planning and talent development programmes in 2016 and actively monitored the succession planning processes in place across the Group."

Simon Miller
Chairman of the Nomination Committee

Chairman's overview

The Committee continued to focus on succession planning and talent development programmes in 2016 and actively monitored the succession planning processes in place across the Group. We believe these programmes will provide the foundation of a strong talent pipeline in the years to come. You can read more about the key achievements in this area in the Chief Executive's Review. Five new appointments were made to the Executive Committee during the year and all were sourced internally. The Board and Executive Committee have already benefited from their input and perspective on how we can continue to improve our services, to deliver more value to clients and to drive growth across the Group.

Stephen Ford stepped down from the Board in January 2016 as part of the reorganisation of our executive management. This change was considered by the Board as a whole, rather than by the Nomination Committee in the first instance.

Angela Knight has served as a Director for nine years and has announced her intention not to stand for re-election at the AGM in 2017. We recommended to the Board that Kath Cates be appointed as the Senior Independent Director following the AGM in February 2017. The Committee also noted that all the remaining Non-Executive Directors were appointed within a relatively short time period and that succession planning for the Board will need to address this issue.

We conducted a review of the remaining Non-Executive Directors, which included a skills matrix to identify whether there were any gaps to address in light of Angela Knight's departure.

Role and responsibilities of the Nomination Committee

- Reviews the composition of the Board and Board Committees to ensure that they are properly constituted and balanced in terms of skills, experience and diversity.
- Conducts succession planning for the Board and ensures that there are effective plans in place for the wider management group.
- Formally assesses each Director's skills and experience, both to identify any skills gaps that need to be addressed through Board changes and to assist with succession planning.
- Manages the search process for new Directors, recommending appointments to the Board.

Committee composition

The Committee comprises the Board Chairman and independent Non-Executive Directors. The Chief Executive is a standing attendee, except when matters relating to his own appointment are discussed.

Committee members	Other Committees	Standing attendees
Simon Miller (Chairman)	R Remuneration	Chief Executive*
Angela Knight	A Audit Committee	Group Human Resources Director
Caroline Taylor	A Audit Committee	
	R Remuneration Committee	
Paul Wilson	R* Remuneration Committee (Chairman)	
	RK Board Risk Committee	

* David Nicol was a member of the Committee until 3 November 2015.

Committee attendance during the year

	Committee meetings			Attendance
Members	March	June	October	
Simon Miller	✓	✓	✓	100%
Angela Knight	✓	✓	✓	100%
Caroline Taylor	✓	✓	✓	100%
Paul Wilson	✓	✓	✓	100%

Independence and re-election to the Board

During 2015, we formally considered the continuing appointment of Angela Knight, the Senior Independent Director, who was appointed in July 2007. This included considering whether there was any evidence that her independence had been impaired by the length of her service on the Board. We concluded that it was in shareholders' interests that she remained on the Board and that there was no evidence to indicate that her independence had been impaired. All other Non-Executive Directors have served terms of less than six years and are considered to be independent. All Directors, with the exception of Angela Knight, will be standing for re-election at the 2017 AGM. You can find biographical information on each of our Directors on pages 52 to 53.

Diversity

Brewin Dolphin has established a Diversity and Inclusion Committee. A number of initiatives were in operation during the year to encourage wider diversity throughout the Group, including the "Women @ Brewin" network, which aims to provide guidance and support to help the development of female talent at all levels of the organisation. You can read more about this programme on page 47.

Considering the benefits of diversity on the Board in all aspects, including gender, is an important part of the search for new Board candidates. Currently, three of our eight Directors are female (37%). Whenever possible, we will ensure each time a Director is recruited that at least one of the shortlisted candidates is female.

As discussed elsewhere in this Annual Report, we made five internal appointments to the Executive Committee during the year. It is disappointing that none of these appointments were female but we expect that the considerable work being implemented throughout the Group under our leadership development and diversity programmes will support a more diverse talent pipeline in the years to come. Following the five new appointments, the Executive Committee now has 10% female representation.

Succession planning

We continued to develop and monitor succession plans both at Board and at senior management levels during 2016. The Group Human Resources Director is a standing attendee at Nomination Committee meetings. He has presented the Committee with details of the Group-wide succession planning and development programmes for senior management. Potential successors have been identified for senior management positions, and Non-Executive Directors meet with key individuals as part of their office visits.

The Committee continues to be satisfied that adequate succession planning is in place for the Board and senior executives. This will remain a key focus in 2017.

Simon Miller
Chairman of the Nomination Committee

29 November 2016

Board Risk Committee Report

"The ability to identify, monitor and manage risks is a key requirement of all successful businesses."

Kath Cates
Chairman of the Board Risk Committee

Chairman's overview

The ability to identify, monitor and manage risks is a key requirement of all successful businesses, particularly those operating in the financial sector. To do this effectively, businesses need to understand their key risks, their appetite for risk taking and the mitigating factors they can use to limit downsides. The Board of Brewin Dolphin has delegated this area to the Board Risk Committee. The Board does, however, retain ultimate responsibility for setting the Group's risk appetite and for ensuring that our system of internal control and risk management is adequate and effective.

The Committee will continue during 2017 to examine key risks which are relevant to the Group's strategic objectives.

During 2016, the metrics used in management information reviewed by the Committee were enhanced. This means that it is now possible for further challenge of the key risks identified by the Group's Risk Management Framework, including client money, conduct risk and investment governance. Key risks have been mapped against the Group's strategy at a series of workshops held during the year.

We have focused our "deep dive" reviews on the Group's key risks such as investment governance, people, internal processes, IT, information security and the operating model to assess and challenge controls.

We have also received updates on changes in legislation and the economic environment, with particular reference to Brexit and its impact on the business.

Angela Knight stepped down from her role as a member of the Committee during the year. I would like to thank her for her significant contribution to the Committee over the past few years.

The Committee has reviewed management information on key risks to the business. We have also provided oversight to ensure that the Group's approved risk appetite remains appropriate and that risk tolerance is set to the appropriate level.

Role and responsibilities

The Committee provides oversight of the Risk Management Framework to assist the Board with its responsibilities for ensuring the integrity of the Group's internal control and risk management systems. It does this through:

- Overseeing the Group's risk management infrastructure relating to all the material risk areas the business faces, including business and strategic risk, financial risk, operational risk, conduct risk, regulatory compliance risk, criminality risk and investment risk.
- Helping the Board establish appropriate levels of risk appetite and tolerance.
- Having oversight of how the risk culture is monitored and communicated to the Group.
- Measuring and monitoring the Group's exposure to material risks and ensuring appropriate mitigation is in place to manage them.
- Overseeing and supporting the Group Risk and Compliance Director in ensuring there is adequate resource and an appropriate level of independence.
- Helping the Board manage risks associated with the Group's strategy, in particular being vigilant and alert to changes in the external risk environment.
- Reporting on its proceedings to the Board and, wherever relevant, to the Audit Committee.
- Identifying issues where it considers actions or improvements are needed and making recommendations on the steps to be taken.

Committee composition

The Committee is made up of independent Non-Executive Directors. There is always a cross-membership with the Audit and Remuneration Committees to help ensure that agendas are aligned and key information is appropriately shared across the Board Committees.

Committee members	Other Committees	Standing attendees
Kath Cates (Chairman)	A Audit Committee	Chief Executive
Ian Dewar	A* Audit Committee (Chairman)	Finance Director
	R Remuneration Committee	Chief Operating Officer
Paul Wilson	R* Remuneration Committee (Chairman)	Co-Head of Private Clients
	N Nomination Committee	Group Risk & Compliance Director

Committee attendance during the year

	Committee meetings					Attendance*
Members	Oct	Nov	Jan	Apr	July	
Kath Cates	✓	✓	✓	✓	✓	100%
Ian Dewar	✓	✓	✓	✓	✓	100%
Paul Wilson	✓	✓	✓	✓	✓	100%
Angela Knight	✓	✓	✓	n/a	n/a	100%

* Based on the meetings entitled to attend.

Committee activities during the year

Risk Management and Investment Governance Frameworks

- Reviewed and challenged key components of the Risk Management Framework, including:
  - risk evaluation matrices
  - risk appetite
  - risk policies
  - risk scenarios
  - stress testing
  - the ICAAP process.
- Monitored the implementation of the Investment Governance Framework and challenged its effectiveness to provide assurance that client portfolios are managed in accordance with their individual investment mandates.

Regulatory change and economic environment

- Reviewed regulatory risks and discussed the specific management actions identified to address or mitigate issues that arose during the year.
- Received regular updates on regulatory changes and assessed what implications they have for the Group.
- Assessed how changes in the economic environment may impact the Group.

For more information see our Market Environment on page 18.

Key risks

- Reviewed and approved the risk appetite statements and tolerance for key risks.
- Ensured these remain relevant and appropriate.
- Monitored emerging risks to evaluate whether they should be identified as new key risks.
- Undertook "deep dives" into the Group's key risks such as investment governance, people, internal processes, IT, information security and the operating model to assess and challenge controls.

For more information see our Principal Risks on page 33.

Internal Capital Adequacy Assessment Process (ICAAP)

- Reviewed, challenged and approved key components of the ICAAP:
  - risk appetite statements
  - operational risk scenarios
  - stress testing
  - reverse stress testing.
- Held a joint meeting with the Audit Committee to review and challenge the ICAAP prior to recommendation to the Board.

Reporting

- Received regular reports from the Group Risk & Compliance Director covering:
  - regulatory engagement
  - risk appetite statement
  - key operational risk findings
  - compliance monitoring activities
  - risk metrics and tolerances
  - regulatory developments
  - progress against plans and resources
  - conduct risk.

Training

- Undertook a range of training initiatives in the risk area, including:
  - operational risk modelling
  - senior managers and the certification regime
  - trends in the ICAAP process
  - cyber risk
  - Market Abuse Regulation.

Performance evaluation

The Committee conducts a performance evaluation every year, distributing a questionnaire for anonymous completion to all Committee members and those executives who are regularly invited to attend the Committee's meetings. The results are discussed by the Committee and are used to help form the following year's forward-looking agenda.

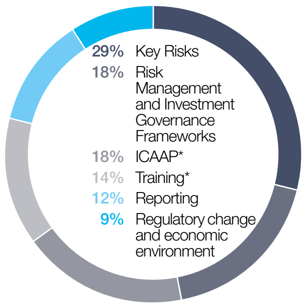
Risks and uncertainties

The Group's principal risks are initially assessed and reviewed by the Risk Management Committee, an executive committee which implements the Risk Management Framework and monitors risk performance. The principal risks are subsequently reviewed by the Board Risk Committee and then proposed to the Board for approval. You can read about the Group's principal risks and uncertainties, together with the key mitigants and controls, on pages 33 to 37.

Kath Cates
Chairman of the Board Risk Committee

29 November 2016

How we spent our time



* Joint sessions with the Audit Committee.

STRATEGIC REPORT
GOVERNANCE
FINANCIAL STATEMENTS
OTHER INFORMATION

Audit Committee Report

"The Audit Committee fulfils a vital role on behalf of the Board in monitoring the quality of our external reporting and audit as well as assessing the effectiveness of internal controls."

Ian Dewar
Chairman of the Audit Committee

Chairman's overview

The Audit Committee fulfils a vital role on behalf of the Board in assessing the effectiveness of the Group's internal controls. The actions the Committee has taken over the past year have enabled us to enhance our effectiveness in fulfilling this function.

We are responsible for reviewing reports to the Board on the Group's financial reporting, its systems of internal control and the independence and effectiveness of the internal and external auditors. We particularly focus on the Group's annual and half-year financial statements and the areas of significant management judgement used in preparing these.

The FRC's Audit Quality Review team selected to review the audit of the 2015 Brewin Dolphin financial statements as part of their 2015 annual inspection of audit firms. I received a copy of the findings of the Audit Quality Review team (AQRT) and met with members of the team. Following the review, an action plan was agreed with Deloitte LLP in respect of the 2016 audit and certain additional procedures were performed and concluded satisfactorily in respect of the audit of the Company's 2015 financial statements. The Audit Committee is satisfied that the findings of the review have been appropriately addressed by Deloitte LLP.

The role of the Group's internal auditor was subject to a robust appraisal process during the year, and in January 2016 BDO LLP was appointed as internal auditor for the Group, replacing PricewaterhouseCoopers LLP (PwC). The Committee approved the annual internal audit plan at the start of the year and has received regular reports on progress made since. We will focus on developing this relationship further in 2017. I would like to thank PwC for their contribution to the Committee during their time as internal auditor over the previous two years.

The Committee also conducted a rigorous review of the effectiveness of the external auditor, Deloitte LLP. Robert Topley has replaced Oliver Grundy as our audit partner. We are conscious both of the Code requirements relating to tender of external audit, and that we have previously stated that we would engage in a tender process during the previous partner's rotation. Having carried out a careful review, the Committee has concluded that it is now appropriate to hold a formal external audit tender during the course of Robert Topley's five-year term. We are satisfied that the external auditor continues to provide an effective audit.

In addition to myself, the current members of the Audit Committee are Kath Cates (Board Risk Committee Chairman), Angela Knight and Caroline Taylor. As Angela will be retiring at the Company's forthcoming AGM, she will also be stepping down as a member of the Committee. I would like to personally thank her for her contribution and wish her well for the future.

Role and responsibilities

The Committee helps the Board meet its responsibilities for the integrity of the Group's financial reporting, including the effectiveness of its internal financial control system, and for monitoring the effectiveness and objectivity of the internal and external auditors. It does this through:

- Monitoring the integrity of the Group's Annual Report and Accounts and any formal announcement relating to the Group's financial performance. Also reviewing significant financial reporting judgements that these contain, prior to recommending them to the Board for approval.
- Reviewing the framework and effectiveness of the Group's system of internal financial controls.
- Making recommendations to the Board on the appointment or reappointment of the external auditor and on the approval of its remuneration and terms of engagement.
- Reviewing and monitoring the external auditor's independence and objectivity, and the effectiveness of the audit process.
- Maintaining and reviewing the policy on engaging the external auditor to supply non-audit services; this involves taking into account specific relevant guidance on the matter.
- Monitoring the work of the Group's Internal Audit function and reviewing its effectiveness.
- Reviewing the Group's procedures for handling allegations from whistleblowers and for detecting fraud.
- Reviewing the adequacy and effectiveness of the Group's anti-money laundering (AML) systems and controls.
- Reviewing Group operational risk reports to ensure that risks which could lead to poor or unfair client outcomes are adequately addressed and remediated.

Committee composition

The Committee comprises only independent Non-Executive Directors. There is always a cross-membership with the Board Risk Committee, to help ensure that agendas are aligned and key information is shared appropriately across the Board Committees.

Committee members	Other Committees	Standing attendees
Ian Dewar (Chairman)*	R Remuneration Committee	Chief Executive
	RK Board Risk Committee	Finance Director
Kath Cates	RK* Board Risk Committee (Chairman)	Group Risk & Compliance Director
Caroline Taylor	R Remuneration Committee	Internal auditors
	N Nomination Committee	External auditors as appropriate
Angela Knight	N Nomination Committee	

* Ian Dewar is the member of the Committee considered to have recent and relevant financial experience as he is a Chartered Accountant and was a partner at KPMG until 2012. Other members of the Committee have extensive experience of the financial services sector.

Committee attendance during the year

	Committee Meetings					Attendance
Members	Oct	Nov	Jan	Apr	July	
Ian Dewar	✓	✓	✓	✓	✓	100%
Kath Cates	✓	✓	✓	✓	✓	100%
Caroline Taylor	✓	✓	✓	✓	✓	100%
Angela Knight	✓	✓	✓	✓	✓	100%

Committee activities during the year

Financial reporting

- Reviewed the Annual Report and Accounts, Interim Management Statements, the Half-Yearly Report and investor presentations.
- Received a report from management on the controls over the preparation of the Annual Financial Statements, the key judgements and accounting policies followed in their preparation.
- Received a report from the external auditor on the Financial Statements, including the significant audit risks, areas of audit focus and the reasonableness of the significant management judgements used in preparing the accounts.
- Reviewed a letter of recommendation from the external auditor for improving the systems of internal financial control based upon their audit work for the financial year.
- Reviewed the effectiveness of the Group's internal financial controls and disclosures on this matter made in the Annual Report and Accounts.
- Reviewed the Annual Report to ensure that, taken as a whole, it is fair, balanced and understandable and that it provides the necessary information for shareholders to assess the Group's performance, its business model and strategy (see more on page 73).
- Reviewed the Group's going concern assumption and Viability Statement.
- Received updates on changes to legislation regarding financial reporting.

Internal audit

- Assessed the effectiveness of the internal auditor.
- Appointed a new internal auditor.
- Reviewed and approved the new internal audit plan for the year.
- Reviewed reports from Internal Audit, including management responses to the findings of the reports and their proposals.
- Reviewed how issues identified for action, whether arising from internal audit reports or from internal control processes, are identified, progressed and reported; this ensures there is an effective framework for the management of issues within the Group.

External auditor

- Reviewed, considered and agreed the scope and methodology of the audit work to be undertaken by the external auditor.
- Agreed the terms of engagement and fees to be paid to the external auditor for the audit of the 30 September 2016 Annual Report and Accounts.
- Assessed the independence and objectivity of the external auditor.
- Reviewed the policy relating to non-audit services provided by the external auditor and approved non-audit services in accordance with the policy.
- Received updates in legislative changes regarding audit requirements.
- Engaged with the external auditor and the Financial Reporting Council regarding the AQRT review of the 2015 audit.

Control environment

- Reviewed year-end reports providing assurance on the effectiveness and robustness of the Group's system of internal controls.

Internal Capital Adequacy Assessment Process (ICAAP)

- Reviewed the ICAAP jointly with the Board Risk Committee. After review and challenge of the ICAAP and its key components, recommended its approval to the Board.

Money laundering

– Reviewed the formal report from the Group’s Money Laundering Reporting Officer on the operation and effectiveness of systems and controls relating to anti-money laundering (AML) and the prevention of financial crime.

Technology

– Received a report from the Head of Information Technology on progress with the programme to strengthen the IT Risk Management Framework and address themes arising from internal audit and operational risk reviews.

Deep dives

– As part of a cycle of deep dives we reviewed systems and controls in relation to client assets and completeness and accuracy of revenue recognition.

– Client assets – reviewed reports from the CF10a (the individual responsible for oversight and the operational effectiveness of the systems and controls that are designed to achieve compliance with the FCA’s Client Assets Sourcebook rules), a reasonable assurance report on client assets produced by Deloitte, and guidance around changing CASS rules.

– Completeness and accuracy of revenue recognition – a report was received from management on the controls operating over valuation of client funds on which fees are calculated and the application of the pricing arrangements agreed with each client. We concluded that the controls were sufficient and operating as intended and all fees due had been charged to clients at the appropriate rates and the revenue recognised by the Group in its financial statements was accurate and complete in all material respects.

Other

– Reviewed its terms of reference in conjunction with the Board Risk Committee to ensure clarity of their respective roles and responsibilities; recommended revised terms of reference to the Board for approval.

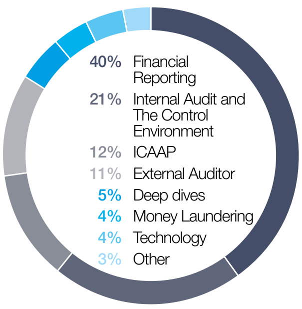
– Received updates on EU reform to the tendering process and attended training held by the Board Risk Committee and the Board.

– Reported to the Board on proceedings at all meetings, identifying any actions or improvements needed and making recommendations on the steps to be taken.

– Reviewed the Group's procedures for handling allegations from whistleblowers and approved a revised policy.

– Training held with the Board Risk Committee and at Board meetings.

How we spent our time



Performance evaluation

The Committee conducts a performance evaluation every year, distributing a questionnaire for anonymous completion to all Committee members and those executives who are regularly invited to attend the Committee’s meetings. The results are discussed by the Committee and are used to help form the following year’s forward-looking agenda.

Ian Dewar met regularly during the year with the Board Chairman, Finance Director, Chief Executive, Head of Internal Audit and the external audit partner to review the Group’s governance processes and discuss the effectiveness of the internal and external audit functions.

Key sources of estimation uncertainty related to the financial statements

We reviewed the key sources of estimation uncertainty set out below in relation to the Group Accounts and disclosures (see note 4) for the year ended 30 September 2016. These issues were discussed with management at various stages during 2015/16 and during the preparation and conclusion of the Accounts. Having reviewed the presentations and reports from management, we are satisfied that the Accounts appropriately address the critical judgements and key estimates, in respect of both the amounts reported and the disclosures made. We discussed these issues with the auditors during the audit planning process and at the conclusion of the year-end audit. We are satisfied that our conclusions are in line with those drawn by the auditors in relation to these issues.

Issue	Key considerations	Role of the Committee	Conclusion
Goodwill and client relationships (see note 4.b.i)	Impairment review of goodwill and client relationships, including valuation assumptions used in the calculation of the fair value of the relevant cash-generating units. Determination of the useful economic life of client relationships, which establishes the quantum of the amortisation expense.	We satisfied ourselves on the valuation assumptions used in the calculation of the fair value of the cash-generating units. We also considered the paper prepared by management on the average client tenure and useful economic life expectations.	We concluded that the assumptions and judgements used in determining the carrying value of goodwill and client relationships were appropriate and reasonable.
Assumptions underlying the calculation of the defined benefit pension scheme liability (see note 4.b.ii)	Determination of the actuarial assumptions such as discount rate, the life expectancy of scheme members and the inflation rate used when calculating the defined benefit pension scheme liability.	We considered management's paper which explained the assumptions used in the calculation, the resulting impact on the deficit and the movement in the deficit during the period.	We concluded that the assumptions and judgements used in determining the defined benefit pension scheme liability were appropriate and reasonable.
Likelihood of meeting performance conditions for the Long Term Incentive Plan (see note 4.b.iii)	Determining the likelihood of meeting the performance conditions which impact the quantum of the expense in the period.	We considered management's paper explaining the assumptions for the likelihood of meeting the performance conditions.	We concluded that the assumptions used when calculating the expense were appropriate and reasonable.
Assumptions underlying the estimation of provisions relating to onerous leases (see note 4.b.iv)	Appropriate application of accounting standards and underlying recognition principles. Determining the best estimate of the likely cash flows and other assumptions.	We reviewed management's paper explaining the assumptions and calculation methodologies applied in determining provisions. This included ensuring that the provision represented present obligations arising from past events. We satisfied ourselves that the procedures performed by management to identify the requirement for provisions were robust and comprehensive.	We concluded that the provisions were appropriate and complete for obligations that existed at the year end. We also found that there had been no new information following the year end that would result in an adjustment to the provision.

External auditor

The Audit Committee is responsible for developing, implementing and monitoring the Group's policy on external audit. The policy sets out the categories of any pre-approved non-audit services which the external auditor is authorised to undertake. It also provides an approval process for the provision of any other non-audit services. This policy is available to view on the Investor Relations section of the Group's website, under the Board Committees subsection.

The Board generally only uses the auditor for audit and related activities. If there is a business case to use the external auditor to provide non-audit services, prior permission is required from the Committee. In such an instance, the Committee will review the proposal to ensure that it will not impact the auditor's objectivity and independence. The majority of tax advisory and similar work is carried out by another major accountancy firm. An analysis of the auditor's remuneration is provided in note 9 to the financial statements.

The Committee assesses the effectiveness of the external auditor on an annual basis, taking account of the following factors:

Factor	Assessment
The role of management	That information provided by management to the external auditor is timely and correct, that it has proper supporting papers and that accounting systems and internal controls work effectively.
The audit partner	The extent to which the partner demonstrates a strong understanding of the business, the industry and the challenges faced by the business. The length of time the partner acts as the lead engagement partner.
The audit team	The extent to which the audit team understands the business and industry and is properly resourced and experienced.
The audit approach	That the audit approach is discussed with management, targets the significant issues early, is communicated properly, is appropriate for the business and industry and includes an appropriate level of materiality.
The communications and formal reporting by the auditor	That management and the Committee are kept appropriately informed as the audit progresses and that the formal report is appropriate and contains all relevant material matters.
The independence and objectivity of the auditor	That the auditor complies with the Financial Reporting Council's ethical standards, has the required degree of objectivity (including their arrangements to identify, report and manage any conflicts of interest), and that the overall extent of non-audit services provided by the external auditor does not compromise independence.

External auditor continued

Deloitte have appointed a new audit partner following a review of the effectiveness of the external auditor and a formal interview process. The Committee is satisfied that Deloitte LLP has conducted an effective audit for the 2015/16 financial year. The Committee has therefore recommended to the Board that Deloitte be reappointed at the 2017 AGM.

The Committee has considered the Competition and Markets Authority (CMA) and EU requirements for mandatory tendering and rotation of the audit firm. As previously stated, the Committee had previously intended to initiate a re-tendering process during 2017/18 in line with the previous audit partner's rotation. However, as we have changed the audit partner during the year, we do not believe that a re-tendering process would be beneficial during 2017/18. The current intention is therefore to re-tender prior to the end of the new audit partner's five year term. This will be kept under review and the Committee will use its regular reviews of auditor effectiveness to assess the most appropriate time for re-tendering during that period.

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

The external auditor meets privately with the Committee at least twice a year without senior executive management being present and regularly with the Audit Committee Chairman.

Internal audit

Towards the end of 2015, the effectiveness of the Group's internal audit was assessed including a review of alternative providers, the experience and expertise of the individuals working on the Brewin Dolphin account and the quality of reporting to the Committee. Following this, BDO was appointed as internal auditor from January 2016 onwards. The Committee approves an internal audit plan at the start of the financial year and then receives quarterly reports on all internal audits. The plan is reviewed every six months to ensure it continues to give good coverage of the Group's key risks. The Committee then critically appraises the internal auditor's processes to determine the effectiveness of the audit undertaken.

Fair, balanced and understandable Report and Accounts

The Committee has performed a review of the Group's Annual Report and Accounts to ensure that it is fair, balanced and understandable. What is meant by these terms, and the questions that the Committee considers as part of this review, are shown below:

Term	Description	Questions
Term: Fair	**Description:** – Not exhibiting any bias. – Reasonable or impartial. – Performed according to the rules.	**Questions:** – Is the whole story being presented? – Have any sensitive material areas been omitted?
Term: Balanced	**Description** – Even-handed. – Taking account of all sides on their merits without prejudice or favouritism.	**Questions:** – Is there a good level of consistency between the front and back sections of the Annual Report? – Does the reader get the same message from reading the two sections independently? – Are the key judgements referred to in the narrative reports and the significant issues reported in the Audit Committee Report consistent with the disclosures of key estimates and uncertainties and critical judgements set out in the financial statements?
Term: Understandable	**Description:** – Having a meaning or nature that can be understood. – Able to be accepted as normal.	**Questions:** – Is there a clear and cohesive framework for the Annual Report? – Is the report written in accessible language? – Are the messages clearly drawn out?

As well as a focused review as part of the process for producing the Annual Report and Accounts, ensuring that this standard is met involves a continuous assessment of the financial reporting issues affecting the Group throughout the year.

This report has been prepared in compliance with the CMA Order in relation to mandatory audit tendering and the responsibilities of the Audit Committee.

Ian Dewar
Chairman of the Audit Committee

29 November 2016

Directors' Remuneration Report

"I am pleased to present the Directors' Remuneration Report for the year ended 30 September 2016 on behalf of the Board. This remuneration report is split into two sections: the Directors' Remuneration Policy and the Annual Report on Remuneration which explains how we have applied our policy during the year."

Paul Wilson
Chairman of the Remuneration Committee

2016 Highlights

- Directors' Remuneration Policy being presented without any material changes to the triennial AGM vote in 2017.
- Executive Directors' base salaries reviewed and revised during the year to re-position to market levels and to reflect that there has been no increase in base salary since their appointment in 2013.
- Good performance in the context of poor market environment experienced in the first half of the year results in an annual bonus payout of 60% of maximum.

In this section

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Remuneration Policy

The Remuneration Committee reviewed the Policy during the year to consider whether any changes are necessary. We considered how well the current policy is linked to strategy, whether alternative structures could be introduced to simplify arrangements, whether the overall quantum is appropriate, and how well the interests of management are aligned with those of shareholders. We consulted with our major shareholders to understand their views on the current policy, as well as on potential alternative structures.

Since this review commenced, there have been many developments in the debate about the future direction of executive remuneration in the UK, particularly within financial services. There have been initial contributions to the debate from many stakeholders, including shareholders and their representatives, Government, Parliament and research bodies. We are conscious that there may be further significant developments in these discussions over coming months and with an autumn year end, Brewin Dolphin will be one of the first companies to have its triennial 2017 AGM vote on the Directors' Remuneration Policy. As such, we have concluded that it may be premature to introduce any significant changes to the Directors' Remuneration Policy when it is not yet clear where external views and market practice on executive pay will settle.

The current Directors' Remuneration Policy will therefore be submitted to the 2017 AGM for approval without any material changes. The existing policy continues to take account of best practice guidelines and received a vote of 96% in favour when it was introduced at the 2014 AGM. Key features of the Policy include the following:

- Executive Directors do not participate in pension benefit or pension allowance, and there are no significant fringe benefits.
- There is a clear link to business strategy in the performance metrics we use in both short and long term incentive plans. Both the bonus and the Long Term Incentive Plan targets are disclosed.
- A significant proportion of the annual bonus is subject to compulsory deferral for three years.
- The LTIP is delivered in shares, and there is a post-vesting holding period of two years.
- Executives are required to build and retain a significant shareholding in the Company.
- Notice periods are six months.

A more detailed explanation of the Policy is set out on pages 77 to 82.

Review of base salaries

As we indicated in our last report, the Remuneration Committee undertook a review of Executive Directors' salaries during the year as their base pay had not been increased since the appointment of the current Executive Directors in 2013. In addition, their pay had been positioned conservatively at that time. Market benchmarking indicated that base pay had fallen further below the market median level, particularly considering that the Executive Directors do not receive a pension or material fringe benefits in addition to their base salaries. Since appointment, the Executive Directors have delivered good performance for shareholders with current market capitalisation of £740m up 40% from 1 January 2013 (£530m). A proposal to increase the Executive Directors' salary was discussed with our major shareholders who were supportive of the proposed re-positioning, which results in salaries remaining at or below median benchmarking levels. The base salaries of David Nicol and Andrew Westenberger were therefore increased by 21% and 25% to £425,000 and £375,000 respectively with effect from 1 June 2016.

Pay for performance

A Long Term Incentive Plan (LTIP) was introduced in 2014 with the aim of further aligning Executive Directors' incentives with the long term interests of shareholders. The performance conditions attached to the initial grant in February 2014 were challenging, with Earnings per Share ("EPS") compound annual growth targets of 8% for threshold performance and 18% for full vesting, and adjusted operating margin targets of 23% for threshold vesting and 25% for full vesting (from a starting margin of 18.5% at the end of September 2013). As a wealth management business, our key financial targets are significantly impacted by the performance of the financial markets and the impact of this is difficult to predict when setting long-term financial targets. The EPS growth and operating margin over the period September 2013 to September 2016 were below the threshold performance targets set for the initial LTIP grant, and the vesting level for this award is therefore 0%.The targets and the results achieved are shown on page 88.

We have sought to strike the right balance between stretching but achievable targets, taking into account our current business plans, and the performance targets that will be applied to the 2016 LTIP award are set out on page 94.

Performance against the short-term financial targets set in relation to the annual bonus plan for the year to September 2016 was good in the context of the poor market environment experienced in the first half of the year, resulting in a pay-out of 50% of maximum bonus for this element. Performance against the non-financial performance criteria in the annual bonus plan was strong, resulting in a pay-out of 75% of the maximum bonus for this element. Overall, this results in an annual bonus for the Executive Directors of 60% of maximum bonus, which is a 10% reduction in bonus award compared to the previous year. More detail on the Committee's assessment of Executive Directors' performance against their annual bonus targets is set out on page 86.

Paul Wilson

Chairman of the Remuneration Committee

29 November 2016

Summary Remuneration Report

Remuneration principles

The Directors' Remuneration Policy is designed to enable the recruitment, retention and motivation of talented leaders to develop and implement our strategy and deliver long-term value to shareholders. A summary of the main elements of the Policy is:

Fixed pay	Base salary, life insurance and private medical insurance
Annual bonus	Maximum annual bonus of 150% of base salaries, assessed against a balanced scorecard of financial and non-financial criteria
Long Term Incentive Plan	Usually granted annually at a level of 100% of base salary. Vesting dependent on the achievement of financial performance criteria.

Summary of variable remuneration outcomes for the year ended 30 September 2016

Director	% of maximum bonus paid	Bonus paid
David Nicol	60%	£337,500
Andrew Westenberger	60%	£292,500

The LTIP award granted in February 2014 has lapsed and no payment will be made.

Single total figure of remuneration

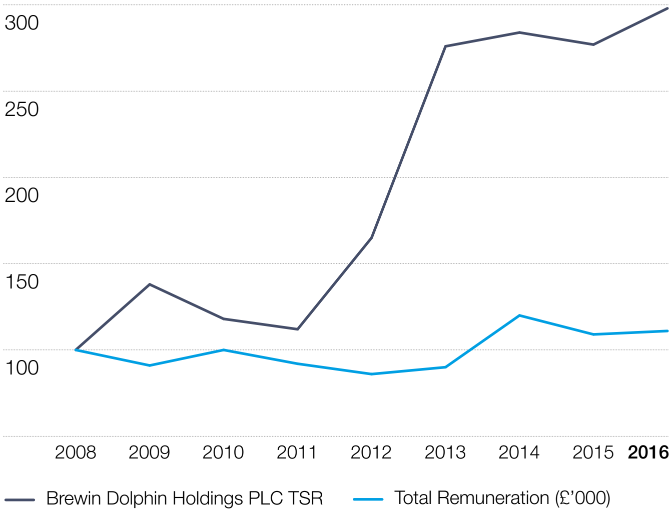
The single figure of remuneration for Executive Directors is set out below. Full details of the component parts are on page 85.

Executive Director	Total remuneration £000s
David Nicol	713
Andrew Westenberger	628

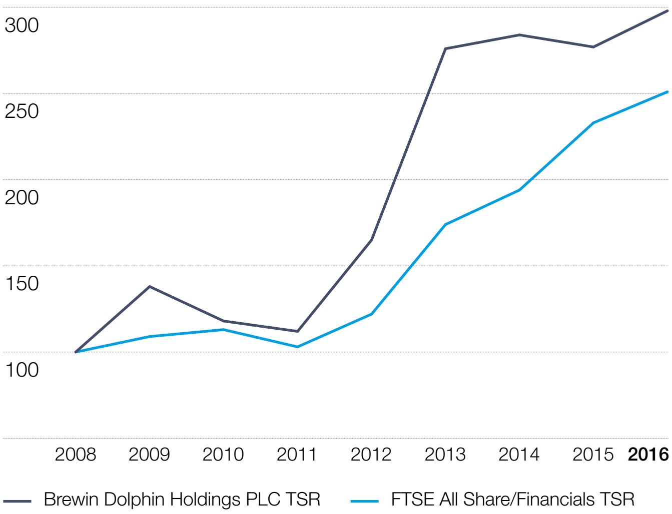
Remuneration compared to shareholder return

The graphs on the right show the Chief Executive's single figure of remuneration compared to total shareholder return (TSR) over the eight year period to 30 September 2016, and the Company's TSR compared to the FTSE All Share Financial Services Index over the same period. The current Chief Executive was appointed in March 2013.

CEO – TOTAL PAY VS TSR



TSR VS FTSE



Directors' Remuneration Policy

This Directors' Remuneration Policy ("Policy") describes the policies, principles and structures that guide the Remuneration Committee's decision making process in the area of executive remuneration. If approved at the AGM in February 2017, it will apply for a period of three years from the date of the 2017 AGM unless a revised Policy is put to shareholders before then.

There are no significant changes from the policy approved by shareholders at the AGM in 2014. One minor amendment has been made: Executive Directors now benefit from Company funded private medical insurance premiums.

Remuneration principles and objectives

The primary objectives of the Policy are:

- To attract, retain and motivate talented Directors and senior management of the calibre required to manage the business successfully, whilst seeking to avoid paying more than is necessary to meet this objective.
- To motivate and reward good performance.
- To meet relevant regulatory requirements, including the requirements of the FCA Remuneration Code so far as these apply to the Group.

The main principles of the Policy are:

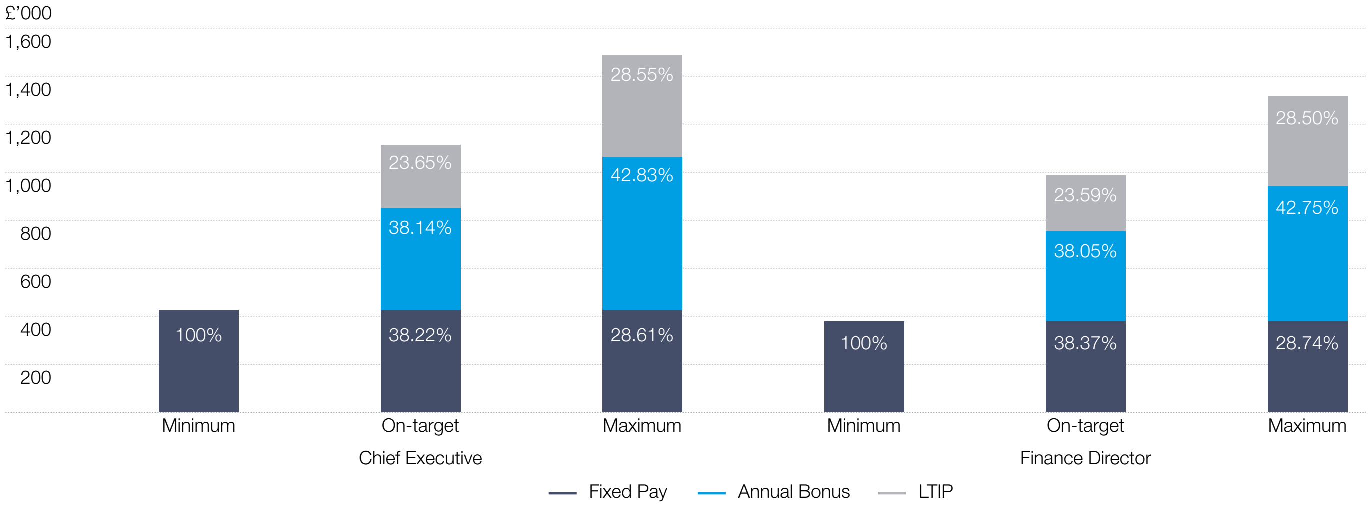
- To ensure that total remuneration is set at a level that is market competitive by benchmarking against relevant external comparators, taking account of size, complexity, and sector, and to ensure that the overall package takes account of market practice.
- To maintain appropriate proportions of fixed and performance related pay, to help to drive performance over the short and longer term, maintain a flexible cost base, and avoid creating incentives for excessive risk taking.
- To align incentive plans with the business strategy, prudent risk management, and shareholder interests.
- To achieve consistency with the general remuneration philosophy applied to the Group's employees as a whole.

Summary of remuneration elements for Executive Directors

Element	Purpose and link to short and long-term strategy	Operation, performance measures and periods, deferral and clawback	Maximum opportunity
Fixed pay	Provides a level of fixed remuneration sufficient to recruit and retain necessary talent, and to permit a zero variable pay award should that be appropriate.	Executive Directors receive a base salary and can elect to benefit from life insurance at a level of six times annual salary and private medical insurance. Executive Directors can choose to sacrifice salary into the Group's defined contribution pension scheme. The Company does not make any other pension contributions to the Executive Directors. Individual levels of Total Fixed Pay are reviewed annually, with any increases normally effective from 1 January, unless there are exceptional reasons for an increase at another time of the year. Any increases are generally targeted at around the general level of salary inflation in the Group, but may vary from this for exceptional reasons such as a change in the individual's role or responsibilities, or a need to bring an individual's remuneration to a market competitive level.	Total Fixed Pay is benchmarked against relevant market levels of aggregate fixed pay (i.e. base salary+pension contribution+benefits, paid in the market), and is targeted to be not more than the approximate median of relevant comparators.

<table>
<tr><th>Element</th><th>Purpose and link to short and long-term strategy</th><th>Operation, performance measures and periods, deferral and clawback</th><th>Maximum opportunity</th></tr>
<tr><td>Annual variable pay (Discretionary)</td><td>Rewards annual Group and personal performance, and, through the use of deferral into shares, also aligns reward with longer-term performance.</td><td> Executive Directors are considered each year for a discretionary annual variable pay award, which takes account of both Group and personal performance. The main weighting is on Group financial performance. Group performance is assessed primarily by reference to a 'balanced scorecard' of Group financial key performance indicators ('KPIs') and targets, which are set each year by the Remuneration Committee based on the priorities for the year. The KPIs may include, for example, profit before tax and net discretionary fund flow. Non-financial KPIs may also be included in the scorecard, but non-financial performance has a lower weighting than financial performance. For each KPI, there is a threshold, target and 'stretch' (i.e. excellent) performance level; the maximum annual variable pay is paid for stretch performance. Executive Directors can choose to sacrifice part of their bonus into the Group's defined contribution pension scheme. The Company will contribute 13.8% of the amount sacrificed into the employee's pension, which is equal to the amount of employer's national insurance that would have been due had the amount been paid as salary; this is cost neutral to the Company. In common with all other employees of the Group, a significant proportion of variable pay is compulsorily deferred under the Deferred Profit Share Plan ('DPSP') into Brewin Dolphin Holdings PLC ('BDH') Ordinary Shares or nil-priced options over shares, which vest in one tranche, normally after three years. The deferral policy for Executive Directors is shown in the table below:
<table>
<tr><th>Portion of variable pay</th><th>What fraction is deferred?</th></tr>
<tr><td>Portion up to £50,000</td><td>None</td></tr>
<tr><td>Portion between £50,000 and 1 x fixed remuneration</td><td>One-third</td></tr>
<tr><td>Portion above 1 x fixed remuneration</td><td>Two-thirds</td></tr>
</table>
The Remuneration Committee may seek to clawback annual variable pay in exceptional situations, such as misstatement of performance, failure of risk management or serious misconduct. </td><td>The maximum individual award of annual variable pay is currently 150% of base salary.</td></tr>
<tr><td>Long Term Incentive Plan ('LTIP') (Discretionary)</td><td>Rewards achievement of long-term performance objectives.</td><td> Executive Directors will be eligible to be considered each year for a conditional award over BDH shares, which will vest in one tranche, normally no earlier than three years from the date of award. Vesting will be subject to performance conditions and targets set prior to each grant by the Committee. These performance conditions will be related to financial performance (e.g. EPS growth and net discretionary funds flow) and will be aligned to the business strategy. For each performance metric used, there will be a threshold level of performance at which no more than 25% of the portion of the award relating to that KPI will vest, and a stretch level of performance, at which 100% of the portion of the award relating to that KPI will vest. Executive Directors will be required to hold net of tax vested shares for a period of two years following vesting. The Committee may seek to clawback LTIP in exceptional situations, such as misstatement of performance, failure of risk management or serious misconduct. </td><td>The normal maximum annual award under the LTIP rules is up to 100% of base salary (in face value of shares at grant), but may be up to 150% in exceptional circumstances.</td></tr>
</table>

Illustrations of the application of remuneration policy



The potential reward opportunities illustrated above were calculated using base salary effective from 1 June 2016. Illustrations are intended to provide further information to shareholders regarding the pay for performance relationship; however, actual pay delivered will be influenced by changes in share price and the vesting period of awards. The assumptions below have been made in compiling the above charts:

Assumptions	Minimum	Target	Maximum
Fixed pay	Total fixed remuneration as at 1 June 2016	Total fixed remuneration as at 1 June 2016	Total fixed remuneration as at 1 June 2016
Annual bonus	No annual bonus payable	On-target annual bonus of 100% of base salary	Maximum annual bonus of 150% of base salary
LTIP	Zero vesting – threshold not achieved	Share award of 100% of base salary Median vesting (62% of award)	Share award of 100% of base salary Full vesting (100% of award)

Policy on share ownership

The Remuneration Committee has a policy of encouraging Executive Directors to acquire and retain a significant number of shares in the Company with the objective of further aligning their long-term interests with those of other shareholders. The Committee determines the requirement and reviews this periodically. The current limits are set out in the Annual Report on Remuneration.

How the views of shareholders are taken into account

The Remuneration Committee regularly compares the Policy with shareholder guidelines and takes account of the results of shareholder votes on remuneration. The Remuneration Committee Chairman will consult with major investors ahead of any material changes to the Policy, and along with the Company Secretary, is available to meet with institutional shareholders to discuss any of the policy related disclosures or outcomes contained in this Directors' Remuneration Report.

Details of votes cast for and against the resolution to approve last year's Remuneration Report are provided on page 93.

Consideration of employment conditions elsewhere in the Group

A consistent remuneration philosophy for employees is applied at all levels and the aggregate rate of base salary increase for all employees is one of the factors considered when determining increases in fixed pay for Directors.

All employees are eligible for discretionary performance-related annual bonus and the principle of bonus deferral applies to annual bonuses for employees whose bonuses exceed certain thresholds.

A formal employee consultation on remuneration is not operated; however, employees are able to provide direct feedback on the Group's remuneration policies to their managers or the Human Resources department and as part of an annual employee engagement survey. The Group Human Resources Director is a standing attendee at Remuneration Committee meetings and presents regular reports on people strategy, including the effectiveness of the Group's remuneration policies and how they are viewed by employees.

Fixed ratios between the total remuneration levels of different roles in the Group are not applied, as this would prevent us from recruiting and retaining the necessary talent in a highly competitive employment market.

Benchmarking

The Remuneration Committee takes account of market benchmark data when setting total remuneration packages for Executive Directors and comparisons are made with other FTSE listed companies of similar size and business profile to the Group. Practices in the wealth management sector and other related sectors are also considered. Benchmark data are used as a reference point, alongside other factors such as the individual's role, experience and performance, rather than as a direct determinant of pay levels.

Differences in remuneration policy for Executive Directors compared to other employees

The approach to remuneration for the Executive Directors is generally consistent with that for employees across the Group as a whole. However, there are some differences which the Remuneration Committee believes are necessary to reflect the different responsibilities of employees across the Group, and the need to recruit, retain and motivate employees in a variety of roles. For example, below Executive Director level, the portion of annual variable pay that is deferred is structured differently and is capped at one-third rather than the two-thirds deferral that applies to Executive Directors. Awards of market purchased shares are made to selected individuals from time to time, excluding Executive Directors, which vest subject to continued service, to recognise individuals' value to the Group and to create further alignment with shareholders.

External non-executive director positions

Executive Directors are permitted to serve as non-executive directors of other companies, on the grounds that this can help to broaden the skills and experience of the Director, provided there is no competition with the Group's business activities and where these duties do not interfere with the individual's ability to perform his duties for the Group. The number of external directorships an Executive Director can hold is limited to two non-executive directorships.

Where an outside appointment is accepted in furtherance of the Group's business, any fees received are remitted to the Group. If the appointment is not connected to the Group's business, the Executive Director is entitled to retain any fees received.

Approach to remuneration for new Executive Director appointments

The remuneration package for a new Executive Director would be set in accordance with the terms and maximum levels of the Group's approved remuneration policy in force at the time of appointment.

The Committee may also offer additional cash and/or share-based elements when it considers these to be in the best interests of the Group and shareholders, for the purpose of replacing awards or potential foreseeable earnings which are forgone by the individual on becoming an Executive Director. This includes the use of awards made under 9.4.2 of the Listing Rules. In considering any such payments the Remuneration Committee would take account of the amount of remuneration forgone and the nature, vesting dates and any performance requirements attached to the remuneration forgone. Shareholders will be informed of any such payments and the rationale for these.

For an internal appointment, any deferred pay element awarded in respect of the prior role may be allowed to pay out according to its terms, adjusted as relevant to take into account the appointment. In addition, ongoing remuneration obligations existing prior to appointment may be permitted to continue where this is considered to be in the best interests of the Group and shareholders.

For external and internal appointments, the Group may meet certain relocation expenses as appropriate.

Service contracts and loss of office payments

Service contracts normally continue until the Executive Director's agreed retirement date or such other date as the parties agree. The service contracts contain provision for early termination.

In summary, the contractual provisions are:

Provision	Detailed terms
Notice period	Six months
Termination payment in the event of termination by the Company without due notice	Total Fixed Pay in respect of the unexpired period of contractual notice, in addition to any amounts to which they are statutorily entitled. In certain cases, the Committee may also consider a discretionary award of annual variable pay, subject to performance, in respect of the portion of any financial year that the individual has been working with the Group, although not for the period of any payment in lieu of notice or 'garden leave'.
Change of control	Same terms as above on termination.

The Group has power to enter into settlement agreements with executives and to pay compensation to settle potential legal claims. Any outstanding share-based entitlements granted to an Executive Director under the Group's LTIP or other share plans will be determined based on the relevant plan rules. The default treatment is that any outstanding awards lapse on cessation of employment. However, in certain prescribed circumstances, such as death, disability, redundancy, retirement or other circumstances at the discretion of the Committee (taking into account the individual's performance and the reasons for their departure), 'good leaver' status can be applied. In such cases, the normal practice, unless there are exceptional circumstances, is for any LTIP awards held to be pro-rated for the period of the performance period that has expired, and the performance conditions would continue to apply. Share awards under the Deferred Profit Share Plan ('DPSP') will vest in full on the original vesting schedule. An Executive Director's service contract may be terminated without notice and without any further payment or compensation, except for sums accrued up to the date of termination, on the occurrence of certain events such as gross misconduct.

Legacy arrangements

For the avoidance of doubt, the Directors' Remuneration Policy includes authority for the Group to honour any commitments entered into with current or former Directors that have been disclosed to shareholders in previous Remuneration Reports. Details of any payments to former Directors will be set out in the implementation section of this report as they arise.

Policy for the Board Chairman and other Non-Executive Directors

Element	Purpose and link to strategy	Operation	Maximum
Board Chairman fee	To pay a market competitive all-inclusive fee that takes account of the role and responsibilities.	The Board Chairman is paid a single fee for all his responsibilities. The level of the fee is reviewed periodically by the Committee, with reference to market levels in comparably-sized FTSE companies, without the Chairman being present.	The current maximum aggregate fee for Non-Executive Directors is £700,000 per annum. This is subject to change periodically though any increase in aggregate fee would be subject to approval by shareholders.
Non-Executive Director fees	To pay a market competitive basic fee, and supplements for significant additional responsibilities such as Committee Chairmanships.	The Non-Executives are paid a basic fee. There are also supplements for Committee Chairmanships and the Senior Independent Director ('SID'). The fee levels are reviewed periodically by the Chairman and Executive Directors.	As above.

Non-Executive Directors are engaged under letters of appointment; they do not have contracts of service and are not entitled to compensation on early termination of their appointment. The Group can reimburse NEDs' reasonable business expenses (including tax thereon if applicable).

Compliance with the FCA Remuneration Code

The Remuneration Committee regularly reviews its Remuneration Policy's compliance with the principles of the Remuneration Code of the UK financial services regulator, as applicable to the Group. The Remuneration Policy is designed to be consistent with the prudent management of risk and the sustained, long-term performance of the Group.

Application of the Policy

This Policy is intended to take formal effect from 3 February 2017 (the date of the Company's AGM).

Annual Report on Remuneration

This part of the Directors' Remuneration Report explains how we have implemented our Directors' Remuneration Policy during the financial year to 30 September 2016. The policy in place for the year was approved by shareholders at the 2014 AGM. This Annual Report on Remuneration will be subject to an advisory vote at the 2017 AGM. The financial information in this part of the Directors' Remuneration Report has been audited where indicated.

Role and responsibilities of the Remuneration Committee

- Determines the remuneration policy for the Executive Directors.
- Approves the remuneration policy for the Group.
- Determines individual total remuneration for the Board Chairman and Executive Directors.
- Approves the individual total remuneration for members of the Executive Committee and any other employees designated as Code Staff in accordance with the FCA Remuneration (with the exception of the Non-Executive Directors).
- Sets performance criteria for the Executive Directors and assesses their performance against such criteria when determining the annual bonus payable to each Director.
- Approves the design of all share incentive plans, prior to recommendation to the Board and shareholders if required.
- Consults with the Risk and Compliance department at least annually to identify any concerns regarding the behaviour of any individual or levels of risk within the business undertaken by them, to be taken into account in determining variable remuneration.

Committee composition

The Committee is made up of independent Non-Executive Directors and the Board Chairman, who was independent upon his appointment. There is a cross-membership with the Board Risk Committee to help ensure that there is alignment between the Group's key risks and its remuneration policy.

Committee members	Other Committees	Regular attendees*
Paul Wilson (Chairman)	N Nomination Committee RK Board Risk Committee	Representative of New Bridge Street, the Committee's external remuneration adviser
Simon Miller*	N* Nomination Committee (Chairman)	Chief Executive
Ian Dewar	A* Audit Committee (Chairman) RK Board Risk Committee	Group Human Resources Director Finance Director
Caroline Taylor	N Nomination Committee A Audit Committee	

* No attendee is present when his own remuneration is being decided.

Committee attendance during the year

	Committee meetings						Attendance*
		Nov		Mar	Jun	Sept	
Members	3rd	12th	25th				
Paul Wilson	✓	✓	✓	✓	✓	✓	100%
Simon Miller	✓	n/a	✓	✓	✓	✓	100%
Ian Dewar	✓	✓	✓	✓	✓	✓	100%
Caroline Taylor	✓	✓	✓	✓	✓	✓	100%

* % of meetings entitled to attend. Simon Miller did not attend the meeting on 12 November as the purpose of the meeting was to review the Chairman's fees.

Committee activities during the year

Committee meeting date	Activity
3 November 2015	– Reviewed an update on the year-end performance review process for Group employees. – Reviewed an update on the European Banking Authority remuneration policies consultation. – Initial discussion of Executive Directors' performance against non-financial performance criteria. – Reviewed Executive Directors' fixed remuneration levels. – Received a report from the Group Head of Risk and Compliance.
12 November 2015	– Reviewed the Chairman's fees and approved an increase to £180,000 per annum with effect from 1 January 2016.
25 November 2015	– Reviewed the adjustments made to individuals' variable remuneration in relation to conduct risk during the year. – Approved the 2015 grants under the Deferred Profit Share Plan, Long Term Incentive Plan and the Equity Award Plan. – Approved individual compensation for Material Risk Takers. – Agreed the 2015 annual bonuses for the Executive Directors. – Approved the performance criteria for the Executive Directors' 2016 annual bonus and the 2015 LTIP award. – Approved the Pillar 3 disclosures. – Considered the results of the performance evaluation for the Remuneration Committee. – Approved the Directors' Remuneration Report.
15 March 2016	– Reviewed the Directors' Remuneration Policy.
22 June 2016	– Debated potential changes to the Directors' Remuneration Policy and agreed the basis for consultation with shareholders. – Reviewed the Remuneration Committee's terms of reference. – Considered the feedback from the shareholder consultation on changes to the Executive Directors' fixed remuneration and approved an increase with effect from 1 June 2016.
29 September 2016	– Received an update on the latest developments in relation to the Investment Association Working Group and pay regulation. – Considered feedback from the shareholder consultation on the Directors' Remuneration Policy. – Approved the list of employees identified as material risk takers in relation to the FCA Remuneration Code.

Total remuneration for the financial year to 30 September 2016 (Audited)

£'000		Salary & Fees	Benefits[1]	Pension[2]	Annual Bonus[3]	Long Term Incentive[4]	Compensation for loss of office[5]	Other[6]	Total
Executive Directors									
Stephen Ford[a]	2016	80	1	–	81	–	162	–	324
	2015	300	3	–	300	n/a	n/a	11	614
David Nicol	2016	375	1	–	337	–	n/a	n/a	713
	2015	350	–	–	350	n/a	n/a	n/a	700
Andrew Westenberger	2016	325	3	7	293	n/a	n/a	n/a	628
	2015	300	3	–	300	n/a	n/a	n/a	603
Non-Executive Chairman									
Simon Miller	2016	175	–	–	–	n/a	n/a	n/a	175
	2015	160	–	–	–	n/a	n/a	n/a	160
Non-Executive Directors									
Kath Cates[b]	2016	62	–	–	–	n/a	n/a	n/a	62
	2015	39	–	–	–	n/a	n/a	n/a	39
Ian Dewar	2016	60	–	–	–	n/a	n/a	n/a	60
	2015	60	–	–	–	n/a	n/a	n/a	60
Angela Knight[c]	2016	70	–	–	–	n/a	n/a	n/a	70
	2015	72	–	–	–	n/a	n/a	n/a	72
Caroline Taylor	2016	56	–	–	–	n/a	n/a	n/a	56
	2015	50	–	–	–	n/a	n/a	n/a	50
Paul Wilson	2016	60	–	–	–	n/a	n/a	n/a	60
	2015	60	–	–	–	n/a	n/a	n/a	60
Previous Directors									
Sir Stephen Lamport	2015	20	–	–	–	n/a	n/a	n/a	20
Michael Williams	2015	63	1	–	74	n/a	n/a	n/a	138
Total	2016	1,263	5	7	711	–	162	–	2,148
Total	2015	1,474	7	–	1,024	–	–	11	2,516

Note 1: Executives can elect to use part of their total fixed remuneration to fund benefits including Permanent Health Insurance and these amounts are disclosed as part of the 'salary and fees' figure. Benefits relate to death in service insurance and private medical insurance.
Note 2: Executives can elect to sacrifice part of their annual bonus into the Group's defined contribution pension scheme. Where employees choose to do this, the Company contributes 13.8% of the sacrificed amount, equal to the employer's national insurance that would have been due had the amount been paid as salary. Sums sacrificed from bonus have been shown in the bonus column, with the related employer contribution of 13.8% shown in the pension column.
Note 3: This relates to the payment of the annual bonus for the year ending 30 September 2016. Annual bonus is subject to a mandatory deferral policy as set out on page 78, other than Stephen Ford who received the full amount in cash as set out on page 88.
Note 4: There are no long term incentives vesting to Executive Directors during the relevant period. Awards granted under the Deferred Profit Share Plan are included in the bonus amount disclosed in the year awarded.
Note 5: Stephen Ford received a payment of £148,404 in relation to his notice period to 6 July 2016 following his departure from the Board on 7 January 2016. He also received a statutory redundancy payment of £9,737.50 and a contribution towards legal fees of £3,500. Further details of payments made to Stephen Ford can be found on page 93.
Note 6: Relates to dividend equivalent payments made under the Deferred Profit Share Plan.
Note a: Left the Board on 7 January 2016.
Note b: 2015 comparator figure reflects that Kath Cates served less than the full year to 30 September 2015 as she was appointed on 14 December 2014.
Note c: In addition to the fees set out on page 82 in relation to her Brewin Dolphin Holdings PLC directorship, Angela Knight receives an annual fee of €30,000 in relation to her acting as Chairman of Tilman Brewin Dolphin Limited (TBD), the Group's Irish subsidiary. She was appointed to the Board of TBD on 2 April 2016.

Base salary review (Audited)

The Executive Directors' salaries were reviewed during 2016 and shareholders were consulted on a proposal to re-position David Nicol and Andrew Westenberger's salaries to a competitive level in line with the Directors' Remuneration Policy. Executive Directors' base salaries have not been increased since their appointment in 2013 and their pay had been positioned conservatively at that time. In determining an appropriate level of increase, the Remuneration Committee has taken into account the performance and experience of the individuals, the market rate for the roles (by reference to other companies of a similar size and complexity) and the impact of the salary increase on other elements of the remuneration package. The salary increases are also intended to assist with retention, and in recognition that should new incumbents to executive director roles need to be recruited in the future, a significantly higher salary than those previously paid would be needed to attract strong candidates. The shareholders consulted on this proposal were supportive and the base salaries of the Executive Directors were increased as set out below. The increase was effective on 1 June 2016 following the conclusion of the shareholder consultation as the Committee did not consider it appropriate to apply the increase retrospectively to 1 January 2016.

	Salary as at 30 September 2016	Salary as at 30 September 2015	Change
David Nicol	**£425,000**	£350,000	21%
Andrew Westenberger	**£375,000**	£300,000	25%

Annual variable pay outcomes for 2016

Annual bonuses for the Executive Directors are determined by the Committee based on an assessment of performance relative to Key Performance Indicators ('KPIs') which are selected to achieve a direct relationship between progress towards the Group's strategic goals and the bonuses that are awarded. Stephen Ford received a bonus in respect of the period he worked up to and including 7 January 2016.

Performance against financial criteria

Key Performance Indicator	Weighting	Threshold 25% of total fixed pay	On-target 100% of total fixed pay	Maximum 150% of total fixed pay	Actual for year ending 30 September 2016	% of maximum bonus awarded for this criterion	Comment
Profit before tax[1]	20%	£54.2m	£64.3m	£71.0m	£61.0m	50%	Targets set in relation to prior year performance and budget
Operating margin[1]	20%	20%	23%	24%	21.6%	45%	Targets set in relation to prior year performance and budget
Discretionary fund inflow	20%	2.5%	5.0%	7.5%	4.4%	55%	Targets set in relation to prior year performance and budget
Outcome (straight average)						50%	

1 Adjusted for exceptional items.

Performance against non-financial criteria

Criteria (equally weighted)	Commentary on performance	% of maximum bonus awarded for this criteria
Strategic Projects (read more about strategic progress on pages 28 to 29)	Good progress with the implementation of the organic growth strategy; strong growth in gross inflows (£2.4bn up from £2.1bn in prior year), with net inflows impacted by effects of prior year restructuring. Successful completion of the Stocktrade divestment with net gain higher than expected through successful management of exit costs. Successful implementation of strategic enablement projects.	90%
Client Service	New customer satisfaction survey launched with excellent overall client service scores (see page 26 for more details). Client persistency (e.g. retention of funds under management) performance good, though impacted by prior year restructuring activities. Successful implementation of ARC (Asset Risk Consultants) across our Agent portfolios, enabling external validation of our risk-weighted performance which compares favourably to our peers.	70%
Risk Management and Compliance	Completion of several projects to strengthen the risk management and compliance framework including cyber risk, conduct risk, upgrade of anti-money laundering policy and compliance with the Market Abuse Regulation. Work ongoing on key projects to prepare for the impact of new regulatory issues including MIFID II and the Senior Managers Certification Regime.	60%
Talent (read more about our people related achievements on pages 46 to 48)	Increase in employee engagement score from 76% in the prior year to 78%, three percentage points ahead of the financial services industry benchmark. Successful implementation of 'SuccessFactors', the new Human Resources system which has provided great opportunities for line managers to access data seamlessly for staff with the provision of online reviews, reward data, recruitment, and learning and development. Growth training to support adviser business development capability combined with follow on mentoring and coaching. Building on Aspire Managers seminar series to include unconscious bias, handling difficult conversations and achieving effective performance reviews.	80%
Outcome (straight average)		75%

Overall outcome

Criteria	% of maximum bonus awarded	Weighting
Financial	50%	60%
Non-financial	75%	40%
Total	60%	

Bonus outcomes (Audited)

Based on their assessment of performance, the Committee has awarded the following annual bonuses to Executive Directors, with the split between cash and deferred shares as indicated in the table below:

Name	Role	Cash	Deferred Shares[1]	Total	% of base salary
David Nicol	Chief Executive	£241,667	£95,833	£337,500	90%
Andrew Westenberger	Finance Director	£211,667	£80,833	£292,500	90%
Stephen Ford[2]	Head of Wealth and Investment Management	£81,000	–	£81,000	102%

1 See deferral table below.
2 Stephen Ford received a bonus in relation to the period worked until his departure from the Board (1 October 2015 to 7 January 2016) which was not subject to deferral and was based on his performance during the performance year until his departure.

The maximum annual bonus for each individual Executive Director is 150% of base salary.

Annual bonus awards are delivered part in cash and part in deferred shares that vest after three years:

Portion of variable pay	Fraction deferred
Up to £50,000	None
Between £50,000 and 1 x fixed remuneration	One-third
Above 1 x fixed remuneration	Two-thirds

The Committee has the discretion to adjust the final outcome upwards or downwards in the event that an exceptional event outside the Executive Directors' control occurs which, in the Committee's opinion, materially affects the bonus out-turn. There were no such events during 2016.

Both cash and share elements of the bonus are subject to clawback. Please see the Directors' Remuneration Policy table for further details.

LTIP outcome in 2016

The Executive Directors received a conditional share award granted under the Long Term Incentive Plan following its approval by shareholders in February 2014. The performance period for the initial grant was the three years to 30 September 2016 and performance against the criteria set is shown below:

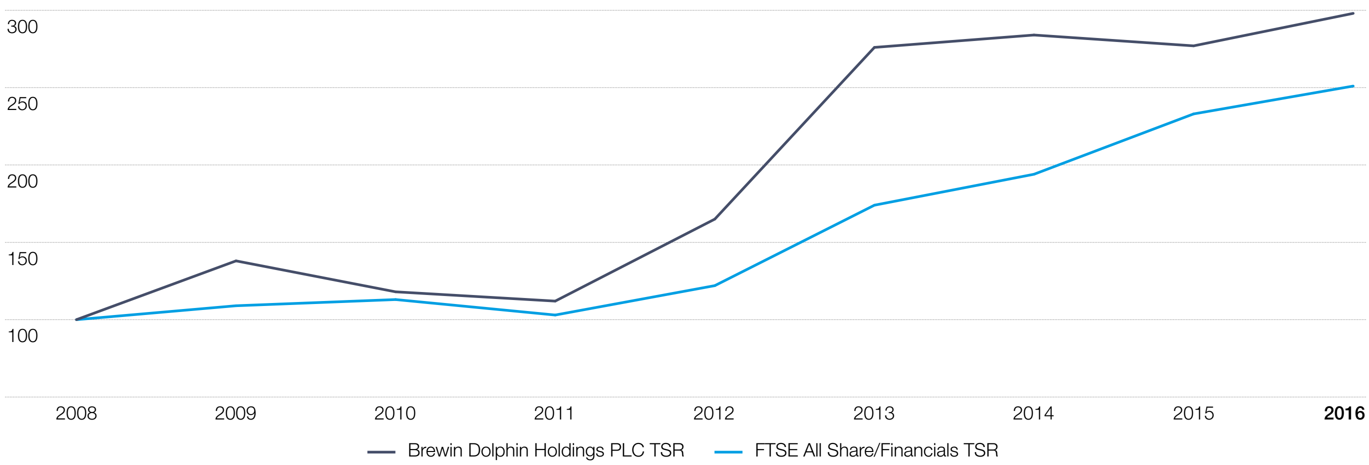
Criteria	Weighting	Threshold target	Full vesting target	**Actual for year ending 30 September 2016**	% of award to vest
Adjusted EPS CAGR[1]	50%	8%	18%	**5%**	0%
Adjusted Operating Margin[1]	50%	23%	25%	**22%**	0%

1 Adjusted for exceptional items.

Chief Executive pay for performance comparison

The graph below shows the total shareholder return (TSR) of the Company compared with the index over the eight year period to 30 September 2016. The Remuneration Committee believes that the FTSE All Share – Financial Services Index is the most appropriate comparator as it is the index that encompasses most of our key competitors. TSR is calculated assuming dividends are re-invested on receipt.

TSR



The total remuneration figure for the Director undertaking the role of Chief Executive during each of the previous eight financial years is shown below. The total remuneration figure includes the annual bonus which was awarded based on performance in those years. Where this bonus was subject to deferral, it is shown in the year in which it was awarded. The annual bonus is shown as a percentage of the maximum for 2013 to 2016 only as there was no maximum amount for bonus in the preceding years. No long-term incentive awards vested to the highest paid Executive Director during the period.

	Year ending September							
	2009	2010	2011	2012	2013	2014	2015	**2016**
Total Remuneration (£'000)	589	643	593	557	577	770	702	**713**
Annual bonus (% max)*	n/a	n/a	n/a	39	63	80	67	**60**
LTIP vesting (% of award)**	n/a	n/a	n/a	n/a	n/a	n/a	n/a	**0**

* The maximum bonus was reduced from 200% of fixed salary to 150% of fixed salary as part of the changes to the policy for Executive Directors' remuneration approved by shareholders in 2014.

** The first LTIP award was granted in February 2014, relating to the performance period ended 30 September 2013.

The movement in the salary and annual bonus for the Chief Executive, who is the highest paid Director, between the current and previous financial year compared to that for the average UK employee is show below. Rather than having separate base salary, pension and benefit components, Executive Directors and other senior staff receive a total fixed pay sum which they can receive part as a defined pension contribution and/or benefits such as car benefit or long-term illness/disability insurance. More junior staff receive a base salary and pension contributions additionally. As such, an analysis of the movement in benefits for the Chief Executive and the average employee was not considered to be practical or meaningful and has not been included in the below comparison.

	2015	**2016**	% change
Chief Executive (£)			
– salary	350,000	**375,000**	7%
– bonus	350,000	**337,500**	-4%
Average per employee (£)			
– salary	46,427	**49,347**	6%
– bonus	27,051	**27,759**	3%

Directors' share interests (Audited)

Outstanding share options and conditional share awards

The tables below sets out details of Executive Directors' outstanding share awards (which will vest in future years subject to performance and/or continued service).

Share options:

	Scheme	Grant date	Exercise price	Number of shares at 1 October 2015	Granted during year	Exercised during year	Lapsed during year	**Number of shares at 30 September 2016[1]**	End of performance period	Maturity/ vesting date	Exercise period
David Nicol											
	DPSP	05/12/2013	0.00p	29,584	–	–	–	**29,584**	n/a	05/12/2016	05/12/2019
	DPSP	04/12/2014	0.00p	50,714	–	–	–	**50,714**	n/a	04/02/2017	04/02/2020
	DPSP	03/12/2015	0.00p	–	37,174	–	–	**37,174**	n/a	03/12/2018	03/12/2021
Total				80,298	37,174	–	–	**117,472**			
Andrew Westenberger											
	DPSP	05/12/2013	0.00p	45,065	–	–	–	**45,065**	n/a	05/12/2016	05/12/2019
	DPSP	04/12/2014	0.00p	42,646	–	–	–	**42,646**	n/a	04/12/2017	04/02/2020
	DPSP	03/12/2015	0.00p	–	30,978	–	–	**30,978**	n/a	03/12/2018	03/12/2021
Total				87,711	30,978	–	–	**118,689**			
Stephen Ford											
	DPSP	06/12/2012	0.00p	108,506	–	–	–	**108,506**	n/a	06/12/2015	05/12/2018
	DPSP	05/12/2013	0.00p	69,398	–	–	–	**69,398**	n/a	05/12/2016	05/12/2019
	DPSP	04/12/2014	0.00p	42,646	–	–	–	**42,646**	n/a	04/02/2017	04/02/2020
	DPSP	03/12/2015	0.00p	–	30,978	–	–	**30,978**	n/a	03/12/2018	03/12/2021
Total				220,550	30,978	–	–	**251,528**			

Conditional share awards:

	Scheme	Grant date	Number of shares as at 1 October 2015	Granted during year	Exercised during year	Lapsed during year	**Number of shares at 30 September 2016[1]**	End of performance period	Vesting date
David Nicol									
	LTIP	26/02/2014	104,916	–	–	–	**104,916**	30/09/2016	26/02/2017
	LTIP	04/12/2014	121,023	–	–	–	**121,023**	30/09/2017	04/12/2017
	LTIP	03/12/2015	–	130,111	–	–	**130,111**	30/09/2018	03/12/2018
Total			225,939	130,111	–	–	**356,050**		
Andrew Westenberger									
	LTIP	26/02/2014	89,928	–	–	–	**89,928**	30/09/2016	26/02/2017
	LTIP	04/12/2014	103,734	–	–	–	**103,734**	30/09/2017	04/12/2017
	LTIP	03/12/2015	–	111,524	–	–	**111,524**	30/09/2018	03/12/2018
Total			193,662	111,524	–	–	**305,186**		
Stephen Ford									
	LTIP	26/02/2014	89,928	–	–	19,282	**70,646**	30/09/2016	26/02/2017
	LTIP	04/12/2014	103,734	–	–	48,838	**54,896**	30/09/2017	04/12/2017
	LTIP	03/12/2015	–	111,524	–	85,882	**25,642**	30/09/2018	03/12/2018
Total			193,662	111,524	–	154,002	**151,184**		

1 Or date of resignation if earlier.

The share price at 30 September 2016 was £2.638.

Beneficial Interests

To further align the interests of Executive Directors with shareholders, Executive Directors are required to build up a shareholding through the retention of shares vesting under the Group's share incentive plans. As part of the review of the Directors' Remuneration Policy during the year, the minimum shareholding requirement was increased to 150% of base salary for the Chief Executive. The minimum shareholding requirement for other Executive Directors is 100% of base salary. The Executive Directors are expected to build up this shareholding within five years of their appointment to the Board (January 2013 and March 2013 for Andrew Westenberger and David Nicol respectively). Shares that count towards these guidelines include shares owned outright by the Executive Director, an amount equal to net of tax unvested awards granted under the DPSP as they are unfettered by performance criteria, and net of tax LTIP awards that have vested.

			As at 30 September 2016			
Director	Beneficially owned at 30 September 2016*	Percentage of shareholding target held	Outstanding Deferred Profit Share Plan awards	Outstanding Long Term Incentive Plan awards	Beneficially owned at 29 November 2016*	Beneficially owned at 30 September 2015
Kath Cates	2,500	n/a	–	–	2,500	2,500
Ian Dewar	6,358	n/a	–	–	6,358	6,358
Stephen Ford	114,039	217%	251,528	151,184	114,039	114,039
Angela Knight	4,790	n/a	–	–	4,790	4,790
Simon Miller	75,000	n/a	–	–	75,000	65,000
David Nicol	83,000	68%	117,472	356,050	83,000	73,000
Caroline Taylor	5,000	n/a	–	–	5,000	2,500
Andrew Westenberger	25,000	71%	118,689	305,186	25,000	–
Paul Wilson	8,596	n/a	–	–	8,596	8,596

* Or date of resignation if earlier.

Deferred bonus

The Executive Directors receive part of their annual variable pay under the DPSP as a deferred award in BDH shares, normally in the form of options with a zero exercise price. These options are subject to service conditions and vest in one tranche three years from the date of grant.

Share Incentive Plan ('SIP')

The Group has a Share Incentive Plan. 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 £150) 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 a total value of £20. All shares to date awarded under this scheme have been purchased in the market on a monthly basis; it is the intention of the Directors to continue this policy in the year to September 2017.

Dilution

By agreement with shareholders, 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 Group other than the Senior Employee Matching Plan ('SEMP'), shall not exceed 10% of the issued share capital.

The current cumulative dilution level over the 10-year period to 30 September 2016 is 2.43%. This includes 0.09% issued under the Senior Employee Matching Plan (under which there are no outstanding awards).

Material contracts with Directors

There were no material contracts between the Group and the Directors. 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 2016 and 30 September 2015.

Total pension entitlements

Executive Directors may opt to waive part of their aggregate fixed pay amount and receive an equivalent pension contribution instead. They may also receive part of their annual bonus in the form of pension contribution.

Defined Contribution Scheme

Executive Directors may join the Group Defined Contribution Scheme. Andrew Westenberger and David Nicol have not made contributions to the scheme and do not receive any benefit from the Company under the scheme.

Defined Benefit Scheme (Audited)

Entry to the Group Defined Benefit Scheme was withdrawn in 2004 for new staff members. Stephen Ford remained an active member of this scheme as at the date of his departure from the Board on 7 January 2016.

Details of the total pension entitlements at the year-end are as follows:

	Pension rights at the end of the accounting period	Normal retirement age	Description of any additional early retirement benefits that the Director could receive in the event the Director retires early	Pension related benefits from the scheme in the breakdown of the pension benefits from the 'single total figure of remuneration' table
Stephen Ford	£2,731	65	n/a	£320

CPI inflation for the year to 30 September 2016 was –0.1% so an inflation rate increase of 0% was used.

Death-in-service benefits

Executive Directors are eligible for death-in-service benefit cover which is equal to six times their individual fixed remuneration.

Relative importance of the spend on pay (Audited)

	2015 £'000	**2016 £'000**	% change
Staff costs	143,670	**141,217**	-2%
Dividends	32,212	**35,309**	10%

Average salary and bonus per employee has increased by 6% and 3% respectively (see page 89).

Payments made to departing Directors (Audited)

Stephen Ford stepped down from the Board with effect from 7 January 2016. In accordance with Stephen Ford's service agreement and with the Company's Remuneration Policy, the following was agreed:

Notice period	Stephen Ford continued to be paid his salary and enjoy his contractual benefits during his notice period to 6 July 2016.
Statutory Redundancy Pay	Stephen Ford was paid a Statutory Redundancy Payment of £9,738.
2015/16 variable pay award	Following the end of the notice period, Stephen Ford was paid an award of annual variable pay for performance in the 2015/2016 financial year in respect of the period worked up to and including 7 January 2016, in the amount of £81,000.
Benefits	Brewin Dolphin will pay private medical scheme premiums until 31 December 2016.
Deferred Profit Share Plan ('DPSP')	In accordance with the rules of the DPSP, awards made under the DPSP will vest on their original vesting dates as follows:

No. of shares	Vesting date
69,398	5 December 2016
42,646	4 December 2017
30,978	3 December 2018

Long Term Incentive Plan ('LTIP')	In accordance with the rules of the LTIP, a pro-rated number of shares (calculated up to 6 July 2016) will vest as follows, conditional upon the LTIP performance criteria being satisfied:

Pro-rated shares	Vesting date
70,646	26 February 2017
54,896	4 December 2017
25,642	3 December 2018

Legal fees	Stephen Ford received a total contribution of £3,500 (exclusive of VAT) towards legal fees incurred in connection with his departure.

External advisers

The Remuneration Committee is advised by New Bridge Street ('NBS'), appointed by the Committee. NBS is a member of the Remuneration Consultants Group and abides by its Code of Conduct which requires its advice to be impartial and objective. The total fees paid to NBS in respect of its services to the Committee during the year were £51,497.

External directorships

Details of external directorships held by the Executive Directors during the year and any fees that they received in respect of their services are shown below.

David Nicol

Company	Position	**FY2016**	FY2015
Hermes Property Unit Trust	Member of Appointment Committee	**£27,500**	£27,500

Statement of shareholder voting

The Directors' Remuneration Policy and the Annual Report on Remuneration received the following votes from shareholders:

	Remuneration Policy (2014 AGM)	%	Annual Report on Remuneration (2016 AGM)	%
Votes cast in favour	168,569,707	96.5%	196,905,498	99.7%
Votes cast against	6,143,183	3.5%	579,037	0.3%
Total votes cast	174,712,890		197,484,535	
Abstentions	1,914,199		24,494	

How the policy will be applied in 2017 onwards

(i) Fees for the Chairman and Non-Executive Directors

As detailed in the Remuneration Policy, the Group's approach to setting Non-Executive Directors' remuneration is with reference to market levels in comparably sized FTSE companies, levels of responsibility and time commitments. The Chairman's fee was reviewed in October 2016 and it was agreed that the current fee remains competitive and will therefore be unchanged for 2016/2017.

The Non-Executive Directors' fees are reviewed periodically by the Board and were last revised in October 2014. Following a review of market benchmark data and in recognition of the increasing time commitment and responsibility required from Non-Executive Directors, particularly in the financial services industry, the Board concluded that the Non-Executive Directors' fees should be increased.

A summary of fees at the year-end and with effect from 1 January 2017 is:

	1 January 2017	30 September 2016	30 September 2015
Chairman	**£180,000**	£180,000	£160,000
Base fee	**£60,000**	£50,000	£50,000
Senior Independent Director	**£10,000**	£10,000	£10,000
Committee Chairman	**£10,000 – £15,000**	£5,000 – £12,000	£5,000 – £12,000

(ii) Performance targets for the 2016/17 annual bonus, and LTIP awards to be granted in 2017 financial year

For the 2017 financial year, the annual bonus will be based on performance against a balanced scorecard comprising four Key Performance Areas: profit before tax (20% weighting); adjusted operating profit margin (20% weighting); discretionary funds under management inflow (20%); and personal performance/non-financial targets (40%). Profit and margin will be adjusted to exclude the impact of exceptional items.

The LTIP awards granted in the 2017 financial year will be subject to two separate performance conditions, each accounting for one-half of the award. The performance conditions are as follows:

Performance metric	Weighting (each measured independently)	Threshold (25% vesting)	Stretch (100% vesting)	Measurement period
Adjusted EPS Compound Annual Growth Rate ('CAGR')	50%	5%	15%	CAGR measured over the three financial years 2016/17, 2017/18, and 2018/19, using 2015/16 as the base year.
Average Annual Discretionary FUM growth ('FUM')	50%	2.5%	7.5%	Average over the three financial years 2016/17, 2017/18 and 2018/19.

These targets have been set with reference to market consensus and internal medium-term plans.

There is also a general underpin: the Committee will assess the overall health of the business and whether prudent risk management has been applied and may scale back the vesting level if it considers this to be appropriate.

Approval

This Directors' Remuneration Report, including both the Policy and Annual Remuneration Report, has been approved by the Board of Directors.

Signed on behalf of the Board of Directors

Paul Wilson
Chairman of the Remuneration Committee

29 November 2016

Other Statutory Information

Index to principal Directors' Report and Listing Rule disclosures

Relevant information required to be disclosed in the Directors' Report and as set out in Listing Rule 9.8.4 R (information to be included in the Annual Report and Accounts) may be found in the following sections:

Information	Section in Annual Report	Pages
Business Review	Strategic Report	22-27, 30-32 and 38-45
Principal Risks and Uncertainties	Strategic Report	33-37
Disclosure information to auditor	Other Statutory Information	98
Directors in office during the year	Corporate Governance Report	57
Dividend recommendation for the year	Chairman's Statement	21
Directors' indemnities	Other Statutory Information	95
Corporate responsibility	Strategic Report	46-49
Greenhouse gas emissions	Other Statutory Information	97
Financial instruments – risk management objectives and policies	Notes to the financial statements	148-155
Future developments of the Company	Strategic Report	22-27
Employment policies and employee involvement	Strategic Report	46
Structure of share capital, including restrictions on the transfer of securities, voting rights and significant shareholders	Other Statutory Information	96
Rules governing the appointments of Directors	Corporate Governance Report	58
Powers of Directors	Corporate Governance Report	55
Rules governing changes to the Articles of Association	Other Statutory Information	96
Shareholder waiver of dividends	Note 29 of the financial statements	146

The above information is incorporated by reference and together with the information on pages 95 and 99 forms the Directors' Report in accordance with section 415 of the Companies Act 2006.

Strategic Report

The Strategic Report is set out on pages 12 to 49 and was approved by the Board on 29 November 2016. It is signed on behalf of the Board by David Nicol, Chief Executive.

Cautionary statement

The review of the business and its future development in the Annual Report 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 which 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 the Strategic Report, have complied with s417 of the Companies Act 2006.

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.

Share capital

Details of the Company's authorised and issued share capital, together with details of the movements therein, are set out in note 29 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.

Employee share plans

Details of employee share schemes are set out in note 33. Shares held by Computershare (Trustees) Limited abstain from voting. Under the rules of the Group's 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 Trustee on receipt of the participant's instructions; if no such instruction is received by the Trustee 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 1.70% of its issued share capital of Ordinary Shares in relation to the acquisition of businesses and client relationships.

Articles of Association

The Articles of Association may be amended by special resolution of the shareholders.

Substantial shareholdings

As at 30 September 2016, the Company had received notifications in accordance with the FCA's Disclosures and Transparency Rule 5.1.2 of the following interests of 3% or more in the voting rights of the Company.

Shareholder	Date of notification	Number of voting rights	% of voting rights
Royal London Asset Management	06/07/2016	16,824,793	5.95
Aberforth Partners	18/07/2016	14,390,759	5.08
Blackrock Inc.	22/07/2014	Below 5%	Below 5
FIL Limited	25/04/2016	14,092,698	4.97
FIL Investment International	06/12/2012	12,477,394	4.47
Aviva plc and its subsidiaries	14/12/2015	10,296,674	3.64
Henderson Group plc	29/01/2016	9,181,046	3.24
Legal & General	28/11/2008	8,563,901	3.07

Annual General Meeting

The Annual General Meeting ('AGM') will be held at 11.30 am on 3 February 2017 at Haberdashers' Hall, 18 West Smithfield, London EC1A 9HQ. The Notice of Meeting will be posted to shareholders in January 2017.

Purchase of own shares

At the AGM on 5 February 2016, shareholders approved a resolution for the Company to make purchases of its own shares to a maximum of 10% of its issued Ordinary Shares. This resolution remains valid until the conclusion of the next AGM in 2017. As at 29 November 2016 the Directors had not used this authority.

Employees

The average number of persons, including Directors, employed by the Group and their remuneration, are set out in note 7 to the financial statements. Other information about the Group's employee engagement, diversity and inclusion policies is set out on pages 46 and 47.

Greenhouse Gas Emissions (GHG)

The Group recognises its impact on the environment and strives to minimise it. As a financial services provider, our main environmental focus is on our network of offices and employee travel. This is the third year the Group has reported as a quoted company under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Global GHG emissions for the period ended 30 September 2016

Emissions from:	Tonnes of CO_2e 2015/16	Tonnes of CO_2e 2014/15
Combustion of fuel and operation of facilities	327	236
Electricity purchased for own use	2,030	2,258
Fugitive emissions – refrigerant losses	–	8.80
Mobile combustion – business travel from leased assets	20	3.97
Company's chosen intensity measurement: Emissions per full time employee	1.5	1.5

Methodology and additional information

The table on this page reports the Group's annual GHG emissions from sources which fall within the consolidated financial statements. Included are most of the emission sources that the Group has responsibility for but some emission sources have been omitted based on a lack of data and materiality. Details of the emissions which have been omitted are given in the 'Emission sources not reported' section below.

The Group has gathered energy use data (natural gas and electricity), refrigerants use as well as business travel mileage and has applied emission factors from the July 2015 update to the Defra impact profile. This year, we have moved from consumed electricity to generated electricity emission factors included in the Defra library and this has resulted in some discrepancies between figures in the current reporting year and the comparison year. We did not undertake any replacements of our Direct Expansion system this year, hence the refrigerant losses are zero. We have improved the way we collect data for our leased assets and have increased our accuracy in reporting, differentiating by car size and fuel type. This has resulted in some discrepancy between the current year mobile combustion figure and the comparison year, but will give us a more accurate basis for monitoring and reporting in future years.

Emission sources not reported

This section of the report details the emission sources that the Group has not reported on and the reasons for their exclusions. Only a minority of the buildings the Group operates directly makes use of gas and this has been included in emissions from combustion of fuel. It has not been possible to determine separate heat/steam usage as the Group mostly occupies premises under shared occupancy and these costs are included in service charges.

Data quality

Our data for electricity as well as gas consumption comes from two main sources:

- consumption bills from suppliers/reports from property agents (exact data); and
- our approximations based on exact data (estimated data).

The Group has used estimated data in some cases due to the lack of complete data for electricity consumption. The section below details the approach the Group has taken to complete these data gaps:

- Where buildings had incomplete electricity consumption figures for certain months over the current reporting period, a conservative approach for estimating this data was chosen. The methodology used was to apply a daily consumption figure calculated by using the month in the dataset with the highest electricity consumption to the months that had missing data.
- In cases where no electricity data was held, the methodology was calculated using the buildings with exact and complete data to calculate average electricity consumption per square metre for each month in the current reporting period. The monthly average consumption per square metre was used to estimate the monthly electricity consumption of buildings with no electricity data, based on individual floor areas.
- In cases where gas consumption data for the current reporting period was unavailable, the previous year's data was used as an approximation.

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 has expressed its willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved for and on behalf of the Board

Louise Meads
Company Secretary
Brewin Dolphin Holdings PLC
Company Number: 2685806

29 November 2016

Directors' Responsibilities

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

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

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

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

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

Directors' responsibility statement

We confirm that to the best of our knowledge:

- 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;
- the strategic report 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; and
- the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 29 November 2016 and is signed on its behalf by:

David Nicol
Chief Executive

Andrew Westenberger
Finance Director

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

Opinion on financial statements of Brewin Dolphin Holdings PLC

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 2016 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with IFRSs; 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.

The financial statements comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Cash Flow Statements, the Consolidated and Company Statements of Changes in Equity and the related notes 1 to 38. The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

Going concern and the Directors' assessment of the principal risks that would threaten the solvency or liquidity of the Group

As required by the Listing Rules we have reviewed the Directors' statement regarding the appropriateness of the going concern basis of accounting contained within note 3 to the financial statements and the Directors' statement on the longer-term viability of the Group on page 45.

We have nothing material to add or draw attention to in relation to:

- the Directors' confirmation on page 59 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity;
- the disclosures on pages 35-37 that describe those risks and explain how they are being managed or mitigated;
- the Directors' statement in note 3 to the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the Group's ability to continue to do so over a period of at least 12 months from the date of approval of the financial statements;
- the Directors' explanation on page 45 as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We agreed with the Directors' adoption of the going concern basis of accounting and we did not identify any such material uncertainties. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Independence

We are required to comply with the Financial Reporting Council's Ethical Standards for Auditors and we confirm that we are independent of the Group and we have fulfilled our other ethical responsibilities in accordance with those standards. We also confirm we have not provided any of the prohibited non-audit services referred to in those standards.

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

Risk	How the scope of our audit responded to the risk
REVENUE RECOGNITION	
As detailed in the summary of significant accounting policies on page 115, revenue is earned from investment management fees of £190.5m, commissions of £71.0m and other income of £20.9m. Investment management fees account for approximately 67% of total revenue and are based on a percentage of individual clients' funds under management. There is a risk that incorrect rates or fund valuations are used to calculate management fees. The risk of errors increases where manual amendments are made to system calculated fees.	We tested the design, implementation and operating effectiveness of relevant controls relating to investment management fees, including the associated IT controls. We selected a sample of quarterly investment management fee calculations for individual clients and recalculated the system generated amount. We agreed a sample of the rates used to client contracts and the value of funds under management to third party sources. Additionally, we tested a sample of manual fee amendments to determine their validity in accordance with client agreements and the Group's policy.
IMPAIRMENT REVIEW OF INTANGIBLE ASSETS: CLIENT RELATIONSHIPS AND GOODWILL	
Historically, the Group expanded through acquisitions leading to goodwill and client relationships resulting in the recognition of £71.4m (2015: £77.7m) of capitalised client relationships and goodwill. As detailed in the summary of significant accounting policies on page 115, intangible assets are reviewed for impairment at least annually. This is considered to be a key source of estimation uncertainty for the Group as described on page 123. Determining whether these intangible assets are impaired requires an estimation of the recoverable amount for each of the Group's cash-generating units ("CGUs") and where the carrying amount exceeds the recoverable amount an impairment should be recorded. This assessment is driven by estimates of the fair value of CGUs based on a percentage of funds under management. The percentages used are inherently judgemental.	In assessing the intangible assets, we have reviewed the calculations prepared by management to assess whether they meet the requirements of IAS 36 "Impairment of Assets" and that the assumptions and judgements made are appropriate. To do this, we have challenged the percentages management have applied to market values of funds under management to determine fair value, and validated these against percentages derived from recent public acquisitions of fund management businesses. We tested the controls over the production of funds under management data, designed to ensure its completeness and accuracy. We have also recalculated the sensitivity of the valuation of funds under management which is disclosed in note 17.
ASSUMPTIONS UNDERLYING THE CALCULATION OF THE PENSION SCHEME LIABILITY	
The Group has recognised a defined benefit pension deficit of £7.0m (2015: £2.9m deficit). The deficit comprises assets of £105.4m and liabilities of £112.4m. The calculation of the liability is sensitive to changes in underlying assumptions and is considered to be a key source of estimation uncertainty for the Group as detailed on page 123. The key assumptions are the discount rate, inflation rate and mortality rate where small changes to these assumptions could result in a material change to the pension liability valuation.	In order to evaluate the appropriateness of the assumptions used by management, we have used our own actuarial experts to make direct enquiries of the Group's actuary and review the key actuarial assumptions adopted in the IAS 19 ("Employee Benefits") pension valuation. In particular we compared the discount rate, inflation rate and mortality assumptions to our independently determined benchmarks derived using market and other data.

Last year, our report included three significant risks that have not been included in our report this year relating to estimation for provisions for sundry claims and associated costs, onerous lease contracts and dilapidations, and the sale of the Stocktrade division. Provisions for sundry claims and associated costs have reduced in the year and hence we have not reported it as a significant risk above. The level of judgement required in estimating provisions for onerous lease contracts and dilapidations has reduced in the year and hence we no longer consider there to be an associated significant risk of material misstatement. With the completion of the sale of Stocktrade in April 2016, this is no longer considered to be a significant risk of material misstatement.

This year we have included a new significant risk relating to revenue. This reflects the relative amount of audit effort directed to testing investment management fees. We do not consider the risk of material misstatement to have increased from the prior year.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group to be £2.485m (2015: £3.0m), which is 5% of profit before tax from continuing operations and is consistent with our approach for the 2015 audit.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £49,700 (2015: £61,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

The Group consists of the main trading subsidiary, Brewin Dolphin Limited, along with Tilman Brewin Dolphin Limited, and Brewin Dolphin MP.

As Brewin Dolphin Limited makes up 97.5% of the Group's revenue and its profit before tax is higher than the Group we have used Group materiality of £2.485m.

The majority of the operations of the Group are based in the United Kingdom and are audited by Deloitte LLP. The only exception to this is Tilman Brewin Dolphin Limited, an Irish company, which represents less than 2.5% of revenue and is audited by another Deloitte member firm.

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 Strategic Report and 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

Adequacy of explanations received and accounting records

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

- we have not received all the information and explanations we require for our audit; or
- 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 are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns. We have nothing to report arising from these matters.

Corporate Governance Statement

Under the Listing Rules we are also required to review part of the Corporate Governance Statement relating to the Company's compliance with certain provisions of the UK Corporate Governance Code. We have nothing to report arising from our review.

Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the Annual Report is fair, balanced and understandable and whether the Annual Report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

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). We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team and independent partner reviews.

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.

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Robert Topley FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

29 November 2016

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Consolidated Income Statement
Period ended 30 September 2016

	Note	2016 £'000	2015 £'000
Continuing operations			
Revenue	5	**280,484**	280,196
Other operating income	5	**1,866**	3,495
Income		**282,350**	283,691
Staff costs	7	**(152,175)**	(152,982)
Redundancy costs	7	**(2,780)**	(2,432)
FSCS levy rebate	8	**–**	1,160
Onerous contracts		**(311)**	(433)
Amortisation of intangible assets - client relationships	16	**(6,287)**	(9,219)
One-off migration costs		**(1,596)**	–
Other operating costs		**(69,458)**	(68,975)
Operating expenses		**(232,607)**	(232,881)
Operating profit		**49,743**	50,810
Finance income	10	**514**	907
Other gains and losses	11	**(3)**	9,712
Finance costs	10	**(192)**	(429)
Profit before tax		**50,062**	61,000
Tax	12	**(11,095)**	(12,729)
Profit for the period from continuing operations		**38,967**	48,271
Discontinued operations			
Profit/(loss) for the period from discontinued operations	13	**11,395**	(7,233)
Profit for the period		**50,362**	41,038
Attributable to:			
Equity holders of the parent		**50,362**	41,038
		50,362	41,038
Earnings per share			
From continuing operations			
Basic	15	**14.4p**	17.7p
Diluted	15	**13.9p**	17.1p
From continuing and discontinued operations			
Basic	15	**18.6p**	15.0p
Diluted	15	**17.9p**	14.5p

Consolidated Statement of Comprehensive Income

Period ended 30 September 2016

	Note	2016 £'000	2015 £'000
Profit for the period		**50,362**	41,038
Items that will not be reclassified subsequently to profit and loss:			
Actuarial (loss)/gain on defined benefit pension scheme	21	**(7,031)**	2,110
Deferred tax credit/(charge) on actuarial (loss)/gain on defined benefit pension scheme	22	**1,109**	(422)
		(5,922)	1,688
Items that may be reclassified subsequently to profit and loss:			
Reversal of revaluation of available-for-sale investments		**–**	(9,565)
Reversal of deferred tax charge on revaluation of available-for-sale investments		**–**	1,913
Revaluation of available-for-sale investments	23	**(30)**	–
Deferred tax credit on revaluation of available-for-sale investments	22	**6**	–
Exchange differences on translation of foreign operations		**559**	(266)
		535	(7,918)
Other comprehensive expense for the period net of tax		**(5,387)**	(6,230)
Total comprehensive income for the period		**44,975**	34,808
Attributable to:			
Equity holders of the parent		**44,975**	34,808
		44,975	34,808

Consolidated Balance Sheet
As at 30 September 2016

	Note	2016 £'000	2015 £'000
Assets			
Non-current assets			
Intangible assets	16	**81,053**	86,989
Property, plant and equipment	18	**4,822**	8,188
Other receivables	20	**307**	442
Net deferred tax asset	22	**7,799**	10,605
Total non-current assets		**93,981**	106,224
Current assets			
Available-for-sale investments	23	**833**	140
Trading investments	23	**1,093**	945
Trade and other receivables	20	**218,118**	254,041
Cash and cash equivalents	24	**170,766**	149,839
Total current assets		**390,810**	404,965
Total assets		**484,791**	511,189
Liabilities			
Current liabilities			
Bank overdrafts	25	**–**	16
Trade and other payables	26	**221,945**	255,524
Current tax liabilities		**3,388**	2,786
Provisions	27	**3,097**	7,267
Shares to be issued including premium	28	**–**	9,304
Total current liabilities		**228,430**	274,897
Net current assets		**162,380**	130,068
Non-current liabilities			
Defined benefit pension scheme	21	**6,952**	2,869
Provisions	27	**6,600**	14,272
Total non-current liabilities		**13,552**	17,141
Total liabilities		**241,982**	292,038
Net assets		**242,809**	219,151
Equity			
Share capital	29	**2,830**	2,793
Share premium account	29	**151,836**	142,135
Own shares	30	**(29,294)**	(28,153)
Revaluation reserve		**(24)**	–
Merger reserve	31	**70,553**	70,553
Profit and loss account		**46,908**	31,823
Equity attributable to equity holders of the parent		**242,809**	219,151

Approved by the Board of Directors and authorised for issue on 29 November 2016

Signed on its behalf by

David Nicol
Chief Executive

Andrew Westenberger
Finance Director

Consolidated Statement of Changes in Equity
Period ended 30 September 2016

	Attributable to the equity holders of the parent						
	Share capital £'000	Share premium account £'000	Own shares £'000	Revaluation reserve £'000	Merger reserve £'000	Profit and loss account £'000	Total £'000
At 28 September 2014	2,745	139,420	(16,045)	7,652	61,380	16,118	211,270
Profit for the period	–	–	–	–	–	41,038	41,038
Other comprehensive income for the period							
Deferred and current tax on other comprehensive income	–	–	–	1,913	–	(422)	1,491
Actuarial gain on defined benefit pension scheme	–	–	–	–	–	2,110	2,110
Reclassification adjustment for gain included in profit	–	–	–	(9,565)	–	–	(9,565)
Exchange differences on translation of foreign operations	–	–	–	–	–	(266)	(266)
Total comprehensive (expense)/income for the period	–	–	–	(7,652)	–	42,460	34,808
Dividends	–	–	–	–	–	(26,963)	(26,963)
Issue of share capital	48	2,715	–	–	9,173	–	11,936
Own shares acquired in the period	–	–	(19,999)	–	–	–	(19,999)
Own shares disposed of on exercise of options	–	–	7,891	–	–	(7,891)	–
Share-based payments	–	–	–	–	–	8,938	8,938
Tax on share-based payments	–	–	–	–	–	(839)	(839)
At 30 September 2015	**2,793**	**142,135**	**(28,153)**	**–**	**70,553**	**31,823**	**219,151**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**50,362**	**50,362**
Other comprehensive income for the period							
Deferred and current tax on other comprehensive income	**–**	**–**	**–**	**6**	**–**	**1,109**	**1,115**
Actuarial loss on defined benefit pension scheme	**–**	**–**	**–**	**–**	**–**	**(7,031)**	**(7,031)**
Revaluation of available-for-sale investments	**–**	**–**	**–**	**(30)**	**–**	**–**	**(30)**
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**–**	**–**	**559**	**559**
Total comprehensive (expense)/income for the period	**–**	**–**	**–**	**(24)**	**–**	**44,999**	**44,975**
Dividends	**–**	**–**	**–**	**–**	**–**	**(32,818)**	**(32,818)**
Issue of share capital	**37**	**9,701**	**–**	**–**	**–**	**–**	**9,738**
Own shares acquired in the period	**–**	**–**	**(7,220)**	**–**	**–**	**–**	**(7,220)**
Own shares disposed of on exercise of options	**–**	**–**	**5,853**	**–**	**–**	**(5,853)**	**–**
Own shares disposed of	**–**	**–**	**226**	**–**	**–**	**84**	**310**
Share-based payments	**–**	**–**	**–**	**–**	**–**	**8,387**	**8,387**
Tax on share-based payments	**–**	**–**	**–**	**–**	**–**	**286**	**286**
At 30 September 2016	**2,830**	**151,836**	**(29,294)**	**(24)**	**70,553**	**46,908**	**242,809**

Company Balance Sheet
As at 30 September 2016

	Note	2016 £'000	2015 £'000
Assets			
Non-current assets			
Investment in subsidiaries	19	**191,429**	194,305
Other receivables	20	**50**	50
Total non-current assets		**191,479**	194,355
Current assets			
Trade and other receivables	20	**46,151**	49,306
Cash and cash equivalents	24	**686**	259
Total current assets		**46,837**	49,565
Total assets		**238,316**	243,920
Liabilities			
Current liabilities			
Trade and other payables	26	**12,313**	16,363
Current tax liabilities		**–**	531
Shares to be issued including premium	28	**–**	9,304
Total current liabilities		**12,313**	26,198
Net current assets		**34,524**	23,367
Total liabilities		**12,313**	26,198
Net assets		**226,003**	217,722
Equity			
Share capital	29	**2,830**	2,793
Share premium account	29	**151,836**	142,135
Own shares	30	**(29,294)**	(28,153)
Merger reserve	31	**70,838**	70,838
Profit and loss account	31	**29,793**	30,109
Equity attributable to equity holders		**226,003**	217,722

Approved by the Board of Directors and authorised for issue on 29 November 2016

Signed on its behalf by

David Nicol
Chief Executive

Andrew Westenberger
Finance Director

Brewin Dolphin Holdings PLC
Company number: 2685806

Company Statement of Changes in Equity
Period ended 30 September 2016

	Attributable to the equity holders of the Company					
	Share capital £'000	Share premium account £'000	Own shares £'000	Merger reserve £'000	Profit and loss account £'000	Total £'000
At 28 September 2014	2,745	139,420	(16,045)	61,665	21,659	209,444
Profit for the period	–	–	–	–	34,366	34,366
Total comprehensive income for the period	–	–	–	–	34,366	34,366
Dividends	–	–	–	–	(26,963)	(26,963)
Issue of share capital	48	2,715	–	9,173	–	11,936
Own shares acquired in the period	–	–	(19,999)	–	–	(19,999)
Own shares disposed of on exercise of options	–	–	7,891	–	(7,891)	–
Share-based payments	–	–	–	–	8,938	8,938
At 30 September 2015	**2,793**	**142,135**	**(28,153)**	**70,838**	**30,109**	**217,722**
Profit for the period	**–**	**–**	**–**	**–**	**29,884**	**29,884**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**29,884**	**29,884**
Dividends	**–**	**–**	**–**	**–**	**(32,818)**	**(32,818)**
Issue of share capital	**37**	**9,701**	**–**	**–**	**–**	**9,738**
Own shares acquired in the period	**–**	**–**	**(7,220)**	**–**	**–**	**(7,220)**
Own shares disposed of on exercise of options	**–**	**–**	**5,853**	**–**	**(5,853)**	**–**
Own shares disposed of	**–**	**–**	**226**	**–**	**84**	**310**
Share-based payments	**–**	**–**	**–**	**–**	**8,387**	**8,387**
At 30 September 2016	**2,830**	**151,836**	**(29,294)**	**70,838**	**29,793**	**226,003**

Consolidated Cash Flow Statement
Period ended 30 September 2016

	Note	2016 £'000	2015 £'000
Net cash inflow from operating activities	36	**52,033**	57,478
Cash flows from investing activities			
Purchase of intangible assets – client relationships		**–**	(3)
Purchase of intangible assets – software		**(5,238)**	(5,146)
Purchases of property, plant and equipment		**(373)**	(2,271)
Purchase of available-for-sale investments		**(770)**	(140)
Proceeds on disposal of discontinued operation	13	**14,000**	–
Proceeds on disposal of available-for-sale investments		**47**	10,147
Net cash from investing activities		**7,666**	2,587
Cash flows from financing activities			
Dividends paid to equity shareholders	14	**(32,818)**	(26,963)
Purchase of own shares	30	**(7,220)**	(19,999)
Disposal of own shares		**310**	–
Proceeds on issue of shares		**433**	1,913
Net cash used in financing activities		**(39,295)**	(45,049)
Net increase in cash and cash equivalents		**20,404**	15,016
Cash and cash equivalents at the start of period		**149,823**	135,113
Effect of foreign exchange rates		**539**	(306)
Cash and cash equivalents at the end of period		**170,766**	149,823
Cash and cash equivalents shown in current assets	24	**170,766**	149,839
Bank overdrafts	25	**–**	(16)
Net cash and cash equivalents		**170,766**	149,823

For the purposes of the Cash Flow Statement, net cash and cash equivalents include bank overdrafts.

Company Cash Flow Statement

Period ended 30 September 2016

	Note	**2016 £'000**	2015 £'000
Net cash inflow from operating activities	36	**32,502**	24,685
Cash flows from financing activities			
Dividends paid to equity shareholders	14	**(32,818)**	(26,963)
Disposal of own shares		**310**	–
Proceeds on issue of shares		**433**	1,913
Net cash used in financing activities		**(32,075)**	(25,050)
Net increase/(decrease) in cash and cash equivalents		**427**	(365)
Cash and cash equivalents at the start of period		**259**	624
Cash and cash equivalents at the end of period	24	**686**	259

Notes to the Financial Statements

1. General information

The consolidated financial statements of Brewin Dolphin Holdings PLC (the "Company") and its subsidiaries (collectively, the "Group") for the period ended 30 September 2016 were authorised for issue by the Directors on 29 November 2016.

The Company is incorporated in the United Kingdom under the Companies Act 2006. The nature of the Group's operations and its principal activities are set out in the Strategic Report.

The Company is registered in England and Wales. The address of the registered office is 12 Smithfield Street, London EC1A 9BD.

The separate financial statements of the Company are also reported.

The financial statements represent the period from 1 October 2015 to 30 September 2016. The comparatives are for the period from 29 September 2014 to 30 September 2015.

The significant accounting policies have been disclosed below. The policies for the Group and the Company are consistent unless otherwise stated.

2. Application of new and revised International Financial Reporting Standards ("IFRSs"), and changes in accounting policy

a. New standards, amendments and interpretations adopted

In the current year, there have been no new standards, amendments or interpretations adopted.

b. Changes in accounting policy

There have been no changes to accounting policy in the period.

c. New standards, amendments and interpretations issued but not effective

The table below sets out changes to accounting standards which will be effective for periods beginning on or after:

		Effective for period beginning on or after
IFRS 2[1]	Amendments to Classification and Measurement of Share-based Payment Transactions	1 Jan 2018
IFRS 4[1]	Amendments to applying IFRS 9 with IFRS 4	1 Jan 2018
IFRS 9[1]	Financial Instruments	1 Jan 2018
IFRS 10, IFRS 12 and IAS 28	Amendments to Investment Entities: Applying the Consolidation Exemption	1 Jan 2016
IFRS 11	Amendments to Accounting for Acquisitions of Interests in Joint Operations	1 Jan 2016
IFRS 14[1]	Regulatory Deferral Accounts	1 Jan 2016
IFRS 15	Revenue from Contracts with Customers	1 Jan 2018
IFRS 15[1]	Clarifications to Revenue from Contracts with Customers	1 Jan 2018
IFRS 16[1]	Leases	1 Jan 2019
IAS 1	Amendments to Disclosure Initiative	1 Jan 2016
IAS 7[1]	Amendments to Disclosure Initiative	1 Jan 2017
IAS 12[1]	Amendments to Recognition of Deferred Tax Assets for Unrealised Losses	1 Jan 2017
IAS 16 and IAS 38	Amendments to Clarification of Acceptable Methods of Depreciation and Amortisation	1 Jan 2016
IAS 16 and IAS 41	Amendments to Bearer Plants	1 Jan 2016
IAS 27	Amendments to Equity Method in Separate Financial Statements	1 Jan 2016
Annual Improvements to IFRS	2012 – 2014 Cycle	1 Jan 2016

1 These amendments have not yet been endorsed by the EU.

The Directors are reviewing the impact of these new standards, amendments and interpretations but do not intend to adopt the standards early. It is not expected currently that these will have a material impact except for those mentioned below.

IFRS 16 – 'Leases'

In January 2016 the International Accounting Standards Board (IASB) issued IFRS 16 – 'Leases'. Under IFRS 16 a single lessee accounting model is introduced that replaces the current model where leases are either recognised as a finance or operating lease. Under the single lessee model, an asset and corresponding liability will be recognised with movements through the profit and loss representing depreciation, additions or releases on the liability and unwinding of the discount. IFRS 16 is effective for periods beginning on or after 1 January 2019 (this standard is yet to be endorsed by the EU) with early adoption being permitted provided IFRS 15 is being applied. Therefore, it will be first effective for the Group's accounting period ending 30 September 2020. A full impact analysis is yet to be completed, the Directors expect IFRS 16 to have a material impact on the assets and the liabilities of the Group when the operating leases are recognised on the balance sheet (see note 34).

3. Significant accounting policies

a. Statement of compliance

The consolidated financial statements for both the Group and the Company have been prepared in accordance with International Financial Reporting Standards ("IFRSs") adopted by the European Union, Article 4 of the EU IAS Regulation and Companies Act 2006.

b. Basis of preparation

The consolidated financial statements are presented in pounds sterling, the functional currency of the Company, rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

The consolidated 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.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

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

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

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 the Company Statement of Changes in Equity and note 31.

d. Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the going concern statement and the viability statement included in the Strategic Report on page 45.

3. Significant accounting policies (continued)

e. 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. 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.

f. 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.

g. Foreign currencies

In preparing the financial statements of the individual entities, 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.

h. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents commissions, investment management fees, renewal commissions and other income, excluding VAT, receivable in respect of the period.

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

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.

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

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 recognised as a liability. The aggregate benefit of incentives is spread on a straight-line basis over the lease term.

l. 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 conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 33.

Fair value is measured by use of the 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 items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been 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 taxable 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 substantively 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.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3. Significant accounting policies (continued)

n. Investments in subsidiaries

In the Company's financial statements investments in subsidiary undertakings are stated at cost less any provision for impairment.

o. Intangible assets

i) Goodwill

Goodwill is initially measured at cost, being 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 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 (see note 3(v) for the Impairment accounting policy).

When the consideration transferred by the Group is deferred or contingent, this is valued at its acquisition date fair value, and is included in the consideration transferred in a business combination. Changes in the deferred or contingent consideration, which occur in the measurement period, are adjusted retrospectively, with corresponding adjustments to goodwill. Subsequent to the measurement period, the deferred and contingent considerations are revised annually at the balance sheet date and any corresponding adjustments are posted to the Income Statement. Such deferred or contingent consideration may be settled in shares (see note 3(t) for the Shares to be issued accounting policy).

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 by adding teams of investment managers. Client relationships acquired separately are initially recognised at cost. If acquired as part of a business combination the initial cost of client relationships is the fair value at the acquisition date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

When separate payments are made to acquire funds 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) for the Shares to be issued accounting policy).

Client relationships are amortised over seven to fifteen years.

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 three to ten years, dependent upon the assessment of the expected useful life of the software, on a straight-line basis from the date the software is operating as management intended.

The assessment of the expected useful life of computer software is based on the contractual terms or, where appropriate, past experience of the life of similar assets.

p. 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 the earlier of the first break clause of the lease or 10 years
Motor vehicles	5 years

The gain or loss arising on the disposal 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.

q. Fair value measurement

The Group measures financial instruments and certain non-financial assets at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

r. Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

i) Financial assets

Financial assets are classified into the following specified categories:

- financial assets at fair value through profit or loss ("FVTPL");
- 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.

3. Significant accounting policies (continued)

Financial assets at FVTPL

Financial assets are classified as FVTPL where the financial asset is held-for-trading. 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 classified as FVTPL are stated at fair value, with any resultant gain or loss on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividends or interest earned on the financial asset and is included in the Income Statement. Their value is determined in the manner described in note 3(q).

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 3(q). 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 AFS 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.

ii) 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 at FVTPL

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

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Income Statement. Fair value is determined in the manner described in note 3(q).

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.

s. 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.

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 payable which will be converted into shares of equivalent value 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 the sum is included in current liabilities.

u. Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

For defined benefit retirement benefit schemes, the cost of providing benefits is determined using the Projected Unit Method, with actuarial valuations being carried out at each balance sheet date. Remeasurements comprising actuarial gains and losses and the return on scheme assets (excluding interest) are recognised immediately in the Balance Sheet with a charge or credit to the Statement of Other Comprehensive Income in the period in which they occur. Remeasurement recorded in the Statement of Other Comprehensive Income is not recycled.

Any 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.

Net interest is calculated by applying a discount rate to the net defined benefit liability or asset.

The defined benefit pension scheme asset/liability 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 and whenever there is an indication that it may be impaired. 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 ("CGU") 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 in each of the cash-generating units 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.

3. Significant accounting policies (continued)

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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money 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.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

x. Discontinued operations

A discontinued operation is a component of the Group's business that either has been disposed of or is classified as held for sale.

Components of the Group are classified as held for sale if their carrying amount will be recovered or settled principally through a sale transaction rather than through continuing use. This condition is regarded as being met only when the sale is highly probable and the component is available for immediate sale in its present condition.

Components of the Group classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. No depreciation is charged on businesses classified as held for sale.

y. Employee share ownership trusts

Brewin Dolphin Limited is the sponsoring employer of the Brewin Dolphin Share Incentive Plan Trust and the Brewin Dolphin Holdings PLC Employee Share Ownership Trust. The assets and liabilities of the trusts are recognised as those of Brewin Dolphin Holdings PLC and obligations of the trusts are regarded as obligations of Brewin Dolphin Holdings PLC. Shares of Brewin Dolphin Holdings PLC held by the trusts are treated as own shares held and shown as a deduction in equity.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of the assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

a. Critical judgements in applying the Group's accounting policies

There have been no critical judgements required in applying the Group's accounting policies in this period, apart from those involving estimations which are detailed separately below.

b. Key sources of estimation uncertainty

i. Goodwill and client relationships

Amortisation of client relationships

The useful economic life over which client relationships are amortised is determined by the expected duration of the client relationships which are determined with reference to past experience of account closures, in particular the average life of those relationships, and future expectations. During the period, client relationships were amortised over a 7 to 15 year period.

The amortisation for the period was £6,287,000 (2015: £9,219,000); a reduction in the average amortisation period by one year would increase the amortisation expense for the period by £2,144,000 (2015: £2,248,000).

Impairment of goodwill and client relationships

Impairment exists when the carrying value of an asset or cash-generating unit (CGU) exceeds its recoverable amount. The recoverable amount is the higher of its fair value less costs of disposal and its value in use.

For the purposes of impairment testing, the Group values the recoverable amount of goodwill and client relationships at the fair value less costs of disposal. The calculation of the fair value less costs of disposal is based on the valuation of the funds, which make up the relevant intangible asset. A percentage is applied to funds (3% for discretionary funds and 1% for advisory funds) to determine the fair value. These percentages have been based on recent public transactions.

Therefore, the recoverable amount is sensitive to movements in the valuation of funds. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in note 17.

ii. Defined benefit pension scheme

The calculation of the present value of the defined benefit pension scheme is determined by using actuarial valuations. Management make key assumptions in determining the inputs into the actuarial valuations, which may differ from actual developments in the future. These assumptions are governed by IAS 19 Employee Benefits (revised 2011), and include the determination of the discount rate, life expectancies and future salary increases. Due to the complexities in the valuation, the defined benefit pension scheme obligation is highly sensitive to changes in these assumptions. The detailed assumptions, including a sensitivity analysis, are set out in note 21.

iii. Share-based payments

Long Term Incentive Plan ("LTIP")

During the period, the Group granted its third award under the LTIP. The scheme includes performance based vesting conditions, which impacts the amount of benefit paid. The Group has made assumptions on the likelihood of meeting the performance conditions in determining the expense in the period. The LTIP charge for the period was £337,000 (2015: £669,000).

If all of the performance conditions were assumed to be met, the charge for the period would increase by £1,692,000 (2015: £1,535,000); an absolute increase of 10% in the vesting assumptions would increase the charge for the period by £300,000 (2015: £251,000). Further information on the scheme is disclosed in note 33.

iv. Provisions

Onerous leases

The Group recognises a provision for onerous leases of £4,135,000 (2015: £4,069,000). The valuation of an onerous lease is based on the best estimate of the likely future costs discounted to present value. Where the provision is in relation to premises and it is more likely than not that the premises will be sublet, an allowance for sublease income has been included in the valuation. If the assumptions regarding the sublet income are removed, the provision would increase by £6,355,000 (2015: £1,232,000) to £10,490,000 (2015: £5,301,000). Further information is disclosed in note 27.

5. Income

	2016 £'000	2015 £'000
Continuing operations		
Investment management commission income	**70,999**	71,494
Financial planning and trail income	**18,952**	20,173
Fees	**190,533**	188,529
Revenue	**280,484**	280,196
Other operating income	**1,866**	3,495
Income from continuing operations	**282,350**	283,691
Discontinued operations (note 13)		
Commission income	**2,946**	7,455
Trail income	**93**	310
Fees	**310**	1,619
Revenue	**3,349**	9,384
Other operating income	**30**	303
Income from discontinued operations	**3,379**	9,687
Income from continuing and discontinued operations	**285,729**	293,378

6. Segmental information

For management reporting purposes the Group currently has a single operating segment: the Investment Management division. This forms the reportable segment of the Group for the period. Please refer to the Consolidated Income Statement on page 106 and the Consolidated Balance Sheet on page 108, for numerical information.

The Group's operations are carried out in the United Kingdom, Channel Islands and the Republic of Ireland. The operations in the Channel Islands and the Republic of Ireland are not material and accordingly geographical segmental disclosures are not included. All segmental income related to external clients.

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

7. Staff costs

	2016 No.	2015 No.
The average monthly number of employees (including Executive Directors) by category was:		
Client facing	**892**	930
Discontinued operations	**–**	51
Business support	**851**	883
	1,743	1,864

	Continuing operations		Discontinued operations		Total	
	2016 £'000	2015 £'000	**2016 £'000**	2015 £'000	**2016 £'000**	2015 £'000
The aggregate remuneration (including Executive Directors) comprised:						
Wages and salaries	**120,085**	119,261	**171**	1,729	**120,256**	120,990
Social security costs	**13,927**	13,621	**14**	214	**13,941**	13,835
Share-based payments	**8,387**	8,938	**–**	–	**8,387**	8,938
Termination benefits – redundancy costs	**2,780**	2,432	**–**	–	**2,780**	2,432
Defined contribution scheme and death in service contributions	**9,776**	11,162	**18**	148	**9,794**	11,310
	154,955	155,414	**203**	2,091	**155,158**	157,505
Staff costs	**152,175**	152,982	**203**	2,091	**152,378**	155,073
Redundancy costs	**2,780**	2,432	**–**	–	**2,780**	2,432
	154,955	155,414	**203**	2,091	**155,158**	157,505

The Company does not have any employees (2015: none).

8. FSCS levy

In 2015, the Group received a partial refund of £1,160,000 for the 2011 additional Financial Services Compensation Scheme ('FSCS') levies incurred.

9. Profit for the period

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

	Continuing operations		Discontinued operations		Total	
	2016 £'000	2015 £'000	**2016 £'000**	2015 £'000	**2016 £'000**	2015 £'000
Net foreign exchange (gains)/losses	**(65)**	3	**–**	–	**(65)**	3
Depreciation of property, plant and equipment (note 18)	**2,773**	4,317	**732**	685	**3,505**	5,002
Amortisation of intangible assets – client relationships (note 16)	**6,287**	9,219	**–**	–	**6,287**	9,219
Amortisation of intangible assets – software (note 16)	**3,741**	2,546	**700**	169	**4,441**	2,715
Impairment of property, plant and equipment (note 13 and 18)	**–**	–	**335**	136	**335**	136
Impairment of intangible assets – software (note 13 and 16)	**–**	–	**345**	144	**345**	144
Reversal of impairment of trade receivables (note 20)	**(58)**	(89)	**–**	–	**(58)**	(89)
Auditor's remuneration (see analysis below)	**534**	536	**–**	–	**534**	536

9. Profit for the period (continued)

Analysis of Auditor's remuneration:

	2016 £'000	2015 £'000
Audit services		
Fees payable to the Company's Auditor for the audit of the Company's annual accounts	**64**	60
Fees payable to the Company's Auditor and their associates for other services to the Group: the audit of the Company's subsidiaries pursuant to legislation	**245**	230
Fees payable to the Company's Auditor for audit scope changes	**–**	6
Regulatory assurance work	**106**	87
Additional fees for regulatory assurance work	**–**	20
	415	403
Other services		
Assurance services for external parties	**–**	3
AAF 01/06 – controls assurance report	**69**	67
Interim review	**50**	50
Other assurance services	**–**	13
	534	536

Details of the Group's policy on the use of the Auditor for non-audit services are set out in the Audit Committee Report on page 71.

10. Finance income and finance costs

	Continuing operations		Discontinued operations		Total	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Finance income						
Interest on bank deposits	**514**	907	**–**	–	**514**	907
	514	907	**–**	–	**514**	907
Finance costs						
Finance cost of deferred consideration	**–**	98	**–**	–	**–**	98
Interest expense on defined benefit pension scheme	**52**	244	**–**	–	**52**	244
Unwind of discounts on provisions	**75**	46	**134**	–	**209**	46
Interest on bank overdrafts	**65**	41	**–**	–	**65**	41
	192	429	**134**	–	**326**	429

11. Other gains and losses

	2016 £'000	2015 £'000
(Loss)/profit on disposal of available-for-sale investments	**(3)**	9,712

In 2015, the Group disposed of its holding in Euroclear Plc for a cash consideration of £10,147,000 and recognised a gain on disposal of £9,712,000. £9,565,000 of the gain, gross of deferred tax (£1,913,000), was recycled from the revaluation reserve.

12. Income tax expense

	Continuing operations		Discontinued operations		Total	
	2016 £'000	2015 £'000	**2016 £'000**	2015 £'000	**2016 £'000**	2015 £'000
Current tax						
United Kingdom:						
Charge/(credit) for the period	**8,806**	11,463	**1,355**	(1,478)	**10,161**	9,985
Adjustments in respect of prior periods	**237**	257	**(395)**	–	**(158)**	257
Overseas:					**–**	
(Credit)/charge for the period	**(8)**	149	**–**	–	**(8)**	149
Adjustments in respect of prior periods	**35**	1	**–**	–	**35**	1
Total current tax	**9,070**	11,870	**960**	(1,478)	**10,030**	10,392
Deferred tax						
United Kingdom:						
Charge/(credit) for the period	**2,310**	1,398	**1,675**	(138)	**3,985**	1,260
Adjustments in respect of prior periods	**(285)**	(539)	**–**	(1,537)	**(285)**	(2,076)
Total deferred tax (see note 22)	**2,025**	859	**1,675**	(1,675)	**3,700**	(816)
Tax charged/(credited) to the Income Statement	**11,095**	12,729	**2,635**	(3,153)	**13,730**	9,576

United Kingdom corporation tax is calculated at 20% (2015: 20.5%) of the estimated assessable taxable profit for the period. The Finance Act 2013 reduced the corporation tax to 20% from 1 April 2015 and Finance Act 2015 maintains that rate until 31 March 2017 (21% applied from 1 April 2014).

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

The charge for the year can be reconciled to the profit per the Income Statement as follows:

	2016 £'000	2015 £'000
Profit before tax on continuing operations	**50,062**	61,000
Tax at the UK corporation tax rate of 20% (2015: 20.5%)	**10,012**	12,505
Tax effect of:		
Expenses that are not deductible in determining taxable profit	**521**	1,001
Impact of defined benefit scheme contributions	**(99)**	(64)
Leasehold property	**251**	255
Share-based payments	**241**	(523)
Over provision for tax in previous periods	**(13)**	(281)
Lower rates in subsidiaries	**32**	(164)
Impact of deferred tax rate change	**150**	–
Tax expense for the period	**11,095**	12,729
Effective tax rate for the year	**22.2%**	20.9%

There are no material uncertainties within the calculation of corporation tax. The tax provisions are based on tax legislations in the relevant jurisdictions and have not required any judgements or material estimates.

13. Discontinued operations

The disposal of Stocktrade (discontinued operation) completed in the period; disposal proceeds of £14,000,000 were received.

The results of the discontinued operation included in the Consolidated Income Statement, were as follows:

	2016 £'000	2015 £'000
Revenue	**3,379**	9,687
Expenses	**(3,339)**	(8,413)
Operating profit	**40**	1,274
Costs of separation	**(10)**	(10,970)
Profit/(loss) before tax	**30**	(9,696)
Attributable tax (expense)/credit	**(43)**	1,478
Loss after tax	**(13)**	(8,218)
Profit on disposal of discontinued operations	**14,000**	(690)
Attributable tax (expense)/credit	**(2,592)**	1,675
Net profit/(loss) attributable to discontinued operations (attributable to the equity holders of the parent)	**11,395**	(7,233)

Costs of separation consist of the following items:

	2016 £'000	2015 £'000
Impairment		
– Intangible – see note 16	**(345)**	(144)
– Tangible – see note 18	**(335)**	(136)
Onerous contract release/(charge)	**680**	(10,288)
Other	**(10)**	(402)
Total costs of separation	**(10)**	(10,970)

The discontinued operation contributed the following cash flows included within the Consolidated Cash Flow Statement:

	2016 £'000	2015 £'000
Net cash (outflows)/inflows from operating activities	**(8,206)**	1,732
Net cash flows from investing activities	**14,000**	–
Net increase in cash and cash equivalents	**5,794**	1,732

14. Dividends

	2016 £'000	2015 £'000
Amounts recognised as distributions to equity shareholders in the period:		
2014/2015 Final dividend paid 11 March 2016, 8.25p per share (2015: 6.25p per share)	**22,374**	16,845
2015/2016 Interim dividend paid 17 June 2016, 3.85p per share (2015: 3.75p per share)	**10,444**	10,118
	32,818	26,963
Proposed final dividend for the period ended 30 September 2016 of 9.15p (2015: 8.25p) per share based on shares in issue at 24 November 2016 (24 November 2015)	**22,420**	22,094

The proposed final dividend for the period ended 30 September 2016 of 9.15p 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, Computershare Trustees (Jersey) Limited (the 'Trustee') holds 11,460,043 Ordinary Shares representing 4% of the Company's called up share capital in relation to employee share schemes, has agreed to waive all dividends due to the Trustee.

15. Earnings per share

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

	2016 '000	2015 '000
Number of shares		
Basic		
Weighted average number of shares in issue in the period	**271,072**	272,987
Diluted		
Effect of weighted average number of options outstanding for the period	**9,984**	10,040
Diluted weighted average number of options and shares for the period	**281,056**	283,027
Adjusted[1] diluted		
Effect of full dilution of employee share options which are contingently issuable or have future attributable service costs	**4,637**	4,727
Adjusted[1] diluted weighted average number of options and shares for the period	**285,693**	287,754

a) Continuing operations

	2016 £'000	2015 £'000
Earnings attributable to ordinary shareholders		
Basic and diluted profit for the period	**38,967**	48,271
Disposal of available-for-sale investment	**3**	(9,712)
Redundancy costs	**2,780**	2,432
FSCS levy rebate	**–**	(1,160)
Onerous contracts	**311**	433
Amortisation of intangible assets – client relationships	**6,287**	9,219
One-off migration costs	**1,596**	–
less tax effect of above	**(2,042)**	(248)
Adjusted basic and diluted profit for the period and attributable earnings	**47,902**	49,235

	2016	2015
Earnings per share		
Basic	**14.4p**	17.7p
Diluted	**13.9p**	17.1p

	2016	2015
Adjusted[2] earnings per share		
Basic	**17.7p**	18.0p
Adjusted[1] diluted	**16.8p**	17.1p

1 The dilutive shares used for this measure differ from those used for statutory dilutive earnings per share; the future value of service costs attributable to employee share options is ignored and contingently issuable shares for Long Term Incentive Plan ('LTIP') options are assumed to fully vest. The Directors have selected this measure as it represents the underlying effective dilution by offsetting the impact to the calculation of basic shares of the purchase of shares by Employee Share Ownership Trust ('ESOT') to satisfy options.

2 Excluding disposal of available-for-sale investment, redundancy costs, FSCS levy rebate, onerous contracts, amortisation of client relationships and one-off migration costs.

15. Earnings per share (continued)

b) Continuing and discontinued operations

	2016 £'000	2015 £'000
Earnings attributable to ordinary shareholders		
Basic and diluted profit for the period	**50,362**	41,038
Disposal of available-for-sale investment	**3**	(9,712)
Redundancy costs	**2,780**	2,432
FSCS levy rebate	**–**	(1,160)
Onerous contracts	**311**	433
Amortisation of intangible assets – client relationships	**6,287**	9,219
One-off migration costs	**1,596**	–
less tax effect of above	**(2,042)**	(248)
Adjusted basic and diluted profit for the period and attributable earnings	**59,297**	42,002

	2016	2015
Earnings per share		
Basic	**18.6p**	15.0p
Diluted	**17.9p**	14.5p

	2016	2015
Adjusted[2] earnings per share		
Basic	**21.9p**	15.4p
Adjusted[1] diluted	**20.8p**	14.6p

c) Discontinued operations

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

	2016	2015
Earnings per share		
Basic	**4.2p**	(2.7)p
Diluted	**4.0p**	(2.6)p

	2016	2015
Adjusted[2] earnings per share		
Basic	**4.2p**	(2.6)p
Adjusted[1] diluted	**4.0p**	(2.5)p

1 The dilutive shares used for this measure differ from those used for statutory dilutive earnings per share; the future value of service costs attributable to employee share options is ignored and contingently issuable shares for Long Term Incentive Plan ('LTIP') options are assumed to fully vest. The Directors have selected this measure as it represents the underlying effective dilution by offsetting the impact to the calculation of basic shares of the purchase of shares by Employee Share Ownership Trust ('ESOT') to satisfy options.

2 Excluding disposal of available-for-sale investment, redundancy costs, FSCS levy rebate, onerous contracts, amortisation of client relationships and one-off migration costs.

16. Intangible assets

	Goodwill £'000	Client relationships £'000	Software costs £'000	Total £'000
Cost				
At 28 September 2014	48,637	108,046	53,655	210,338
Additions	–	(103)	4,874	4,771
Disposals	–	–	(2,704)	(2,704)
Exchange differences	–	(8)	–	(8)
Remeasurement of deferred purchase consideration in respect of acquisitions in prior periods (note 28)	–	6	–	6
At 30 September 2015	48,637	107,941	55,825	212,403
Additions	–	(65)	5,189	5,124
Disposals	–	–	(42,808)	(42,808)
Exchange differences	–	26	–	26
At 30 September 2016	**48,637**	**107,902**	**18,206**	**174,745**
Accumulated amortisation and impairment				
At 28 September 2014	–	69,589	46,438	116,027
Amortisation charge for the period	–	9,219	2,715	11,934
Eliminated on disposal	–	–	(2,688)	(2,688)
Exchange differences	–	(3)	–	(3)
Impairment losses for the period (note 13)	–	–	144	144
At 30 September 2015	–	78,805	46,609	125,414
Amortisation charge for the period	–	6,287	4,441	10,728
Eliminated on disposal	–	–	(42,808)	(42,808)
Exchange differences	–	13	–	13
Impairment losses for the period (note 13)	–	–	345	345
At 30 September 2016	**–**	**85,105**	**8,587**	**93,692**
Net book value				
At 30 September 2016	**48,637**	**22,797**	**9,619**	**81,053**
At 30 September 2015	48,637	29,136	9,216	86,989
At 28 September 2014	48,637	38,457	7,217	94,311

Client relationship additions are made up as follows:

	2016 £'000	2015 £'000
Cash paid for businesses or client relationships acquired in previous periods	**–**	3
Shares issued in period	**9,305**	10,023
Other additions	**(66)**	69
Utilisation of provisions for deferred purchase liability and shares to be issued (note 28)	**(9,304)**	(10,198)
Total additions	**(65)**	(103)

16. Intangible assets (continued)

The following table splits out the significant client relationship assets:

	Client relationships £'000
Carrying amount at period end	
Midland investment management team 4[1]	558
Tilman Brewin Dolphin Limited[2]	15,943
Other investment management teams[3]	6,296
	22,797

1 Amortisation period remaining 1 year and 1 month.
2 Amortisation period remaining 9 years 10 months.
3 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. Impairment

Goodwill and client relationship impairment testing

The table below shows the goodwill allocated to groups of cash-generating units (CGUs):

	Groups of CGUs No.	Goodwill £'000
Carrying amount at period end		
Midland Branch 1	1	5,149
Midland Branch 2	1	5,284
Northern Branch 1	1	6,432
South East Branch 1	1	12,800
Other Branches	14	18,972
	18	**48,637**

In accordance with IFRS, the Group performs impairment testing for goodwill on an annual basis or more frequently when there are indications of impairment. For client relationships, impairment testing is performed at each reporting date.

The recoverable amount for each of the CGUs is the fair value less costs of disposal. The fair value is determined by applying percentages to the funds for each CGU. The percentages applied are a Level 2 input based on recent observable market transactions. Discretionary funds are valued at 3% and advisory funds are valued at 1% of assets under management.

Sensitivity analysis of the key assumptions

A 10bps absolute change in the value of funds used for the purpose of goodwill impairment testing impacts the valuation of the CGUs collectively by +/– 3.5% or +/– £24 million movement on the estimated value of funds of £682 million of the CGUs which have goodwill balances as at 30 September 2016.

18. Property, plant and equipment

	Leasehold improvements £'000	Office equipment £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
Cost					
At 28 September 2014 (restated[1])	11,546	12,966	32	75,706	100,250
Additions	1,548	336	–	398	2,282
Exchange differences	(10)	(30)	(2)	–	(42)
Disposals	(81)	(122)	–	(32,438)	(32,641)
At 30 September 2015	13,003	13,150	30	43,666	69,849
Additions	198	138	–	127	463
Exchange differences	31	91	5	–	127
Disposals	(42)	(87)	(35)	(9,680)	(9,844)
At 30 September 2016	**13,190**	**13,292**	**–**	**34,113**	**60,595**
Accumulated depreciation and impairment					
At 28 September 2014 (restated[1])	7,134	10,994	21	71,025	89,174
Charge for the period	1,640	1,117	7	2,238	5,002
Exchange differences	(10)	(25)	(1)	–	(36)
Impairment of assets (note 13)	–	–	–	136	136
Eliminated on disposal	(79)	(98)	–	(32,438)	(32,615)
At 30 September 2015	8,685	11,988	27	40,961	61,661
Charge for the period	1,267	642	–	1,596	3,505
Exchange differences	30	78	5	–	113
Impairment of assets (note 13)	–	–	–	335	335
Eliminated on disposal	(42)	(87)	(32)	(9,680)	(9,841)
At 30 September 2016	**9,940**	**12,621**	**–**	**33,212**	**55,773**
Net book value					
At 30 September 2016	**3,250**	**671**	**–**	**901**	**4,822**
At 30 September 2015	4,318	1,162	3	2,705	8,188
At 28 September 2014 (restated[1])	4,412	1,972	11	4,681	11,076

1 Amended to reflect fully written down assets.

19. Investment in subsidiaries

The following are the Group's subsidiary undertakings, all of which are owned 100% directly or indirectly by the Group and are included in the consolidated financial statements:

Name of Subsidiary	Activity	Country of registration	Class of share capital	Nominal Value
ABDA Nominees Limited	Dormant Nominee	England & Wales	Ordinary	£1
B.L.Nominees Limited	Dormant Nominee	England & Wales	Ordinary	£1
BDS Nominees Limited	Client Nominee	England & Wales	Ordinary	£1
Bell Lawrie Nominees Limited	Dormant Nominee	Scotland	Ordinary	£1
Bell Lawrie White & Co. Limited	Dormant	Scotland	Ordinary	£0.01
BL PEP Nominees Limited	Dormant Nominee	Scotland	Ordinary	£1
BLM Nominees Limited	Dormant Nominee	Scotland	Ordinary	£1
Brewin (1762) Limited	Dormant	England & Wales	Ordinary	£1
Brewin 1762 Nominees (Channel Islands) Limited	Dormant Nominee	Jersey	Ordinary	£1
Brewin 1762 Nominees Limited	Client Nominee	England & Wales	Ordinary	£1
Brewin Broking Limited*	Dormant	England & Wales	A Ordinary/B Ordinary	£1
Brewin Dolphin (Channel Islands) Limited	Dormant	Jersey	Ordinary	£1
Brewin Dolphin Limited*	Investment Manager	England & Wales	Ordinary	£1
Brewin Dolphin MP	Investment Manager	England & Wales	A Ordinary/B Ordinary	£0.01
Brewin Dolphin Securities Limited	Dormant	England & Wales	Ordinary	£1
Brewin Nominees (Channel Islands) Limited	Client Nominee	Jersey	Ordinary	£1
Brewin Nominees Limited	Client Nominee	England & Wales	Ordinary	£1
Cosmitt Nominees Limited	Dormant Nominee	England & Wales	Ordinary	£1
Erskine Nominees Limited	Dormant Nominee	Scotland	Ordinary	£1
Four Yards Nominees Limited	Client Nominee	England & Wales	Ordinary	£1
Giltspur Nominees Limited	Client Nominee	England & Wales	Ordinary	£1
Hill Osborne Nominees Limited	Dormant Nominee	England & Wales	Ordinary	£1
Hilstock PEP (Client) Nominees Limited	Dormant Nominee	England & Wales	Ordinary	£1
Hilstock SCP (Client) Nominees Limited	Dormant Nominee	England & Wales	Ordinary	£1
New Town (Nominees) Limited	Dormant Nominee	Scotland	Ordinary	£1
North Castle Street (Nominees) Limited	Client Nominee	Scotland	Ordinary	£1
Northgate Nominees Limited	Dormant Nominee	England & Wales	Ordinary	£1
Pilgrim Nominees Limited	Dormant Nominee	England & Wales	Ordinary	£1
Robert White & Co. Limited*	Dormant	Scotland	Ordinary	£1
Shareline (Yorkshire) Limited	Dormant	England & Wales	Ordinary	£1
Smittco Nominees Limited	Firm Nominee	England & Wales	Ordinary	£1
Stable (Nominees) Limited	Dormant Nominee	United Kingdom	Ordinary	£1
Tilman Brewin Dolphin Limited*	Investment Manager	Ireland	Ordinary/A Shares	€1.50/€0.01
Tilman Brewin Dolphin Nominees Limited	Client Nominee	Ireland	Ordinary	€1
Webrich Limited*	Trustee	England & Wales	Ordinary	£1
WIS ICS Nominees Limited	Dormant Nominee	England & Wales	Ordinary	£1
Wise Nominees Limited	Dormant Nominee	England & Wales	Ordinary A Voting/ Ordinary B Voting/ Ordinary C	£1
Wise Speke Financial Services Limited	Dormant	England & Wales	Ordinary	£1

* Indicates subsidiaries which are 100% directly owned.

	2016 £'000	2015 £'000
At start of period	**194,305**	201,359
Change in investment in Brewin Dolphin Limited	**(1)**	(14)
Investment in Tilman Brewin Dolphin Limited	**–**	60
Capital contribution Brewin Dolphin Limited re share-based payments	**(2,875)**	(7,100)
At end of period	**191,429**	194,305

20. Trade and other receivables

Group

	2016 £'000	2015 £'000
Non-current assets: other receivables		
Loans[1]	**307**	442
	307	442

Current assets: trade and other receivables		
Trade debtors	**157,279**	196,290
Loans[1]	**347**	487
Other debtors	**2,056**	1,487
Accrued income	**49,846**	47,454
Prepayments	**8,590**	8,323
	218,118	254,041

Company

	2016 £'000	2015 £'000
Non-current assets: other receivables		
Loans[1]	**50**	50
	50	50

Current assets: trade and other receivables		
Prepayments	**–**	14
Amounts due from subsidiary undertakings	**46,151**	49,292
	46,151	49,306

1 All loans are to staff and the Directors believe that the balances are fully recoverable.

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. Trade debtors that are older than 90 days are provided for unless collateral is held. The maximum exposure to credit risk is the carrying value as above.

20. Trade and other receivables (continued)

Ageing of past due but not impaired trade debtors

	2016 £'000	2015 £'000
Not past due	**154,590**	192,143
Up to 15 days past due	**2,348**	2,255
16 to 30 days past due	**43**	520
31 to 45 days past due	**64**	125
More than 45 days past due	**184**	1,004
	157,229	196,047

Individually impaired trade debtors

	2016 £'000	2015 £'000
Individually impaired trade debtors	**83**	351
Provision for doubtful debts	**(33)**	(108)
	50	243
Trade debtors	**157,279**	196,290

Movements in provision for doubtful debts

	2016 £'000	2015 £'000
At start of period	**108**	197
Net release to the Income Statement	**(58)**	(89)
Doubtful debts written off	**(17)**	–
At end of period	**33**	108

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

21. Defined benefit pension scheme

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 (the 'Scheme').

Pension benefits are related to the members' final salary at retirement and their length of service. The pension is payable for life and has elements increasing in payment in line with inflation up to a maximum of 5% p.a. 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 Scheme from that date. Contributions to the Scheme for the year beginning 1 October 2016 are expected to be £3.0 million.

The Scheme is an HMRC registered pension scheme and is subject to standard UK pensions and tax law. This means that the payment of contributions and benefits are subject to the appropriate tax treatments and restrictions and the Scheme is subject to the Scheme funding requirements outlined in Section 224 of the Pensions Act 2004.

The Scheme was established under trust and is governed by the Scheme's Trust Deed and Rules. In accordance with UK trust and pensions law, the Scheme has appointed Trustees. Although the Group bears the financial cost of the Scheme, the responsibility for the management and governance of the Scheme lies with the Trustees, who have a duty to act in the best interest of members at all times.

Valuation for funding purposes

The valuation as at 31 December 2014:

	£'000
Value of scheme assets	81,609
Actuarial value of scheme liabilities in respect of	
In-service members	(17,598)
Deferred pensioners	(31,459)
Current pensioners and dependants	(43,926)
Value of scheme liabilities	(92,983)
Scheme deficit	(11,374)
Funding level	88%

The Scheme is valued for funding purposes at intervals of not more than three years by an independent qualified actuary. The latest valuation for funding purposes was as at 31 December 2014.

The Group and the Scheme's Trustees agreed a deficit reduction plan following the 2014 valuation and it was agreed that Brewin Dolphin Limited would pay contributions of £250,000 per month from 1 January 2015 with a view to eliminate the deficit by 28 February 2019.

The next actuarial valuation of the Scheme is due as at 31 December 2017 and a revised deficit reduction plan will be considered as part of this exercise. The administration costs of the Scheme, including investment management fees and Scheme levy payments, are currently paid by Brewin Dolphin Limited as they fall due.

21. Defined benefit pension scheme (continued)

Summary of amounts recognised in the financial statements under IAS 19

In the consolidated financial statements, the Group accounts for pension costs, other post-retirement benefits and related redundancy provisions in accordance with IAS 19 – 'Employee Benefits'. Under the standard, the difference between the market values of Scheme assets and the present value of Scheme liabilities is reported as a surplus (to the extent a surplus may be seen) or deficit in the Balance Sheet. The accounting value is different from the result obtained using the funding basis.

The accounts show the Scheme has a smaller deficit than that revealed by the last funding valuation. The main reasons for this are the difference between the experience of the Scheme over the period from 1 January 2015 to 30 September 2016 and that assumed for the purposes of the funding valuation as at 31 December 2014, and the differences in the assumptions used to value the liabilities in the accounting and funding valuations for the Scheme.

In the preparation of the valuations under IAS 19 referred to in this note, the actuary has used the assumptions indicated below, which the Group has directed for the purposes of accounting and disclosure under IAS 19.

Risks

The main risks to which the Group is exposed in relation to the pension scheme are:

Mortality risk – the assumptions adopted by the Group make allowance for future improvements in life expectancy. However, if life expectancy improves at a faster rate than assumed, this would result in greater payments from the Scheme and consequently increases in the Scheme's liabilities. The Group and the Scheme's Trustees review the mortality assumption on a regular basis to minimise this risk.

Investment risk – the Scheme invests its assets in a diversified portfolio of assets. There are risks that the assets underperform relative to increases in the value of the Scheme's liabilities increasing the cost to the Group of the benefit provision. There is a risk that the assets invested in do not sufficiently match the characteristics of the Scheme's liabilities and so a fall in asset values is not similarly matched by a fall in the value of the liabilities. While certain assets are chosen that match the characteristics of the Scheme's liabilities and membership profile, the Scheme currently invests in a high proportion of equities and assets that are not expected to closely match the majority of the Scheme's liabilities. The Scheme's Trustees review the performance of the assets and structure of the portfolio on a regular basis to ensure the risks being taken under investment are commensurate with normal Trustee principles and the ability of the Group to mitigate adverse investment experience.

Price inflation risk – some of the Scheme's benefits increase in line with price inflation and so if inflation is greater than expected, the costs of providing these benefits will increase. The Scheme holds government bonds with payments also linked to inflation to assist in mitigating this risk.

Scheme investment strategy and level of matching

The Scheme's investment strategy is to invest broadly 82.5% in higher return seeking assets (e.g. equities, high yielding bonds etc.) and 17.5% in matching assets (e.g. fixed interest gilts and index-linked gilts). The objective is to target an investment return of 2.5% per annum (net of fees) in excess of a portfolio of gilts that closely matches the behaviour of the Scheme's funding liabilities. This return objective will fall over time, as the proportion of matching assets are increased as the scheme matures, to 0.6% per annum (net of fees) once all the members have retired. The Scheme also has liability matching swaps in place so that, along with the matching assets, the majority of the movement in the Scheme's funding liabilities should be matched by similar movements in the assets. This strategy reflects the Scheme's liability profile and the Trustees' and Company's attitude to risk. The asset allocations as at 30 September 2016 and 30 September 2015 are provided below, disaggregated between assets that are believed to have a quoted market price in an active market and those that are unquoted.

None of the assets of the pension schemes are invested in the Group's own financial instruments and none of the assets are properties or other assets used by the Group.

A full actuarial valuation of the Scheme was carried out as at 31 December 2014. The pension valuation under IAS 19 as at 30 September 2016 was carried out by a qualified independent actuary. The major assumptions used by the actuary were (in nominal terms) as follows:

	As at 30 September 2016	As at 30 September 2015
Discount rate	**2.20%**	3.80%
RPI inflation assumption	**3.10%**	3.20%
CPI inflation assumption	**2.10%**	2.20%
Rate of increase in salaries	**3.10%**	3.20%
LPI pension increases	**3.00%**	3.10%
Average assumed life expectancies for members on retirement at age 65:		
Retiring today:		
Males	**88.7 years**	88.6 years
Females	**88.9 years**	89.9 years
Retiring in 20 years time:		
Males	**90.4 years**	89.9 years
Females	**91.7 years**	91.4 years

The assets in the scheme were:

	2016 £'000	2015 £'000
Equities and property (quoted)	**31,444**	33,146
Fixed interest bonds (quoted)	**24,813**	26,353
Index linked bonds (quoted)	**13,165**	8,764
Liability hedging (quoted)	**9,364**	2,326
Currency hedging (quoted)	**6**	(645)
Alternatives (quoted)	**13,401**	9,932
Cash and cash equivalents	**13,240**	2,035
Fair value of scheme assets	**105,433**	81,911

The actual return on assets over the period was:

	2016 £'000	2015 £'000
Present value of funded obligations	**(112,385)**	(84,780)
Fair value of scheme assets	**105,433**	81,911
Deficit in funded scheme	**(6,952)**	(2,869)
Present value of unfunded obligations	**–**	–
Unrecognised actuarial gains/(losses)	**–**	–
Adjustment in respect of asset ceiling and minimum funding requirement	**–**	–
Net liability in balance sheet	**(6,952)**	(2,869)

21. Defined benefit pension scheme (continued)

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

	2016 £'000	2015 £'000
Benefit obligation at beginning of period	**84,780**	83,410
Service cost	**–**	–
Interest cost	**3,168**	3,199
Contributions by scheme participants	**–**	–
Net remeasurement – demographic	**358**	(721)
Net remeasurement losses – financial	**29,011**	2,771
Net remeasurement gains – experience	**(2,105)**	(1,089)
Benefits paid	**(2,827)**	(2,790)
Benefit obligation at end of period	**112,385**	84,780

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

	2016 £'000	2015 £'000
Fair value of plan assets at beginning of period	**81,911**	75,675
Interest income on scheme assets	**3,116**	2,955
Return on assets, excluding interest income	**20,233**	3,071
Contributions by employers	**3,000**	3,000
Contributions by scheme participants	**–**	–
Benefits paid	**(2,827)**	(2,790)
Fair value of scheme assets at end of period	**105,433**	81,911

The amounts recognised in the Income Statement are:

	2016 £'000	2015 £'000
Service cost	**–**	–
Net interest on the net defined benefit liability	**52**	244
Settlements and curtailments	**–**	–
Total expense	**52**	244

Remeasurements of the net defined benefit liability to be shown in Other Comprehensive Income ("OCI"):

	2016 £'000	2015 £'000
Net remeasurement – demographic	**358**	(721)
Net remeasurement – financial	**29,011**	2,771
Net remeasurement – experience	**(2,105)**	(1,089)
Return on assets, excluding interest income	**(20,233)**	(3,071)
Changes in the effect of the asset ceiling excluding interest income	**–**	–
Total remeasurement of the net defined benefit liability to be shown in OCI	**7,031**	(2,110)

Sensitivity analysis

It should be noted that the methodology and assumptions prescribed for the purposes of IAS 19 mean that the disclosures will be inherently volatile, varying greatly according to investment market conditions at each accounting date.

A sensitivity analysis of the principal assumptions used to measure the Scheme liabilities is set out below. The duration of the pension scheme liabilities is in the region of 19 years.

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Decrease by 0.25%	Increase by £6.3m
Rate of inflation (RPI and CPI)	Increase by 0.25%	Increase by £4.6m
Assumed life expectancy	Members live 1 year longer	Increase by £5.1m

The sensitivity figures have been calculated using the same method used for the calculation of the disclosed liabilities as at 30 September 2016. There are no material limitations of the method used to calculate the sensitivities relative to the disclosed liabilities.

22. Net deferred tax asset

In addition to the amount debited to the Income Statement, deferred tax relating to the actuarial loss in the defined benefit pension scheme amounting to £1,109,000 has been credited to other comprehensive income (2015: £422,000 debited to other comprehensive income relating to the actuarial gain). Deferred tax on share-based payments of £221,000 has been debited to profit and loss reserves (2015: £839,000 debited to profit and loss reserves).

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

	Capital allowances £'000	Revaluation £'000	Other short-term timing differences £'000	Defined pension benefit scheme £'000	Share-based payments £'000	Capital losses £'000	Intangible asset amortisation £'000	Total £'000
At 28 September 2014	1,890	(1,913)	1,772	1,547	6,056	–	(216)	9,136
Credit/(charge) in the period to the Income Statement	46	–	136	(551)	(100)	1,537	(251)	817
Charge in the period to the Statement of Comprehensive Income	–	–	–	(422)	–	–	–	(422)
Credit/(charge) in the period to the Statement of Changes in Equity	–	1,913	–	–	(839)	–	–	1,074
At 30 September 2015	1,936	–	1,908	574	5,117	1,537	(467)	10,605
Credit/(charge) in the period to the Income Statement	(210)	–	(665)	(501)	396	(1,537)	(1,183)	(3,700)
Credit in the period to the Statement of Comprehensive Income	–	6	–	1,109	–	–	–	1,115
Charge in the period to the Statement of Changes in Equity	–	–	–	–	(221)	–	–	(221)
At 30 September 2016	**1,726**	**6**	**1,243**	**1,182**	**5,292**	**–**	**(1,650)**	**7,799**

Deferred income taxes are calculated using rates of UK corporation tax expected to be in force at the time assets are realised as follows:

Before 31 March 2017	20%
Between 1 April 2017 and 31 March 2020	19%
After 1 April 2020	17%

The enacted rate applicable for the period ended 30 September 2015 was 20%.

23. Investments

Available-for-sale investments

	Unlisted investments £'000
At 28 September 2014	10,000
Additions	140
Disposals	(10,000)
At 30 September 2015	**140**
Additions	**770**
Net loss from changes in fair value recognised in equity	**(30)**
Disposals	**(47)**
At 30 September 2016	**833**

	2016 £'000	2015 £'000
Current assets		
Available-for-sale investments		
– Equity	**128**	46
– Asset-backed security	**705**	94
Total investments	**833**	140

The asset-backed security is a USD fixed rate note, due to mature on 23 September 2019. The available-for-sale investments are held at fair value. Further information is disclosed in note 32.

Trading investments

	Listed investments £'000
At 30 September 2015	945
At 30 September 2016	**1,093**

The trading investments are measured at fair value which is determined directly by reference to published prices in an active market where available. They are held in an unregulated subsidiary, Brewin Dolphin MP, whose sole objective is to provide seed capital to the model portfolios managed under an investment mandate by Brewin Dolphin Limited.

24. Cash and cash equivalents

Group

	2016 £'000	2015 £'000
Cash and cash equivalents	**170,766**	149,839
	170,766	149,839

Company

	2016 £'000	2015 £'000
Cash and cash equivalents	**686**	259
	686	259

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 deposits for clients, not included in the Consolidated Balance Sheet, which were held in segregated client bank accounts amounting to £1.63 billion (2015: £1.42 billion).

25. Bank overdrafts

Group

	2016 £'000	2015 £'000
Bank overdrafts	**–**	16
	–	16

Bank overdrafts are unsecured and repayable on demand.

26. Trade and other payables

Group

	2016 £'000	2015 £'000
Trade creditors	**154,147**	187,049
Other creditors	**4,529**	3,988
Other taxes and social security	**8,488**	8,343
Accruals	**54,479**	54,596
Deferred income	**302**	264
Deferred purchase consideration (note 28)	**–**	1,284
	221,945	255,524

Company

	2016 £'000	2015 £'000
Other creditors	**–**	15
Accruals	**22**	13
Deferred income	**4,957**	8,999
Amounts payable to subsidiary undertakings	**7,334**	7,336
	12,313	16,363

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.

27. Provisions

	Sundry claims and associated costs £'000	Onerous contracts £'000	Social Security contributions on share options £'000	Leasehold dilapidations £'000	Total £'000
At start of period	2,426	14,357	2,501	2,255	21,539
Additions	739	614	832	282	2,467
Utilisation of provision	(1,484)	(9,723)	(902)	(462)	(12,571)
Unwinding of discount	–	174	–	35	209
Unused amounts reversed during the period	(659)	(1,114)	–	(174)	(1,947)
At end of period	**1,022**	**4,308**	**2,431**	**1,936**	**9,697**

Included in current liabilities	1,022	971	1,062	42	3,097
Included in non-current liabilities	–	3,337	1,369	1,894	6,600
	1,022	**4,308**	**2,431**	**1,936**	**9,697**

The Group recognises a provision for settlements of sundry claims and associated costs. The timing of the settlements is unknown, but it is expected that they will be resolved within 12 months.

The onerous contracts provision is in respect of both surplus office space and contracts associated with discontinued operations.

The valuation of an onerous contract is based on the best estimate of the likely costs discounted to present value. Where the provision is in relation to premises and it is more likely than not that the premises will be sublet, an allowance for sublease income has been included in the valuation.

Provision of £4.1 million (2015: £4.1 million) has been made for surplus office space, which the Group may not be able to sublet in the short term. The maximum exposure is the current estimated amount that the Group would have to pay to meet the future obligations under these lease contracts, which is approximately £11.3 million as at 30 September 2016 (2015: £6.9 million), if the assumption regarding sublets is removed and the time value of money is ignored. The longest lease term covered by the provision has 16.5 years remaining and accounts for £3.6 million of the provision.

Provision of £0.2 million (2015: £10.3 million) has been made in relation to onerous contracts resulting from discontinued operations. These costs arise over the term of the contract. The contracts covered by the provision have a maximum remaining term of three months and the maximum exposure is £0.2 million, if the time value of money is ignored. During the period settlement has been made in relation to certain contracts.

The Group recognises a provision of £1.9 million (2015: £2.3 million) for leasehold dilapidations. These costs are expected to arise at the end of the lease. The leases covered by the provision have a maximum remaining term of 16.5 years.

See note 4b.iv for key sources of estimation uncertainty impacting the provisions.

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

The Group in prior years has acquired investment businesses and teams of investment managers, who brought with them funds (the latter classified as the intangible asset client relationships) on deferred purchase terms, with the deferred payment made in ordinary shares and the estimated cost of the shares reassessed annually. All deferred consideration payments for acquisitions have now been settled.

As at 30 September 2016

	Shares to be issued inc. premium (Group & Company) £'000	**Deferred Purchase Consideration (Group only) £'000**	**Total £'000**
Reconciliation of movement in total of current liabilities			
Balance as at 30 September 2015	**9,304**	**1,284**[1]	**10,588**
Utilised in period	**(9,304)**	**(1,284)**	**(10,588)**
Balance as at 30 September 2016	**–**	**–**	**–**

As at 30 September 2015

	Shares to be issued inc. premium (Group & Company) £'000	Deferred Purchase Consideration (Group only) £'000	Total £'000
Deferred consideration relating to acquisitions			
Current liability			
Payments relating to 11 cash-generating units	9,304	1,284[1]	10,588
	9,304	1,284	10,588
Reconciliation of movement in total of current and non-current liabilities			
Balance as at 28 September 2014	19,280	1,402	20,682
Adjustment to prior year acquisitions (see notes 3(t) and 16)	(1)	7	6
Unwind of discount charged to the Income Statement	93	5	98
Utilised in period	(10,068)	(130)	(10,198)
Balance as at 30 September 2015	9,304	1,284	10,588

1 Current liability for Deferred Purchase Consideration is included in the Consolidated Balance Sheet within Trade and Other Payables.

29. Share capital

	2016 No.	2015 No.	2016 £'000	2015 £'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	**283,026,606**	279,262,045	**2,830**	2,793
Allotted, issued and nil paid	**–**	36,832	**–**	–
	283,026,606	279,298,877	**2,830**	2,793

During the period the following shares were issued:

	Date	No. of Fully Paid Shares	No. of Nil Paid Shares	Exercise/Issue Price (pence)	Share capital £'000	Share premium account £'000	Total £'000
At 30 September 2015		279,262,045	36,832		2,793	142,135	144,928
Settlement of deferred consideration	3 December 2015	3,458,926	–	269p	35	9,270	9,305
Issue of options	Various	268,803	–	103.5p – 175.25p	2	399	401
Nil paid shares now paid up	Various	36,832	(36,832)	108.6p	–	40	40
Cost of issue of shares		–	–			(8)	(8)
At 30 September 2016		**283,026,606**	**–**		**2,830**	**151,836**	**154,666**

The following options have been granted and remain outstanding:

	Exercise price	Grant date	2016 No.	2015 No.
Approved share option	145p	December 2005	**–**	10,000
Approved share option	175.25p	November 2006	**128,676**	156,676
Approved share option	168p	November 2007	**85,726**	98,976
Approved share option	103.5p	November 2008	**50,000**	65,000
Unapproved share option	108.6p	December 2008	**–**	27,624
Approved share option	165.7p	December 2009	**158,998**	193,714
Deferred Profit Share Plan[1]	Nil	December 2010	**208,378**	337,375
Approved share option	148p	December 2010	**107,307**	280,228
Approved share option	131.3p	December 2011	**61,500**	66,250
Deferred Profit Share Plan[1]	Nil	December 2011	**563,497**	695,032
Deferred Profit Share Plan[1]	Nil	December 2012	**471,383**	2,587,552
Deferred Profit Share Plan[1]	Nil	December 2013	**1,639,527**	1,671,828
Equity Award Plan[1]	Nil	December 2013	**1,666,635**	1,684,365
Long Term Incentive Plan	Nil	February 2014	**878,653**	897,935
Deferred Profit Share Plan[1]	Nil	December 2014	**2,057,563**	2,091,804
Equity Award Plan[1]	Nil	December 2014	**2,321,378**	2,386,521
Long Term Incentive Plan	Nil	December 2014	**1,496,791**	1,667,624
Equity Award Plan[1]	Nil	January 2015	**28,070**	28,070
Deferred Profit Share Plan[1]	Nil	December 2015	**2,226,832**	–
Equity Award Plan[1]	Nil	December 2015	**240,901**	–
Long Term Incentive Plan	Nil	December 2015	**1,213,519**	–
Total options outstanding			**15,605,334**	14,946,574

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

The rights and obligations attached to the ordinary shares of 1 penny 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 any nil paid shares that may be held by the Trustees in Brewin Dolphin Holdings PLC Employee Share Ownership Trust (the 'Trust').
- The Trustees of the Brewin Dolphin Holdings PLC Employee Share Ownerships Trust have agreed to waive all dividends due on the shares held in the Trust, 11,460,043 ordinary shares as at 30 September 2016 (2015: 11,482,546).
- There are no special rights for the ordinary shares in relation to control of the Company.

On a change of control, the following criteria will apply:

- 2004 Approved Share Option Schemes: Options can be exercised within 30 days of control being obtained. The options will lapse after six months.
- Long Term Incentive Plan: Awards will automatically vest upon change of control and options will become exercisable from the date of change of control and will remain exercisable for one month, after which 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.
- Equity Award Plan: Awards will automatically vest upon change of control and options will become exercisable from the date of change of control and will remain exercisable for one month, after which the options will lapse.

30. Own shares

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.

	No. of shares	£'000
Balance at 28 September 2014	8,651,615	16,045
Acquired in the period	6,915,245	19,999
Own shares disposed of on exercise of options	(3,892,933)	(7,891)
Balance at 30 September 2015	11,673,927	28,153
Acquired in the period	2,514,334	7,220
Own shares disposed of on exercise of options	(2,456,282)	(5,853)
Own shares disposed of	(108,505)	(226)
Balance at 30 September 2016	**11,623,474**	**29,294**

31. Other reserves

Merger reserve

Group

	£'000
Balance at 30 September 2015	70,553
Balance at 30 September 2016	**70,553**

Company

	£'000
Balance at 30 September 2015	70,838
Balance at 30 September 2016	**70,838**

The merger reserve is used where more than 90% of the share capital in a subsidiary is acquired and the consideration includes the issue of new shares by the Company, thereby attracting merger relief under Section 612 of the Companies Act 2006.

£38.4 million of the merger reserve arose on a placing of the Company's shares and forms part of the distributable reserves.

Profit and loss reserve

Company

	£'000
Balance at 30 September 2015	30,109
Balance at 30 September 2016	**29,793**

The profit and loss reserve forms part of distributable reserves.

32. Financial instruments and risk management

Overview

This note presents information about the Group's exposure to each of the financial instrument key risks (market risk, credit risk and liquidity risk), the Group's policy and procedures for measuring and managing risk and the Group's management of capital.

Risk management

The Board of Directors have overall responsibility for establishing and overseeing the Group's Risk Management Framework and risk appetite.

The Board have established a clear relationship between the Group's strategic objectives and the level of capital which the Board is prepared to place at risk through a Risk Appetite Statement. The Risk Appetite Statement outlines the nature and quantum of risk that the Board wishes the Group to bear (its 'risk appetite') in order to achieve its strategic objectives whilst remaining within all regulatory constraints and its own defined levels of capital and liquidity. The Board reviews the statement and related qualitative and quantitative measures on at least an annual basis to ensure the document continues to reflect the Board's appetite for risk within the context of the environment in which the Group operates.

The Group's Board Risk Committee provides oversight of the adequacy of the Group's Risk Management Framework based on the risks to which the Group is exposed. It monitors how management comply with the Group's risk management policies and procedures. It is assisted in the discharge of this duty by the Group's Risk & Compliance Department which has responsibility for monitoring the overall risk environment of the Group. The Board Risk Committee also regularly monitors exposure against the Group's Risk Appetite.

The Group's Audit Committee is responsible for overseeing the financial statements and working closely with the Board Risk Committee, for both review and oversight of internal controls. The Audit Committee is assisted in the discharge of its obligations by Internal Audit who undertake periodic and ad-hoc reviews on the effectiveness of controls and compliance with risk management policies.

The Group's risk management policies are intended to ensure that risks are identified, evaluated and subject to ongoing monitoring and mitigation (where appropriate).The risk policies also serve to set the appropriate control framework, the adequacy and effectiveness of which is also subject to ongoing testing and review. The aim is to promote a robust risk culture with employees across the Group understanding their role and obligations under the framework.

Capital structure and capital management

The capital structure of the Group and Company consists of issued share capital, reserves and retained earnings as disclosed in the Consolidated and Company Statement of Changes in Equity.

Capital generated from the business is both reinvested in the business to generate future growth and returned to shareholders, principally in the form of dividends. Consideration is given to regulatory capital requirements and to ensure the Group is adequately capitalised to withstand periods of market stress.

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

Regulatory capital requirements

The Group conducts an Internal Capital Adequacy Assessment Process ('ICAAP'), as required by the Financial Conduct Authority ('FCA') to assess the appropriate 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 FCA and Tilman Brewin Dolphin Limited regulated by the Central Bank of Ireland. The Jersey branch of BDL is regulated by the Jersey Financial Services Commission.

The Pillar II capital assessment of the ICAAP is the Board of Directors' opinion of the level of capital the Group should hold against the risks to which the Group is exposed. This takes into the account the Group's Principal Risk Register which is updated on a regular basis. The ICAAP is kept updated throughout the year to take account of changes to the Group's Principal Risks and for any material changes to strategy or business plans. The ICAAP is discussed and approved at a Brewin Dolphin Holdings PLC Board meeting at least annually.

Regulatory capital adequacy is monitored by management. The Group uses the standardised approach to Credit Risk to calculate Pillar I requirements. The Group complied with the FCA's regulatory capital requirements throughout the period.

The regulatory capital resources of the Group were as follows:

	2016 £'000	2015 £'000
Share capital	**2,830**	2,793
Share premium account	**151,836**	142,135
Own shares	**(29,294)**	(28,153)
Revaluation reserve	**(24)**	–
Merger reserve	**70,553**	70,553
Profit and loss account	**46,908**	31,823
	242,809	219,151
Shares to be issued	**–**	9,304
Regulatory capital resources before deductions	**242,809**	228,455
Deduction – Intangible assets (net of deferred tax liability)	**(78,746)**	(83,076)
Deduction – Free deliveries	**(82)**	(88)
Total regulatory capital resources after deductions	**163,981**	145,291

Information disclosure under Pillar 3 of the Capital Requirements Directive will be published on the Group's website before 31 December 2016 at www.brewin.co.uk.

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(r) to the financial statements.

32. Financial instruments and risk management (continued)

Categories of financial instruments

Group

	Carrying value 2016 £'000	Carrying value 2015 £'000
Financial assets		
Fair value through profit and loss – held for trading	**1,093**	945
Loans and receivables (including cash and trade receivables)	**380,601**	395,999
Available-for-sale investments	**833**	140
	382,527	397,084
Financial liabilities		
Shares to be issued including premium	**–**	9,304
Amortised cost	**203,791**	233,445
	203,791	242,749

Company

	Carrying value 2016 £'000	Carrying value 2015 £'000
Financial assets		
Loans and receivables (including cash and trade receivables)	**46,887**	49,601
	46,887	49,601
Financial liabilities		
Shares to be issued including premium	**–**	9,304
Amortised cost	**7,356**	7,363
	7,356	16,667

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

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 exposure within the Group's risk appetite whilst accepting the inherent risk of market fluctuations.

The Group undertakes investment management and stockbroking activities on an agency basis on behalf of its clients. The Group holds financial instruments as principal, but does not trade as principal. All trades are matched in the market (see note 20).

The Group transacts foreign currency deals in order to fulfil our client obligations and any non-sterling costs to our business. Foreign currency exposure is matched intra-day and at the end of each day.

The total net foreign exchange exposure resulting from income yet to be converted to sterling at the year end was a debtor of £537,000 (2015: £495,000).

At the period end Tilman Brewin Dolphin Limited ('TBD') had net assets of £3.6 million (2015: £3.6 million) denominated in its local currency (Euros). The Group is exposed to translation risk in respect of the foreign currency value of the net assets of TBD.

The Group does not hold any derivatives (2015: 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 both available-for-sale and held-for-trading 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:

- Pre-tax profit for the period ended 30 September 2016 would have been £52,000 higher/lower (2015: £47,000 higher/lower) due to changes in the value of held-for-trading investment; and
- Other equity reserves as at 30 September 2016 would increase/decrease by £6,400 (2015: increase/decrease by £2,300) pre-tax 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 Group holds client deposits on demand and in 30 day notice accounts (variable interest rates). During the period a 1% increase in base rate would have increased pre-tax profitability by £1,068,000 (2015: £939,000).

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 ('settlement risk') and cash deposited at banks.

Settlement risk

Exposures to settlement risk are spread across a large number of counterparties and clients. A delivery versus payment ('DVP') settlement method is also used for the majority of transactions, ensuring that securities and cash are exchanged within a short period of time. Consequently, no residual maturity analysis is presented. The Group also holds collateral in the form of cash, as well as equity and bonds which are quoted on recognised exchanges. This collateral is held, principally, in Group nominee accounts.

Concentration of credit risk

The Group has no significant concentration of credit risk with the exception of cash where the majority is spread across three major banking groups.

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 settlement risk is monitored daily. The Group's exposure to large trades is limited with an average bargain size in the current period of £15,765 (2015: £11,060); 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 £83,000 (2015: £351,000). Collateral valued at fair value by the Group in relation to these impaired assets was £50,000 (2015: £243,000).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 details amounts past due but not impaired.

32. Financial instruments and risk management (continued)

Non-impaired assets

Financial assets that are neither past due nor impaired in respect of trade receivables relate mainly to bonds and equity trades quoted on a recognised exchange, are matched in the market, and are either traded on a DVP 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 (2015: none).

Loans to employees are repayable over 5 to 10 years (see note 20).

The credit risk on liquid funds, cash and cash equivalents, is limited as deposits are diversified across a panel of major banks. This ensures that the Group is not excessively exposed to an individual counterparty. The Group's policy requires cash deposits to be placed with banks with a minimum short-term credit rating of A-2 (S&P)/P-2 (Moody's)/F-2 (Fitch), excluding Tilman Brewin Dolphin Limited. Requirements and limits are reviewed on a regular basis. The Group's allocation of cash and cash equivalents to S&P rating grades has been outlined in the below table:

	A-1+	A-1	A-2	Below A-2
Cash and cash equivalents	0.0%	58.3%	41.6%	0.1%

The Group maintains a set of Credit Risk policies which are regularly reviewed by the Board. A due diligence review is also performed on all counterparties on an annual basis, at a minimum. The investment of cash is managed by the Treasury Department.

There has been no material change to the Group's exposure to credit risk during the period.

Liquidity risk

Liquidity risk refers to the 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 2016, the Group had access to an unsecured overdraft facility of £10 million (2015: £12 million).

The Group has a Liquidity Policy which is reviewed by the Board regularly. As the Group normally deals with the market on a DVP basis, liquidity risk is monitored by daily exception reports of unmatched items past settlement date.

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 2016

	Up to 1 month £'000	1 month to 3 months £'000	3 months to 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Financial liabilities						
Amortised cost	**164,097**	**25,554**	**13,078**	**1,062**	**–**	**203,791**
	164,097	**25,554**	**13,078**	**1,062**	**–**	**203,791**

As at 30 September 2015

	Up to 1 month £'000	1 month to 3 months £'000	3 months to 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Financial liabilities						
Shares to be issued including premium	–	9,304	–	–	–	9,304
Amortised cost	188,833	26,876	17,135	601	–	233,445
	188,833	36,180	17,135	601	–	242,749

Company

As at 30 September 2016

	Up to 1 month £'000	1 month to 3 months £'000	3 months to 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Financial liabilities						
Amortised cost	**7,356**	**–**	**–**	**–**	**–**	**7,356**
	7,356	**–**	**–**	**–**	**–**	**7,356**

As at 30 September 2015

	Up to 1 month £'000	1 month to 3 months £'000	3 months to 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Financial liabilities						
Shares to be issued including premium	–	9,304	–	–	–	9,304
Amortised cost	7,363	–	–	–	–	7,363
	7,363	9,304	–	–	–	16,667

32. Financial instruments and risk management (continued)

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 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements 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).

Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and liabilities are determined.

	Fair value as at 30 September 2016 £'000	Fair value as at 30 September 2015 £'000	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Level 1					
Trading investments	**1,093**	945	Quoted bid prices in an active market	n/a	n/a
Level 3					
Available-for-sale investments – Equity	**128**	46	The valuation is based on published monthly NAVs where available. Where not available the valuation is based on the net assets reported in the latest audited accounts less the intangible assets. A marketability discount is applied as this investment is highly illiquid.	Marketability discount ranging between 30-50%	As the marketability discount increases the valuation decreases.
Available-for-sale investments – Asset-backed securities	**705**	94	The valuation is based on the discounted expected cash flows, which is extracted from the latest audited accounts. A marketability discount is applied as this investment is highly illiquid.	Marketability discount ranging between 30-50%	As the marketability discount increases the valuation decreases.
Shares to be issued including premium	**–**	9,304	The valuation of the consideration is based on actual earnings. The terms are agreed as part of each acquisition.	n/a	n/a
Deferred purchase consideration	**–**	1,284	The valuation of the consideration is based on actual earnings. The terms are agreed as part of each acquisition.	n/a	n/a

Sensitivity analysis

A sensitivity analysis of the significant unobservable inputs used in valuing the Level 3 financial instruments is set out below:

Financial asset	Assumption	Change in assumption	Impact on valuation
Current assets – Available-for-sale investments – Equity	Marketability discount	Increase by 5%	Decrease by £2,000
Current assets – Available-for-sale investments – Asset-backed securities	Marketability discount	Increase by 5%	Decrease by £54,000

Fair value hierarchy

As at 30 September 2016

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Held for trading				
Equities	**1,093**	**–**	**–**	**1,093**
Available-for-sale financial assets				
Equities	**–**	**–**	**128**	**128**
Asset-backed securities	**–**	**–**	**705**	**705**
Total	**1,093**	**–**	**833**	**1,926**

As at 30 September 2015

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Held for trading				
Equities	945	–	–	945
Available-for-sale financial assets				
Equities	–	–	46	46
Asset-backed securities	–	–	94	94
Total	945	–	140	1,085

Reconciliation of Level 3 fair value measurement of financial assets:

Available-for-sale

	Total £'000
Balance at 28 September 2014	10,000
Disposal	(10,000)
Addition	140
Balance at 30 September 2015	140
Disposal	(47)
Net loss from changes in fair value recognised in equity	(30)
Addition	770
Balance at 30 September 2016	**833**

The table above only includes financial assets. The only financial liabilities subsequently measured at fair value on level 3 fair value measurement represent shares to be issued and deferred purchase consideration. No gain or loss for the period relating to this has been recognised in profit or loss.

33. 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 Scheme The mid market average on the 3 dealing days immediately preceding date of grant	After the fifth anniversary of the date of grant provided the performance condition has been met with an opportunity for retesting after one further	5 to 10 years from date of grant	The tenth anniversary of the date of grant
2002 Senior Employee Matching 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 the grant, upon the payments 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 the grant

Details of the share options outstanding during the period ended 30 September 2016 are as follows:

	Outstanding at the beginning of the period	Granted during the period	Forfeited during the period	Exercised during the period	Expired during the period	Outstanding at the end of the period	Exercisable at the end of the period
2004 Approved Option Scheme	**870,844**	**–**	**(28,250)**	**(250,387)**	**–**	**592,207**	**530,707**
Weighted Average Exercise Price (pence)	**154.5p**	**–**	**137.7p**	**152.6p**	**–**	**156.1p**	**158.9p**
2002 Senior Employee Matching Share Purchase Scheme	**27,624**	**–**	**(9,208)**	**(18,416)**	**–**	**–**	**–**
Weighted Average Exercise Price (pence)	**108.6p**	**–**	**108.6p**	**108.6p**	**–**	**–**	**–**

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 30 September 2015 were as follows:

	Outstanding at the beginning of the period	Granted during the period	Forfeited during the period	Exercised during the period	Expired during the period	Outstanding at the end of the period	Exercisable at the end of the period
2004 Approved Option Scheme	1,609,839	–	(74,798)	(664,197)	–	870,844	524,366
Weighted Average Exercise Price (pence)	156.7p	–	156.3p	159.7p	–	154.5p	160.9p
2002 Senior Employee Matching Share Purchase Scheme	1,149,007	–	(1,029,303)	(92,080)	–	27,624	–
Weighted Average Exercise Price (pence)	128.4p	–	130.7p	108.6p	–	108.6p	–

The weighted average share price at the date of exercise for share options exercised during the period was 285p (2015: 285p).The options outstanding at 30 September 2016 had a weighted average exercise price (refer to note 29 for a full breakdown of each option and the exercise price) of 150p (2015: 78p), and a weighted average remaining contractual life of 0.02 years (2015: 0.94 years). During the year ended 30 September 2016 there were no options granted.

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

	2004 Approved Option Scheme	2002 Senior Employee Matching Share Purchase Scheme
Weighted average share price	147.0p	136.0p
Weighted average exercise price	146.1p	135.6p
Expected volatility	38%	38%
Expected life (yrs)	5	4
Risk free rate	3.6%	4.6%
Expected dividend yield	4.2%	3.9%

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

Other equity-settled share-based payment plans

Long Term Incentive Plan ('LTIP')

The Long Term Incentive Plan is a conditional arrangement under which contingent share awards can be made to selected senior management, including the Executive Directors. Details regarding the awards to the Executive Directors are set out in the Remuneration Report. The award will vest in one tranche, no earlier than three years from the grant date. Vesting will be subject to performance conditions which are set prior to each grant by the Remuneration Committee. The performance conditions will be related to the financial performance of the Group.

During 2016, the Group granted 1,355,565 LTIP awards which have an aggregate fair value of £3,080,000 at the date of grant. The Black-Scholes model is used to fair value the LTIP at the date of grant. The inputs into the Black-Scholes model used for the purposes of determining fair value were as follows:

	Long Term Incentive Plan
Weighted average share price	269.0p
Weighted average exercise price	0.0p
Expected volatility	26%
Expected life (yrs)	3
Risk free rate	1.1%
Expected dividend yield	5.6%

Share Incentive Plan ('SIP')

The Group has a Share Incentive Plan. Employees may use funds from their gross salary up to a maximum of 10% of their gross salary in monthly payments (being not less than £10 and not greater than £150) to acquire ordinary shares in the Company ('Partnership Shares'). Partnership Shares are acquired monthly with an annual opportunity to top up contributions to the maximum annual limit of £1,800 (or 10% of salary if lower). For every Partnership Share purchased, the employee receives one matching share up to a total value of £20 per month. 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 2017.

As at 30 September 2016, 2,130,001 (2015: 2,077,744) ordinary shares in Brewin Dolphin Holdings PLC were held for the SIP. Of the total number of shares held, 161,832 (2015: 187,677) have been conditionally gifted to employees and 1,598 (2015: 3,704) remain unallocated.

33. Share-based payments (continued)

Deferred Profit Share Plan ('DPSP')

The DPSP provides for eligible employees to defer part of their annual profit share entitlement into an award over ordinary shares (an 'Award').Current policy is that employees receiving annual profit share in excess of £50,000 are required to defer 33% of any profit share in excess of this amount for a period of three years. Additional deferral requirements apply to Executive Directors which are set out in the Directors' Remuneration Report. 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. It is the intention of the Board to recommend our Trustees to purchase the shares in the market to satisfy options awarded under this scheme in order to avoid dilution in the year to September 2017.

During 2016, the Group granted 2,250,690 DPSP options which have an aggregate fair value of £6,054,000 at the date of grant.

Equity Award Plan ('EAP')

The Equity Award Plan is a discretionary arrangement under which contingent share awards can be made to selected employees within the Group below Board level, for example to reward exceptional performance on behalf of the Group or in certain circumstances to aid key staff retention. Awards are generally in the form of conditional share awards, although at the discretion of the Committee they may also take the form of share options. Awards will normally vest three years after grant subject to continued service provisions. Awards will only be capable of being satisfied with existing shares sourced via the Company's employee benefit trust. No newly issued shares and/or treasury shares can be used under the EAP. Only non-director employees are eligible for selection to participate in the plan.

During 2016, the Group granted 240,901 EAP awards which have an aggregate fair value of £648,000 at the date of grant.

The Group recognised total expenses in the period of £8,387,000 (2015: £8,938,000) related to equity-settled share-based payment transactions.

34. Operating lease arrangements

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

	2016		2015	
	Land and buildings £'000	**Hire of equipment £'000**	Land and buildings £'000	Hire of equipment £'000
Lease payments	**5,921**	**247**	5,901	518
	5,921	**247**	5,901	518

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:

	2016		2015	
	Land and buildings £'000	**Hire of equipment £'000**	Land and buildings £'000	Hire of equipment £'000
Amounts payable under operating leases:				
Within one year	**7,144**	**223**	5,873	243
In the second to fifth years inclusive	**25,367**	**233**	22,748	427
After five years	**22,377**	**–**	25,530	–
	54,888	**466**	54,151	670

The Group has significant operating lease arrangements with respect to the premises it occupies. Hire of equipment is in relation to multifunctional printers. There are a number of property leases currently subject to a rent review; outcomes of the rent review have not been anticipated and will impact the figures reported above once concluded.

The calculation of the future operating lease commitments has certain assumptions based on whether or not the Group expects to exercise break options. If these assumptions are removed and it is assumed that the Group will remain in all properties until the lease end date, the total commitment is £64,142,000.

35. Contractual commitments

Capital expenditure authorised and contracted for at 30 September 2016 but not provided in the financial statements amounted to £nil (2015: £475,000).

36. Notes to the Cash Flow Statement

Group

	2016 £'000	2015 £'000
Operating profit from continuing operations	**49,743**	50,810
Profit/(loss) from discontinued operations	**14,030**	(10,387)
Adjustments for:		
Depreciation of property, plant and equipment	**3,505**	5,002
Amortisation of intangible assets – client relationships	**6,287**	9,219
Amortisation of intangible assets – software	**4,441**	2,715
Impairment of intangible assets and tangible assets	**680**	280
Loss on disposal of property, plant and equipment	**–**	26
Profit on disposal of discontinued operation	**(14,000)**	–
Defined benefit pension scheme	**(3,000)**	(3,000)
Share-based payment expense	**8,387**	8,938
Translation adjustments	**(8)**	41
Interest income	**514**	907
Interest expense	**(65)**	(41)
Operating cash flows before movements in working capital	**70,514**	64,510
Decrease in payables	**(45,478)**	(44,349)
Decrease in receivables and trading investments	**35,910**	48,802
Cash generated by operating activities	**60,946**	68,963
Tax paid	**(8,913)**	(11,485)
Net cash inflow from operating activities	**52,033**	57,478

Company

	2016 £'000	2015 £'000
Operating profit	**29,885**	36,314
Operating cash flows before movements in working capital	**29,885**	36,314
Decrease in payables	**(14)**	(25)
Decrease/(increase) in receivables and trading investments	**3,156**	(11,604)
Cash generated by operating activities	**33,027**	24,685
Tax paid	**(525)**	–
Net cash inflow from operating activities	**32,502**	24,685

37. Post balance sheet events

There have been no post-balance sheet events.

38. 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	
	2016 £'000	2015 £'000	**2016 £'000**	2015 £'000
Bell Lawrie White & Co. Limited	**–**	–	**2,434**	2,436
Brewin Dolphin Limited	**46,151**	49,292	**–**	–
Brewin Broking Limited	**–**	–	**4,900**	4,900
	46,151	49,292	**7,334**	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 £30m (2015: £35m) from 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.

All amounts outstanding with related parties are unsecured and will be settled in cash. No guarantees have been given or received.

No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

Remuneration of key management personnel

Key management personnel for the Group have been determined to be the Directors and members of the Executive Committee. The members of the Executive Committee have been considered to be key management personnel since the expansion of the Executive Committee in January 2016.

Key management personnel are responsible for planning, directing and controlling the activities of the Group. The remuneration paid to key management personnel is as follows:

	2016 £'000	2015 £'000
Short-term employee benefits	**4,877**	2,516
Post-employment benefits	**–**	–
Other long-term benefits	**10**	–
Termination benefits	**162**	–
Share-based payment	**920**	512
	5,969	3,028

The remuneration of individual Directors is set out in the Directors' Remuneration Report on page 85 in addition to the disclosure above.

A number of the Group's key management personnel and their close family members make use of the services provided by companies within the Group. Charges for such services are made at various staff rates.

Directors' transactions

There are no material contracts, loans to Directors or other related party transactions with Directors.

Five Year Record – continuing operations (unaudited)

	2016 £'000	2015 £'000	2014 £'000	2013[1] £'000	2012[1] £'000
Revenue	**280,484**	280,196	275,316	271,954	253,112
Other operating income	**1,866**	3,495	5,443	11,724	16,419
Income	**282,350**	283,691	280,759	283,678	269,531
Staff costs	**(152,175)**	(152,982)	(147,345)	(148,974)	(133,242)
Other operating costs	**(69,458)**	(68,975)	(76,066)	(83,418)	(94,196)
Exceptional items					
FSCS levy	**–**	1,160	–	(1,107)	(553)
Redundancy costs	**(2,780)**	(2,432)	(2,269)	(4,795)	(570)
Onerous contracts	**(311)**	(433)	(2,005)	(6,232)	–
Impairment of intangible assets	**–**	–	(31,693)	–	–
Licence provision	**–**	–	(2,034)	–	–
One-off migration costs	**(1,596)**	–	–	–	–
Amortisation of intangible assets – client relationships	**(6,287)**	(9,219)	(13,592)	(12,520)	(11,871)
Operating expenses	**(232,607)**	(232,881)	(275,004)	(257,046)	(240,432)
Operating profit	**49,743**	50,810	5,755	26,632	29,099
Net finance income and other gains and losses	**319**	10,190	1,003	1,768	784
Profit before tax	**50,062**	61,000	6,758	28,400	29,883
Tax	**(11,095)**	(12,729)	(1,362)	(7,257)	(8,389)
Profit attributable to equity shareholders of the parent from continuing operations (except 2012-2013[1])	**38,967**	48,271	5,396	21,143	21,494
Dividend per share	**13.0p**	12.0p	9.9p	8.6p	7.15p

Adjusted[2] earnings per share

From continuing operations before amortisation of client relationships and exceptional items listed above.

Basic	**17.7p**	18.0p	17.0p	15.7p	13.2p
Adjusted[2] diluted	**16.8p**	17.1p	16.0p	14.8p	12.5p

1 Discontinued operations have not been separated from these comparative periods.
2 See note 15.

Appendix – calculation of KPIs

Revenue growth

1. **Discretionary funds inflows** are calculated from the Group's client database. The growth of 4.4% (see page 40) net inflows is derived from the total new client accounts opened, closed or transferred between services categories during the period. Net inflows of £1.1 billion over the opening discretionary funds value of £24.8 billion show an increase of 4%.
2. **Discretionary service yield** is calculated as total discretionary commission and fee income over the average funds for the period. Core discretionary income in 2016 of £235.4 million (2015: £225.5 million) from average discretionary funds of £26.8 billion (2015: £24.4 billion) results in a 88 bps (2015: 89 bps) yield.
3. **Revenue growth** of -1% (2015: 1%) is the movement in total income from £283.7 million in 2015 to £282.4 million in 2016.

Improved efficiency

4. **Adjusted[1] PBT margin** is calculated by taking the adjusted[1] profit before tax of £61.0 million in 2016 (2015: £62.2 million) over the total income of £282.4 million (2015: £283.7 million) resulting in an adjusted[1] PBT margin of 21.6% (2015: 21.9%).
5. **Percentage of managed funds in discretionary service** of 91% (2015: 88%) is calculated by using the total discretionary funds of £28.9 billion (2015: £24.8 billion) over the total managed/advised funds for the Group of £31.9 billion (2015: £28.3 billion) (see page 40).
6. **Discretionary funds per CF30** of £68 million (2015: £55 million) is based on the total of discretionary funds as per point 5 above over the total number of registered CF30s (Investment Managers and Financial Planners) for the Group of 427 (2015: 449).
7. **Average client portfolio size** is calculated by dividing the total discretionary and advisory funds by the number of clients.

1 Excluding disposal of available-for-sale investment, redundancy costs, FSCS levy rebate, onerous contracts, amortisation of client relationships and one-off migration costs.

Capital sufficiency

8. **Capital adequacy ratio** is calculated by dividing regulatory capital resources over the assessment of regulatory capital requirements (see note 32).

Dividend growth

9. **Adjusted[1] earnings per share growth** rate of -2% (2015: 7%) shows the decrease in diluted earnings per share from 17.1p in 2015 to 16.8p in 2016.
10. **Dividend growth,** the total dividend paid by the Group in 2016 is 13.0p (2015: 12.0p), a growth rate of 8.3% (2015: 21%).

Shareholder Information

Investor information

Visit our website, www.brewin.co.uk for investor information and Company news. In addition to accessing financial data, you can view and download Annual and Half Year Reports, analyst presentations and access the best of our research and investment views, plus lifestyle news and interviews.

You can also subscribe to an email news alert service to automatically receive an email when significant announcements are made.

Shareholding information

Please contact our registrars, Equiniti, directly for all enquiries about your shareholding. Visit their Investor Centre website www.shareview.co.uk for online information about your shareholding (you will need your shareholder reference number which can be found on your share certificate or dividend tax voucher), or telephone the registrars direct: 0371 384 2030 or + 44 (0) 121 415 7047.

Dividend mandate

Shareholders can arrange to have their dividends paid directly into their bank or building society account by completing a bank mandate form. The advantages to using this service are: the payment is more secure than sending a cheque through the post; it avoids the inconvenience of paying in a cheque; and there is no risk of lost, stolen or out-of-date cheques. A mandate form can be obtained from Equiniti or you will find one on the reverse of the tax voucher of your last dividend payment.

Electronic communications

Shareholders have previously passed a resolution enabling Brewin to take advantage of provisions in the Companies Act 2006 that allow us to supply documents such as the Annual Report and Accounts to our shareholders via our website www.brewin.co.uk. This helps to reduce the cost and environmental impact of producing and distributing printed documents. Shareholders that wish to continue to receive shareholder documents in hard copy can request this by writing to the registrar, Equiniti.

All shareholder communications, including the Company's Annual Report and Accounts, are made available to shareholders on the Brewin website and you may opt to receive email notification that documents and information are available to view and download. If you would like to sign up for this service, visit Equiniti's website. You may change the way you receive communications at any time by contacting Equiniti.

Annual General Meeting

The 2017 Annual General Meeting of Brewin Dolphin Holdings PLC will be held in the Haberdashers' Hall, 18 West Smithfield, London EC9A 1HQ on Friday 3 February 2017 at 11.30 am.

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