This announcement contains inside information for the purposes of the Market Abuse Regulation (596/2014/EU).

11 May 2022

Brewin Dolphin Holdings PLC

Interim Management Report

For the Half Year Ended 31 March 2022

Strong organic fund inflows of £1.9bn

Recommended offer

- On 31 March 2022, RBC Wealth Management (Jersey) Holdings Ltd[1] announced a recommended cash acquisition of Brewin Dolphin Holdings PLC for 515p per share.
- The acquisition is conditional on shareholder and regulatory approvals and is expected to complete by the end of calendar Q3 2022.

H1 financial highlights

- Gross discretionary inflows of £1.9bn (H1 2021: £1.6bn) show continued organic growth driven by our advice-focused strategy and broad range of propositions and investment solutions.
- Total discretionary net flows of £1.0bn (annualised growth rate of 4.0%).
    - MPS/ Voyager H1 net flows of £0.5bn (annualised growth rate 16.4%).
    - Direct client retention rates increased to 99% in H1 2022 (FY 2021: 97%).
- Total funds for the first half were broadly flat at £56.3bn (FY 2021: £56.9bn) due to volatile market performance driven by the conflict in Ukraine and the macroeconomic environment. Total discretionary funds were broadly flat in the first half and up 8.1% year-on-year at £49.4bn (FY 2021: £49.8bn; H1 2021: £45.7bn).
- Total income increased by 4.8% year-on-year to £209.5m (H1 2021: £199.9m), driven by higher fund levels year-on-year partly offset by normalised levels of commission, as expected.
    - Financial planning income grew 24.6% year-on-year to £23.8m (H1 2021: £19.1m); driven by higher fund levels year-on-year and continued demand for our advice-focused services.
    - Direct discretionary commission income was down 15.4% year-on-year at £32.3m (H1 2021: £38.2m), as expected.
- Adjusted profit before tax[2] increased 2.3% to £48.1m (H1 2021: £47.0m).
- Strong cash balance of £139.8m (H1 2021: £145.8m) and capital adequacy ratio of 210%.
- Following the announcement of the recommended offer for the Company, the Board is not recommending an interim dividend.

	Unaudited six months to 31 March 2022 £'m	Unaudited six months to 31 March 2021 £'m	Change
Income	**209.5**	199.9	4.8%
Adjusted profit before tax[2]	**48.1**	47.0	2.3%
Statutory profit before tax	**38.4**	40.7	(5.7)%
Earnings per share:			
Basic	**10.2p**	11.1p	(8.1)%
Diluted	**9.9p**	10.9p	(9.2)%
Adjusted[3] earnings per share:			
Basic	**13.3p**	13.0p	2.3%
Diluted	**12.9p**	12.7p	1.6%

Delivering on our strategic priorities

- Parallel running of the custody and settlement systems, full functionality of the new system by the end of the summer this year.
- Built and integrated a central sales function, establishing and supporting client leads across the direct business.
- Voyager funds reached £0.5bn, a year and a half after launch.
- A year into our operational excellence programme; accounts opened c.80% faster.

Outlook

- Whilst markets remain volatile, our strong inflows and resilient advice-focused strategy gives us confidence in our full year outlook.
- No change to our opex guidance of mid-high single digit percent growth.
- Full year capex guidance changed to c.£32m from c.£26m, of which c.£26m is on our custody and settlement system. The cost increase on our custody and settlement system is driven by higher than expected inflationary pressure on technology costs and delivery now set to the end of summer, as we continue to focus on mitigating any implementation risks.

NOTES:
1. An indirect wholly-owned subsidiary of Royal Bank of Canada ("RBC").
2. See note 20.
3. See note 7.

Robin Beer, Chief Executive Officer, said:

"We continued to see strong inflows across both our direct and indirect discretionary funds throughout the first half, with a record first quarter performance despite the volatility in the markets driven by macroeconomic and geopolitical challenges. The resilience in our organic growth, demonstrates our strategy of being an advice-focused wealth manager, supported by our broad range of propositions and investment solutions, is the right one. The business is preparing for the final stage of dress rehearsals and training on our new custody and settlement system and the switch over of systems will be completed at the end of the summer this year.

We believe that the proposed acquisition by RBC will bring new and exciting opportunities for our clients and people. Whilst the transaction is still to complete, we remain focused on delivering our strategic priorities for the year, which will enable us to become a leading advice-focused digitally enabled wealth manager."

For further information:

Brewin Dolphin Holdings PLC
Carla Bloom, Head of Investor Relations
Tel: +44 (0)20 7248 4400
investor.relations@brewin.co.uk

Camarco
Ben Woodford / Geoffrey Pelham-Lane
Tel: +44 (0) 799 065 3341 / +44 (0) 773 312 4226

The Interim Results presentation will be held at 9.00am on 11 May 2022 and available to watch via an audio webcast. The audio link can be found on the corporate website (www.brewin.co.uk/group/investor-relations). Investors and analysts are also able to dial in to the call using UK & International: +44 (0) 33 0551 0200 or UK toll-free: 0808 109 0700

Publication of H1 2022 results documents available on the offer website
A copy of this announcement and the documents required to be published pursuant to Rule 26.1 and Rule 26.2 of the City Code on Takeovers and Mergers (the "Code") will be made available (subject to certain restrictions relating to persons resident in Restricted Jurisdictions (as defined in the Scheme Document)), free of charge, at www.brewin.co.uk/RBCoffer by no later than 12 noon on the Business Day following the date of this announcement.

Neither the contents of the website nor the content of any other website accessible from hyperlinks on such website is incorporated into, or forms part of, this announcement.

LEI: 213800PS7FS5UYOWAC49

NOTES TO EDITORS:

About Brewin Dolphin:

Brewin Dolphin is one of the UK and Ireland's leading independent providers of discretionary wealth management. We continue to focus on discretionary investment management, and we manage £49.4 billion of funds on a discretionary basis. In line with the premium we place on personal relationships, we have built a network of offices across the UK, Channel Islands and the Republic of Ireland, staffed by qualified investment managers and financial planners. We are committed to the most exacting standards of client service, with long-term thinking and absolute focus on our clients' needs at the core.

Interim Management Report

To the members of Brewin Dolphin Holdings PLC

First half review

Business and operational review

In November 2020, we set out our 2025 ambition, which is to become a leading advice-focused, digitally enabled wealth manager in the UK and Ireland. For us to achieve this, we aligned our strategic priorities to: remain 'Relevant', become more 'Efficient', which combined will drive attractive levels of 'Growth' validated through our results. All of these are underpinned by a culture we are proud of.

Delivering our strategic priorities

1. Relevant

In the modern consumer world, being relevant is critical. We want to create the most relevant wealth offering in the marketplace and to deliver it through digital capabilities, combined with personal contact.

Learning from our successful sales function within our intermediaries business, in the first half of the year, we built and integrated a "spectrum of yes" sales function across the direct business, which is supporting client leads. It is an extension of our marketing function and is aiding the expansion of our distribution channels. The sales function is also supporting our business-to-business partnership initiative we piloted last year with corporates, which enables us to build further strategic partnerships across our footprint and expand our reach across a broad range of sectors.

We continue to develop our business-to-business partnership strategy, building on our propositions and exploring strategic partnerships in the financial education and wellbeing space. We now have relationships with 37 corporates (up from 33 at FY 2021), from small to large-scale businesses, and have been able to reach further during the pandemic hosting over 110 virtual webinars with around 4,000 attendees.

We continue to expand our investment solutions for both direct and indirect clients. In the half, we launched MI Select Managers (MISM) Alternative Fund, adding an underlying investment solution to our successful MPS and Voyager fund range. The new alternative fund invests in property, commodities, and absolute return to offer diversification to our intermediaries clients' portfolios and to counter market volatility.

2. Efficient

To drive efficiency through our business, we need to deliver our services with speed and convenience to clients, increase our adviser capacity and improve our operating model.

Our new custody and settlement system has been live since December 2021, and we have continued to run both the old and new system in parallel. During the first half of the year, we have focused on integrating the automated interfaces between our client management and trading systems. The integration build will be completed shortly and then we will move to the final phase of dress rehearsals and training, to ensure our staff and our technology are ready for the full switch-over to the new system. With only a few months to go before we complete the implementation, we now expect that the switch-over will occur at the end of summer. As we have done throughout the project, we continue to focus on mitigating any implementation risks, and this additional time will facilitate this.

Our operational excellence programme was established in 2021 to help us drive operational efficiencies across the business. A year in and the programme is fully embedded and already achieving efficiencies across the business; account openings are completed c.80% faster, a 20% improvement in the time taken to complete a client transfer and a c.12% improvement in productivity within Operations. We expected the programme to deliver cost benefits of c.£1m for the full year 2022. We have already delivered cost benefits of £0.9m in H1 2022 and believe there is further potential upside that could be achieved this year. As such, we remain confident in achieving our FY 2022 target, and we reiterate our c.£10m FY 2023 target.

Outlook

Our consistent performance against the backdrop of the macro and geopolitical challenges over the last few months gives us confidence that our business model is resilient, and our advice-focused strategy is the right one. In times of uncertainty, our trusted brand is even more valuable. We believe that the proposed acquisition by RBC will bring new and exciting opportunities for our clients and people. Whilst the transaction is still to complete, we remain focused on delivering our strategic priorities for the year, which will enable us to become a leading advice-focused digitally enabled wealth manager.

Financial results and performance

Statutory profit before tax for the period was £38.4m (H1 2021: £40.7m). Adjusted profit before tax of £48.1m was 2.3% higher than the first six months last year (H1 2021: £47.0m). Income was 4.8% higher as a result of investment performance and strong flows which withstood the market volatility. As expected, operating costs excluding adjusted items were 5.7% higher due to inflationary increases, headcount growth to support business growth and the completion of our technology transformation, increased marketing and travel and entertainment as COVID-19 restrictions disappeared and colleagues could meet clients face to face again.

Adjusted items of £9.7m for the period includes the impact of accounting for the Employer's National Insurance provision for share awards attributable to the higher share price following the announcement of the proposed acquisition by RBC and higher costs for incentivisation awards for acquisitions completed in FY 2019.

	Unaudited six months to 31 March 2022 £'m	Unaudited six months to 31 March 2021 £'m	Change
Income	**209.5**	199.9	4.8%
Fixed staff costs	**(77.6)**	(74.3)	4.4%
Variable staff costs	**(38.3)**	(37.7)	1.6%
Other operating costs excluding adjusted[1] items	**(44.7)**	(40.0)	11.8%
Operating profit before adjusted[1] items	**48.9**	47.9	2.1%
Net finance costs and other gains and losses	**(0.8)**	(0.9)	(11.1)%
Adjusted profit before tax[1]	**48.1**	47.0	2.3%
Adjusted[1] items	**(9.7)**	(6.3)	54.0%
Profit before tax	**38.4**	40.7	(5.7)%
Tax	**(8.5)**	(8.0)	6.3%
Profit after tax	**29.9**	32.7	(8.6)%
Earnings per share:			
Basic	10.2p	11.1p	(8.1)%
Diluted	9.9p	10.9p	(9.2)%
Adjusted[2] earnings per share:			
Basic	13.3p	13.0p	2.3%
Diluted	12.9p	12.7p	1.6%

1. See note 20.
2. See note 7.

Funds

Total funds were £56.3bn at 31 March 2022 (H1 2021: £52.6bn, FY 2021: £56.9bn). The movement was driven by strong net flows of £1.0bn (H1 2021: £0.8bn, H2 2021: £1.3bn). Investment performance was impacted by weak global equity markets experienced in Q2 2022, reducing the overall value of funds by £1.6bn. Our client funds had a lower level of exposure to commodities which saw an unprecedented rise in the period, while 'growth' strategies that have contributed to historical outperformance sold off, explaining the divergence in performance against the benchmarks in the period.

Total funds by service category

£bn	31 March 2021	30 September 2021	**31 March 2022**	Change: Last 12 months	Change: Last 6 months
Direct discretionary	29.3	31.7	**31.1**	6.1%	(1.9)%
Intermediaries	11.1	12.0	**11.8**	6.3%	(1.7)%
MPS/Voyager	5.3	6.1	**6.5**	22.6%	6.6%
Indirect discretionary	16.4	18.1	**18.3**	11.6%	1.1%
Total discretionary	45.7	49.8	**49.4**	8.1%	(0.8)%
Execution only	4.7	5.0	**5.0**	6.4%	0.0%
BPS	0.2	0.3	**0.3**	50.0%	0.0%
Advisory	2.0	1.8	**1.6**	(20.0)%	(11.1)%
Total funds	52.6	56.9	**56.3**	7.0%	(1.1)%
Indices					
MSCI PIMFA Private Investor Balanced Index	1,704	1,781	**1,799**	5.6%	1.0%
FTSE 100	6,713	7,086	**7,516**	12.0%	6.1%

Funds flow by service category for H1 2022[1]

£bn	30 September 2021	Inflows	Outflows	Internal transfers	Net flows	Annualised growth rate	Investment performance	**31 March 2022**	**Change**
Direct discretionary	31.7	0.9	(0.3)	(0.3)	0.3	1.9%	(0.9)	**31.1**	**(1.9)%**
Intermediaries	12.0	0.5	(0.3)	-	0.2	3.3%	(0.4)	**11.8**	**(1.7)%**
MPS/Voyager	6.1	0.5	-	-	0.5	16.4%	(0.1)	**6.5**	**6.6%**
Indirect discretionary	18.1	1.0	(0.3)	-	0.7	7.7%	(0.5)	**18.3**	**1.1%**
Total discretionary	49.8	1.9	(0.6)	(0.3)	1.0	4.0%	(1.4)	**49.4**	**(0.8)%**
Execution only	5.0	0.1	(0.4)	0.5[2]	0.2	8.0%	(0.2)	**5.0**	**0.0%**
BPS	0.3	-	-	-	-	0.0%	-	**0.3**	**0.0%**
Advisory	1.8	-	-	(0.2)	(0.2)	(22.2)%	-	**1.6**	**(11.1)%**
Total funds	56.9	2.0	(1.0)	-	1.0	3.5%	(1.6)	**56.3**	**(1.1)%**

Funds flow by service category for Q2 2022[1]

£bn	31 December 2021	Inflows	Outflows	Internal transfers	Net flows	Annualised growth rate	Investment performance	**31 March 2022**	**Change**
Direct discretionary	33.0	0.4	(0.2)	(0.2)	-	0.0%	(1.9)	**31.1**	**(5.8)%**
Intermediaries	12.4	0.3	(0.2)	-	0.1	3.2%	(0.7)	**11.8**	**(4.8)%**
MPS/Voyager	6.6	0.2	-	-	0.2	12.1%	(0.3)	**6.5**	**(1.5)%**
Indirect discretionary	19.0	0.5	(0.2)	-	0.3	6.3%	(1.0)	**18.3**	**(3.7)%**
Total discretionary	52.0	0.9	(0.4)	(0.2)	0.3	2.3%	(2.9)	**49.4**	**(5.0)%**
Execution only	5.0	0.1	(0.2)	0.3[2]	0.2	16.0%	(0.2)	**5.0**	**0.0%**
BPS	0.3	-	-	-	-	0.0%	-	**0.3**	**0.0%**
Advisory	1.7	-	-	(0.1)	(0.1)	(23.5)%	-	**1.6**	**(5.9)%**
Total funds	59.0	1.0	(0.6)	-	0.4	2.7%	(3.1)	**56.3**	**(4.6)%**

1. The funds figures are rounded to one decimal place and therefore may not always cast.
2. Internal transfers for execution only, include discretionary fund pending exits.

Total discretionary funds were £49.4bn as at 31 March 2022 (H1 2021: £45.7bn, FY 2021: £49.8bn) with net flows of £1.0bn (H1 2021: £0.6bn), representing an annualised growth rate of 4.0%. Inflows were £1.9bn over the period, resilient to the market volatility and macroeconomic uncertainty, and outflows remained stable at £0.6bn. Our broad range of propositions and investment solutions, through our direct and indirect channels has supported the resilience of our net flows. Market volatility has impacted investment performance and this can be seen in the movement of the funds over the period. As at 31 March 2022, investment performance was £(1.4)bn, with a £(2.9)bn movement in the last 3 months of the period.

Direct discretionary net flows were £0.3bn in the period (H1 2021: £0.1bn). The momentum seen in the last three quarters in FY 2021 continued in the half year period, inflows were £0.9bn (H1 2021: £0.7bn), c.70% of these were from new clients. Continued demand for our advice-led services is supporting this growth, with c.60% of private clients taking advice. Outflows remained stable and were in line with H1 2021 at £0.3bn, direct client retention improved to 99%.

Indirect discretionary net flows were £0.7bn in the period (H1 2021: £0.5bn) with c.70% of net flows coming from MPS and Voyager. Voyager fund flows have performed strongly in the period, funds have grown to £0.5bn since their launch in early FY 2021. Interest in Sustainable MPS continues, and c.5% of our intermediaries have funds in this range.

Income

Income increased 4.8% to £209.5m compared to the same period last year (H1 2021: £199.9m), driven by the higher market level in Q1 2022, strong net flows and growth in financial planning income. This increase was marginally offset by commission which was lower in the period, in line with expectations and guidance issued in November 2021.

	Unaudited six months to 31 March 2022			Unaudited six months to 31 March 2021			Change		
£'m	**Fees**	**Commission**	**Total**	Fees	Commission	Total	Fees	Commission	Total
Private clients	**82.5**	**30.6**	**113.1**	77.1	36.3	113.4	7.0%	(15.7)%	(0.3)%
Charities and corporates	**12.8**	**1.7**	**14.5**	11.1	1.9	13.0	15.3%	(10.5)%	11.5%
Direct discretionary	**95.3**	**32.3**	**127.6**	88.2	38.2	126.4	8.0%	(15.4)%	0.9%
Intermediaries	**38.0**	**0.3**	**38.3**	36.0	0.5	36.5	5.6%	(40.0)%	4.9%
MPS/Voyager	**7.9**	**n/a**	**7.9**	6.6	n/a	6.6	19.7%	n/a	19.7%
Indirect discretionary	**45.9**	**0.3**	**46.2**	42.6	0.5	43.1	7.7%	(40.0)%	7.2%
Total discretionary	**141.2**	**32.6**	**173.8**	130.8	38.7	169.5	8.0%	(15.8)%	2.5%
Financial planning	**n/a**	**n/a**	**23.8**	n/a	n/a	19.1	n/a	n/a	24.6%
Execution only	**2.6**	**3.8**	**6.4**	2.3	3.8	6.1	13.0%	0.0%	4.9%
BPS	**1.0**	**n/a**	**1.0**	0.8	n/a	0.8	25.0%	n/a	25.0%
Advisory	**1.8**	**0.5**	**2.3**	2.2	0.5	2.7	(18.2)%	0.0%	(14.8)%
Other income	**n/a**	**n/a**	**2.2**	n/a	n/a	1.7	n/a	n/a	29.4%
Total income	**146.6**	**36.9**	**209.5**	136.1	43.0	199.9	7.7%	(14.2)%	4.8%

Total discretionary income increased by 2.5% to £173.8m (H1 2021: £169.5m). Income was broadly stable across the period with a slight mix change between the two quarters; fee income was higher in the first quarter owing to the higher value of funds and commission was seasonally higher in the second quarter.

Financial planning income grew 24.6% to £23.8m (H1 2021: £19.1m) driven by higher market levels in Q1 2022 and continued demand for our advice-focused services including *1762 from Brewin Dolphin* proposition.

Other income which includes interest, expert witness report writing income and rental income was up £0.5m to £2.2m. This increase was driven largely by higher expert witness report writing income of £1.0m (H1 2021: £0.8m) generated by Mathieson Consulting.

Total discretionary margin decreased to 68.5bps (H1 2021: 74.8bps). As anticipated, commission margin was lower at 12.9bps (H1 2021: 17.1bps) due to the normalising of trading activities to pre-COVID-19 levels. Direct discretionary fee margin decreased marginally to 59.5bps (H1 2021: 60.4bps) and the advice margin was up to 11.3bps (H1 2021: 9.9bps), reflecting the mix change towards our advice-led offering. Intermediaries margin decreased to 63.0bps (H1 2021: 66.0bps) mainly due to the tiering effect as both size of our intermediaries' relationships and client portfolios grow on our platforms.

Operating costs

	Unaudited six months to 31 March 2022 £'m	Unaudited six months to 31 March 2021 £'m
Staff costs	**77.6**	74.3
Non-staff costs	**44.7**	40.0
Fixed costs	**122.3**	114.3
Variable staff costs	**38.3**	37.7
Total operating costs excluding adjusted[1] items	**160.6**	152.0

1. See table below and note 20.

	Unaudited six months to 31 March 2022 £'m	Unaudited six months to 31 March 2021 £'m
Adjusted items		
Amortisation of intangible assets - client relationships and brand	**5.6**	5.6
Remeasurement of deferred contingent consideration	**1.0**	-
Incentivisation awards	**1.0**	0.6
Acquisition costs[1]	**2.1**	-
Other gains and losses	**-**	(0.3)
Defined benefit pension scheme past service costs	**-**	0.4
Total adjusted items	**9.7**	6.3

1. Acquisition costs for the 6 months to 31 March 2022 relate to the proposed takeover of Brewin Dolphin Holdings PLC and include professional costs (£0.5m) and the resulting increase in the Employer's National Insurance provision for share awards (£1.6m).

In line with our expectations, total operating costs before adjusted items were 5.7% higher at £160.6m (H1 2021: £152.0m), driven by the fixed cost base primarily as a result of continued investment to support growth, parallel running costs of our custody and settlement systems and inflation. We were able to offset some of these cost increases with our operational excellence programme delivering cost benefits of £0.9m in H1 2022.

Fixed costs increased by £8.0m to £122.3m (H1 2021: £114.3m). Staff costs grew 4.4% to £77.6m with £4.4m of the increase attributable to planned hires to support our strategy and strong growth, £1.0m to inflationary pay rises, offset by £0.4m in savings from our ongoing operational excellence programme and a reduction of £2.5m in the holiday accrual charge due to employees not being able to take holidays in the prior year because of travel restrictions. Non-staff costs were £4.7m higher as a result of £0.5m of inflationary increases, £1.5m increase in marketing events and travel and entertainment expenses following the end of social distancing, £0.9m increase in costs in Ireland most of which was regulatory-related, and £1.2m increased spend on project costs some of which is related to the operational excellence programme including workforce planning and operational improvement tools.

Variable staff costs of £38.3m (H1 2021: £37.7m), most of which is related to the discretionary profit share, is marginally higher driven by the increase in income and profit growth. Variable staff costs are provided for on an accrual basis and are based on the first half financial performance, the impact of higher numbers of eligible staff and the historical cost of share-based awards.

Adjusted items in the period were £9.7m (H1 2021: £6.3m) and is predominantly comprised of the amortisation of intangible client relationships of £5.6m, similar to H1 2021. Other significant adjusted items in the period were £2.1m of acquisition costs which includes professional fees of £0.5m relating to the proposed takeover of Brewin Dolphin Holdings PLC and the accounting for the £1.6m for the Employer's National Insurance provision for share awards relating to the share price increase in the period. See Note 20 for an explanation of the adjusted items.

Our operating cost guidance of mid-single digit percent growth remains on track. The holiday accrual associated to the first half of the year will reduce in the second half of the year. We expect non-staff costs to increase in the second half as we incur the FSCS levy. We remain confident in achieving our FY 2022 target of c.£1m and believe there is potential further upside that could be achieved. We also reiterate our c.£10m FY 2023 target. In early May we were given access to our Cannon Street offices. At this stage we have let out all floors, except for the ground floor and the basement. As a result, we will have an additional cost of £0.5m in the second half of FY 2022. We are working with our property agents to sublet the final parts of the building.

Capital expenditure

We have continued to make progress on our strategic system and technology projects. Total capital expenditure in H1 2022 was £16.7m of which £14.6m was on our custody and settlement system. Our total capex spend to date on the custody and settlement system is £65.9m. Other capex in the period included £2.1m on enhancement of our digital capabilities. With higher than expected inflationary pressures on technology costs and the extension of our custody and settlement system implementation now set to the end of summer, we now anticipate full year capex guidance on our custody and settlement system to be c.£26m (up from c.£20m) and total capex guidance expected to be around £32m (up from c.£26m).

Net finance costs

Finance income of £0.3m was higher than H1 2021 (£0.2m) due to higher interest rates. Finance costs were £1.1m (H1 2021: £1.1m) and primarily relate to our property leases.

Defined benefit pension scheme

The final salary pension scheme surplus has increased to £23.5m (30 September 2021: £20.8m). An actuarial gain for the period of £2.5m (2021: £0.2m) has been recognised. The main reason for the increase in the surplus is the impact of the change in investment market conditions, in particular an increase in credit spreads as at 31 March 2022 compared to 30 September 2021; this impact was partially offset by an increase in liabilities following an increase to the cash commutation factor.

Tax

The Group's effective corporation tax rate at 22.1% (H1 2021: 19.6%) is higher than the UK statutory rate of 19%, mainly as a result of the net effect of disallowable expenses and the effect of future tax rate changes on deferred tax balances.

Cash and capital

The Group's financial position remains very strong with net assets of £339.7m as at 31 March (2021: £328.6m). At 31 March 2022, the Group had regulatory capital resources of £153.0m (2021: £151.7m), representing 210% (2021: 210%) of the FCA requirement which is substantially above our risk appetite of 150%.

The Group's primary regulator is the Financial Conduct Authority ('FCA'). From 1 January 2022, the Investment Firms Prudential Regime (IFPR) replaced the existing European Banking Authority (EBA) regulations in the UK. The Overall Financial Adequacy Rule (OFAR) was established and is the obligation for an investment firm to hold own funds and liquid assets which are adequate. This will be achieved through the implementation of an Internal Capital and Risk Assessment ('ICARA') and replaces the Internal Capital Adequacy Assessment Process ('ICAAP'). The assessment will be performed at least annually. The Group's regulated entity in Europe began reporting under the new rules in June 2021 and retains strong regulatory capital resources as does the UK regulated entity following its transition to IFPR. The Group's Pillar III disclosures are published annually on our website and provide further details about regulatory capital resources and requirements.

Dividend

The Group's dividend policy is to grow dividends in line with adjusted earnings, with a target pay out ratio of between 60% to 80% of annual adjusted diluted earnings per share. As per the proposed acquisition by RBC Wealth Management (Jersey) Holdings Ltd, RBC reserves the right to reduce the consideration payable should any capital be returned to shareholders and, as such, the Board have not declared an interim dividend.

Going concern

As stated in note 2 to the condensed consolidated set of interim financial statements, the Directors believe that the Group is well placed to manage its business risks successfully. The Group's forecasts and projections, (see note 2(i) for detail) and stressed events that the Group is required to assess demonstrate that the Group has adequate resources to continue in operational existence for the foreseeable future and this assessment is unaffected by the RBC offer. Accordingly, the Directors continue to adopt a going concern basis for the preparation of the condensed consolidated interim financial statements. In forming their view, the Directors have considered the Group's prospects for a period exceeding twelve months from the date the condensed consolidated interim financial statements are approved.

Principal risks and uncertainties

The Directors consider that the nature of the principal risks and uncertainties which may have a material effect on the Group's performance during the remainder of its financial year remain unchanged from those identified on pages 47 and 48 of the Group's 2021 Annual Report and Accounts available on our website www.brewin.co.uk.

Robin Beer
Chief Executive

10 May 2022

Condensed Consolidated Income Statement
for the six months ended 31 March 2022

	Note	**Unaudited six months to 31 March 2022 £'000**	Unaudited six months to 31 March 2021 £'000	Audited year to 30 September 2021 £'000
Revenue	3	**208,322**	199,003	404,075
Other operating income	3	**1,157**	931	1,841
Income		**209,479**	199,934	405,916
Staff costs		**(115,881)**	(111,981)	(222,967)
Other operating costs		**(54,432)**	(46,634)	(108,970)
Operating expenses		**(170,313)**	(158,615)	(331,937)
Operating profit		**39,166**	41,319	73,979
Finance income	5	**297**	227	454
Other gains and losses		**15**	257	340
Finance costs	5	**(1,075)**	(1,133)	(2,245)
Profit before tax		**38,403**	40,670	72,528
Tax	6	**(8,500)**	(7,971)	(17,210)
Profit for the period		**29,903**	32,699	55,318
Attributable to:				
Equity holders of the parent		**29,903**	32,699	55,318
		29,903	32,699	55,318
Earnings per share				
Basic	7	**10.2p**	11.1p	18.8p
Diluted	7	**9.9p**	10.9p	18.3p

The accompanying notes form an integral part of the financial statements.

Condensed Consolidated Statement of Comprehensive Income

for the six months ended 31 March 2022

	Note	**Unaudited six months to 31 March 2022 £'000**	Unaudited six months to 31 March 2021 £'000	Audited year to 30 September 2021 £'000
Profit for the period		**29,903**	32,699	55,318
Items that will not be reclassified subsequently to profit and loss:				
Actuarial gain/(loss) on defined benefit pension scheme	12	**2,545**	(3,056)	238
Deferred tax (charge)/credit on actuarial gain/(loss) on defined benefit pension scheme	6	**(642)**	581	(1,295)
Realised gain on disposal of fair value through other comprehensive income equity instruments		**–**	–	27
Tax on disposal of equity instruments designated at fair value through other comprehensive income		**–**	–	(5)
Fair value gain on investments in equity instruments designated as at fair value through other comprehensive income	13	**1**	–	–
Deferred tax on fair value investments in equity instruments designated as at fair value through other comprehensive income		**–**	–	1
		1,904	(2,475)	(1,034)
Items that may be reclassified subsequently to profit and loss:				
Exchange differences on translation of foreign operations		**(806)**	(3,076)	(2,643)
		(806)	(3,076)	(2,643)
Other comprehensive income/(expense) for the period net of tax		**1,098**	(5,551)	(3,677)
Total comprehensive income for the period		**31,001**	27,148	51,641
Attributable to:				
Equity holders of the parent		**31,001**	27,148	51,641
		31,001	27,148	51,641

The accompanying notes form an integral part of the financial statements.

Condensed Consolidated Balance Sheet

as at 31 March 2022

	Note	**Unaudited as at 31 March 2022 £'000**	Unaudited as at 31 March 2021 £'000	Audited as at 30 September 2021 £'000
Assets				
Non–current assets				
Intangible assets	9	**196,773**	179,330	187,660
Property, plant and equipment	10	**7,357**	9,211	8,059
Right of use assets	11	**29,891**	33,976	32,324
Finance lease receivables		**1,701**	1,904	1,791
Defined benefit pension scheme	12	**23,460**	17,374	20,822
Other receivables		**–**	931	–
Total non–current assets		**259,182**	242,726	250,656
Current assets				
Trade and other receivables		**273,787**	286,095	241,633
Finance lease receivables		**178**	146	174
Financial assets at fair value through other comprehensive income	13	**31**	68	37
Financial assets at fair value through profit or loss	13	**2,989**	2,836	2,974
Current tax asset		**167**	–	2,741
Cash and cash equivalents		**139,830**	145,847	188,021
Total current assets		**416,982**	434,992	435,580
Total assets		**676,164**	677,718	686,236
Liabilities				
Trade and other payables		**253,770**	274,101	258,763
Current tax liabilities		**–**	1,011	–
Lease liabilities	14	**7,683**	7,478	7,766
Provisions	15	**11,426**	4,165	5,823
Shares to be issued	16	**4,321**	–	–
Total current liabilities		**277,200**	286,755	272,352
Net current assets		**139,782**	148,237	163,228
Non–current liabilities				
Trade and other payables		**1,239**	659	509
Lease liabilities	14	**35,284**	40,809	38,250
Provisions	15	**7,235**	9,596	11,322
Shares to be issued	16	**–**	3,773	3,807
Net deferred tax liability	6	**15,469**	7,560	12,737
Total non–current liabilities		**59,227**	62,397	66,625
Total liabilities		**336,427**	349,152	338,977
Net assets		**339,737**	328,566	347,259
Equity				
Share capital	17	**3,037**	3,035	3,035
Share premium account	17	**58,403**	58,388	58,393
Own shares		**(39,729)**	(30,824)	(29,723)
Revaluation reserve		**–**	(2)	(1)
Merger reserve		**70,553**	70,553	70,553
Profit and loss account		**247,473**	227,416	245,002
Equity attributable to equity holders of the parent		**339,737**	328,566	347,259

The accompanying notes form an integral part of the financial statements.

Condensed Consolidated Statement of Changes in Equity

for the six months ended 31 March 2022

	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[1] £'000	Total £'000
At 30 September 2020 (audited)	3,032	58,340	(25,238)	(2)	70,553	228,351	335,036
Profit for the period	–	–	–	–	–	32,699	32,699
Other comprehensive loss for the period	–	–	–	–	–	(5,551)	(5,551)
Total comprehensive income for the period	–	–	–	–	–	27,148	27,148
Dividends	–	–	–	–	–	(29,142)	(29,142)
Issue of share capital	3	48	–	–	–	–	51
Own shares acquired in the period	–	–	(10,591)	–	–	–	(10,591)
Own shares disposed of on exercise of options	–	–	5,005	–	–	(5,005)	–
Share–based payments	–	–	–	–	–	5,905	5,905
Tax on share–based payments	–	–	–	–	–	159	159
At 31 March 2021 (unaudited)	3,035	58,388	(30,824)	(2)	70,553	227,416	328,566
Profit for the period	–	–	–	–	–	22,619	22,619
Other comprehensive income for the period	–	–	–	1	–	1,873	1,874
Total comprehensive income for the period	–	–	–	1	–	24,492	24,493
Dividends	–	–	–	–	–	(13,510)	(13,510)
Issue of share capital	–	5	–	–	–	(2)	3
Own shares acquired in the period	–	–	(98)	–	–	–	(98)
Own shares disposed of on exercise of options	–	–	1,199	–	–	(1,199)	–
Share–based payments	–	–	–	–	–	6,682	6,682
Tax on share–based payments	–	–	–	–	–	1,123	1,123
At 30 September 2021 (audited)	3,035	58,393	(29,723)	(1)	70,553	245,002	347,259
Profit for the period	**–**	**–**	**–**	**–**	**–**	**29,903**	**29,903**
Other comprehensive income for the period	**–**	**–**	**–**	**1**	**–**	**1,097**	**1,098**
Total comprehensive income for the period	**–**	**–**	**–**	**1**	**–**	**31,000**	**31,001**
Dividends	**–**	**–**	**–**	**–**	**–**	**(32,351)**	**(32,351)**
Issue of share capital	**2**	**10**	**–**	**–**	**–**	**(2)**	**10**
Own shares acquired in the period	**–**	**–**	**(17,712)**	**–**	**–**	**–**	**(17,712)**
Own shares disposed of on exercise of options	**–**	**–**	**7,706**	**–**	**–**	**(7,706)**	**–**
Share–based payments	**–**	**–**	**–**	**–**	**–**	**8,718**	**8,718**
Tax on share–based payments	**–**	**–**	**–**	**–**	**–**	**2,812**	**2,812**
At 31 March 2022 (unaudited)	**3,037**	**58,403**	**(39,729)**	**–**	**70,553**	**247,473**	**339,737**

1. A cumulative debit of £2,285k has been recognised in the profit and loss account reserve as at 31 March 2022 for exchange differences on translation of foreign operations (30 September 2021: £1,479k debit, 31 March 2021: £1,912k debit and 30 September 2020: £1,164k credit).

The accompanying notes form an integral part of the financial statements.

Condensed Consolidated Cash Flow Statement

for the six months ended 31 March 2022

	Note	**Unaudited six months to 31 March 2022 £'000**	Unaudited six months to 31 March 2021 £'000	Audited year to 30 September 2021 £'000
Profit before tax		**38,403**	40,670	72,528
Adjustments for:				
Share–based payment expense		**8,718**	5,905	12,587
Amortisation of intangible assets – client relationships and brand	9	**5,555**	5,636	11,232
Amortisation of intangible assets – software	9	**2,191**	1,933	3,994
Loss on disposal of intangible assets – software	9	**–**	–	115
Depreciation of property, plant and equipment	10	**1,148**	1,605	3,249
Loss on disposal of property, plant and equipment	10	**–**	–	421
Depreciation of right of use assets	11	**3,170**	3,144	6,371
Defined benefit pension scheme past service costs	12	**–**	360	360
Defined benefit pension scheme cash contributions	12	**–**	(313)	(313)
Defined benefit pension scheme administration costs	12	**103**	–	–
Other gains and losses	13	**(15)**	(257)	(340)
Effect of changes in foreign exchange rates		**62**	1,181	1,198
Finance income		**(239)**	(200)	(399)
Finance costs		**1,075**	1,126	2,242
Operating cash flows before movements in working capital		**60,171**	60,790	113,245
(Decrease)/increase in payables and provisions		**(3,352)**	11,582	6,148
(Increase)/decrease in receivables and trading investments		**(32,027)**	(44,026)	1,496
Cash generated by operating activities		**24,792**	28,346	120,889
Tax paid		**(992)**	(3,489)	(11,903)
Net cash inflow from operating activities		**23,800**	24,857	108,986
Cash flows from investing activities				
Purchase of intangible assets – software		**(16,339)**	(10,021)	(32,679)
Purchases of property, plant and equipment		**(475)**	(1,128)	(1,960)
Purchase of intangible assets – client relationships		**–**	–	(176)
Purchase of financial instruments at fair value through profit and loss		**–**	(2,200)	(2,255)
Proceeds on disposal of financial instruments designated as at fair value through other comprehensive income		**7**	–	58
Net cash used in investing activities		**(16,807)**	(13,349)	(37,012)
Cash flows from financing activities				
Dividends paid to equity shareholders	8	**(32,351)**	(29,142)	(42,652)
Repayment of lease liabilities		**(4,751)**	(5,428)	(10,266)
Proceeds on issue of shares		**10**	49	54
Purchase of own shares		**(17,712)**	(10,591)	(10,689)
Net cash used in financing activities		**(54,804)**	(45,112)	(63,553)
Net (decrease)/increase in cash and cash equivalents		**(47,811)**	(33,604)	8,421
Cash and cash equivalents at the start of period		**188,021**	180,533	180,533
Effect of foreign exchange rates		**(380)**	(1,082)	(933)
Cash and cash equivalents at the end of period		**139,830**	145,847	188,021

The accompanying notes form an integral part of the financial statements.

Notes to the Condensed Consolidated Set of Financial Statements

1. General information

Brewin Dolphin Holdings PLC (the 'Company') is a public limited company incorporated in the United Kingdom. The shares of the Company are listed on the London Stock Exchange. The address of its registered office is 12 Smithfield Street, London, EC1A 9BD. This Interim Financial Report of Brewin Dolphin Holdings PLC and its subsidiaries (collectively, 'the Group') was approved for issue by its directors on 10 May 2022.

A copy of this Interim Financial Report including the Condensed Consolidated Financial Statements for the period ended 31 March 2022 is available at the Company's registered office and on the Company's investor relations website (www.brewin.co.uk).

The comparative information for the period ended 30 September 2021 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that period has been delivered to the Registrar of Companies. The auditor reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

2. Basis of preparation

The interim condensed consolidated set of financial statements included in this Interim Financial Report has been prepared in accordance with UK–adopted International Accounting Standard 34 'Interim Financial Reporting' and the Disclosure and Transparency Rules ('DTR') sourcebook of the UK's Financial Conduct Authority.

The interim condensed consolidated set of financial statements included in this Interim Financial Report for the six months ended 31 March 2022 do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual audited financial statements of Brewin Dolphin Holdings PLC for the year ended 30 September 2021.

The 2021 annual financial statements of Brewin Dolphin Holdings PLC were prepared in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union ('IFRS').

The foreign operations have been translated into the functional currency at a spot rate of €/£1.183 for the Balance Sheet at 31 March 2022 (31 March 2021: €/£1.174 and 30 September 2021: €/£1.164) and the average exchange rate of €/£1.187 for the Income Statement items for the period ending 31 March 2022 (31 March 2021: €/£1.133 and 30 September 2021: €/£1.148).

(i) 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. To form the view that the condensed consolidated financial statements should continue to be prepared on a going concern basis, the Directors have assessed the outlook of the Group by considering:

i) the Group's Medium–Term Plan ('MTP'), the MTP is a comprehensive multi–year business plan forecasting costs and revenues across all operations and branches; and
ii) the performance of a range of stress tests including reverse stress tests are used to assess the Group's ability to withstand a market–wide stress.

The stress tests enable the modelling of the impact of a variety of external and internal events on the MTP; identify the potential impact of stress events on the Group's income, costs, cash flow and capital; and enable the Directors to assess management's ability to implement effective management actions that may be taken to mitigate the impact of the stress events. The reverse stress test allows the Directors to assess scenarios and circumstances that would render the Group's business model unviable. The tests demonstrated that the Group has adequate resources, including cash, to continue in operational existence for the foreseeable future.

In making our assessment, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Company's ability to continue as a going concern for twelve months from the date the Interim Financial Report is signed.

(ii) Impairment considerations

At each balance sheet date, the Group reviews the carrying amounts of its 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 annually at 30 September for impairment.

The Group has performed an assessment of whether there were any indicators that any of its assets may be impaired at the reporting period end. External sources of information, as well as internal information such as financial performance was considered in assessing whether there were indicators of impairment including performance of the assets.

The assessment did not identify any indicators of impairment for the assets held by the Group – see note 9 for further details.

(iii) New standards, interpretations and amendments adopted by the Group

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in the current financial reporting period but do not have an impact on the interim condensed consolidated set of financial statements of the Group.

(iv) Material accounting policy information and use of estimates and judgements

The same material accounting policies, presentation and methods of computation as applied in the Group's latest annual audited financial statements for the year ended 30 September 2021 are followed in the condensed consolidated set of financial statements.

The preparation of interim condensed consolidated financial statements in compliance with IAS 34 requires the use of certain critical accounting judgements and key sources of estimation uncertainty. It also requires the exercise of judgement in applying the Group's accounting policies. There have been no material revisions to the nature and the assumptions used in estimating amounts reported in the annual audited financial statements of Brewin Dolphin Holdings PLC for the year ended 30 September 2021.

3. Income

The following table presents revenue disaggregated by service and timing of revenue recognition:

	Unaudited six months to 31 March 2022 £'000	Unaudited six months to 31 March 2021 £'000	Audited year to 30 September 2021 £'000
Services transferred over time			
Discretionary investment management fee income	**141,209**	130,769	269,620
Discretionary investment management commission income	**32,629**	38,688	70,225
Financial planning income	**23,799**	19,131	41,623
Execution only fee income	**2,654**	2,300	4,860
Advisory investment management fee income	**1,794**	2,284	4,430
BPS[1] investment management fee income	**965**	756	1,660
Services transferred at a point in time			
Execution only commission income	**3,759**	3,798	7,151
Advisory investment management commission income	**468**	511	2,782
Expert witness report service	**1,045**	766	1,724
Revenue	**208,322**	199,003	404,075
Other operating income	**1,157**	931	1,841
Income	**209,479**	199,934	405,916

1. Brewin Portfolio Service.

Services transferred at a point in time	**5,272**	5,075	11,657
Services transferred over time	**203,050**	193,928	392,418
Revenue	**208,322**	199,003	404,075

Contract balances

The Group does not have contract assets. There are no incremental costs of obtaining a contract, and no contracts whereby revenue is conditional on the fulfilment of a contingent event.

Contract liabilities

Contract liabilities relate to the advance consideration received from customers for services still to be delivered. The Group derecognises contract liabilities (and recognises revenue) when it transfers services and satisfies its performance obligations.

Unsatisfied performance obligations

The Group does not have material unsatisfied (or partially unsatisfied) performance obligations at the reporting date, as the majority of the Group's performance obligations are satisfied equally over time.

4. Segmental information

The Group provides a wide range of wealth management services in the United Kingdom ('UK'), Channel Islands ('CI') and the Republic of Ireland ('ROI'). The Group's Executive Committee has been determined to be the chief operating decision maker for the purposes of making decisions regarding the allocation of resources and assessing the performance of the identified segments.

For management reporting purposes the Group currently has a single operating segment: the Wealth Management business. This forms the reportable segment of the Group for the period and consequently, the Group's Consolidated Income Statement and Consolidated Balance Sheet are monitored by the Group's Executive Committee. The accounting policies of the operating segment are the same as those of the Group. All segmental income relates to external clients.

Segmental income statement
for the six month period ended 31 March 2022

	UK & CI business £'000	ROI business £'000	Group £'000
Income	**194,182**	**15,297**	**209,479**
Staff costs	**(109,139)**	**(6,742)**	**(115,881)**
Other operating costs	**(46,712)**	**(7,720)**	**(54,432)**
Operating profit	**38,331**	**835**	**39,166**
Net finance costs and other gains and losses	**(666)**	**(97)**	**(763)**
Profit before tax	**37,665**	**738**	**38,403**
Tax	**(8,460)**	**(40)**	**(8,500)**
Profit after tax	**29,205**	**698**	**29,903**

Segmental balance sheet
as at 31 March 2022

	UK & CI business £'000	ROI business £'000	Group £'000
Net assets	**295,760**	**43,977**	**339,737**
Total assets	**622,738**	**53,426**	**676,164**
Total liabilities	**326,978**	**9,449**	**336,427**

Segmental income statement
for the six month period ended 31 March 2021

	UK & CI business £'000	ROI business £'000	Group £'000
Income	186,220	13,714	199,934
Staff costs	(105,540)	(6,441)	(111,981)
Other operating costs	(39,692)	(6,942)	(46,634)
Operating profit	40,988	331	41,319
Net finance costs and other gains and losses	(607)	(42)	(649)
Profit before tax	40,381	289	40,670
Tax	(7,766)	(205)	(7,971)
Profit after tax	32,615	84	32,699

Segmental balance sheet
as at 31 March 2021

	UK & CI business £'000	ROI business £'000	Group £'000
Net assets	280,859	47,707	328,566
Total assets	620,970	56,748	677,718
Total liabilities	340,111	9,041	349,152

Segmental income statement
for the year ended 30 September 2021

	UK & CI business £'000	ROI business £'000	Group £'000
Income	375,602	30,314	405,916
Staff costs	(209,870)	(13,097)	(222,967)
Other operating costs	(94,302)	(14,668)	(108,970)
Operating profit	71,430	2,549	73,979
Net finance costs and other gains and losses	(1,338)	(113)	(1,451)
Profit before tax	70,092	2,436	72,528
Tax	(16,341)	(869)	(17,210)
Profit after tax	53,751	1,567	55,318

Segmental balance sheet
as at 30 September 2021

	UK & CI business £'000	ROI business £'000	Group £'000
Net assets	301,053	46,206	347,259
Total assets	627,922	58,314	686,236
Total liabilities	326,869	12,108	338,977

5. Finance income and finance costs

	Unaudited six months to 31 March 2022 £'000	Unaudited six months to 31 March 2021 £'000	Audited year to 30 September 2021 £'000
Finance income			
Interest income on defined benefit pension scheme	**196**	153	307
Interest on lease receivables	**43**	47	92
Interest on bank deposits	**58**	27	55
	297	227	454
Finance costs			
Interest expense on lease liabilities	**974**	1,018	2,036
Unwind of discounts on provisions (see note 15)	**67**	73	137
Unwind of discounts on shares to be issued	**34**	35	69
Interest on bank overdrafts	**–**	7	3
	1,075	1,133	2,245

6. Taxation

Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings.

	Unaudited six months to 31 March 2022 £'000	Unaudited six months to 31 March 2021 £'000	Audited year to 30 September 2021 £'000
Current tax			
United Kingdom:			
Charge for the period	**6,103**	8,337	11,905
Adjustments in respect of prior periods	**(2,501)**	46	828
Overseas:			
Charge for the period	**161**	87	445
Adjustments in respect of prior periods	**4**	191	347
Total current tax	**3,767**	8,661	13,525
Deferred tax			
United Kingdom:			
Charge for the period	**3,178**	(633)	4,106
Adjustments in respect of prior periods	**1,618**	–	(515)
Overseas:			
Charge for the period	**(3)**	(57)	38
Adjustments in respect of prior periods	**(60)**	–	56
Total deferred tax	**4,733**	(690)	3,685
Tax charged to the Income Statement	**8,500**	7,971	17,210

The Finance (No.2) Bill 2019–21 maintained the UK statutory corporation tax rate at 19% until 31 March 2023. From 1 April 2023 the rate will increase to 25%. Taxation for other jurisdictions is calculated at the relevant prevailing rates in the respective jurisdictions.

Net deferred tax liability

	Capital allowances £'000	Revaluation £'000	Other short–term timing differences £'000	Defined pension benefit scheme £'000	Share–based payments £'000	Incentivisation awards £'000	Intangible asset amortisation £'000	Total £'000
At 30 September 2020 (audited)	857	(1)	4,119	(3,861)	3,240	86	(13,534)	(9,094)
Exchange rate movement	–	–	(116)	–	–		231	115
(Charge)/credit in the period to the Income Statement	(92)	–	(291)	(20)	980	(86)	199	690
Credit in the period to the Statement of Comprehensive Income	–	–	–	581	–	–	–	581
Credit in the period to the Statement of Changes in Equity	–	–	–	–	148	–	–	148
At 31 March 2021 (unaudited)	765	(1)	3,712	(3,300)	4,368	–	(13,104)	(7,560)
Exchange rate movement	–	–	15	–	–	–	(30)	(15)
Credit/(charge) in the period to the Income Statement	88	–	(355)	(29)	1,801	371	(6,251)	(4,375)
Credit/(charge) in the period to the Statement of Comprehensive Income	–	1	–	(1,876)	–	–	–	(1,875)
Charge in the period to the Statement of Changes in Equity	–	–	–	–	1,088	–	–	1,088
At 30 September 2021 (audited)	853	–	3,372	(5,205)	7,257	371	(19,385)	(12,737)
Exchange rate movement	**–**	**–**	**(17)**	**–**	**–**	**–**	**54**	**37**
Credit/(charge) in the period to the Income Statement	**312**	**–**	**(259)**	**(18)**	**593**	**(5)**	**(5,356)**	**(4,733)**
Charge in the period to the Statement of Comprehensive Income	**–**	**–**	**–**	**(642)**	**–**	**–**	**–**	**(642)**
Credit in the period to the Statement of Changes in Equity	**–**	**–**	**–**	**–**	**2,606**	**–**	**–**	**2,606**
At 31 March 2022 (unaudited)	**1,165**	**–**	**3,096**	**(5,865)**	**10,456**	**366**	**(24,687)**	**(15,469)**

7. Earnings per share

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

	Unaudited six months to 31 March 2022 '000	Unaudited six months to 31 March 2021 '000	Audited year to 30 September 2021 '000
Number of shares			
Basic			
Weighted average number of shares in issue in the period	**292,278**	294,058	293,785
Diluted			
Effect of weighted average number of options outstanding for the period	**9,502**	6,796	8,769
Effect of estimated weighted average number of shares earned under deferred consideration arrangements for the period	**482**	–	343
Diluted weighted average number of options and shares for the period	**302,262**	300,854	302,897

	£'000	£'000	£'000
Earnings attributable to ordinary shareholders			
Profit for the purpose of basic earnings per share	**29,903**	32,699	55,318
Finance costs of deferred consideration[1]	**34**	–	69
less tax effect of above	**(6)**	–	(13)
Profit for the purpose of diluted earnings per share	**29,931**	32,699	55,374
Adjusted items (see note 20)	**9,676**	6,345	18,411
less tax effect of above	**(726)**	(736)	(1,583)
Adjusted profit for the purpose of diluted earnings per share	**38,881**	38,308	72,202
Finance costs of deferred consideration[1]	**(34)**	–	(69)
less tax effect of above	**6**	–	13
Adjusted profit for the purpose of basic earnings per share	**38,853**	38,308	72,146
Earnings per share			
Basic	**10.2p**	11.1p	18.8p
Diluted	**9.9p**	10.9p	18.3p
Adjusted earnings per share			
Basic	**13.3p**	13.0p	24.6p
Diluted	**12.9p**	12.7p	23.8p

1. Finance costs of deferred consideration are added back where the issue of shares is more dilutive than the interest cost saved.

8. Dividends

	Unaudited six months to 31 March 2022 £'000	Unaudited six months to 31 March 2021 £'000	Audited year to 30 September 2021 £'000
Amounts recognised as distributions to equity shareholders in the period:			
Final dividend (2021) paid 9 February 2022, 11.1p per share (2020: 9.9p per share)	**32,351**	29,142	29,142
Interim dividend (2021) paid 11 June 2021, 4.6p per share	**–**	–	13,510
	32,351	29,142	42,652

9. Intangible assets

	Goodwill £'000	Client relationships £'000	Brand £'000	Software[1] £'000	Total £'000
Cost					
At 30 September 2020 (audited)	54,903	190,393	1,388	63,640	310,324
Additions	–	–	–	14,120	14,120
Exchange differences	(131)	(2,052)	–	–	(2,183)
At 31 March 2021 (unaudited)	54,772	188,341	1,388	77,760	322,261
Additions	–	337	–	15,505	15,842
Exchange differences	18	283	–	–	301
Disposals	–	–	–	(8,620)	(8,620)
At 30 September 2021 (audited)	54,790	188,961	1,388	84,645	329,784
Additions	**–**	**–**	**–**	**17,334**	**17,334**
Exchange differences	**(34)**	**(538)**	**–**	**–**	**(572)**
At 31 March 2022 (unaudited)	**54,756**	**188,423**	**1,388**	**101,979**	**346,546**
Accumulated amortisation and impairment					
At 30 September 2020 (audited)	–	117,203	208	18,196	135,607
Amortisation charge for the period	–	5,567	69	1,933	7,569
Exchange differences	–	(245)	–	–	(245)
At 31 March 2021 (unaudited)	–	122,525	277	20,129	142,931
Amortisation charge for the period	–	5,526	70	2,061	7,657
Exchange differences	–	41	–	–	41
Disposals	–	–	–	(8,505)	(8,505)
At 30 September 2021 (audited)	–	128,092	347	13,685	142,124
Amortisation charge for the period	**–**	**5,486**	**69**	**2,191**	**7,746**
Exchange differences	**–**	**(97)**	**–**	**–**	**(97)**
At 31 March 2022 (unaudited)	**–**	**133,481**	**416**	**15,876**	**149,773**
Net book value					
At 31 March 2022 (unaudited)	**54,756**	**54,942**	**972**	**86,103**	**196,773**
At 30 September 2021 (audited)	54,790	60,869	1,041	70,960	187,660
At 31 March 2021 (unaudited)	54,772	65,816	1,111	57,631	179,330

1. £74,623k is under construction (31 March 2021 £43,320k, 30 September 2021: £57,981k).

Goodwill and client relationships impairment testing

The tables below show the goodwill allocated to groups of cash–generating units ('CGUs') and the significant client relationship intangible assets:

Goodwill allocation to CGUs:

	Unaudited as at 31 March 2022 £'000	Unaudited as at 31 March 2021 £'000	Audited as at 30 September 2021 £'000
UK & CI business	**52,732**	52,732	52,732
ROI business	**2,024**	2,040	2,058
Carrying amount	**54,756**	54,772	54,790

Significant client relationship intangible assets:

	Unaudited as at 31 March 2022 £'000	Unaudited as at 31 March 2021 £'000	Audited as at 30 September 2021 £'000
Brewin Dolphin Wealth Management Limited[1]	**6,992**	8,607	7,800
Brewin Dolphin Capital and Investments (Ireland) Limited[2]	**23,835**	27,197	25,841
BD Ireland	**30,827**	35,804	33,641
South East investment management team[3]	**7,695**	11,338	9,511
Bath branch[4]	**13,829**	15,714	14,766
Other investment management teams	**2,591**	2,960	2,951
Carrying amount	**54,942**	65,816	60,869

1. Amortisation period remaining 4 years 4 months at 31 March 2022.
2. Amortisation period remaining 7 years 7 months at 31 March 2022.
3. Amortisation period remaining 2 years 1 months at 31 March 2022.
4. Amortisation period remaining 7 years 4 months at 31 March 2022.

In accordance with IFRS, the Group performs impairment testing for goodwill on an annual basis or more frequently when there are impairment indicators. Client relationships and brand intangible assets are reviewed for indicators of impairment at each reporting date.

The Group has reviewed goodwill, client relationships and brand intangible assets as at 31 March 2022. The review determined that there were no indicators of impairment present, see note 2 (ii) for further detail.

10. Property, plant and equipment

	Leasehold improvements £'000	Office equipment £'000	Computer equipment £'000	Total £'000
Cost				
At 30 September 2020 (audited)	19,010	12,608	36,314	67,932
Additions	776	6	346	1,128
Exchange differences	(26)	(40)	–	(66)
At 31 March 2021 (unaudited)	19,760	12,574	36,660	68,994
Additions	(309)	5	1,213	909
Exchange differences	3	5	–	8
Disposals	(912)	(203)	(568)	(1,683)
At 30 September 2021 (audited)	18,542	12,381	37,305	68,228
Additions	**80**	**22**	**351**	**453**
Exchange differences	**(7)**	**(11)**	**–**	**(18)**
At 31 March 2022 (unaudited)	**18,615**	**12,392**	**37,656**	**68,663**
Accumulated depreciation and impairment				
At 30 September 2020 (audited)	12,518	11,809	33,882	58,209
Charge for the period	621	151	833	1,605
Exchange differences	(8)	(23)	–	(31)
At 31 March 2021 (unaudited)	13,131	11,937	34,715	59,783
Charge for the period	649	135	860	1,644
Exchange differences	1	3	–	4
Eliminated on disposal	(491)	(203)	(568)	(1,262)
At 30 September 2021 (audited)	13,290	11,872	35,007	60,169
Charge for the period	**609**	**127**	**412**	**1,148**
Exchange differences	**(3)**	**(8)**	**–**	**(11)**
At 31 March 2022 (unaudited)	**13,896**	**11,991**	**35,419**	**61,306**
Net book value				
At 31 March 2022 (unaudited)	**4,719**	**401**	**2,237**	**7,357**
At 30 September 2021 (audited)	5,252	509	2,298	8,059
At 31 March 2021 (unaudited)	6,629	637	1,945	9,211

11. Right of use assets

	£'000
Cost	
At 30 September 2020 (audited)	44,292
Lease modifications and rent reviews	(932)
Exchange differences	(37)
At 31 March 2021 (unaudited)	43,323
Lease modifications and rent reviews	756
Disposals	(733)
Additions	1,549
Exchange differences	5
At 30 September 2021 (audited)	44,900
Lease modifications and rent reviews	**79**
Additions	**664**
Exchange differences	**(9)**
At 31 March 2022 (unaudited)	**45,634**
Accumulated depreciation and impairment losses	
At 30 September 2020 (audited)	6,250
Charge for the period	3,144
Disposals	(38)
Exchange differences	(9)
At 31 March 2021 (unaudited)	9,347
Charge for the period	3,227
Exchange differences	2
At 30 September 2021 (audited)	12,576
Charge for the period	**3,170**
Exchange differences	**(3)**
At 31 March 2022 (unaudited)	**15,743**
Net book value	
At 31 March 2022 (unaudited)	**29,891**
At 30 September 2021 (audited)	32,324
At 31 March 2021 (unaudited)	33,976

12. Defined benefit pension scheme

The main financial assumptions used in calculating the Group's defined benefit pension scheme are as follows:

	Unaudited six months to 31 March 2022	Unaudited six months to 31 March 2021	Audited year to 30 September 2021
Discount rate	**2.60%**	1.90%	1.90%
RPI Inflation assumption	**3.80%**	3.30%	3.50%
CPI Inflation assumption	**2.90%**	2.50%	2.70%
Rate of increase in salaries	**3.80%**	3.30%	3.50%
LPI Pension increases	**3.60%**	3.20%	3.35%
Average assumed life expectancies for members on retirement at age 65:			
Retiring today:			
Males	**86.7 years**	86.9 years	86.6 years
Females	**89.2 years**	89.3 years	89.1 years
Retiring in 20 years' time:			
Males	**88.0 years**	88.3 years	87.9 years
Females	**90.6 years**	90.7 years	90.5 years

The latest full actuarial funding valuation was carried out as at 31 December 2020. The value of the defined benefit pension scheme as at 31 March 2022 was estimated in accordance with International Accounting Standard 19 by a qualified independent actuary. For further details see note 17 to the 2021 Group Annual Report and Accounts. The note includes the main risks to which the Group is exposed in relation to the pension scheme.

The assets in the Scheme were:

	Unaudited as at 31 March 2022 £'000	Unaudited as at 31 March 2021 £'000	Audited as at 30 September 2021 £'000
Equities and property (quoted)	**9,839**	15,492	13,704
Fixed interest bonds (quoted)	**56,465**	46,766	50,475
Index linked bonds (quoted)	**39,613**	47,808	49,173
Liability hedging (quoted)	**5,075**	1,925	4,011
Commodities (quoted)	**563**	–	–
Currency hedging (quoted)	**(40)**	102	(92)
Alternatives (quoted)	**2,224**	2,567	1,569
Cash and cash equivalents	**5,555**	3,934	3,391
Fair value of scheme assets	**119,294**	118,594	122,231

	Unaudited as at 31 March 2022 %	Unaudited as at 31 March 2021 %	Audited as at 30 September 2021 %
Equities and property (quoted)	**8.2**	13.1	11.2
Fixed interest bonds (quoted)	**47.2**	39.4	41.3
Index linked bonds (quoted)	**33.2**	40.3	40.2
Liability hedging (quoted)	**4.3**	1.6	3.3
Commodities (quoted)	**0.5**	–	–
Currency hedging (quoted)	**–**	0.1	(0.1)
Alternatives (quoted)	**1.9**	2.2	1.3
Cash and cash equivalents	**4.7**	3.3	2.8
	100.0	100.0	100.0

The Scheme's investment strategy is to target investing 17.5% in higher return seeking assets (e.g. equities, high yielding bonds), 20% in a cashflow generating corporate bond fund and 62.5% in matching assets (e.g. fixed interest gilts and index–linked gilts). The objective is to target an investment return of c. 0.725% per annum (net of fees) in excess of a portfolio of gilts that closely matches the behaviour of the Scheme's liabilities. The Scheme also has a liability matching overlay to mirror the majority of the movement in the matching portfolio. This strategy reflects the Scheme's liability profile and the Trustees' and Group's attitude to risk. The asset allocations are provided above, disaggregated between assets that have a quoted market price in an active market.

Net asset recognised on the Balance Sheet:

	Unaudited as at 31 March 2022 £'000	Unaudited as at 31 March 2021 £'000	Audited as at 30 September 2021 £'000
Present value of funded obligations	**(95,834)**	(101,220)	(101,409)
Fair value of scheme assets	**119,294**	118,594	122,231
Surplus in funded scheme and net asset on the Balance Sheet	**23,460**	17,374	20,822

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

	Unaudited as at 31 March 2022 £'000	Unaudited as at 31 March 2021 £'000	Audited as at 30 September 2021 £'000
Benefit obligation at beginning of the period	**101,409**	105,755	105,755
Past service cost[1]	**–**	360	360
Interest cost	**953**	783	1,558
Net remeasurement gains – demographic	**–**	–	(1,151)
Net remeasurement (gains)/losses – financial	**(8,565)**	(2,454)	140
Net remeasurement losses/(gains) – experience	**3,316**	(1,392)	(1,441)
Benefits paid	**(1,279)**	(1,832)	(3,812)
Benefit obligation at end of the period	**95,834**	101,220	101,409

1. The past service cost relates to the equalisation of the Guaranteed Minimum Pensions ("GMP"). This cost has been incurred following the judgement in November 2020 in relation to the Lloyds Bank GMP equalisation case confirming that pension scheme trustees are responsible for equalising GMP benefits that have already been transferred out of Defined Benefit schemes.

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

	Unaudited as at 31 March 2022 £'000	Unaudited as at 31 March 2021 £'000	Audited as at 30 September 2021 £'000
Fair value of plan assets at beginning of the period	**122,231**	126,079	126,079
Interest income on scheme assets	**1,149**	936	1,865
Return on assets, excluding interest income	**(2,704)**	(6,902)	(2,214)
Contributions by employers	**–**	313	313
Scheme administrative cost	**(103)**	–	–
Benefits paid	**(1,279)**	(1,832)	(3,812)
Fair value of scheme assets at end of the period	**119,294**	118,594	122,231

The amounts recognised in the Income Statement are:

	Unaudited six months to 31 March 2022 £'000	Unaudited six months to 31 March 2021 £'000	Audited year to 30 September 2021 £'000
Past service cost	**–**	(360)	(360)
Scheme administrative cost	**(103)**	–	–
Net interest income on the net defined benefit asset	**196**	153	307
Total income/(expense)	**93**	(207)	(53)

Remeasurements of the net defined benefit asset included in Other Comprehensive Income ('OCI'):

	Unaudited six months to 31 March 2022 £'000	Unaudited six months to 31 March 2021 £'000	Audited year to 30 September 2021 £'000
Net remeasurement – demographic	**–**	–	1,151
Net remeasurement – financial	**8,565**	2,454	(140)
Net remeasurement – experience	**(3,316)**	1,392	1,441
Return on assets, excluding interest income	**(2,704)**	(6,902)	(2,214)
Total remeasurement of the net defined benefit asset included in OCI	**2,545**	(3,056)	238

Sensitivity

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 and assets are set out below. The duration of the pension scheme liabilities is in the region of 17 years.

Scheme liabilities:

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Decrease by 0.25%	Increase by £4.1m
Rate of inflation (RPI, CPI, inflation linked pension increases and salary increases)	Increase by 0.25%	Increase by £2.6m
Assumed life expectancy	Members live 1 year longer	Increase by £2.5m

Scheme assets:

Change in value of assets on risk	Impact on scheme assets
Decrease by 10%	Decrease by £2.1m
Decrease by 20%	Decrease by £4.1m

13. Financial instruments

Financial assets at fair value through other comprehensive income ('FVTOCI')

Level 3

	Unaudited six months to 31 March 2022 £'000	Unaudited six months to 31 March 2021 £'000	Audited year to 30 September 2021 £'000
At start of period	**37**	68	68
Net gain from changes in fair value recognised in equity	**1**	–	–
Disposals	**(7)**	–	(31)
At end of period	**31**	68	37
Equity	**31**	68	37
Total financial assets at FVTOCI	**31**	68	37

Financial assets at fair value through profit and loss ('FVTPL')

Level 1

	£'000
At 30 September 2020 (audited)	379
Additions	2,200
Net gain from changes in fair value recognised in the income statement in other gains and losses	257
At 31 March 2021 (unaudited)	2,836
Additions	55
Net gain from changes in fair value recognised in the income statement in other gains and losses	83
At 30 September 2021 (audited)	2,974
Net gain from changes in fair value recognised in the income statement in other gains and losses	**15**
At 31 March 2022 (unaudited)	**2,989**

	Unaudited as at 31 March 2022 £'000	Unaudited as at 31 March 2021 £'000	Audited as at 30 September 2021 £'000
Listed investments	**2,989**	2,836	2,974
Total financial assets at FVTPL	**2,989**	2,836	2,974

The fair value of financial assets at FVTPL 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.

Fair value measurement recognised on the Balance Sheet
The table below provides an analysis of the fair value measurement of financial instruments which are grouped into Levels 1 to 3 of the fair value hierarchy based on the degree to which the fair value is observable:

− Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities;

− Level 2 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 inputs which include formal valuation techniques 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

The following table gives information about how the fair values of the Group's financial assets and liabilities are determined at the end of each reporting period.

	Unaudited fair value as at 31 March 2022 £'000	Unaudited fair value as at 31 March 2021 £'000	Audited fair value as at 30 September 2021 £'000	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Level 1						
Financial assets at FVTPL	**2,989**	2,836	2,974	Quoted bid prices in an active market	n/a	n/a
Level 3						
Financial assets at FVTOCI – Equity	**31**	37	37	The valuation is based on published monthly NAVs.	n/a	n/a
Financial assets at FVTOCI – Equity	**–**	31	–	The valuation is based on the net assets as presented in the most recent audited financial statements of the company. 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.

14. Lease liabilities

	Unaudited as at 31 March 2022 £'000	Unaudited as at 31 March 2021 £'000	Audited as at 30 September 2021 £'000
Current	**7,683**	7,478	7,766
Non-current	**35,284**	40,809	38,250
Lease liabilities	**42,967**	48,287	46,016

	Unaudited as at 31 March 2022 £'000	Unaudited as at 31 March 2021 £'000	Audited as at 30 September 2021 £'000
Less than 1 year	**9,182**	9,153	9,378
1 to 2 years	**8,248**	8,616	8,357
2 to 3 years	**7,962**	7,742	7,998
3 to 4 years	**6,802**	7,631	7,702
4 to 5 years	**4,217**	6,572	5,052
Greater than 5 years	**13,380**	16,961	15,139
Total lease payments	**49,791**	56,675	53,626
Finance charges	**(6,824)**	(8,388)	(7,610)
Lease liabilities	**42,967**	48,287	46,016

15. Provisions

	Audited as at 30 September 2021 £'000	Additions £'000	Utilisation of provision £'000	Unwinding of discount £'000	Unused amounts reversed £'000	**Unaudited as at 31 March 2022 £'000**	Unaudited as at 31 March 2021 £'000
Sundry claims and associated costs	317	**328**	**(84)**	**–**	**(91)**	**470**	267
Onerous contracts	2,186	**6**	**(773)**	**2**	**–**	**1,421**	1,311
Social security and levies on share awards	5,074	**3,273**	**(1,274)**	**–**	**(107)**	**6,966**	3,169
Incentivisation awards	3,380	**1,003**	**(1,408)**	**5**	**–**	**2,980**	1,967
Deferred and/or contingent consideration	3,981	**480**	**–**	**33**	**–**	**4,494**	4,868
Leasehold dilapidations	2,207	**125**	**–**	**27**	**(29)**	**2,330**	2,179
	17,145	**5,215**	**(3,539)**	**67**	**(227)**	**18,661**	13,761

	Current liability £'000	Non–current liability £'000	Total £'000
Sundry claims and associated costs	470	–	470
Onerous contracts	587	834	1,421
Social security and levies on share awards	3,241	3,725	6,966
Incentivisation awards	2,164	816	2,980
Deferred and/or contingent consideration	4,407	87	4,494
Leasehold dilapidations	557	1,773	2,330
Unaudited as at 31 March 2022	**11,426**	**7,235**	**18,661**
Audited as at 30 September 2021	5,823	11,322	17,145
Unaudited as at 31 March 2021	4,165	9,596	13,761

The Group recognises provisions for the following:

Sundry claims and associated costs
The timing of the settlements is unknown, but it is expected that they will be resolved within 12 months.

Onerous contracts
The provision is in respect of surplus office space costs such as rates and service charges. Rent is accounted for under IFRS 16.

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 leasehold obligations on premises and it is more likely than not that the premises will be sublet, an allowance for recoverable costs such as service charges from the subtenant has been included in the valuation. The longest lease term has 11 years remaining.

Social security and levies on share awards
The provision is in respect of Employer's National Insurance and Apprenticeship Levy on share awards outstanding at the end of the year. The provision is based on the Group's share price, the amount of time passed and likelihood of the share awards vesting and represents the best estimate of the expected future cost which will occur over the next 8 years which is the latest point at which exercise can occur for the award with the latest exercise period

Incentivisation awards
The provision is in respect of incentivisation awards that are payable to employees in relation to the retention and acquisition of funds and is based on the best estimate of the likely future obligation discounted for the time value of money, the incentivisation awards are payable in tranches with the final tranche to paid in December 2023. The addition in the period is for incentivisation awards relating to acquisitions in prior periods.

Deferred and/or contingent consideration
The provision is for deferred and/or contingent consideration relating to the acquisition of both subsidiaries and asset purchases. It is based on the best estimate of the likely future obligation discounted for the time value of money with the majority of the provision to be paid in December 2022 and the last payment to be made in August 2024.The addition in the period relates to the remeasurement of the deferred contingent consideration for the acquisition of Epoch in August 2019 of £480k (see note 16).

Leasehold dilapidations
The provision is in respect of the expected dilapidated costs that will arise at the end of the lease. The leases covered by the provision have a maximum remaining term of 11 years.

16. Shares to be issued

Brewin Dolphin Limited, the Group's principal operating subsidiary, acquired the assets and staff of Epoch Wealth Management LLP in August 2019. There are contingent considerations that will be settled in both cash and the Company's shares, upon satisfaction of performance conditions. The first contingent consideration is payable at the end of a twelve–month performance period to 30 September 2022. The deferred contingent consideration provision, made on the acquisition has been remeasured, the remeasurement is based on expected performance and results in an increase to the deferred contingent consideration of £960k, recognised in the Income Statement, of which 50% is payable in the Company's shares.

The second contingent consideration, if payable, will be settled in both cash and the Company's shares at the end of 30 September 2024 if performance conditions are met. As at 31 March 2022, it is not expected that this contingent consideration will be payable, therefore it has been estimated as £nil.

The table below reconciles the movement in the shares to be issued for contingent consideration:

	Unaudited six months to 31 March 2022 £'000	Unaudited six months to 31 March 2021 £'000	Audited year to 30 September 2021 £'000
At start of the period	**3,807**	3,738	3,738
Addition	**480**	–	–
Unwind of discount charged to the income statement	**34**	35	69
At end of the period	**4,321**	3,773	3,807

17. Called up share capital

The following movements in share capital occurred during the period:

	Date	No. of shares '000	Exercise price/ Issue price (pence)	Share capital £'000	Share premium account £'000	Total £'000
At 1 October 2021		303,505		3,035	58,393	61,428
Issue of shares to satisfy LTIP awards	26/11/2021	215	1.0p	**2**	**–**	**2**
Issue of options	Various	8	131.3p	**–**	**10**	**10**
At 31 March 2022 (unaudited)		303,728		**3,037**	**58,403**	**61,440**

18. Related party transactions

There have been no related party transactions that have taken place during the period that have materially affected the financial position or the performance of the Group. There were also no changes to related party transactions from those disclosed in the 2021 Annual Report and Accounts available via our website www.brewin.co.uk that could have a material effect on the financial position or the performance of the Group. Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed. There were no other transactions with related parties which were not part of the Group during the period, with the exception of remuneration paid to key management personnel.

19. Post Balance Sheet Events

There were no post balance sheet events.

20. Alternative Performance Measures (APMs)

This Interim Financial Report provides alternative performance measures ("APMs") which are not defined or specified under the requirements of International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. We believe the APMs provide users of the financial statements with useful additional information on our business. A reconciliation of the adjusted financial measures to statutory measures where relevant and an explanation of how they are calculated are set out below.

Explanation of profit before tax and adjusted items and reconciliation to the Income Statement

Profit before tax and adjusted items ('adjusted PBT'), adjusted diluted EPS and adjusted PBT margin ('adjusted measures') are used to measure and report on the underlying financial performance of the Group, aiding comparability between reporting periods. The Board and management use adjusted financial measures and non–financial measures for planning and reporting. The adjusted financial measures are also useful for investors and analysts.

Additionally, some of the adjusted performance measures are used as Key Performance Indicators (KPIs), as well as for performance measures for various incentive schemes, including the annual bonuses of Executive Directors and long–term incentive plans.

Adjusted profit measures are calculated based on statutory PBT adjusted to exclude various infrequent or unusual items of income or expense. The Directors consider such items to be outside the ordinary course of business. Income or expenditure adjusted for are shown in the reconciliation below and meet the criteria.

Some adjusted for items of income or expense may, like onerous contracts costs, recur from one period to the next. Although these may recur over one or more periods, they are the result of events or decisions which the Directors consider to be outside the ordinary course of business, such as material restructuring decisions to reduce the ongoing cost base of the Group, that do not represent long–term expenses of the business. Likewise, costs related to acquisitions are also infrequent by their nature and therefore are excluded, including any remeasurement to contingent deferred consideration payments. Incentivisation awards costs in relation to acquisitions that are payable for a predetermined period of time are adjusted for on this basis.

Acquisition costs for the 6 months to 31 March 2022 are attributable to the proposed takeover of Brewin Dolphin Holdings PLC and include professional costs which the Directors consider to be outside the ordinary course of business. The significant increase in the Employer's National Insurance provision on the final day of the period also occurs solely as a result of the proposed takeover and has been excluded when calculating adjusted profits.

The gains/losses from seed capital (see note 13) and the defined benefit pension scheme past service costs relating to the equalisation of Guaranteed Minimum Pensions (see note 12) are excluded from the adjusted profit measures as the Directors consider these to be outside of the ordinary course of business.

Additionally, the amortisation of acquired client relationships and brand is an expense which investors and analysts typically add back when considering profit before tax or earnings per share ratios.

Reconciliation of profit before tax and adjusted items to statutory profit before tax

	Note	**Unaudited six months to 31 March 2022 £'000**	Unaudited six months to 31 March 2021 £'000	Audited year to 30 September 2021 £'000
Statutory profit before tax		**38,403**	40,670	72,528
Adjusted items				
Amortisation of intangible assets – client relationships and brand	9	**(5,555)**	(5,636)	(11,232)
Remeasurement of deferred contingent consideration	16	**(960)**	–	–
Onerous contracts		**–**	2	(3,644)
Incentivisation awards		**(1,048)**	(608)	(2,015)
Acquisition costs[1]		**(2,128)**	–	(1,500)
Other gains and losses		**15**	257	340
Defined benefit pension scheme past service costs	12	**–**	(360)	(360)
Total adjusted items		**(9,676)**	(6,345)	(18,411)
Profit before tax and adjusted items		**48,079**	47,015	90,939

1. Acquisition costs for the 6 months to 31 March 2022 relate to the proposed takeover of Brewin Dolphin Holdings PLC and include professional costs (£472k) and the resulting increase in the Employer's National Insurance provision for share awards (£1,656k).

APM measures calculations

Measure	KPI	Calculation
Adjusted profit before tax ('Adjusted PBT')	No	Adjusted PBT is the statutory profit before tax adjusted for the following items: amortisation of client relationships and brand; defined benefit pension scheme past service costs; acquisition costs; incentivisation awards; onerous contracts and other gains and losses.
Adjusted PBT margin (%)	Yes	Adjusted PBT margin is calculated by taking the adjusted PBT of £48.1m for the 6 months to 31 March 2022 (6 months to 31 March 2021: £47.0m; 12 months to 30 September 2021: £90.9m) over the total income of £209.5m for the 6 months to 31 March 2022 (6 months to 31 March 2021: £199.9m; 12 months to 30 September 2021: £405.9m) resulting in an adjusted PBT margin of 23.0% for the 6 months to 31 March 2022 (6 months to 31 March 2021: 23.5%; 12 months to 30 September 2021:22.4%).
Adjusted diluted EPS (p)	Yes	This measure is adjusted for the same items as adjusted PBT (see above). The adjusted diluted EPS is 12.9p for the 6 months to 31 March 2022 (31 March 2021: 12.7p; 12 months to 30 September 2021: 23.8p), (see note 7).
Dividend payout ratio (%)	Yes	Dividend payout ratio is calculated by adding the interim and final dividend per share paid by the Group and dividing by adjusted diluted EPS.
Income margin (bps)	No	The income margin is calculated as total income over the average funds at the end of each fee billing quarter for the year for each service type.

Cautionary statement

The Interim Management Report (the 'IMR') for the period ended 31 March 2022 has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. The IMR should not be relied on by any other party or for any other purpose.

The IMR contains certain forward–looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report but such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward–looking information.

Statement of Directors' Responsibilities

The Directors confirm that to the best of their knowledge:

- the condensed consolidated set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting';
- the condensed consolidated set of financial statements give a true and fair view of the assets, liabilities, financial position, cash flows and profit and loss of the Group;
- the Interim Management Report includes a fair view of the information required by Disclosure and Transparency Rules ('DTR') 4.2.7 R (indication of important events during the period ended 31 March 2022 and their impact on the condensed consolidated set of financial statements; and description of principal risks and uncertainties for the remaining six months of the year); and
- the Interim Management Report includes a fair view of the information required by DTR 4.2.8R (disclosures of related parties' transactions and changes therein).

By order of the Board

Robin Beer
Chief Executive Officer

Siobhan Boylan
Chief Financial Officer

10 May 2022

Independent Review Report to Brewin Dolphin Holdings PLC

Conclusion
We have been engaged by Brewin Dolphin Holdings PLC ('the Company') and its subsidiaries (collectively the 'Group') to review the condensed consolidated financial statements in the interim financial report for the six months ended 31 March 2022 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement and notes to the condensed financial statements 1-20 We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed financial statements in the interim financial report for the six months ended 31 March 2022 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion
We conducted our review in accordance with International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the Brewin Dolphin Holdings PLC will be prepared in accordance with UK adopted international accounting standards. The condensed financial statements included in this interim financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Responsibilities of the directors
The directors are responsible for preparing the interim financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Auditor's responsibilities for the review of the financial information
In reviewing the interim report, we are responsible for expressing to the Company a conclusion on the condensed financial statements in the interim financial report. Our conclusion is based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report
This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP
London
10 May 2022