BREWIN DOLPHIN

Investing in a sustainable future

Annual Report and Accounts 2021

Contents

Highlights[1]

Total income
£405.9m ↑
2020: £361.4m

Discretionary funds
£49.8bn ↑
2020: £41.2bn

Discretionary funds per CFCP[3]
£89m ↑
2020: £77m

APM **Adjusted[2] profit before tax**
£90.9m ↑
2020: £78.2m

Statutory profit before tax
£72.5m ↑
2020: £62.1m

Overall client satisfaction
8.8/10 ↑
2020: 8.5/10

APM **Adjusted[2] profit before tax margin**
22.4% ↑
2020: 21.6%

Statutory profit before tax margin
17.9% ↑
2020: 17.2%

Net promoter score
55% ↑
2020: 51%

APM **Adjusted[2] earnings per share – diluted**
23.8p ↑
2020: 20.6p

Statutory earnings per share – diluted
18.3p ↑
2020: 15.9p

Employee engagement
88% ↓
2020: 90%

APM **Dividend payout ratio**
66% ↓
2020: 70.0%

Full year dividend
15.7p ↑
2020: 14.3p

APM The 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 are included in the Financial Review (see page 28). The APMs are set out in the Appendix (see page 173), including an explanation of how they are calculated.

1. For further information relating to our Key Performance Indicators, please see pages 22-23.
2. Adjusted items are amortisation of client relationships and brand, defined benefit pension scheme past service costs, acquisition costs, incentivisation awards, onerous contracts and other gains and losses. See Financial Review for an explanation of adjusted profit before tax and reconciliation.
3. Client-Facing Certified Person.

Our purpose: putting clients at the centre of everything we do

We have always had a strong sense of purpose at Brewin Dolphin; an understanding of what it means to do the right thing for our clients and for our business.

This sense of purpose is keenly felt by our colleagues with 89% saying that they are proud to work for Brewin Dolphin in our 2021 engagement survey.

Following the momentous events the communities we live and work in have experienced over the last eighteen months, we believe now is a good time to consider Brewin Dolphin's purpose again taking into account our broader societal impact.

By inspiring confidence in the future, we help our clients to make the choices to achieve their individual life ambitions.

We do this by delivering the most exacting standards of service, the most considered long-term thinking, and the most unwavering focus on our clients' needs.

> Strategy see pages 20-21

> Environmental, Social and Governance see pages 34-43

> People and Culture see pages 44-45

> Risks see pages 46-53

Statement on Section 172 of the Companies Act

The sustainability of the business is dependent on our relationship with a wide range of stakeholders, including clients, employees, shareholders, suppliers, regulators and society. Your board seeks to consider the interests of all relevant stakeholders when reaching decisions. You can read about how the Board operates and makes decisions on pages 62-73.

Strategic Report

Investing in the business to remain relevant

"I believe our heritage and the talent and strength of our people is what differentiates Brewin Dolphin from its peers, and what made me excited to take the opportunity to oversee and support the next phase of its journey."

Toby Strauss
Chairman

It's a privilege to have become Chairman of Brewin Dolphin in February 2021. Before I remark on the strong progress made in the year, I would like to comment on what attracted me to join your Board and give you some insight into my first year as Chairman.

The attraction of Brewin Dolphin

Brewin Dolphin is a business with a strong sense of purpose and culture, which is deeply rooted in putting its clients at the heart of everything it does. Our values-based decision making is evident in the way people are treated, and in turn guides the way we deal with clients, external stakeholders, and the communities in which we live and work. I believe our heritage and the talent and strength of our people is what differentiates Brewin Dolphin from its peers, and what made me excited to take the opportunity to oversee and support the next phase of its journey, which is to become the leading advice-focused, digitally enabled wealth manager.

In addition, external factors give rise to extremely attractive growth opportunities for Brewin Dolphin, with strong demographic and structural drivers of growth for the wealth industry. Our clients' need for advice and investment management is ever-growing in a world of uncertainty, where it's clear that support from the state will be constrained and the era of guaranteed defined benefit pensions is well and truly over. The world is changing, and we need to change with it. We have adapted and transformed a great deal over the last few years with the integration of our investment and financial planning teams and a sizeable capital investment in updating our antiquated technology architecture. However, there is still a lot more to do, for example, investing in our digital and technology roadmap, broadening our client demographic and introducing more socially responsible investment solutions.

My first year as Brewin Dolphin's Chairman

Whilst my induction to the Group has been almost entirely via Zoom, I am grateful to the Board, Executive Committee and broader team for the comprehensive onboarding I have received. I would also like to thank my predecessor, Simon Miller, for his support and counsel during my transition to Brewin Dolphin.

Along with meeting colleagues across the business, I wanted to meet our top shareholders to get their feedback on Brewin Dolphin's journey and what they believe to be the priorities looking forward. I was impressed with my engagements with shareholders, where they provided me with strong insights into the performance of the business over many years.

With two Non-Executive Directors stepping off the Board, my priority has been to add new Board members who can provide insightful input to the challenges and opportunities we are likely to face as a business over the coming years. The Board appointed Pars Purewal in May 2021 and Joanna Hall in June 2021. Finally, I was very pleased that the Board appointed an additional Executive Director, Charlie Ferry, Managing Director of Wealth and Investment, to strengthen Board input from the Group's leadership team. (For more information see Governance section page 56).

Performance

We have had an exceptional year of fund and revenue growth, despite the social distancing restrictions in place for the majority of the period. Total funds grew to £56.9bn, with discretionary funds increasing to £49.8bn, supported by strong positive net flows and improving investment performance. Record total discretionary funds inflows were £4.0bn (2020: £2.8bn) with net flows of £1.9bn (2020: £0.9bn), representing an annualised growth rate of 4.6%. The Financial Review contains further information about this year's performance on pages 26 to 33.

Dividend

The Board recognises the importance of dividends to shareholders and the benefit of providing sustainable shareholder returns. The Group has an established dividend policy to grow dividends in line with adjusted earnings, with a target payout ratio of between 60% to 80% of annual adjusted diluted earnings per share (see page 27 for an explanation of adjusted measures). The payout range has been adopted to provide sufficient flexibility for the Board to remunerate shareholders for their investment whilst recognising that the capital needs of the business will vary over time.

The Board has taken a balanced view on rewarding shareholders in what has been a strong performance by the Group in the year. The Board believes that it is in shareholder interests to invest in the business for the future in order to remain relevant for its clients in a fast-changing world while also rewarding our shareholders. As a result, the Board is proposing a final dividend of 11.1p per share bringing the total for 2021 to 15.7p per share (2020: 14.3p).

A unique culture, centred around core values which are genuine, expert, and ambitious

Throughout the COVID-19 pandemic, we have supported our people in many different ways; be it flexible work hours, focusing on our colleagues' wellbeing, or helping those who needed financial support. The uniqueness of our culture is reflected in the results of our annual "Your Future, Your Say" employee survey. This year we achieved an engagement score of 88%, 10 points above the financial services benchmark. In such challenging times, it's great to hear that so many feel positive about working for Brewin Dolphin. This year's survey highlights in particular how proud people are to work for Brewin Dolphin, their intention to remain for the foreseeable future and how motivated they are. Our people feel recognised for the work they do and have a clear sense of the strategic direction of Brewin Dolphin.

With the formation of the Sustainability team last year, we have made good progress on Environmental, Social and Governance ('ESG') related matters at the corporate level and have launched two responsible investments solutions – *Sustainable MPS* for our intermediaries and *Responsible Progress for 1762 by Brewin Dolphin* clients. The Board have carefully considered our impact on the environment – and that of the investments we hold on behalf of our clients – and we were delighted to announce our commitment to a net zero future by becoming a signatory of the Net Zero Asset Managers Initiative. This target covers the impacts of our funds under management as well as our own emissions. Over the course of the next twelve months, we will set interim targets for 2030 to ensure we reach net zero by 2050, or sooner. With our thoughtful, long-term approach to investment, we believe that this commitment to sustainable investment is in the best interests of our clients. An active approach to stewardship is central to this commitment and we were pleased to be accepted as a signatory to the Financial Reporting Council's (FRC) UK Stewardship Code 2020.

> Refer to page 24-25 for further information

The close connection between Brewin Dolphin and the communities in which it operates is an important demonstration of how the business approaches its wider responsibilities. At a corporate level we made donations to charities providing support during the pandemic and continued our exciting partnership supporting social entrepreneurs through the *School for Social Entrepreneurs in the UK and Social Entrepreneurs Ireland*. Grassroots volunteering in communities across our office network remains a central facet of our culture, in addition to our existing employee volunteering days. We were also delighted that despite the unusual times, we saw high levels of charity engagement across the business with excellent take up of community grants and numerous virtual fundraising events. Further information on our volunteering, fundraising and payroll giving can be found on page 38 in the Environmental, Social and Governance section.

Looking forward to 2022

Markets this year have rebounded strongly due to the recovery in economic activity, fiscal and monetary stimulation, COVID-19 vaccination progress and strong corporate earnings growth. After such substantial gains, markets may be volatile in the next period, with governments withdrawing fiscal stimulus and demand normalising after the pent-up demand as lockdowns eased. The impact of COVID-19 variants, supply chain bottlenecks and the current Chinese regulatory environment will remain a focus for investors.

The Group's results are impacted by the retention and flow of funds, which is a function of the consistency and quality of our propositions, and the quality of our people. There is a continued demand for financial advice in the UK and Ireland, partly driven by the change in workplace pension schemes and partly by the complexities of people's financial circumstances. We have spent the last few years evolving our propositions, to ensure we are inclusive of all age groups and diverse financial needs. We continue to invest in our technology and digital capabilities, and feel we are well placed to capture the growing demand, by broadening our client demographic and making sure we are relevant for all our clients' and potential clients' needs.

Annual General Meeting (AGM)

This year's AGM will be held at Brewin Dolphin,12 Smithfield Street, EC1A 9LA on 4 February 2022 and it will also be broadcast via a live webinar. We endeavour to maintain a regular dialogue with our shareholders, large and small, and your views are always most welcome. Further details can be found in the Notice of AGM.

Toby Strauss
Chairman

23 November 2021

At a Glance

Inspiring confidence in the future, supporting clients' life ambitions

When times are uncertain, trusted advice is particularly important. Our Group has been built on serving the interest of our clients and navigating them through times of change.

About us

We provide a range of expert services to help our clients shape their financial futures, by protecting, growing and managing their money. Whether they are complex financial affairs that need bespoke wealth management, or more straightforward needs that would be better served using our self-investment platform, we can provide a service that is right for you.

Brand

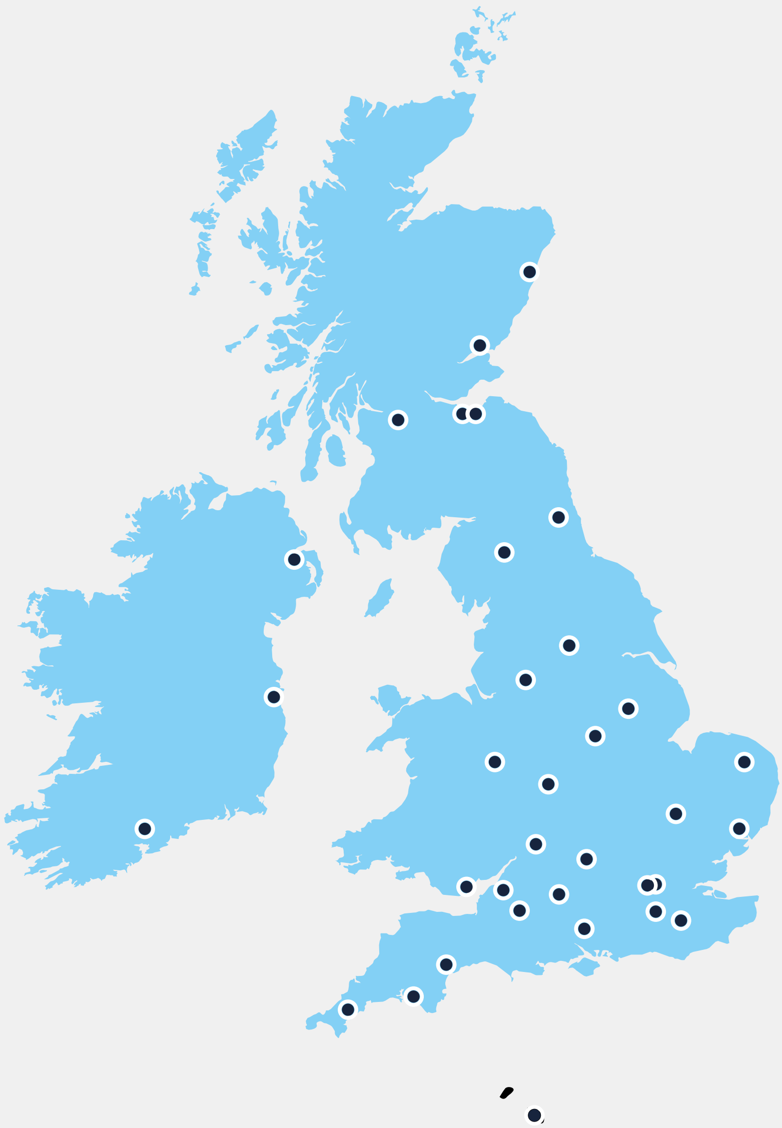
We can trace our heritage back to 1762. Originally a provider of stockbroking services, since then we have grown to become one of the leading wealth managers in the UK and Ireland. We are listed on the London Stock Exchange and are a member of the FTSE 250.

We continue to develop our services to meet the differing needs of a broader range of people, and to identify new distribution opportunities so we can reach them. We are building from the knowledge we have gained working closely with clients over many years, to enhance our services and make them more compelling and convenient. That includes using digital technology where it augments the client experience, but not at the expense of the human relationships our business is built on.

Locations

We recognise the importance of long-term relationships. We have a network of 33 offices in the United Kingdom, Ireland, and Jersey, enabling us to be closer to our clients. It means we can combine the best of local understanding with national scale and perspective.

Our locations



Employees
2,186

Offices
33

Our Investment Case

1. Scaled player in a growing wealth management market

In a consolidating market, scale matters. We are one of the largest wealth managers in the UK and Ireland. Regulatory changes and a limited talent pool of financial planners makes the barrier to enter the wealth sector harder. We have over 1,200 investment management and financial planning employees who support our clients with their financial needs, which makes Brewin Dolphin well placed to win future growth opportunities.

2. We have a UK and Ireland footprint, supporting communities in which we operate

We have 33 offices across the UK and Ireland, which allows us to connect and support both direct and indirect clients. Whilst COVID-19 has changed the way in which we do business, our clients and potential clients still want the ability to meet in person and build on a long-term relationship.

3. Broad range of propositions and investment solutions, expanding our target market

Over the last four years we have focused on innovating both our propositions and the investment solutions we offer clients. We believe a broad spectrum of propositions allows us to capture a wider demographic of clients and intergenerational wealth transfers.

4. Investment in new technology supports our digital ambition and future growth

Following the implementation of our new custody and settlement system, we will have a brand new technology infrastructure to manage and protect our customer's data. This brings significant operational efficiency opportunities and supports our organic and inorganic growth ambitions.

Being a sustainable business

Maintaining our culture is an important part of our strategy as a Group, and we have seen the benefits of that during a year of continued disruption from COVID-19. Our values have again been demonstrated across the organisation, sustaining our business and performance, and while it has not been easy, our people have been at the heart of our success over the last year.

Our work on diversity and inclusion, learning and development has all contributed to the strong sense of engagement that we have as a Group.

We remain firm believers in the idea that if you treat your people well, they will perform well.

ESG

For Brewin Dolphin, being a responsible business means identifying and actively managing the Environmental, Social and Governance risks and opportunities we face as an organisation. The importance we place on corporate responsibility shapes the day-to-day running of our business and we have chosen, and continue to set a high bar for ourselves in terms of the way we manage our business overall.

We created our Sustainability framework, as set out below, to guide our strategic corporate decisions and help develop sustainable investment solutions whilst exhibiting good stewardship. Our approach identifies three pillars of sustainability; Responsible Investment, Stewardship and Responsible Business. Each of these pillars supports the other two, and together they are the foundation of a responsible, sustainable and thriving business.

Responsible Business

Ensuring Brewin Dolphin is a company that seeks to have a **positive impact on society**, including our people, communities, clients and the environment

> See pages 34 to 43

Responsible Investment

Ensuring that we can offer our clients the right **responsible investment choices** for them

> See pages 14 to 15

Stewardship

Ensuring **responsible ownership of assets**, with monitoring and engagement where appropriate

> See pages 24 to 25

Financial peace of mind

We provide a range of services to help our clients shape their financial futures, by protecting, growing and managing their money.

Whether they have simple investment requirements and are seeking a ready-made portfolio, or have more complex needs and need expert financial planning, we have a solution for them.

We serve clients directly through our office network and online platforms, and indirectly via our relationships with intermediaries. It means clients can access our services in a way that suits them.

Direct discretionary

£31.7bn

2020: £26.7bn

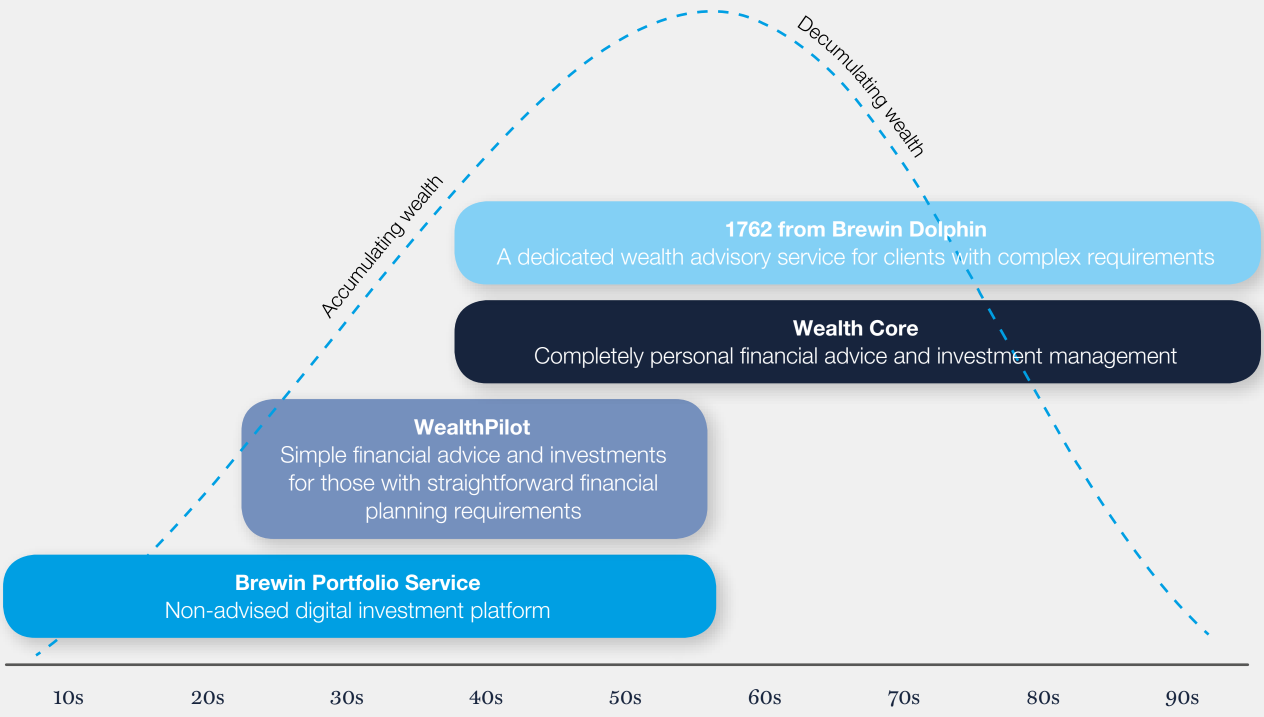
Indirect discretionary

£18.1bn

2020: £14.5bn

Direct discretionary clients

Our propositions for direct clients have been designed to be relevant to someone's needs at any point of their life. That could mean helping them to invest for a first deposit on a house, shaping their protection arrangements when they have children, advising and managing a SIPP at retirement, or opening a Junior ISA on behalf of a child or grandchild; we can work with them at any or all of those points. The trusted relationships we build over time mean we are able to support our clients throughout life's journey.



Life transitions that drive the need for advice-focused financial planning

Indirect clients

We provide access to our investment management expertise via a network of intermediary partners.

Discretionary fund management ('DFM')
Bespoke investment services through IFAs[1]

Managed Portfolio Service ('MPS')
Designed and managed investment portfolios

Voyager fund range
Designed and managed investment funds

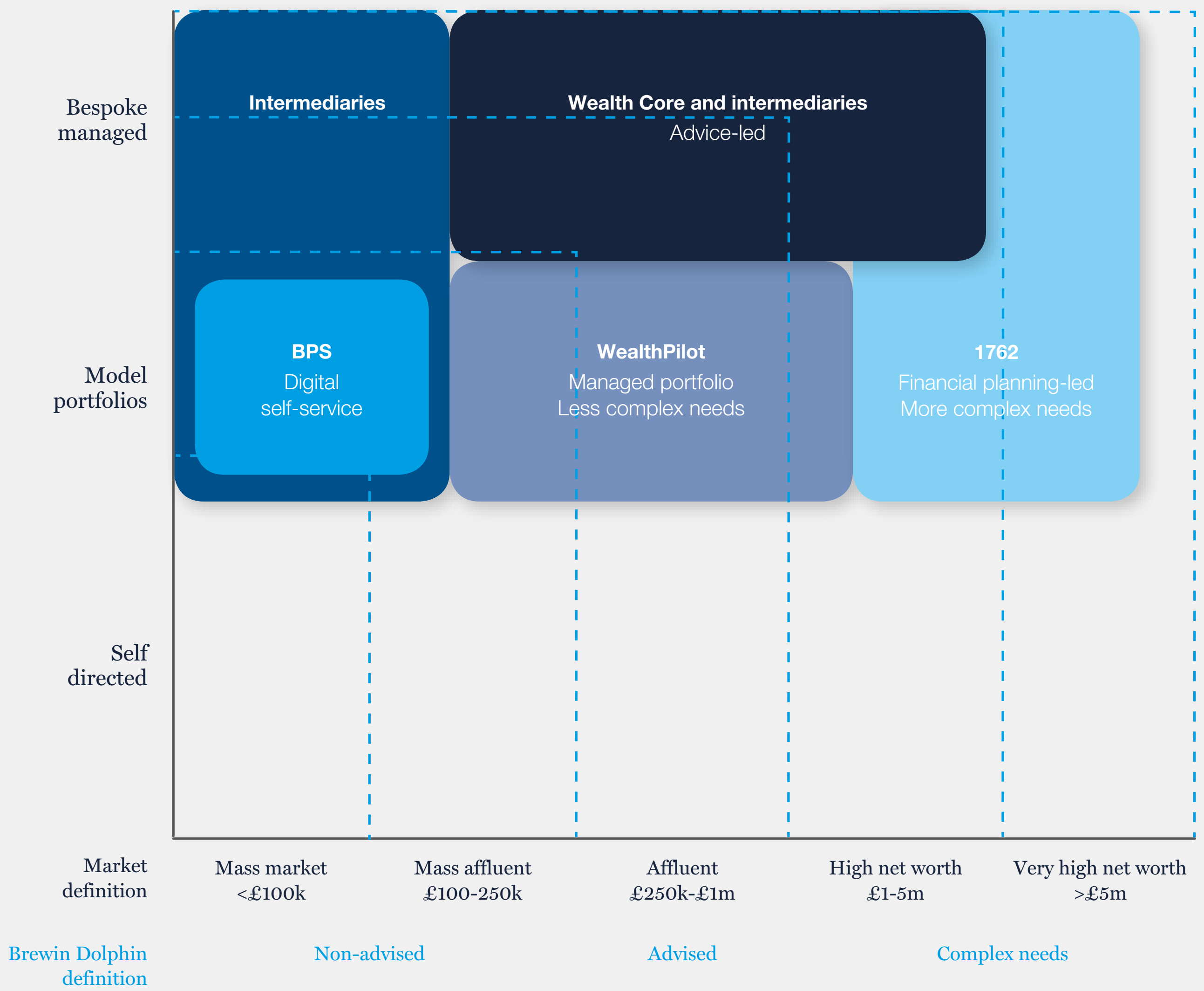
'Powered by'
Licensed investment expertise for intermediary businesses

1. Independent financial advisors

Market opportunity

From a corporate perspective, our range of propositions means we can be confident that we have the skills and experience to meet a client's individual requirements.

Increasing market opportunity



Business Model

Designed for long-term growth

Our client and people-centric culture defines who we are as a business. Together with our investment in our technology and digital capabilities allows us to be operationally strong and agile across our business model and this ensures long-term sustainability.

Our value creation

Our resources

Our people, brand and culture differentiate us and our values-based culture drives our decision-making. Creating a strong technology infrastructure will allow us to be operationally flexible. All of these, including a strong balance sheet, ensure long-term sustainability.

Our People

The strength of our service relies on our people's expertise, both client-facing colleagues and those who provide support to them.

Strong Brand

Our brand has been around since 1762 and is trusted and respected. This year our overall client satisfaction improved to 8.8/10[1].

Our Culture

Our strong client and employee-centric culture has been the driving force behind the Group's resilient performance over the last few years.

Local Expertise

We have 33 offices across UK and Ireland, allowing us to engage in local communities as well as supporting them through our corporate social responsibility initiatives.

Financial Strength

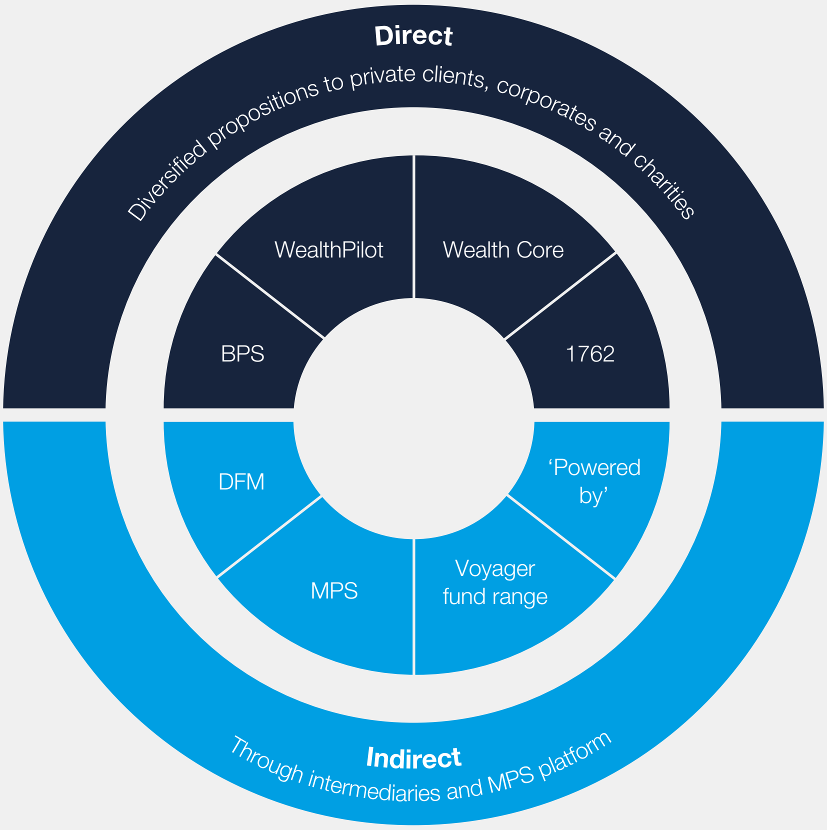
In order to comply with regulatory requirements, we have a high retained capital threshold. A strong balance sheet enables us to be flexible and supports sustainability through challenging macro and market environments.

Technology

We have been investing in our technology infrastructure over the last few years to improve our operational effectiveness and ensure we can scale our digital capabilities to remain relevant to our clients.

What we deliver

Strong client relationships and advice-led wealth investment solutions are core to our strategy. We have broadened our propositions to capture the spectrum of wealth in our target markets.



1. Results from a survey on MyBrewin, July 2021

Allows us to reinvest in our key assets and drive shareholder returns

What differentiates us

Our local presence and broad range of propositions allow us to provide a diverse range of services for clients throughout their financial wealth journey.

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Consideration for all our stakeholders

We consider all stakeholders when formulating the Group's strategy and business model. Turn to the Governance section, page 71 on how we engaged with our stakeholders this year.

Diversified distribution model, supporting direct and indirect clients

- Local offices across UK and Ireland.
- One of the strongest intermediaries franchises, with >1,700 IFA relationships.

Broad range of advice-led propositions

- Integrated financial planning services.
- A suite of innovative propositions to cover a broad range of clients' needs.

Continued investment in digital capabilities enhances client user experiences

- Enhancing our digital platforms and capabilities enables us to remain relevant.
- Creating operational efficiencies and better user experiences, improving the end-to-end journey for clients and our people.

Robust risk management

- Continued investment in our technology infrastructure has resulted in agile and resilient systems that enables future growth.

We are a responsible business and invest in our local communities

- Being a responsible business is in our DNA. We invest time and money into the local communities in which we operate.
- Our established stewardship framework aims to promote long-term success of companies, ensuring our clients' interests as holders of securities are protected.
- We are integrating ESG into our responsible investment offer for clients.

Clients

Employees

Suppliers

Shareholders

Regulators

Society

Our Market

Market review

Societal and economic factors

Societal and economic trends continue to drive demand for financial advice. The UK Government's long-term social policies continue to place less emphasis on state provision, and employers continue to withdraw from final salary pension schemes, making people more self-reliant in planning for their long-term needs. Coupled with this, longer life expectancy means that lifetime savings are required to last longer, thus increasing the need for robust savings and investment plans. And at the same time, whilst younger generations are impacted by rising living costs, the demand for well-planned intergenerational wealth transfer is becoming increasingly important.

Another critical factor driving demand for financial advice remains ongoing geopolitical uncertainty and the impact this is having on market level and volatility. These combined with higher taxes and the re-emergence of inflation and potentially higher interest rates means that there is increasing volatility in global markets. All these factors are increasing the need for individuals to have access to sound financial advice.

Our response

Greater self-reliance has created the opportunity for Brewin Dolphin to help growing numbers of individuals via our advice-focused, long-term relationship and needs-based propositions. We design tailored solutions based on in-depth knowledge and understanding of individual client needs. To help a growing number of individuals, we have developed new advice-focused propositions to cater for differing needs across society. Our 1762 proposition provides advice to those clients with the most complex financial planning needs, whilst our WealthPilot proposition offers a hybrid of digital and human interaction to provide advice to those clients who have more simple financial planning needs, and traditionally might not have been able to access expert financial advice.

Technological innovation

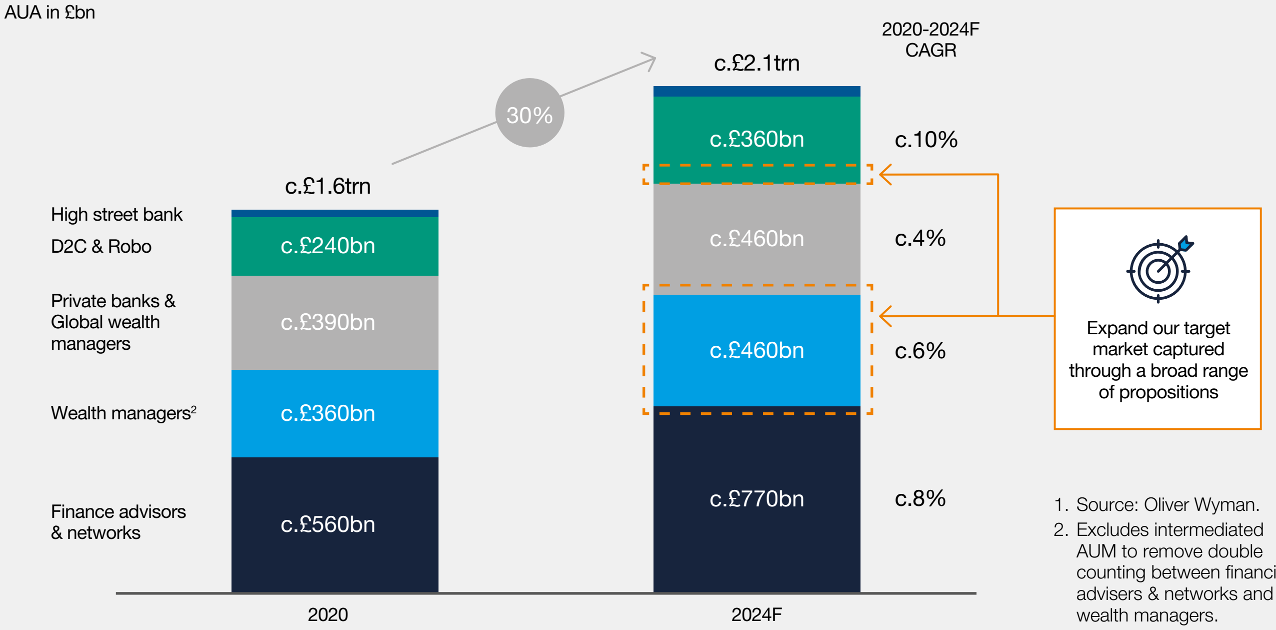
Across many industries, we are seeing the introduction of new technologies to deliver operational efficiencies, drive scalability and ultimately improve experiences for consumers. The ever-increasing popularity and convenience of leading online businesses is in turn heightening the expectations of consumers within the wealth management industry. Many now expect easy, omni-channel access to their portfolios and to advice and support. Increased digital interaction because of COVID-19 has further reinforced these expectations and requirements.

However, in addition to the need for technological innovation, we also believe that demand for human advice will continue to grow, and future success will rest upon an advice-focused, relationship-led, but digitally-enabled business model that combines the best of human with the best of digital.

UK wealth market expected to grow whilst we expand our target market

Size and growth of the UK wealth management market[1]

AUA in £bn



1. Source: Oliver Wyman.
2. Excludes intermediated AUM to remove double counting between financial advisers & networks and wealth managers.

Our response

We launched our new client management system last year and our new core custody and settlement system is now live in our environment. We expect to complete the final phase by Summer 2022. Both will provide operational efficiencies and rejuvenate our core technology, as well as providing better tools for our people. These are key components of the strategic investment that the Group continues to make in developing its services and client proposition.

The next phase of this investment is to build on this strong technology foundation, by continuing to innovate at pace for the benefit of our clients. We have delivered a new front-end to our BPS service offering, which has dramatically improved user experience, and have launched our digital hybrid financial advice offering, WealthPilot. Furthermore, our focus also remains on the continuous improvement of our digital client experience including making more of our services accessible via multiple devices. These initiatives will help us to provide greater choice to our clients as to how and when they wish to engage with us, and with their own savings and investments.

Increasing demand for alternatives and ESG solutions

Consumer demand for ESG and responsible investing solutions has continued to increase both globally and in the UK over the past few years, and this trend is now becoming mainstream. The total global assets in sustainable investment exchange traded funds ('ETFs') stood at over $340bn at the end of 2020, more than double the level recorded at the end of 2018. The other stand-out trends in client assets and asset allocation over the last decade has been a shift beyond mainstream asset classes, represented partly by greater allocations to alternatives.

Our response

Last year we launched a Group-wide review of our approach to ESG which has to date resulted in the creation of a formal internal Sustainability Forum and ESG Investment Forum. We have a new in-house Sustainability Team, including an experienced Head of Sustainability to help drive our ESG agenda. Together, they created our Sustainability Framework to guide our strategic corporate decisions and help develop sustainable investments solutions whilst exhibiting good stewardship.

We have appointed BMO reo© as a responsible engagement partner, who will engage with some of our clients' largest holdings on ESG issues. This year we launched two new ESG investment solutions for clients, through 1762 from Brewin Dolphin and a responsible MPS solution for our intermediaries' clients. We recently announced that we joined the Net Zero Asset Managers Initiative, aligning to the goal of becoming a net zero company by 2050 or sooner.

Fragmented market and consolidation

The need to comply with increasing regulation around operational resilience and ESG, means wealth management and Independent Financial Adviser (IFA) firms face significant cost and resource challenges in areas including information technology, compliance and operations. Increasing regulatory demands and the increased costs associated with these means many IFAs are looking to outsource investment management or are unable to continue operating whilst delivering attractive shareholder returns; which in turn will mean the number of advisers will decline over the medium term as they retire and/or sell their businesses.

Our response

We have the scale needed to absorb the cost of investment and to allocate resources appropriately, as well as the expertise to adapt efficiently to new regulation. Our scale allows us to act as a market consolidator where opportunities fit our culture and add accretive shareholder returns. This coupled with our advice-focused strategy means we are well placed to provide high-quality financial advice in a market which is seeing increased demand but a fall in supply, whilst providing IFAs with high quality investment management solutions to allow them to spend their time on advising their clients.

Top 12 managers by assets under management[1]

St James's Place Wealth Management	£129.3bn
Barclays[2,3]	£58.6bn
Tilney Smith & Williamson	£47.9bn
Cazenove Capital	£47.8bn
Brewin Dolphin Total FUM FY 2021 £56.9bn	£46.6bn[4]
UBS Wealth Management	£45.3bn
Rathbone Brothers Plc.[5]	£44.9bn
Investec Wealth & Investment	£40.4bn
JP Morgan Private Bank[3]	£30.0bn
Canaccord Genuity Wealth Management	£29.8bn
Citi Private Bank	£28.1bn
Quilter Cheviot	£25.3bn

1. Source: 2021 PAM directory (September).
2. Combined entity of Barclays Wealth Management and Barclays Private Bank.
3. Estimate.
4. Reported discretionary and advisory funds as at 31 December 2020.
5. Discretionary figures for Rathbone Investment Management only and do not include the £7.4bn unit trust funds managed by Rathbone Unit Trust Management.

Responsible Investment

Responsible Business

Responsible Investment

Stewardship

Responsible Investment is one of the three pillars of sustainability at Brewin Dolphin, as set out on page 7.

> "We define Responsible Investment as a strategy and practice to incorporate environmental, social and governance factors in investment decisions and active ownership."

Our approach to Responsible Investment

As a proud signatory of the UN's Principles of Responsible Investment (PRI), we believe that the combination of ESG integration and good stewardship are the basis of responsible investment. It is a spectrum of different approaches and each approach has a determined objective and varying degree of impact.

ESG integration

ESG integration, which consists of considering ESG factors, is central to our investment research process. Our research team evaluate ESG risks and opportunities for every fund and stock they assess to ensure they are aligned with our sustainable long-term growth goals[1]. We believe that high-quality companies which manage ESG risks and opportunities well will make attractive long-term investments. Our research team also addresses ESG issues in due diligence questionnaires for all funds considered for our buy list. The team has a dedicated socially responsible investing (SRI) list for funds with a sustainability focus, and with restrictions on investment in harmful activities.

Screening

During suitability discussions with their advisor, clients can choose to apply certain ethical screening criteria to their portfolio. Clients can select certain restrictions for direct holdings, and portfolios are then created and managed to reflect these restrictions.

Engagement and stewardship

In April 2021, we published our first Annual Stewardship and Engagement Report, and in September we were accepted as a signatory to the FRC's Stewardship Code 2020. For more details of our stewardship activities, please see pages 24-25.

Additional ESG investment solutions

To meet the needs of clients who want more exposure, we have additional ESG investment solutions such as Sustainable MPS, 1762 Responsible Progress and the SRI funds buy list. We are currently developing more to fit the evolving demands of our clients in this space.

Responsible Investment governance

Our responsible investment approach is owned by our Executive Committee. The Sustainability Committee and the Wealth Governance Committee, both sub-committees of the Executive Committee, monitor and oversee investment and sustainability related activities. The Stewardship Committee oversees all stewardship related activities and reports regularly to the Wealth Governance Committee and the Sustainability Committee. The ESG Investment Forum ensures that insights from clients and colleagues feed into the strategy and product development process.

> See page 34 for more information on our sustainability governance structure

Net zero

We recognise that there is a need to accelerate the transition towards global net zero emissions, and we recognise that Brewin Dolphin needs to play our part to help deliver the goals of the Paris Agreement and ensure a just transition.

In this context, we have committed to support the goal of net zero greenhouse gas ('GHG') emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5°C above pre-industrial levels. We expect significant policy and business changes as the world transitions to a low carbon economy. As investors, we want to ensure that our client portfolios are well prepared for this transition, and as a company we want to demonstrate to all stakeholders that we are part of the solution to climate change.

The net zero roadmap:

- November 2021: Joined NZAMI
- November 2021 to October 2022: Work to assess and agree interim targets for investment and operations
- Autumn 2022: Announce interim 2030 targets

1. More details on our approach can be found in our Responsible Investment Statement, www.brewin.co.uk/group/corporate-responsibility.

In November 2021, we announced our ambition to be net zero by 2050 or sooner and to join the Net Zero Asset Managers Initiative (NZAMI). We recognise that action is required, and so have committed to set interim 2030 targets for our investments and our operations by Autumn 2022. We believe as a responsible business and investor this is the right thing to do for our clients. This is a natural step for us, aligned with our values and our long-term investment approach.

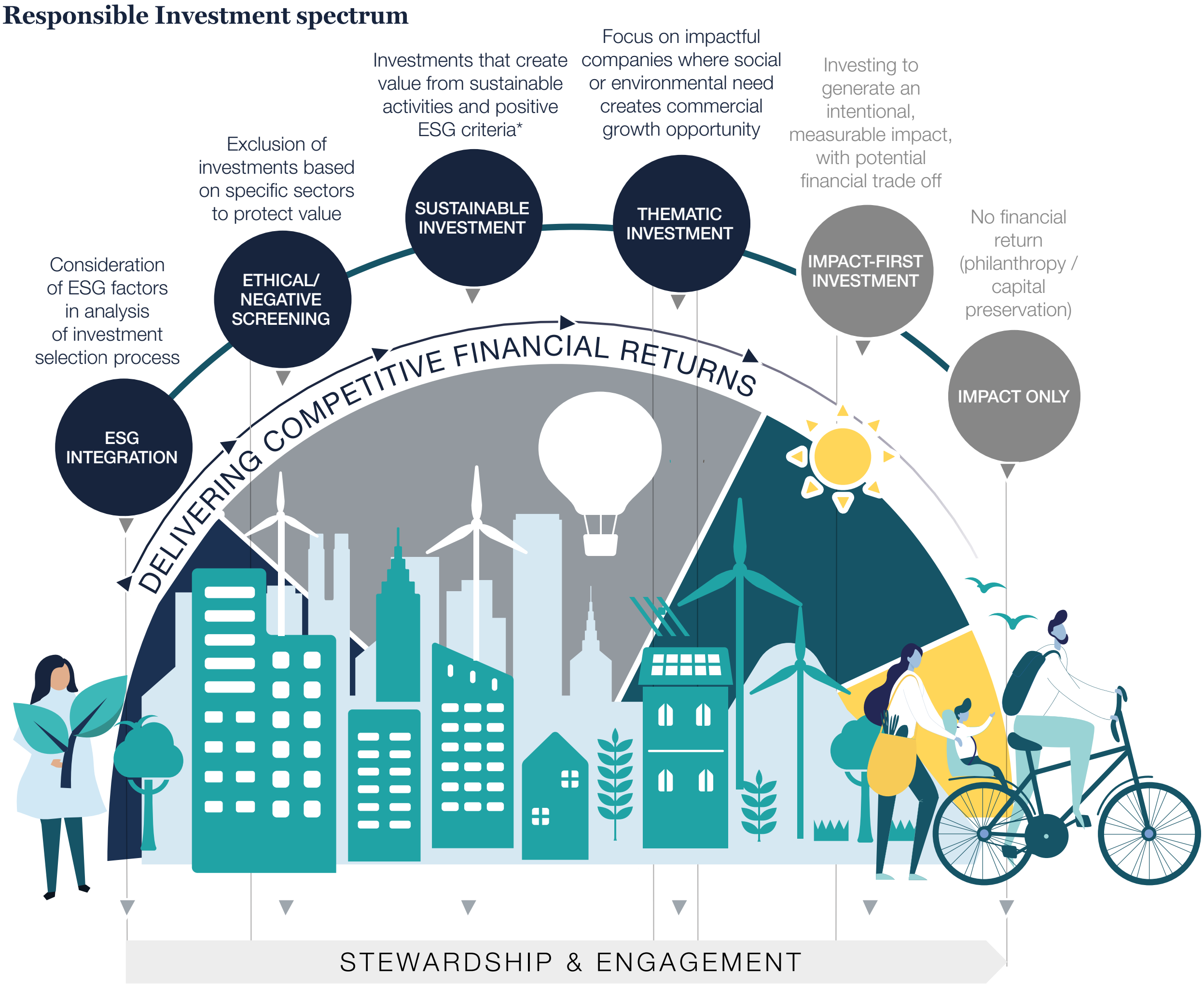
Our approach will primarily focus on engaging with the companies and funds we own, and on monitoring their progress as they set and work towards targets. Our core responsible investment approach means that our starting point is advantageous. Initial exploratory analysis of our funds shows that over half (£30bn) was invested in funds and companies with net zero targets[2]. This number has risen steadily and we expect it to continue to rise. We view our net zero ambition as being closely aligned with our existing responsible investment approach, and we plan on leveraging and enhancing our ESG integration and stewardship capabilities to support us on our net zero journey. The approach is also aligned with our requirement to comply with TCFD requirements.

2021 highlights

This year we have focused on building our capabilities to better meet client needs, improving our supporting processes, and expanding how we communicate our existing responsible investment approach.

- In March 2021, we launched 1762 Responsible Progress, a portfolio built on a core of high quality companies, whose products and behaviour meet the criteria of our progress framework, and which are best positioned to outperform over the long term.
- In April 2021, we launched a Sustainable Managed Portfolio Service, managed by the central investment solutions team. The service consists of five model portfolios that are designed to maximise returns from income and capital growth from a portfolio of funds which excludes exposure to controversial sectors and seeks exposure to companies that have a positive societal or environmental impact.
- Updated our research processes to improve how ESG factors are considered and communicated to investment managers.
- Expanded our SRI funds buy list, to ensure we have a greater selection of funds to meet client needs.
- Improved our internal and external messages on our approach to Responsible Investment and ESG Integration, across multiple channels.
- Launched internal training and awareness programme.
- Developed our Stewardship capabilities – see pages 24-25 for more details.
- Submitted our second CDP disclosure (formerly known as the Carbon Disclosure Project).
- Submitted our first UN PRI report.

The Responsible Investment spectrum



* Investments assessed on the basis of their economic activities (what they produce/what services they deliver) and on their business conduct (how they deliver their products and services).

2. As of 31 August 2021. Preliminary analysis based on NZAMI list of members, company websites and CDP disclosures. Analysis covers our holdings within the UK, Ireland, MPS and BPS, and includes companies who have publicly committed to setting targets.

Chief Executive Officer's Review

Building a sustainable future

"Our success in supporting our clients is evident."

Robin Beer
Chief Executive Officer

We have had an exceptional year, achieving record discretionary inflows and have started to deliver on our growth ambitions. None of this would have been possible had our people been unable to adapt so effectively to social distancing and continued to focus on putting our clients at the centre of all their decision-making.

Exceptional year of delivery

While COVID-19 has had a huge impact on the economy and society, our colleagues adapted effectively to the changing social distancing guidelines and remote working. Our culture is one that puts the best outcome for our clients at the core of everything we do, and this has never been more important than the year we have just experienced. Our success in supporting our clients is evident in our client advocacy scores, which are the highest they have ever been, with our net promoter score at 55% (up 4ppt on last year) and overall client satisfaction at 8.8 out of 10. Our colleagues have also had to support their teams with the pandemic affecting everyone differently, but this has not wavered their desire to keep driving forward and delivering on our strategic ambitions. We have had record discretionary inflows in the year and we have continued to innovate our propositions and build on our digital capabilities.

In November 2020, I set out my 2025 ambition, which is to become the leading advice-focused, digitally enabled wealth manager in the UK and Ireland. For us to achieve this, I aligned our strategic priorities to: remain 'Relevant', become more 'Efficient', which combined will drive attractive levels of 'Growth'. 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.

To remain relevant in a landscape with increasing focus on sustainability, we launched two new ESG investment solutions. Our 1762 responsible solution is a portfolio built around core high-quality companies whose products and responsible behaviour meet certain criteria. For intermediaries' clients, we have built five model portfolios which exclude exposure to controversial sectors and seek exposure to companies that have positive societal and environmental impacts. We have seen positive signs of early adoption, with just under 100 intermediaries reported to be using our sustainable MPS solution. We expect to see this number and the funds held increase as we expand this proposition to a greater number of platforms over the coming year.

We launched our multi-asset Voyager fund range, in October 2020 and at the end of the financial year it had around £0.3bn of funds.

We enhanced our online onboarding journey for our Brewin Portfolio Service (BPS) clients earlier in the year. As a result, we doubled our conversion rates to 40%, grew new accounts year on year by 44%, and increased inflows by 66%. In July, we broadened our BPS investment solution by offering an active or passive managed portfolio. 61% of existing clients switched to the active solution and around 70% of new clients are now taking the active solution. At the end of the year, BPS had around 8,000 accounts with around £0.3bn of funds.

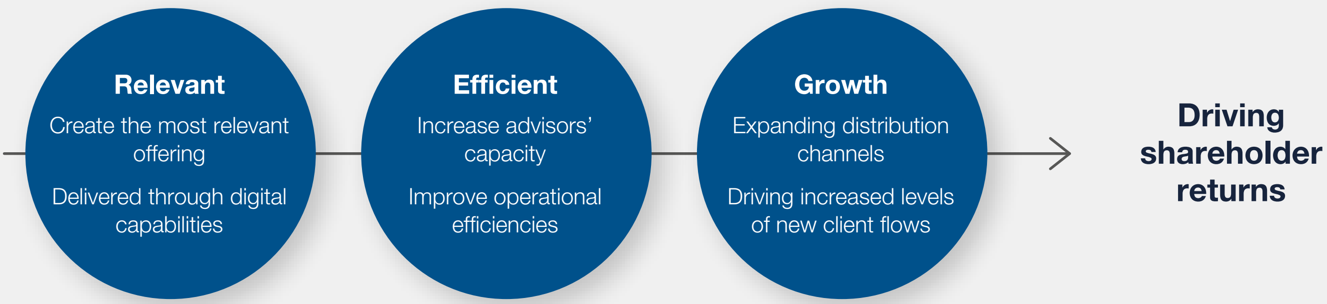
2. Efficient

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

We have been investing in enhancing our client user experience through development of platforms and providing seamless digital services. For intermediaries' clients, we have been rolling out digital valuation capabilities and have more recently started piloting digital onboarding. The success of these platforms will enable us to focus on offering our core wealth clients digital onboarding this coming year.

Over the last three years, we have been transforming our technology systems, which will enable us to increase client-facing staff capacity and drive operational efficiencies throughout our business processes. We implemented our new client management system last year, which was designed to speed up onboarding and processing clients' details, enabling our client-facing staff to spend more time with clients. This year we have been able to reduce client onboarding time by 73%,

2025 ambition



Creating shareholder value through organic/inorganic growth and operational improvement

Chief Executive Officer’s Review continued

BPS accounts

8,000

2020: 6,100

Brewin Dolphin Ireland funds

£5.4bn

2020: £4.6bn

Women on the senior management team

42%

2020: 40%

with further improvements to come from digitally onboarding our clients, following the implementation of our new custody and settlement system.

Our new custody and settlement system is now live within our environment, albeit later than originally expected. Learning from other corporates who have implemented similar large scale projects, we took the decision in May to de-risk the delivery of the system and are now phasing the full functionality while parallel running both the new and existing systems. We are now working through the final complexities of integrating the automated interfaces with our client management and trading systems. We expect the existing custody and settlement system to be switched off in the summer of 2022.

Alongside embedding our new systems, we have launched an operational excellence programme, which will enable us to start to drive operational efficiencies throughout the business. We expect cost efficiencies in FY 2022 to be c.£1m and c.£10m in FY 2023.

Having modern technology will allow us to increase our automation capabilities with faster straight through processing. Our operational excellence programme will help us improve our processes and drive more data decision-making. And finally, we are looking to right-source some of our testing and software development to expert third parties. All these initiatives will allow us to improve our operating model, enable us to scale at pace, and drive further cost benefits.

3. Growth

Our strategic initiatives are delivering our growth by widening our distribution channels through business-to-business, strategic partnerships, and professional services. The combination of growth in revenues and operating margin efficiencies, will enable us to achieve our double-digit earnings per share growth target by 2025.

Over the last year, we have piloted our business-to-business partnership strategy. Having a presence in our local communities has enabled us to support local businesses in educating their employees on financial wellbeing. We have relationships with 33 corporates, from small to large-scale businesses, and have been able to reach further during the pandemic hosting over 100 webinars with around 3,600 attendees.

Brewin Dolphin Ireland, which represents c.10% of the Group’s funds, has also contributed to the Group’s growth. Brewin Dolphin Ireland has continued to gain momentum through the year with total fund growth of 17.4% to £5.4bn (FY 2020: £4.6bn), of which discretionary funds were up 36% to £3.4bn (FY 2020: £2.5bn). Discretionary net flows in the year were £0.4bn with an annualised growth rate of 16.0%, Brexit-related transfers and a one-off corporate transaction supported this growth. Income grew 30% to £30.3m (FY 2020: £23.3m); on a normalised basis it grew c.25% year on year. The market opportunities in Ireland remain significant: with strong relative economic performance and wealth creation leading to increased demand for wealth management and investment services; the opportunity post Brexit to serve non-UK resident EU-based clients; and it remains well positioned considering recent market disruption.

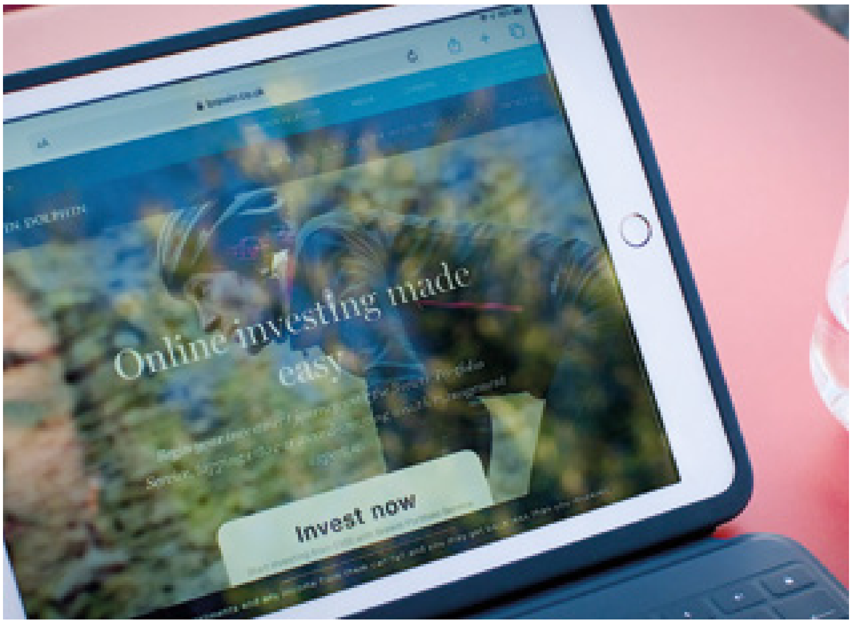
4. Supported by a culture we are proud of

Maintaining our culture is an important part of our strategy as a Group. Our values have again been demonstrated across the organisation, sustaining our business and performance, and while the last year has not been easy, our people have been at the heart of our success.

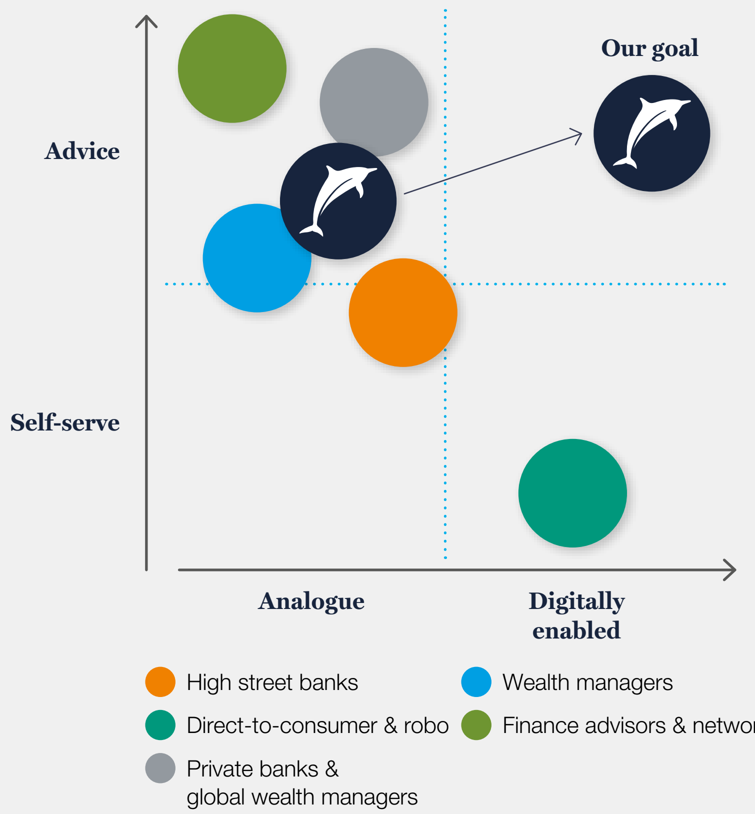
During the year we evaluated our office space requirements given the impact COVID-19 has had on our ways of working. We have moved to a more agile working model, which led to the decision to remain in our current London office, which has the capacity to fulfil our current needs and future growth.

Developing our client-centric experience through digital channels

We enhanced our online onboarding journey for Brewin Portfolio Service clients in the year, doubling our conversion rates to 40%.



Leading advice-focused digitally enabled wealth manager



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

We are committed to creating a workplace and culture that is welcoming and inclusive for everyone. We value the contribution of all our people and recognise that diverse backgrounds, experiences and ideas enable us to grow and remain resilient. We signed up to the Race at Work Charter in 2020, and as a result, we launched 'EmbRACE', our employee-led race and ethnicity network in July 2021. Gender diversity has also remained a high priority this year. We are signatories of the Women in Finance Charter, and since joining we have stretched our target for female representation in senior management twice. As of 1 September 2021, women represent 42% of our senior management team, and our new target is to achieve 45% by the end of 2023.

Our talent development programmes have continued, as have our community responsibility activities, albeit in an adapted form as a result of the pandemic. Our Future Wealth Manager programme for our advisers has continued, focused on adapting and advancing skills and behaviours that build strong client relationships. We have launched a new Aspire Lead programme targeting key influencers and emerging leaders across our business and we have also designed and facilitated a number of virtual team 'offsites' to energise, support and increase team effectiveness following organisational redesign and new leadership.

Outlook

Markets this year have rebounded strongly due to the recovery in economic activity, fiscal and monetary stimulation, COVID-19 vaccination progress and strong corporate earnings. After such a strong year, we anticipate markets to be more volatile in 2022, with governments reducing fiscal stimulus and consumer demand normalising. We believe that we are well placed to capture the strong structural drivers in the sector: with growing demand for financial advice, the pandemic being a catalyst for the acceleration, and a generational wealth transfer which is an ongoing tailwind.

Our strategy of remaining relevant, through adapting our investment solutions and propositions and our investment in digital capabilities will ensure we are able to keep meeting the changing client needs and a younger generation of clients. We expect operating costs to grow mid to high single digit percent due to cost inflation, depreciation from our technology investments, investment in our business to support future growth, and parallel running costs of our custody and settlement systems, which reverse out in FY 2023. Having invested in our technology over the last few years, we are now able to start driving significant efficiencies through our internal operating processes, which will be a priority in the coming year.

I look forward to building on the significant progress we have made on our strategic growth ambitions and remain focused on becoming the leading advice-focused, digitally enabled wealth manager in the UK and Ireland.

Robin Beer
Chief Executive Officer

Our strategic priorities

The table below sets out progress made against our four strategic objectives in 2021. Going forward, as set out on page 21, we are aligning our strategic priorities to: remain 'Relevant', become more 'Efficient', which combined will drive attractive levels of 'Growth'. All of these are underpinned by a culture we are proud of. We have also re-aligned our KPIs to meet these priorities.

Strategic outcomes

- RG Revenue growth
- IE Improved efficiency
- CS Capital efficiency and shareholder return

Our strategy through 2021

Strategic objectives	2021 objectives	2021 progress	Measured by our key performance indicators[1]
1. Provide more choice for more clients	• Launch a multi-asset fund • Launch an ESG proposition • Complete our B2B pilot and develop our offering further	• Launched responsible solutions for 1762 and intermediaries' clients • Launched multi-asset fund • Completed our B2B pilot and developed our offering further	• Net Promoter Score RG • Discretionary fund inflows RG
2. Further develop our client-centric experience	• Fully launch our WealthPilot proposition • Deliver MyBrewin upgrades • Launch new user experience journey for BPS	• Fully launched our WealthPilot proposition • Delivered MyBrewin upgrades • Launched new user experience journey for BPS • Digital valuations for intermediaries' clients delivered	• Overall client satisfaction RG • Discretionary funds per Client Facing Person IE
3. Build a platform for growth	• Deliver new custody and settlement system • Further develop and deliver on our data programme • Realise the benefits of our client management system	• Custody and settlement system live in our environment • Realised the benefits of our client management system • Further developed our data programme	• Adjusted PBT margin[2] IE • Capital adequacy risk appetite ratio CS
4. Maintain a culture we are proud of	• Further roll out of Future Wealth Manager training • Build on our corporate responsibility programme • Continued focus on wellbeing and engagement of our people • Continue to build an inclusive workplace	• Further roll out of Future Wealth Manager training • Built on our corporate responsibility programme • Continued to focus on wellbeing and engagement of our people • Continued to build an inclusive workplace	• Employee engagement score IE

1. Please see pages 22 to 23.
2. Adjusted items are amortisation of client relationships and brand, defined benefit pension scheme past service costs, acquisition costs, incentivisation awards, onerous contracts, and other gains and losses.

Aligning our strategic objectives to become a leading advice-focused digitally enabled wealth manager

Our updated strategic outlook

Strategic objectives	Future initiatives	Financial targets	Non-financial targets[3]
R Relevant			
• Create the most relevant wealth management offering in the marketplace • Deliver our services through digital capabilities	• Deliver digital onboarding solution to intermediaries and direct clients • Further develop our ESG proposition	• Discretionary fund inflows[1,2] • Total income[1,2]	• Net Promoter Score • Overall client satisfaction
E Efficient			
• Deliver our services with speed and convenience to our clients • Increase advisor capacity • Improve our operating model following the implementation of our new technology	• Deliver on the final stage and implementation of the custody and settlement system • Deliver operational excellence programme • Evolve our future advice operating model • Migration of core clients to WealthPilot	• Adjusted PBT margin[4]	• Discretionary funds per Client-Facing Certified Person
G Growth			
• Expand distribution channels • Drive increased levels of new client flows	• Enhance our B2B proposition • Enhance our central investment solution capabilities • Drive distribution through a central sales function	• Adjusted diluted EPS[2,4]	
C Supported by a culture we are proud of			
• Continue investment in developing employee expertise and business development capabilities	• Embed diversity and inclusion • Define our net zero targets • Further develop our sustainability roadmap		• Employee engagement score
O Other key financial metrics		• Adjusted PBT[1,4] • Dividend pay-out • Capital adequacy risk appetite ratio	

1. 60% weighting of management's annual bonus.
2. LTIP performance metrics.
3. 40% weighting of management's annual bonus.
4. Adjusted items are amortisation of client relationships and brand, defined benefit pension scheme past service costs, acquisition costs, incentivisation awards, onerous contracts, and other gains and losses.

Measuring the success of our strategy

Delivery of our strategy is measured through focused and select KPIs that demonstrate continued progress to build and grow our business.

Measuring our performance

Key Performance Indicators (KPIs) are used to measure both the progress and success of our strategy implementation. The KPIs are set out below, with a measure of our performance to date and an indication of potential challenges to success where applicable.

Changes to KPIs

During the year, we have reviewed our measurements to ensure that they are appropriate for our strategy. We have realigned our KPIs to our objectives of 'Relevance', 'Efficiency', 'Growth', 'Culture' and others which relate to our overall performance. As outlined last year, total income now forms part our KPIs. This is line with our increased focus on being an advice-led business, the strength of which is more accurately measured by income than funds. There will be no target provided, but total income will form part of our remuneration decision-making and will be disclosed and monitored.

KPIs and remuneration

The KPIs for discretionary funds inflow and adjusted[1] PBT margin are included in remuneration decision-making; see page 90 for further details.

> A detailed explanation of the calculations used for KPIs is contained in the Appendix on page 173

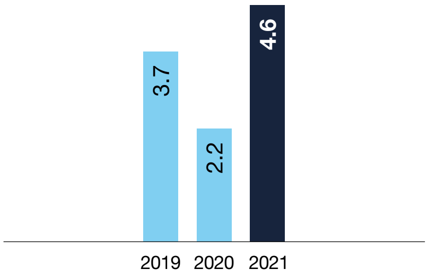
R Discretionary funds inflows (%)

Target 5% per annum

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

Performance during the year
Positive net fund inflows of £1.9bn. Record discretionary inflows of £4.0bn offset by stable outflows and transfers.

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



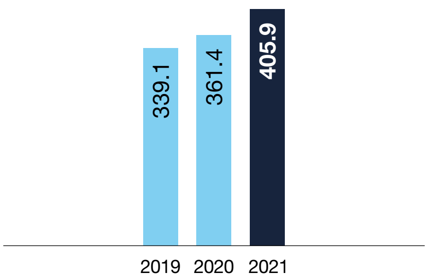
R Total income

Target n/a

Definition Total reported annual income

Performance during the year
Total income has increased to £405.9m, an increase of 12.3%. Income growth was driven by higher market levels and record net new flows.

Potential challenges Investment market conditions have the biggest impact on our income, movements in market level directly impact our income.



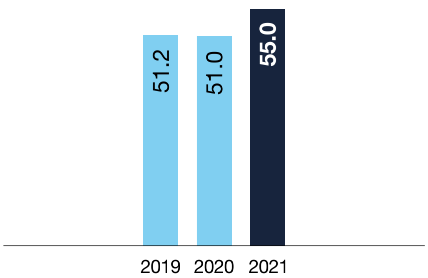
R Net promoter score (%)

Benchmark 49.0%

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. Our aim is to be above the benchmark each year.

Performance during the year This year saw an increased score of 55.0%, and which remains significantly ahead of the industry benchmark of 49.0%.

Potential challenges Failure to maintain a positive reputation may adversely impact client loyalty.



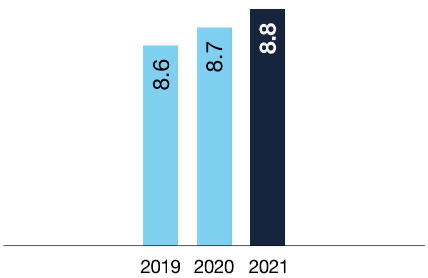
R Overall client satisfaction

Benchmark 8.6/10

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 This year saw a score of 8.8/10, once again above the industry benchmark for the year of 8.6. This score is consistent with prior years and demonstrates the level of service we provide to clients.

Potential challenges Failure to keep at pace with technological change.



R Relevant E Efficient G Growth C Culture O Other

E

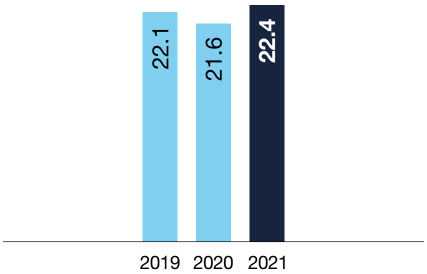
Adjusted[1] PBT margin (%)

Target 25%

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

Performance during the year Although less than the target, adjusted PBT margin has grown in the year. Income growth has been partly offset by increased investment expenditure. We are focused on delivering this target in the medium term.

Potential challenges Failure to achieve further growth combined with changes in investment market and economic conditions. Failure to leverage our new systems and drive operational efficiencies.



E

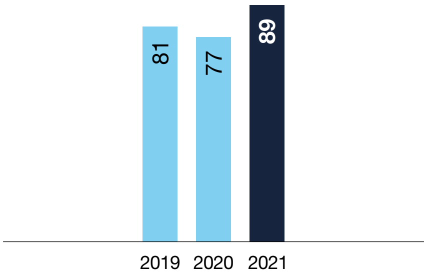
Discretionary funds per Client-Facing Certified Person (£m)

Target £100m

Definition The year end total value of client funds in our discretionary service divided by the year end number of client-facing professional investment managers and financial planning staff ('Client-Facing Certified Persons').

Performance during the year The value of funds has significantly increased in the year as a result of the elevated market level and record discretionary inflows. Our focus is to drive increased advisor capacity to meet the target in the medium term.

Potential challenges Failure of employees ability to manage their client funds efficiently.



G

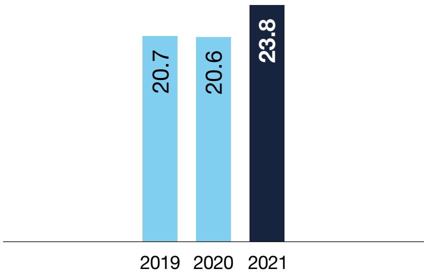
Adjusted[1,2] diluted EPS (p)

Target n/a

Definition The reported adjusted diluted earnings per share.

Performance during the year The increase in adjusted EPS was driven by the increase in adjusted[1] PBT.

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



C

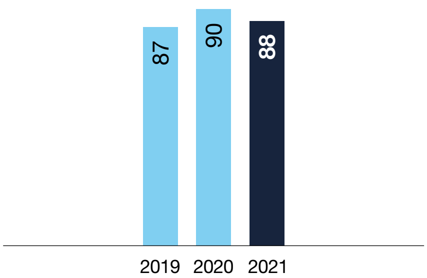
Employee engagement (%)

Benchmark 78%

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 2021 employee engagement survey score of 88%, is marginally lower than 2020; however our score remains 10 percentage points ahead of the benchmark – see page 44 for more details.

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



O

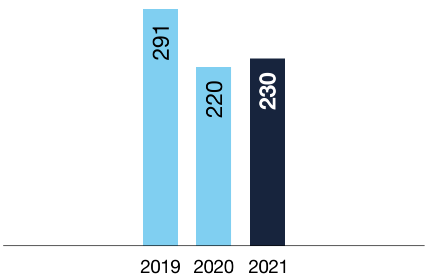
Capital adequacy risk appetite ratio (%)

Minimum 150%

Definition The risk appetite is defined as a percentage of the Group's year end total regulatory capital resources to the year end minimum total regulatory capital requirement.

Performance during the year Our capital adequacy risk appetite ratio remains well above the risk appetite of 150%.

Potential challenges Need to maintain appropriate capital levels to withstand market and idiosyncratic events.



O

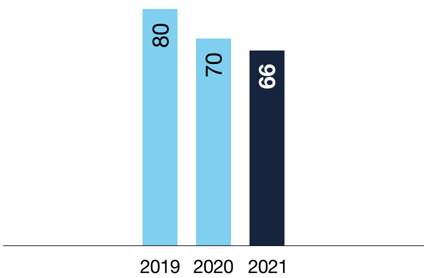
Dividend payout ratio (%)

Target 60-80%

Definition The total annual dividend per share (interim and final) as a percentage of annual adjusted diluted EPS.

Performance during the year The dividend payout ratio for the year is within the target range.

Potential challenges Need to retain capital for investments. Failure to maintain capital strength and profitability.



1. Adjusted items are amortisation of client relationships and brand, defined benefit pension scheme past service costs, acquisition costs, incentivisation awards, onerous contracts, and other gains and losses.
2. See note 11 to the Financial Statements.

Responsible Stewardship

Responsible Business

Responsible Investment

Stewardship

As a responsible wealth manager, stewardship is an integral part of our approach to investment and sustainability.

As a steward of our client assets, we aim to engage with companies and other organisations of influence to create long-term value, leading to sustainable benefits for the economy, the environment, and society.

Our responsible stewardship approach

Direct engagement

We will engage with companies or funds if we identify a material issue which might affect the long-term value of our clients' shareholdings. This could include concerns about an upcoming vote, the company's strategy, performance, governance or approach to risks, including those that may arise from social and environmental matters.

Voting

We take our rights and responsibilities very seriously when it comes to voting on behalf of our clients. Our research team consider how to vote on each core holding on a case-by-case basis; combining their knowledge of each company with the sustainability recommendations from our third party proxy research provider, ISS. These voting decisions are publicly available on our website.

Collaborative engagement and our partners

We believe collective engagements are extremely valuable. By joining forces with like-minded investors we increase our chances of achieving positive outcomes.

We are members of:

- Investor Forum, a community interest company which aims to bring together investors to escalate material issues with the boards of UK-listed companies; and
- CA100+, an investor initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.

We use the services of BMO reo® as our provider of collective engagement services with a specific focus on ESG. By collaborating with investors with similar engagement goals, we are able to exert the influence we have on company boards and management teams.

> "Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society."

The FRC definition of Stewardship adopted by Brewin Dolphin

Voting statistics overview[1]

Total meetings where we voted
112

Always agreed with the board
96

Disagreed at least once
13

Abstained at least once
4

Total resolutions
1,488

Agree with board
1,449

Disagree with board
34

Abstain
5

1. We may abstain, vote for or against management at the same meeting, and therefore the total meetings figure may be different to the sum of the breakdown.

We act as a steward for our client assets

ESG engagement

Engage with our core holdings through purposeful dialogue on high-priority ESG issues

Voting

Exercise our rights and responsibilities by voting at company meetings

Partnerships

Leverage our influence by partnering with other aligned investors on specific issues

Stakeholder engagement

Engage with policymakers and other stakeholders to address systemic issues

Governance and policy

Our governance structure provides a reporting line from the Stewardship Committee to our Sustainability and Executive Committees. This keeps senior stakeholders around the business and our Executive team apprised of developments in our stewardship work and the regulatory landscape, ensuring that decisions they make will continue to support our Stewardship efforts.

- Our Stewardship Policy, owned by our Stewardship Committee, is specifically designed to support and promote good Stewardship. It outlines our approach and how we fulfil our responsibilities, including monitoring, engaging, voting, escalating and reporting.

Progress this year

We have made significant progress with our stewardship activities this year:

- Published our first Annual Stewardship and Engagement Report, which covers all aspects of our stewardship work. As a result of this report, we successfully became a signatory to the Financial Reporting Council's (FRC) UK Stewardship Code 2020, which sets high stewardship standards for those investing money on behalf of UK savers and pensioners.
- Provided clients with four quarterly stewardship updates, showing clients the stewardship work we are doing on their behalf with case studies and data.
- Developed a controversy tracking programme within our funds research team. Through ESG data providers, economic and market analysis, we monitor corporate controversies and important votes. When appropriate, we engage with funds that hold the stock in question to understand the stewardship expertise and approach of each manager, ultimately to protect the value of our clients' assets.
- Twice surveyed our investment managers to understand their priorities, and those of their clients, when it comes to stewardship. These priorities fed into our collaborative engagement partnership with BMO reo® and helped shape the engagements they undertake on our behalf.

What's next

We believe there will be a continued push towards greater transparency in this area. We expect greater focus on how investee companies manage ESG risk, but also higher expectations for Brewin Dolphin to demonstrate how we act as a responsible owner. We will continue to enhance our capabilities in this area, providing new resources for the team and further developing our stewardship principles. We will maintain a high calibre of reporting, building on the success of 2021, and look to engage with our clients more in this area so they can become more engaged with the good work we are doing with their money.

Our net zero commitment

The success of our net zero commitment will rely heavily on stewardship. Setting a target is not enough by itself. We will use voting and engagement approaches to encourage companies we own to set their own targets, and then to make meaningful progress towards them. This will not only help to reduce our own scope 3 emissions, but more importantly contribute to real world reductions in emissions across the economy.

Case study: Berkshire Hathaway

We hold Berkshire Hathaway across our client portfolios. As part of our stewardship work, their AGM was significant. A resolution, put forward by fellow members of CA100+, recommended that the Board provide more information on their approach to climate change, including an annual assessment of the climate-related risks and opportunities for each subsidiary. CEO Warren Buffett recommended shareholders should not support this resolution.

Our analysts always seek to understand how the resolutions they are voting on could impact on company performance. We debated the extent to which this recommendation goes against Berkshire Hathaway's decentralised business model, and the potential impact on profits and therefore on our clients.

Our position was that as a listed equity, Berkshire Hathaway could and should release climate related information and we voted for the resolution. We felt it would be beneficial in financial analysis, outweigh any impacts to the business model and support efforts to reduce emissions.

Ultimately, with only 25.1% of votes in favour the resolution did not pass. However, this represents a bigger show of discontent than the company has seen in the past, so we hope the message has been heard by management. We will continue to monitor Berkshire Hathaway's approach to climate change and work with CA100+ to encourage the company to take action.

> See more case studies in our separate ESG Report, available on our website

> See pages 34-35 for more information on our sustainability governance structure

Financial Review

Strong profit growth, with record inflows

> “The Group’s performance for the year was exceptionally strong following the recovery in the markets and record discretionary inflows.”

Siobhan Boylan
Chief Financial Officer

Results and business performance

The Group's financial performance for the year to 30 September 2021 was exceptionally strong following the recovery in the markets over the period and record discretionary gross inflows. For this reason, statutory profit before tax ('statutory PBT') was 16.7% higher than last year at £72.5m (2020: £62.1m). Statutory PBT margin for the period was 17.9% (2020: 17.2%). Profit before tax and adjusted items ('adjusted PBT') was up 16.2% to £90.9m (2020: £78.2m). The adjusted PBT margin improved to 22.4% (2020: 21.6%) as we have continued to benefit from COVID-19 related savings.

Statutory diluted earnings per share ('EPS') increased by 15.1% to 18.3p (2020: 15.9p). Adjusted diluted EPS increased by 15.5% to 23.8p (2020: 20.6p).

	2021 £'m	2020 £'m	Change
Income	**405.9**	361.4	12.3%
Fixed staff costs	**(148.0)**	(139.2)	6.3%
Variable staff costs	**(75.0)**	(60.2)	24.6%
Other operating costs excluding adjusted[1] items	**(90.2)**	(82.1)	9.9%
Operating profit before adjusted[1] items	**92.7**	79.9	16.0%
Net finance costs and other gains and losses	**(1.8)**	(1.7)	5.9%
Profit before tax and adjusted[1] items	**90.9**	78.2	16.2%
Adjusted[1] items	**(18.4)**	(16.1)	14.3%
Statutory profit before tax	**72.5**	62.1	16.7%
Taxation	**(17.2)**	(14.1)	22.0%
Statutory profit after tax	**55.3**	48.0	15.2%
Earnings per share			
Basic	**18.8p**	16.3p	15.3%
Diluted	**18.3p**	15.9p	15.1%
Adjusted[1,2] earnings per share			
Basic	**24.6p**	21.1p	16.6%
Diluted	**23.8p**	20.6p	15.5%

1. Adjusted items are amortisation of client relationships and brand, onerous contracts, acquisition costs, incentivisation awards, defined benefit pension scheme past service costs and other gains and losses.
2. See note 11 to the Financial Statements.

Explanation of profit before tax and adjusted items and reconciliation to Financial Statements

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, 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. Incentivisation awards costs in relation to acquisitions that are payable for a predetermined period of time are adjusted for on this basis.

The gains/losses from seed capital (see note 19 to the Financial Statements) and the defined benefit pension scheme past service costs relating to the equalisation of Guaranteed Minimum Pensions (see note 17 to the Financial Statements) 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

	2021 £'m	2020 £'m
Profit before tax and adjusted items	**90.9**	78.2
Adjusted items		
Acquisition costs	**(1.5)**	(3.6)
Other gains and losses	**0.3**	–
Defined benefit pension scheme past service costs	**(0.4)**	–
Onerous contracts	**(3.6)**	(0.2)
Incentivisation awards	**(2.0)**	(1.2)
Amortisation of intangible assets – client relationships and brand	**(11.2)**	(11.1)
Total adjusted items	**(18.4)**	(16.1)
Statutory profit before tax	**72.5**	62.1

Adjusted items for the year were higher at £18.4m (2020: £16.1m). They included acquisition costs of £1.5m (2020: £3.6m), this year's cost stemmed from aborted acquisition costs, onerous contracts of £3.6m, with the majority relating to the decision to not move our London office to 25 Cannon Street and to assign or sublet the space instead once the lease commences and amortisation of client relationships of £11.2m (2020: £11.1m).

Other adjusted items were in relation to incentivisation awards of £2.0m (2020: £1.2m) and defined benefit pension scheme past service costs of £0.4m.

Funds[1]

£'bn	30 September 2020	Inflows	Outflows	Internal transfers	Net flows	Growth rate	Investment performance	30 September 2021	Change
Private clients	21.6	1.5	(0.6)	(0.5)	0.4	1.9%	3.6	**25.6**	18.5%
Charities and corporates	5.1	0.4	(0.3)	–	0.1	2.0%	0.9	**6.1**	19.6%
Direct discretionary	26.7	1.9	(0.9)	(0.5)	0.5	1.9%	4.5	**31.7**	18.7%
Intermediaries	10.1	1.1	(0.6)	(0.1)	0.4	4.0%	1.5	**12.0**	18.8%
MPS/Voyager	4.4	1.0	–	–	1.0	22.7%	0.7	**6.1**	38.6%
Indirect discretionary	14.5	2.1	(0.6)	(0.1)	1.4	9.7%	2.2	**18.1**	24.8%
Total discretionary	41.2	4.0	(1.5)	(0.6)	1.9	4.6%	6.7	**49.8**	20.9%
Execution only	4.1	0.3	(0.6)	0.9	0.6	14.6%	0.3	**5.0**	22.0%
BPS	0.2	–	–	–	–	–	–	**0.3**	50.0%
Advisory	2.1	–	(0.1)	(0.3)	(0.4)	(19.0)%	0.1	**1.8**	(14.3)%
Total funds	47.6	4.3	(2.2)	–	2.1	4.4%	7.1	**56.9**	19.5%

Indices	30 September 2020	30 September 2021	Change
MSCI PIMFA Private Investor Balanced Index	1,568	**1,781**	13.6%
FTSE 100	5,866	**7,086**	20.8%

1. The funds figures are rounded to one decimal place and therefore may not always cast.

Total funds as at 30 September 2021 were £56.9bn (2020: £47.6bn) an increase of 19.5% in the year, driven by strong net flows of £2.1bn (2020: £1.1bn) and investment performance of £7.1bn (2020: £(1.2)bn). Investment performance was 14.9% compared to the increase in the MSCI PIMFA Private Investor Balanced Index of 13.6%.

Total discretionary funds grew by 20.9% to £49.8bn (2020: £41.2bn). Total net flows were £1.9bn (2020: £0.9bn) representing an annualised growth rate of 4.6%, in line with our 5% discretionary net flow target. This was driven by record gross discretionary inflows of £4.0bn, benefitting from our broad range of propositions. New clients were a large driver of this growth, representing c.70% of UK inflows (excluding MPS and Voyager) and our client retention rate remained high at 96%.

Direct discretionary net flows were £0.5bn (2020: £0.1bn) driven by record gross inflows of £1.9bn (2020: £1.4bn) and stable outflows of £0.9bn (2020: £0.9bn).

Indirect discretionary net flows were £1.4bn, an increase of 75.0% on last year (2020: £0.8bn). MPS and Voyager flows of £1.0bn (2020: £0.5bn) were a significant driver to this growth. Voyager funds, launched in October 2020, have grown to £0.3bn.

Income

£'m	2021 Fees	2021 Commission	2021 Total	2020 Fees	2020 Commission	2020 Total	Change Fees	Change Commission	Change Total
Private clients	**158.3**	**65.7**	**224.0**	141.5	65.3	206.8	11.9%	0.6%	8.3%
Charities and corporates	**23.6**	**3.7**	**27.3**	18.4	3.6	22.0	28.3%	2.8%	24.1%
Direct discretionary	**181.9**	**69.4**	**251.3**	159.9	68.9	228.8	13.8%	0.7%	9.8%
Intermediaries	**73.7**	**0.9**	**74.6**	66.5	1.1	67.6	10.8%	(18.2)%	10.4%
MPS/Voyager	**14.0**	**n/a**	**14.0**	11.2	n/a	11.2	25.0%	n/a	25.0%
Indirect discretionary	**87.7**	**0.9**	**88.6**	77.7	1.1	78.8	12.9%	(18.2)%	12.4%
Total discretionary	**269.6**	**70.3**	**339.9**	237.6	70.0	307.6	13.5%	0.4%	10.5%
Financial planning	**n/a**	**n/a**	**41.6**	n/a	n/a	33.1	n/a	n/a	25.7%
Execution only	**4.9**	**7.1**	**12.0**	4.6	6.7	11.3	6.5%	6.0%	6.2%
BPS	**1.7**	**n/a**	**1.7**	1.3	n/a	1.3	30.8%	n/a	30.8%
Advisory	**4.4**	**2.8**	**7.2**	3.6	1.1	4.7	22.2%	154.5%	53.2%
Other income	**n/a**	**n/a**	**3.5**	n/a	n/a	3.4	n/a	n/a	2.9%
Income	**280.6**	**80.2**	**405.9**	247.1	77.8	361.4	13.6%	3.1%	12.3%

Income increased by 12.3% to £405.9m (2020: £361.4m). Fee income increased by 13.6% to £280.6m driven by market recovery and strong net flows. Commission income was up 3.1% to £80.2m, largely driven by a one-off corporate transaction in advisory of £1.7m in Ireland in the third quarter.

Discretionary income increased by 10.5% to £339.9m (2020: £307.6m). This was driven by fee income of £269.6m increasing 13.5% from last year, attributable to the higher market level in the year and strong positive net flows. Discretionary commission is in line with the prior year, despite elevated trading activity in the first half of the year. Indirect income increased by 12.4% to £88.6m (2020: £78.8m), driven by continued demand for MPS and the newly launched Voyager funds, as well as the market recovery.

Financial planning income grew by 25.7% to £41.6m (2020: £33.1m), driven by continued growth in demand for our advice-focused services and the higher market level.

Other income increased to £3.5m (2020: £3.4m). Interest income reduced by £0.5m to £0.8m (2020: £1.3m) due to lower interest rates and restructuring of funds on fixed term rates. Report writing income generated by Mathieson Consulting increased by £0.6m to £1.7m (2020: £1.1m).

Income margin[1]

(bps)	2021 Fees	2021 Commission	2021 Total	2020 Fees	2020 Commission	2020 Total
Private clients	**64.6**	**26.8**	**91.4**	67.4	31.1	98.5
Charities and corporates	**40.7**	**6.4**	**47.1**	37.7	7.2	44.9
Direct discretionary	**60.2**	**23.0**	**83.2**	61.8	26.6	88.4
Intermediaries	**63.7**	**0.8**	**64.5**	67.9	1.1	69.0
MPS/Voyager	**25.5**	**–**	**25.5**	26.5	–	26.5
Total discretionary	**57.0**	**14.9**	**71.9**	59.7	17.6	77.3
BPS	**56.7**	**–**	**56.7**	68.4	–	68.4
Execution only	**10.2**	**14.8**	**25.0**	11.4	16.4	27.8
Advisory	**22.0**	**14.0**	**36.0**	19.5	6.0	25.5
Overall	**51.6**	**14.8**	**66.4**	53.7	17.0	70.7

1. The income margins are calculated as total income over the average funds at the end of each fee billing quarter for the year. This is an alternative performance measure, see Appendix page 173.

Overall blended margin across the discretionary business was 71.9bps (2020: 77.3bps). The year-on-year decrease is largely driven by the intermediaries: as our IFA relationships grow, they benefit from reduced tiered price levels. MPS margins are also reduced year on year reflecting the effects of tiering across our growing IFA book.

The direct margin was 83.2bps (2020: 88.4bps): fee margin was down 1.6bps to 60.2bps (2020: 61.8bps), mostly due to the higher value of client funds and the impact of rate card tiering, and the commission margin was down to 23.0bps (2020: 26.6bps) due to lower commission-based activity in the second half of the year.

Advisory commission margin was 14.0bps (2020: 6.0bps); this increase was driven by a one-off corporate transaction of £1.7m in Ireland in the third quarter.

Operating costs (excluding adjusted[1] items) and capital expenditure

	2021 £'m	2020 £'m
Staff costs	**(148.0)**	(139.2)
Non-staff costs	**(90.2)**	(82.1)
Fixed costs	**(238.2)**	(221.3)
Variable staff costs	**(75.0)**	(60.2)
Total operating costs	**(313.2)**	(281.5)
Capital expenditure[2]	**30.3**	35.6

1. Adjusted items are amortisation of client relationships and brand, defined benefit pension scheme past service costs, acquisition costs, incentivisation awards, onerous contracts and other gains and losses.
2. Excludes £1.5m of right of use asset additions (2020: £1.9m).

Total operating costs before adjusted items were up £31.7m, 11.3% higher at £313.2m (2020: £281.5m). The increase was primarily driven by higher variable staff costs as a result of our strong performance in the year and higher headcount.

Total fixed costs increased by £16.9m to £238.2m (2020: £221.3m). Staff costs grew 6.3% to £148.0m as a result of headcount increases to support the Group's business growth and technology transformation projects, share price growth on employee share options, and accounting for increased holiday accrual with lower levels of holiday taken due to COVID-19.

Non-staff costs increased by 9.9% to £90.2m, attributable to depreciation of the technology investment in 2020, continued investment in our technology transformation projects which will support operational improvements and more marketing spend in the second half of the year, following a year of reduced client events due to the pandemic. These increases were partially offset by reduced spend of £2.6m in travel and entertainment, office occupancy costs and supplies as a result of social distancing restrictions.

Variable staff costs of £75.0m (2020: £60.2m), which predominantly includes discretionary profit share, were up 24.6%, driven by strong income and profit growth in the year. We have maintained our staff compensation ratio of 55% in line with last year and variable costs per capita were up 14% as we had 9% headcount growth in the year.

Capital expenditure

Total capital expenditure for the year excluding IFRS 16 related right of use additions was £30.3m, of which £24.8m was on our custody and settlement system, in line with our market guidance. Our total capital expenditure spend to date on the custody and settlement system is £51.3m. Other capital expenditure in the period included £4.5m on enhancing our client user experience, £0.5m on property improvements and the remaining £0.5m on IT hardware.

The custody and settlement system is now live within our technology environment, albeit later than originally expected, and we have commenced the final phased roll out of its functionality. In taking a prudent approach with the embedding of the system, we are phasing the deployment of its full functionality, which includes the final complexities of integrating the automated interfaces with our client management and trading systems. The parallel running of both the old and new custody and settlement systems will end in the summer of 2022. Once the new custody and settlement is fully functional, we will have a cloud-based, modern technology infrastructure in which we can start to realise some operational and cost benefits. The operational benefits include straight through processing and automation, simpler client journeys, reduced operational risks, tighter business controls and the ability to scale faster.

FY 2022 guidance

Looking ahead to next year's costs and capital expenditure, we anticipate operating costs to grow mid to high single digit percent due to: higher than normal wage inflation, costs related to parallel running of systems which we expect to reverse in FY 2023, depreciation from our recent technology investments, and continued investment in the business to support our growth ambitions. We anticipate our capital expenditure will be around £26m of which £20m will be for the final stage of integrating our custody and settlement system with our client management and trading systems. We anticipate following FY 2022 that our capital requirements will fall to normalised levels of investment of around £10m per annum. Amortisation of our recent technology investments will be around £3m in FY 2022, and around £8m in FY 2023, with our client management system's amortisation falling away from FY 2024. Having a modern technology infrastructure enables us to start to drive operational efficiencies through the business. We expect cost efficiencies in FY 2022 will be c.£1m and c.£10m in FY 2023.

Net finance costs

Finance income of £0.4m, lower than 2020 of £0.9m due to lower interest rates. Finance costs were £2.2m (2020: £2.6m), primarily related to our leases.

Defined benefit pension scheme (the 'Scheme')

The final salary pension scheme surplus has increased to £20.8m (2020: £20.3m). An actuarial gain for the year of £0.2m (2020: £1.4m) has been recognised. A past service cost of £0.4m has been recognised in the Income Statement following the judgment 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. This cost has been excluded from adjusted measures, as it is a one-off item.

The Group completed and agreed the triennial valuation at December 2020 for the Scheme during the year. The actuarial valuation for funding purposes revealed a £8.1m surplus. It was agreed that no additional contribution would be made to the scheme until the funding is reassessed at the next triennial valuation. Additionally, it was agreed that the administration costs of the Scheme, including investment management fees and Scheme levy payments previously paid by the Group, were to be paid directly by the Scheme.

The increase in the surplus has been driven by contributions to the Scheme, updated post-retirement mortality assumptions that incorporate the latest mortality projection models and experience mainly as a result of actual inflation and pension increases being lower than assumed. These increases were partially offset by the asset returns being lower than expected on the Scheme's assets over the year, reflecting in part the increase in gilt yields and a reduction in credit spreads.

Tax

The Group's effective corporation tax rate of 23.7% is higher than the UK statutory corporation tax rate of 19%, and higher than prior year (2020: 22.7%). This is mainly due to the impact of adjusting the net deferred tax liability to allow for the increase in the UK corporation tax rate from 19% to 25% from 1 April 2023; this has increased the Group's tax charge for the year ended 30 September 2021.

Dividend

The Company's policy is to grow dividends in line with adjusted earnings, with a target payout ratio of between 60% and 80% of annual adjusted diluted earnings per share. The payout ratio range has been adopted to provide sufficient flexibility for the Board to reward shareholders whilst recognising that there may be a requirement, at times, to retain capital within the Group for investment to generate enhanced future shareholder returns.

The Board has taken a balanced view on rewarding shareholders in what has a been a strong performance for the year. As a result the Board is proposing a final dividend of 11.1p per share which brings the total for 2021 to 15.7p per share, a 10% increase year on year (2020 final: 9.9p per share; total dividend for the 2020 year 14.3p per share). The payout is 66% of adjusted earnings per share and is in line with our dividend policy.

Before the Board proposes any interim or final dividend it satisfies itself that there will be sufficient distributable reserves in the Company at the respective payment dates. The Company is the parent company of the Group and is a non-trading investment holding company. It derives its distributable reserves from dividends received from its subsidiaries, of which Brewin Dolphin Limited is the principal operating subsidiary. The distributable reserves of the Company comprise £38.4m of the merger reserve (see note 29 to the Financial Statements) and £134.9m of the balance of the profit and loss reserve.

The Group is well positioned to continue funding dividend payments in accordance with the dividend policy. The ability to maintain future dividends will be influenced by a number of the principal risks identified on pages 49-52 that could adversely impact the performance of the Group; the dividend policy remains unchanged. The majority of the cash resources are held by the principal operating subsidiary Brewin Dolphin Limited. Further details of the Group's cash flow can be found below. Details of the Group's continuing viability and going concern are both on page 53.

Capital resources and regulatory capital

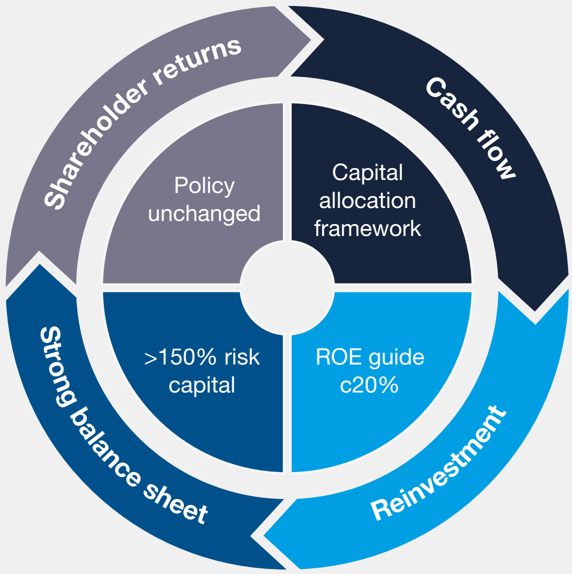
The Group's financial position remains very strong with net assets of £347.3m as at 30 September 2021 (2020: £335.0m).

At 30 September 2021, the Group had regulatory capital resources of £167.1m (2020: £161.1m), representing 230% of the FCA requirement (2020: 220%). Improved business performance offset by continued investment in intangibles is the main reason for the increase, see note 12 to the Financial Statements. The Group's primary regulator is the Financial Conduct Authority ('FCA'). The FCA's 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'), at least annually, which includes performing a range of stress tests to determine the appropriate level of regulatory capital that the Group needs to hold.

By 1st January 2022 the Investment Firms Prudential Regime (IFPR) will have replaced the existing EBA regulations in both UK and Europe. The Group's regulated entity in Europe began reporting per the new rules in June 2021 under EBA guidelines and continues to retain sufficient regulatory capital resources. The UK regulated entity has prepared for the transition under the FCA by ensuring compliance and testing with new calculations which have established current regulatory resources levels will be sustained. The Group is satisfied that it will continue to maintain adequate capital resources following implementation of the IFPR

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

Capital management philosophy



Balancing reinvestment and consistent shareholder returns

Cash flow

The Group had net cash flow of £7.5m (2020: £48.7m outflow) and total net cash balances of £188.0m as at 30 September 2021 (2020: £180.5m).

Adjusted EBITDA (see table below) was £118.9m (2020: £99.5m). Capital expenditure of £34.6m (2020: £28.9m) was principally in support of the ongoing technology transformation programme. The contribution to the defined benefit pension scheme of £0.3m (2020: £1.3m) was lower than last year, as the funding agreement agreed at the December 2017 triennial valuation ended in the year.

Cash outflow for own share 'matching' purchases in the year of £10.5m to match the awards made in 2020 for the Deferred Profit Share Plan (DPSP) awards (2020: £8.4m). Shares were also purchased (£0.2m) for the Share Incentive Plan. During the year, the Group seeded its Voyager fund range with £2.3m (see note 19 to the Financial Statements).

Working capital reflects our trade debtors and creditors and prepayments and accruals, it is cyclical dependent on timing of invoice payment runs on a monthly basis.

Dividends paid in the period decreased by 11.8% to £42.7m (2020: £48.4m).

	2021 £'m	2020 £'m
Profit before tax and adjusted items	**90.9**	78.2
Finance income and costs	**1.8**	1.7
Operating profit before adjusted items (EBIT)	**92.7**	79.9
Share-based payments	**12.6**	9.8
Depreciation and amortisation – excluding client relationships and brand	**13.6**	9.8
Adjusted EBITDA	**118.9**	99.5
Capital expenditure	**(34.6)**	(28.9)
Purchase of client relationships	**(0.2)**	–
Acquisition of subsidiary	**–**	(32.0)
Acquisition costs	**(1.5)**	(3.6)
Purchase of trading investments	**(2.3)**	–
Pension funding	**(0.3)**	(1.3)
Working capital	**5.3**	0.3
Disposal of PPE and software	**0.5**	–
Interest and taxation	**(11.9)**	(16.4)
Lease payments and interest on lease liabilities	**(10.3)**	(8.8)
Lease incentive and finance lease receivables	**–**	0.6
Adjusted items	**(2.8)**	(1.4)
Shares purchased	**(10.7)**	(8.4)
Shares issued for cash	**0.1**	0.1
Cash flow pre dividends	**50.2**	(0.3)
Dividends paid	**(42.7)**	(48.4)
Cash flow	**7.5**	(48.7)
Opening cash	**180.5**	229.2
Closing cash	**188.0**	180.5

Responsible Business

Our commitment to sustainability and responsible investment has never been greater.

Responsible Business is our overarching pillar of sustainability. For us, it means identifying and actively managing the ESG risks and opportunities that we face as an organisation. We interact with many stakeholders, and through these interactions we aim to have a positive impact on society. The importance we place on corporate responsibility shapes the day-to-day running of our business. We continue to set a high bar for ourselves in terms of the way we manage our business overall. We believe that it is important for us to act in a way that means we are a responsible corporate citizen, whether that is how we relate to our clients, employees, local communities, or wider society. We know that the way we conduct our business matters – and we do so in ways to continue to make a positive impact. This section summarises how we manage ESG risks and opportunities within our organisation. We are always looking at ways to evolve and improve our initiatives and ambitions.

Responsible Business

Ensuring Brewin Dolphin is a company that seeks to have a **positive impact on society**, including our people, communities, clients and the environment

Responsible Investment

Ensuring that we can offer our clients the right **responsible investment choices** for them

> See pages 14 to 15

Stewardship

Ensuring **responsible ownership of assets**, with monitoring and engagement where appropriate

> See pages 24 to 25

Part of being a responsible business is ensuring that we can offer our clients the right responsible investment choices for them and exhibiting good stewardship. Each of our sustainability pillars supports the other two, and together they are the foundation of a responsible, sustainable and thriving business. This approach ensures that ESG considerations are central to our strategic and investment decision-making, and helps guide us to a more sustainable future.

To ensure our ESG ratings with third party rating agencies are relevant, we actively engage with several agencies.

Sustainability governance

Our sustainability governance structure and policies support good client outcomes ensuring that our three pillars of sustainability are being considered. The Sustainability Committee was formed to action our sustainable initiatives and to ensure that sustainability is included in our

Sustainability governance

- Sustainability Committee
- Sustainability team
- ESG Investment Forum

corporate decision making. They set the goals and strategy for the business for all aspects of sustainability. It also ensures that related business activities, including Stewardship activities, investment offerings and responsible business initiatives meet the Group's sustainability objectives, are clearly defined and have clear monitoring and reporting criteria.

The Sustainability Committee includes key internal stakeholders across the business. It is chaired by Richard Buxton, our Group People and Sustainability Director, who is also a member of our Executive Committee. Though sustainability is part of the Boards agenda, the executive oversight for sustainability sits on our Executive Committee. The Board are made aware of sustainability issues as they arise and are periodically updated throughout the year.

The ESG Investment Forum considers clients' needs relating to ESG investing, and contributes to thinking around the development of the Group's ESG investment strategies ensuring alignment to our core values.

The Wealth Governance Committee responsibilities include approval of key investment process controls, oversight and challenge of investment strategy and performance, and consideration of new products and services.

Some of our ongoing work is to enhance the roles of committees and policies to ensure that ESG considerations are fully integrated.

> "For Brewin Dolphin, being a responsible business means identifying and actively managing the ESG risks and opportunities we face as an organisation."

Sustainability governance structure

> "We believe that it is important for us to act in a way that means we are a responsible corporate citizen, whether that is how we relate to our clients, employees, local communities, or wider society."

Driving a sustainable agenda

Environment

Greenhouse gas emissions

As a business, we continue to assess our impact on the environment and try to mitigate or reduce where possible. Our main environmental impact is energy-related emissions from our branch network and from employee travel.

Our total emissions and consumption fell by 36% in the year ended 30 September 2021, please see Directors Report for further details, page 107. This decrease was seen as a result of lower emissions across the branches and reduced employee travel. Both of these reductions are largely attributed to the COVID-19 pandemic, social distancing measures and the mandated move to working from home. Our offices remained open throughout the year, as a result there was a base level of energy used in order to remain functional. However, given the reduced level of employee and client use this is lower than in the prior year.

We have been working and developing several initiatives to reduce our carbon footprint in the year. As a result of COVID-19, we have re-evaluated how we work as a business and have recently implemented an agile work policy. In line with this, we are reducing workstation footprints in new office fit-out design (Winchester, Belfast, Bristol, Edinburgh, Newcastle, and London). The agile work policy will likely result in lower footfall in our offices. This should help in our efforts to control and reduce our emissions.

In an effort to reduce our emissions as a result of employee travel, we have recently announced a partnership with an electric and hybrid car leasing company. The scheme aims to make electric cars more attractive by not only offering significant tax savings on the cost of leasing a car, but also assists colleagues with the transition to the 2030 ban on the sale of new petrol/diesel cars. We hope there will be a significant uptake of this employee benefit, this should aid in reducing our scope 3 emissions.

Additionally, we have replaced a number of T5 lights with LED lights in our Edinburgh and Newcastle offices, 70% of our Edinburgh office now has LED lights and 75% of our Newcastle office. We have also improved our bicycle facilities in London, Edinburgh and Newcastle and have been promoting their benefits internally to encourage greater use. Our London catering facilities are increasingly using local products (produced within the M25), and they are working towards developing more local supplier relationships over the coming year. We are also closely managing our internal mail service to avoid unnecessary journeys by introducing a group mail handling service and encouraging employees to group deliveries for non-urgent internal mail, we are seeing a significant reduction in delivery miles.

Emission reduction targets

We recently announced that we joined the Net Zero Asset Managers Initiative, aligning to the goal of becoming a net zero company by 2050 or sooner. Over the course of the next twelve months, we will set interim targets for our operations to make sure it reaches net zero by 2050. This will focus on sources of emissions that are both material in size and have alternatives available. This includes our office network, which will prioritise a shift to renewable energy, and business travel, specifically around smarter and more efficient ways to travel. This target setting exercise will also be completed for our investments, please see page 14 for more details.

Responsible management of our buildings and resources

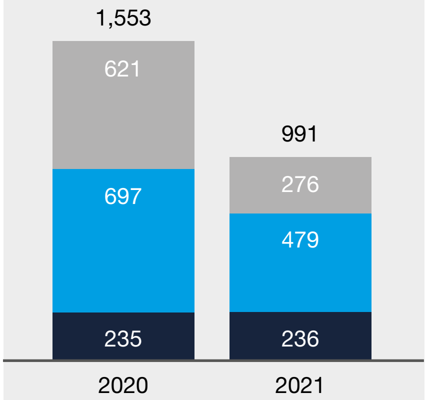
We practice responsible management of our buildings and resources. Waste management at our larger sites (London, Newcastle & Edinburgh) is a priority to the facilities management team who work to recycle almost everything. They proactively work with their supplies to reduce packaging on deliveries and plan the residual waste strategy for consumables such as coffee pods, which are returned to Nespresso for recycling. We have many recycling points across our

2021 Total emissions[1]
tCO_2e

991

Total reduction

36.2%



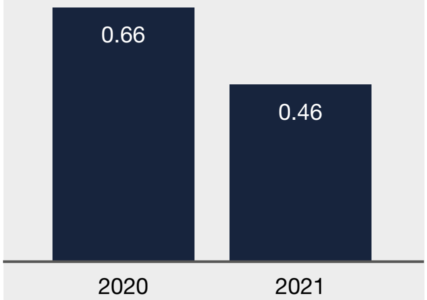
- **Scope 1** – Emission from activities for which we own or control – combustion of fuel and operation of facilities
- **Scope 2** – Emissions from purchase of electricity, heat, steam and cooling purchased for own use
- **Scope 3** – Emissions from fuel and energy-related activities and from employee business travel for which the company does not own or control

2021 Intensity ratio per employee[1]
tCO_2e

0.46

Total reduction

30.3%



1. Please see Directors Report for further details, page 107.

> “We continually invest in our people to enrich their careers at Brewin Dolphin.”

network of offices and continue to install additional recycling points in our larger offices and in recent fit outs. As a company, we are actively trying to reduce our use of plastic. We no longer use disposable cups and have replaced with reusable mugs across our sites, all plastic coffee stirrers have been replaced with a more sustainable wooden alternative.

The measurement, management and disclosure of greenhouse gas emissions and climate change data is an increasingly important part of standard business practice and as part of our commitment to this we submitted our second CDP (formerly the Carbon Disclosure Project) submission in Summer 2021 and are awaiting our score (2020: C grade). The CDP is the largest climate change focused data collection and assessment programme. We continue to progress our sustainability strategy and strive to see an upgrade in the coming submissions.

TCFD

We intend to comply fully with the TCFD disclosure requirements for the year ended 30 September 2022. During the year, as part of our preparations for this, we submitted our second CDP disclosure and answered TCFD-related questions in our first UN PRI report submission.

Social

Clients

The impact of the pandemic environment on our clients, staff and suppliers has been significant and consequently it has never been more important that we consider the needs of vulnerable stakeholders on a consistent basis across the business. We recognise that vulnerabilities can be far broader and more transient than the definitions some firms have traditionally used; and that we should be aware of potential vulnerability as well as actual instances. Our Vulnerable Client Committee is drawn from across the business and focuses our thinking in terms of how we recognise and identify vulnerability, the ongoing education and development of our people’s understanding of vulnerability, and the creation of policies in response, while through the work of its subcommittee the Vulnerable Clients Forum, it is able to provide individual case specific advice and expertise.

Human capital

It is a key part of our long-term strategy for growth that we maintain our inclusive culture in which all of our staff are highly valued, respected and engaged. We believe this is an essential foundation upon which the Group can continue to meet individual client needs. This is also a key motivator, differentiator and a strategic advantage for us in the financial services market place. Our people do business in a way that is both ethically sound and reflects our corporate values. We believe that achieving this makes ‘doing the right thing’ an automatic element of how we treat each other, our stakeholders, and the communities in which we operate.

It is important that we are recognised, internally and externally, for respecting our people, listening to them, and enabling them to meet their personal and collective goals. Having such a reputation is a key aspect in attracting and retaining the best talent. We achieve this through many ongoing initiatives and forums.

This year we completed a review of our policies for maternity, adoption, surrogacy, and shared parental leave. We have significantly enhanced the level of pay employees now receive. To facilitate and encourage employee wellbeing we have a number of schemes in place; a 24-hour counselling service and general advice line, access to a GP service 24/7, a network of wellbeing champions, workshops and webinars around mental health, and the launch of a new wellbeing digital platform with access for one-to-one consultations for support across their personal and family lives.

The Board believes providing an inclusive and supportive environment allows the Group to benefit from the variety of experience, backgrounds and viewpoints that a diverse workforce can bring. We actively work on improving gender diversity at Brewin Dolphin, we are signatories of the Women in Finance Charter, are participants in Mission GENDER EQUITY (formerly known as the 30% Club) and facilitate an active women’s network, Women@Brewin.

As part of our commitment to promote ethnic and cultural diversity, we are signatories to the Race at Work Charter and this year launched an employee-led race and ethnicity network, ‘embRACE’. We ran a number of focus groups for or employees to share their experiences, and our Executive Committee participated in a reverse mentoring programme. Our LGBTQ+ colleagues and allies led the celebrations for Pride virtually for a second year. They shared their personal stories and perspectives on why it is important to them and why LGBTQ+ inclusion is important for our working culture. Our LGBTQ+ membership network ‘myGwork’ hosted a series of workshops for our colleagues to look at practical ways that colleagues can become active allies for each other and be part of creating an inclusive culture.

We continually invest in our people to enrich their careers at Brewin Dolphin. We have continued to develop and deepen virtual and digital learning expertise and offerings across our entire catalogue of offerings. We ran and facilitated a number of programmes throughout the year; Future Wealth Manager, virtual team ‘offsites’, a data fellowship, our Emerging Talent scheme, and our Executive Leadership Programme.

> For more information, refer to Our People and Culture section, pages 44-45

Health & safety

We are committed to providing a safe environment for our workforce and visitors. We have arrangements in place to ensure that we meet our ongoing health and safety obligations to our staff and other stakeholders, such as visitors to our premises. Our Board is ultimately responsible for the overarching Health and Safety policies and procedures of the firm, and we confirm that we comply with the Health and Safety at Work Act 1974 and all associated regulations and codes. We believe that we have implemented appropriate and effective measures throughout the Group to safeguard against accidents and cases of work-related illness, using training, risk assessments and awareness raising as part of our wider framework of policies and procedures. Our premises and facilities team have led the design, set up and control of our COVID-19 secure offices. With a focus on social distancing & hygiene, our offices contain additional COVID-19 signage and continue to be subject to enhanced levels of cleaning. Clear incident protocols and new processes ensure that colleagues, clients, and other visitors always remain safe. Additionally, our agile work policy helps to limit the population density of our offices. This is backed by a thorough workplace assessment strategy designed to support those at risk by offering virtual face to face consultations, encompassing both physical and mental wellbeing.

Corporate Social Responsibility

Actively supporting our communities

Encouraging and supporting our employees to make a positive contribution to the communities in which we live and work, remains an important part of life at Brewin Dolphin. Local charity partnerships, fundraising initiatives and volunteering are a mainstay of our corporate responsibility programme and despite the unusual times, employees have continued demonstrate the same levels of energy and enthusiasm for these activities as was commonplace in more normal times.

We started the year by adding to our volunteering programme with the introduction of microvolunteering, which empowers our colleagues to regularly support those in need in their communities, either online or in person. We are particularly pleased with our Inspiring Futures programme, in which we partner with organisations that support social entrepreneurs and young people looking to access career opportunities. We have had impactful first years of partnership with The School for Social Entrepreneurs, The Brokerage, and Social Entrepreneurs Ireland and so we will continue to work with them for a second year. The easing of lockdown has also seen the return of traditional volunteering days with teams going out into the community to transform green spaces, sort food parcels for families in need and support outdoor fundraising events.

Our giving

- For the third year in a row, we have been awarded the Payroll Giving Platinum Award, in recognition of the fact that more than 20% of our employees are active participants in our matched payroll giving scheme.
- This year we increased the funds available to our Community Grant programme and were pleased to donate to more than 90 local charities that had each been nominated by employees, many of whom were personally involved with the charities.
- Throughout the last year, despite the unusual circumstances, our employees continued to apply for fundraising matching to support their own fundraising efforts in activities such as marathons, cake sales, cycle rides, 'wing walking', peak challenges and raffles.
- Volunteering has been at the heart of our community programme for a number of years now, and although traditional team volunteering days were unable to take place for much of the year, we were delighted to introduce microvolunteering, allowing employees to give small pockets of time on a regular basis, often virtually, to support the communities around them. These included befriending calls, shop drops, medicine collections, litter picks and youth mentoring.

The first year of lockdowns saw a large number of teams take on virtual challenges to fundraise for their chosen charities. This year has seen teams continue this trend and employees walked, cycled, ran, and danced thousand of miles for charity. In June, we organised the first ever Brewin Dolphin 7 Day Challenge that saw 20 teams take on a range of challenges and raise over £25,000 for good causes.

- For their 7 Day Challenge, the South West offices set out to cover 466 miles. This number was chosen as it represented the number of days since the start of lockdown and the start of the challenge. Through walking, running, horse riding and cycling, they managed to massively exceed their target and cover 654.6 miles, raising over £600 for their chosen office charity partners, Farms for City Children.
- The Nottingham office organised a 'The Road to Wembley' challenge. They wanted to cover the distance between all the stadiums of teams Leicester played in the lead up to the Cup Final. They managed to cover 1,306km by walking, running, cycling, rowing, golfing and playing football. All the money they raised went to support their newly chosen charity partner, Leicester Charity Link.

> "The part we play in our communities continues to be a very important part of our culture."

A second year of lockdowns saw huge numbers of charities and community organisations working hard to build back their communities. To support this work, we donated £50,000 to the National Emergencies Trust, the Community Foundation for Ireland and the Jersey Community Foundation to support their ongoing work in local communities to ensure they can continue to offer their vital services to those who need them most.

This was also the second year that our offices have chosen individual charity partners and we are delighted that almost every office is now supporting a local charity through donations, volunteering and fundraising. These long term relationships are valuable for both our office teams and our local charity partners.

Our partnerships

The School for Social Entrepreneurs (SSE)

Following a successful first year of partnership with SSE and the funding of a 'Start Up Plus' course for 16 social entrepreneurs, we were delighted to see the social entrepreneurs graduate at the end of 2020 and the positive impact of the course was evident in the enormous progress the social enterprises had made over the course of the year.

The remainder of the year has been spent working with SSE to devise a new Procurement Readiness course, aimed at those social entrepreneurs with established businesses who are looking to scale those ventures and secure bigger contracts in both the private and public sector.

Social entrepreneurs will be recruited from across the UK, in line with our own geographical footprint and the course will be delivered in a series of learning blocs run both online and in-person over the course of the 8-month programme.

> “Working with your team has been such an enjoyable experience. I see this as a shining example of what a successful partnership looks like. And I look forward to building on that success as we enter the planning stages of year two! (2021)”
>
> **Alisha Mulhall,**
> SSE, programme manager

> “For all the 900 families we support, not only have YOUR efforts enabled them to access the support they needed during the pandemic but helping 'Help Harry Help Others' through this time means that you will enable them to access support moving forwards. I hope that each and every one of your team can be proud of the impact you have had. Thank you, thank you, thank you!”
>
> **Georgie Moseley,**
> Founder of Help Harry Help Others, Birmingham

> “I have worked in this sector of 20 years, and this has been one of the most valuable learning experiences of my career to date.”
>
> **Social entrepreneur participant**
> on Start Up Plus course

Social Entrepreneurs Ireland (SEI)

SEI is an organisation who supports high-potential social entrepreneurs to tackle Ireland's social problems. Brewin Dolphin employees have supported SEI during their national call for applications, which encourages people with ideas to come forward and apply to their programmes. The team members have taken part as reviewers and have sat on virtual judging panels to help SEI identify the highest-potential social entrepreneurs for the programmes who are seeking to find solutions to social problems in areas such as mental health, education, the environment, and diversity & inclusion.

In addition to pro-bono support, we provided financial commitment to SEI's delivery of support to over 90 social entrepreneurs at every stage of development.

We will continue to partner with SEI for another year and this will enable them to support 100 social entrepreneurs and welcome them to the community of 375 social entrepreneurs who we have supported since 2004.

The Brokerage

The Brokerage is a London-based social mobility charity that helps less advantaged young people to achieve their career potential.

In the first year of our partnership, we have offered a number of outreach events, including masterclasses on key skills like personal branding, early careers and CV and interview skills, as well as workshops where Brewin Dolphin employees spoke about their own career paths. Over the summer months 10 students from The Brokerage were mentored by Brewin Dolphin employees and three interns joined the Research Team as part of an internship programme that we are planning to expand next year.

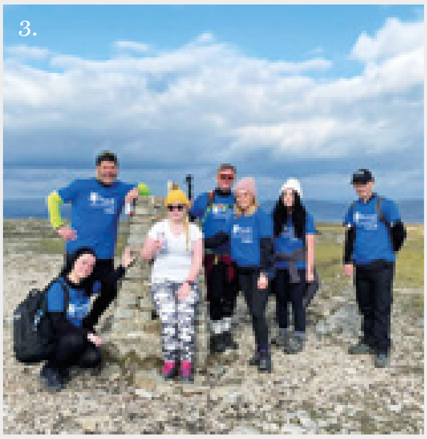
We will be working with The Brokerage again in 2021/22 and looking to host a programme of events for their young people, as well as hosting another group of interns.

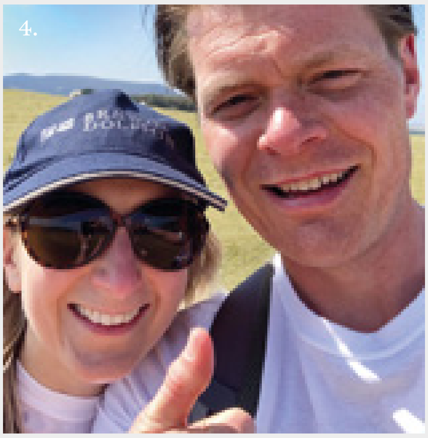
onHand

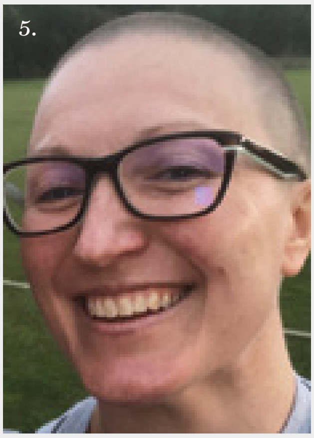
We partnered with the microvolunteering app onHand, who have been described as 'the Uber of volunteering', help to match employees with volunteering opportunities in their local area. We have an active team of volunteers who are helping to make a difference to people in their communities through short but impactful local tasks carried out both online and in person.

Fundraising in practice

Examples of what individuals and branches have achieved







1. Manchester: Paddle to Peak Challenge

The Manchester office took on their Pedal, Paddle, Peak challenge which involved pedalling 100 miles from Manchester to Ullswater in the Lake District, paddling canoes across the lake, then completing the peak by climbing Helvellyn, all during sunlight hours. They successfully completed the challenge and raised over £3,500 for their office charity partner, The River Manchester, a charity that provides support for those suffering from domestic abuse.

2. Bristol: Cycling challenge for Dorothy House

Philip Peat (Bristol) set himself an incredible solo challenge, which just happened to be on the hottest day of the year. He attempted to cycle up and down every road on the Mendips in a single ride. He cycled for 9 hours, climbed 13 hills, covered 130km and ascended 3000m (the equivalent of three times the height of Snowdon). He was able to raise £720 for Dorothy House.

3. Leeds: Three Peaks Challenge

Seven members of the Leeds office took on the Yorkshire 3 Peaks challenge in May, in aid of raising funds for Leeds Mind, with the event tying in with national mental health awareness week. The challenge involves climbing the summit of the 3 highest peaks in the Yorkshire Dales (Pen-Y-Ghent 694m, Whernside 736m and Ingleborough 723m), all whilst walking a total of 26 miles – with a timeframe for completion of less than 12 hours. The team successfully managed the climbs, and managing to raise over £1,000, with another £1,000 in fundraising matching.

4. Edinburgh: Kiltwalk

A team of 20 from the Edinburgh office took part in this year's virtual Kiltwalk, setting their own challenges, but collectively raising over £16,000 for Held in our Hearts, their chosen charity partner. Kiltwalks are mass participation walking events that raise much-needed funds for Scottish charities and projects, and we were delighted that so many of our Edinburgh team took part to raise money for a cause that is so close to the hearts of many in that office.

5. Cardiff: Little Princess Trust

Karen Norris from our Cardiff office, once again 'braved the shave' and donated her hair to the Little Princess Trust, a charity that makes wigs for children and young people suffering from hair loss. She also took the opportunity to raise over £2,000 for Newport Mind, a local mental health charity and the Cardiff office's charity partner.

Governance

The Board has principal responsibility for promoting the long-term strategy and success of the Group and provides strategic leadership. It sets the Group's values and standards which underpin our culture. The Board delegates certain responsibilities to the Board Committees (Audit, Nomination, Risk and Remuneration), whilst maintaining an appropriate level of oversight through regular reports from Committee Chairs. The purpose of our Executive Committee is to support the Chief Executive Officer in the implementation and formation of strategy, as well as overseeing the day-to-day running of the Group. It agrees operational decisions that are not otherwise reserved for the Board.

Human rights, anti-corruption and bribery and the management of our supply chain

We are committed to ensuring that the behaviours and practices of our organisation, including those within our supply chains, reflect our own high business standards and compliance with applicable laws and standards. To bring to life our commitment to good governance and compliance, we have set out below an example of how we apply our standards of good governance to our vendor relationships. We have a zero-tolerance approach to slavery and human trafficking and bribery and corruption within our workforce and set the same robust expectations in relation to our supply chain and vendors.

As a provider of financial services, we do not have a very long or complex supply chain – our main vendors are either providers of office supplies and support services such as reprographics, IT, recruitment, and facilities management or professional advisers such as legal, accountancy and advisory firms. Whilst we consider our vendors to be at relatively low risk of engaging in practices of modern slavery and human trafficking and/or bribery and corruption, we nevertheless remain committed to preventing the occurrence of such practices both in our business and our supply chain. Our procurement policy was updated in 2021 to state that Brewin Dolphin values and our sustainability strategy shall be considered in all vendor engagements at every stage in the lifecycle.

To manage and mitigate the risks associated with potential human rights breaches and bribery and corruption and to ensure we have transparency around such issues we have a robust vendor management framework. At a high level, appropriate governance and oversight is maintained through a properly constituted vendor governance committee with the overall objective of ensuring good governance, oversight and monitoring of our supply chain and vendor relationships. At a more granular level, we ensure that a rigorous vetting process and due diligence is undertaken before a vendor is engaged and appropriate monitoring and oversight occurs throughout the relationship.

Underpinning this framework are the robust policies and procedures, together with appropriate training, which gives our workforce and other business partners guidance on breaches of human rights standards (such as human trafficking) and anti-bribery and corruption and the measures we take to tackle such issues within our organisation and supply chain. We are confident that the policies and procedures that we have in relation to anti-slavery and human trafficking are in compliance with the Modern Slavery Act 2015 and our public statement, to this effect, is available on the Brewin Dolphin website (www.brewin.co.uk). Further, our internal policies in relation to anti-bribery and corruption are published and available for our workforce and refreshed annually.

Whilst we believe we have a robust framework in place and a commitment to doing the right thing, where these high standards have not been met, we encourage our workforce to speak up and come forward. Through our Speak Up Policy (formerly Whistleblowing Policy) and our 'Speak up Champion', a role which is held by Ian Dewar, our Senior Independent Director, we believe we are creating a culture of openness and accountability.

Environmental, Social and Governance (ESG) continued

Cyber and data security

We have a comprehensive security programme across the Group, which ensures a co-ordinated delivery of security services. We are constantly reviewing our cyber risks and adapting our controls accordingly.

Trusted

Our clients trust us with their financial wellbeing. In doing this they trust us with their data. In many cases this can be highly sensitive data that enables us to provide the client with the best financial outcome possible. To maintain this trust the data must be secured effectively, it must only be available to those who require the access, and it should only be used for the purposes that have been agreed by the clients. Our security and privacy teams work to ensure that these requirements are met.

Secure

It is important to understand that no organisation will ever be invulnerable to cyber events. To reduce the risk as much as possible the firm utilises the three lines of defence model. The teams in the 1st line are responsible for the operational delivery and compliance. The 2nd line are responsible for policy, governance, framework and awareness. The framework is based on the NIST and ISO27001 standards. The basis of the framework is identify, protect, respond and recover. The teams work closely with professional bodies and peers to identify new threats and works to mitigate these as much as possible. The security teams are constantly reviewing the technological solutions, processes and awareness to improve the firms ability to withstand cyber events whilst ensuring the business sees as small an impact as possible. The 3rd line of defence is internal audit.

Resilient

A key regulatory requirement and a focus for the Group is resilience. It is important that should we face a disruption of any kind, the impact of the event is not significant for the client. The recent pandemic has proven that the Group has good practices in place including the implementation of the bronze, silver and gold crisis management model used by the UK military and police forces.

The Group is continually reviewing its critical services and identifying the interruptions these might face. The services are then reviewed and impact tolerances are determined. The teams then test these tolerances to ensure that they are acceptable and would provide the client with the best outcome possible.

Remuneration policy

Our Remuneration Policy is implemented by the Remuneration Committee. It is designed to support our business strategy and considers factors including risk appetite, conduct, market practices, risk management and conflicts of interest. Laws and regulations are also taken into account, such as the UK Listing Rules, the UK Corporate Governance Code and the Remuneration Code of the Financial Conduct Authority. The remuneration of our executives is based on both financial and non-financial targets and will include objectives relevant to sustainability. This year an objective has been set regarding the development and implementation of our Sustainability Framework, which includes its structures and policies as well as an enhanced Stewardship approach.

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. One of these KPIs is focused on People, Culture and ESG, which covers Diversity and Inclusion, community involvement and about reducing our carbon footprint.

> For more information, refer to the Directors' Remuneration Report in the Annual Report and accounts on pages 85-104

Risk management

We have a defined risk appetite which enables us to effectively manage the potential upside and downside risks of our strategy. Our principal risks relate to our resilience from an operational and financial perspective, and our strategic focus including change management required to build a platform for growth, and innovation to deliver propositions that continue to meet the needs of our clients. The primary objectives of risk management at Brewin Dolphin are to ensure that there is:

- A strong risk culture so that employees are able to identify, assess, manage and report against the risks the business is faced with;
- A swift and effective response to risk events and potential issues in order to minimise impact;
- A defined risk appetite within which risks are managed; and
- An appropriate balance between risk and the cost of control.

Our approach is to 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. Over the period, we have considered the different emerging ESG risks to Brewin Dolphin. We held an in-depth risk workshop with our Risk Committee and Executive Committee members to discuss the key risks that can impact our business strategy, including external speakers providing their perspective on ESG and Climate Change risks to wealth management firms. As a result of this work, eight ESG risks were identified, please see 52 for more details.

Our tax strategy and transparency

Our tax strategy, as published on our website, outlines our approach to tax risk and planning and sets out our commitment to our investors, clients and tax authorities that we do not participate in aggressive tax planning, seek to structure transactions in an artificial manner, or condone abusive tax practices which would contravene our ethics and culture. Our management of tax is aligned to our core values. We always act with integrity and transparency in our relationship with HM Revenue & Customs ('HMRC') and all other tax authorities.

Our expert tax team has many years of professional experience, and we partner with reputable external advisers to support this expertise and to deliver clarity of tax advice to the business and senior management, ensuring that all tax risks are identified at the earliest opportunity and managed within our Group-wide risk management and governance framework, aligned always to the Group's low risk appetite. We understand and welcome our obligations and social responsibility to pay the right amount of tax in all the territories in which we operate and to comply not just with the letter of the law but also the intentions of Government. We actively engage with HMRC directly and indirectly through our representative trade bodies to help deliver a fair and effective tax outcome for our clients and the Group.

Environmental, social and governance metrics

	2021
Responsible Investment	
Value of funds invested in funds and companies with net zero targets	**c£30bn[1]**
% of funds subject to ESG integrated research process	**100**
Stewardship	
Total meetings voted	**112**
Total meetings voted, where agreed with the board	**96**
Total meetings voted, where disagreed with the board	**13**
Total meetings where abstained from voting	**4**
Total resolutions voted on	**1,488**
Total resolutions voted on, where agreed with board	**1,449**
Total resolutions voted on, where disagreed with board	**34**
Total resolutions where abstained from voting	**5**
Responsible Business	
Staff attrition – client-facing certified persons (%)	**2.75**
% of female Board members	**30**
% of women in senior management roles	**42**
Employee engagement survey result	**88**
Apprenticeship journeys spanning Level 3 to Level 7	**135**
Managers & leaders in leadership development programmes	**127**
Colleagues engaged in client skills development programmes	**95**
Number of employees volunteering	**225**
Payroll Giving award	**Platinum**
Number of local charities supported through local Community Grant programme	**90**

1. Estimate, based on initial exploratory analysis.

Drawing on our culture

Maintaining our culture is an important part of our strategy as a Group, and we have again seen the benefits of that during a year of continued disruption from COVID-19. Our values have again been demonstrated across the organisation, sustaining our business and performance, and while it has not been easy year, our people have been at the heart of our success.

COVID-19

This year we continued to turn to our values to guide our decision-making, and again committed to supporting our colleagues as well as our clients. The clarity we have around the importance of our culture and values meant that this was a straightforward way to manage the ongoing situation, even if individual decisions were complicated. Remote working continued smoothly, and we remained sensitive to those colleagues who have found the situation challenging.

We maintained the support interventions we introduced last year, including providing enhanced flexibility to enable people to care for dependants and to look after school-age children. We updated our range of wellbeing materials for colleagues, and continued to support managers on working with their teams remotely.

Engagement

We remain firm believers in the idea that if you treat your people well, they will perform well.

Our response throughout the pandemic has reinforced that view and even after over a year of ongoing pandemic restrictions, it is still clear in our engagement scores from our annual Your Future, Your Say colleague survey. Although our engagement score for 2021 fell slightly to 88%, we are pleased that our overall engagement has been consistently high for a number of years. In 2020 our score was 90% and in 2019 it was 87%, and we remain ten points above the financial services benchmark.

This is hugely encouraging as we continue to make Brewin Dolphin a desirable place to work. Our scores in the survey over the last six years have shown consistently high engagement to be an area of competitive advantage for us. This has remained a constant following the senior management changes of 2020, with 87% of respondents to the survey saying that ‘senior leaders provide a clear vision of the overall direction of Brewin Dolphin’, 21 points above the financial services benchmark.

Every one of our teams nominates an ‘Engagement Partner’ who works with local management on the things that matter to our people on the ground.

Our annual People Awards were disrupted this year, so although the awards were made, we were sadly unable to celebrate with the winners face to face due to the pandemic. The awards focus upon our values of Genuine, Expert and Ambitious, and the winners are nominated by their colleagues, rather than being picked centrally on the basis of sales performance. It is a sincere mark of appreciation and reflects the generous spirit of our culture. We look forward to celebrating with both 2020 and 2021 People Award winners at an event next year.

Diversity and inclusion

We are committed to creating a workplace and culture that is welcoming and inclusive for everyone. We value the contribution of all our people and recognise that diverse backgrounds, experiences and ideas enable us to grow and remain resilient.

Our values are at the heart of our business

Our Diversity and Inclusion Committee guides our work and engages with colleagues across the business to develop initiatives and set priorities.

We signed up to the Race at Work Charter in 2020 and held a series of workshops entitled 'Let's Talk About Race' to enable colleagues to be part of these important conversations. One of the outcomes of these focus groups was the need to increase cultural awareness across the organisation. As a result we have launched 'embRACE', our employee led race and ethnicity network in July 2021. The purpose of the network is to promote ethnic and cultural diversity at Brewin Dolphin and to engage with and influence decisions at an executive level that may benefit our under-represented colleagues. COO Sarah Houlston is the executive sponsor. An part of our commitment to the Race At Work Charter, we began to collect employee diversity data this year. This data will enable us to make more informed decisions about our priorities, focus on areas where we need to make the most impact and ensure that our people policies and processes recognise, and are inclusive for, all colleagues.

Gender diversity has remained a high priority this year. We are signatories of the Women in Finance Charter, and since joining we have stretched our target for female representation in senior management twice. As of 1 September 2021 women represent 42% of our senior management team, and our new target is 45% by the end of 2023.

This year is our fourth year participating in the Mission Gender Equity cross-company mentoring programme which is one of the ways we build a pipeline of talented women within Brewin Dolphin. Each year ten women mentees and ten mentors are selected to take part. While the programme is aimed at developing female talent, our mentors have also found it a positive learning experience.

As a result of Board changes over the past year, we are now ranked 70th in the FTSE 250 within the Hampton Alexander Review which measures female board and senior management representation. We are now slightly below the target of 33% set. The Board remains committed to the target and fully intends to comply with the target again. We have increased the ethnic diversity of our Board and now meet the target set by the Parker Review. Diversity considerations and targets are embedded into our Board succession planning.

Our focus on LGBTQ+ inclusion is continuing to build an environment in which people feel able to bring their whole selves to work. We celebrated Pride virtually for a second year, led by a group of LGBTQ+ colleagues and allies. We are also running a series of workshops on the topic of allyship – learning how to be an active ally across all areas of diversity.

We have renewed our partnership with The Brokerage for 2021-2022 after successfully engaging with them on a range of programmes virtually despite the lockdown. The Brokerage is a City of London-based social mobility charity that connects young Londoners with employers. The partnership is part of our talent strategy and we advertise entry-level job vacancies with them. This has included running workshops on careers at Brewin Dolphin, employability skills masterclasses and a mentoring programme for 10 mentees. We have also hosted three paid interns who were hosted by the Investment Research and Strategy Team, and undertook a programme of learning and activities including 'Meet the CEO'.

We joined the Disability Confident Employer Scheme in 2019. We are currently at level 1 'Committed', and are working towards level 2 'Confident' by May 2022. We have also rolled out a series of disability awareness workshops.

We have enhanced our level of pay for maternity, adoption, shared parental leave and surrogacy leave.

Learning and development

This year we have continued to develop and deepen virtual and digital learning expertise and offerings across our entire catalogue of offerings. We have been able to break programmatic offerings into 'bite-size' blended learning elements to maintain momentum and help participants embed their learning.

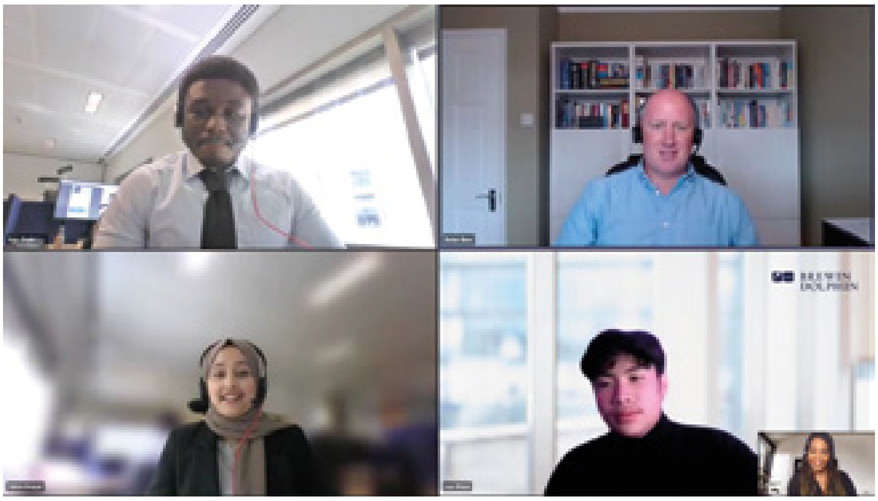
Our Future Wealth Manager programme for our advisers has continued, focused on continued development of advanced skills and behaviours that build strong client relationships whether at the prospecting stage or deepening existing relationships. We have also continued our well-established Emerging Talent Programme, with participants from across our branch network, and our Executive Leadership Programme.

We have launched a new Aspire Lead programme, targeting key influencers and emerging leaders across our business. It develops leadership capabilities from the more practical management areas targeted on the Aspire Manager Programme and builds out towards those included within our Executive Leadership Programme.

We have also designed and facilitated a number of virtual team 'offsites' to energise, support and increase team effectiveness following organisational redesign and new leadership. These events have been at both departmental and leadership levels. This has been particularly helpful given the continued remote working environment, and the events were extremely well received, enabling teams to build trusted, supportive and inclusive working environments.

Meet the CEO

The Brokerage interns, Tahira, Kojo and Leo meet Robin Beer as part of their summer internship programme.



Managing our risks

Effective risk management is key to the success of delivering our strategic objectives. Our approach to risk management continues to evolve as the risk landscape changes; it ensures timely identification, assessment, and management of the principal risks to our business.

We have a defined risk appetite which enables us to effectively manage the potential upside and downside risks of our strategy.

Our principal risks relate to our resilience from an operational and financial perspective, and our strategic focus including change management required to build a platform for growth, and innovation to deliver propositions that continue to meet the needs of our clients.

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

- A strong risk culture so that employees are able to identify, assess, manage and report against the risks the business is faced with;
- A swift and effective response to risk events and potential issues in order to minimise impact;
- A defined risk appetite within which risks are managed; and
- An appropriate balance between risk and the cost of control.

Our approach is to 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.

We assess our principal risks regularly to ensure that our risk profile is within our risk appetite which is set by the Board.

Annual risk workshops attended by both the Risk Committee and the Executive Committee are held.

Risk Management Framework

The Board has established a Risk Management Framework to ensure there is effective risk governance. The Board promotes a strong risk culture and expects every employee within the Group to adhere to the high standards established by the Board.

The Board encourages a strong risk culture throughout the business by promoting:

- A distinct and consistent tone from the top;
- Clear accountabilities for those managing risk;
- 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 to escalate events and make suggestions for improving processes and controls; and
- An acceptance of the importance of continuous management of risk, including clear accountability for and ownership of specific risks.

The benefits of establishing a strong risk culture is evident, with our employees self-identifying and escalating risk events and potential issues to mitigate the probability of risks crystallising.

We follow industry 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 consists of the control functions that monitor and facilitate the implementation of effective risk management practices, and the third line is independent assurance provided by internal audit.

The Board reviews the effectiveness of this Risk Management Framework and undertakes an assessment of the principal and emerging risks, receiving reports on internal control from the Audit and Risk Committees and debating key risks for the Group following more detailed work by the Risk Committee.

The key parties involved in the risk management process within the Group and their respective responsibilities and an explanation of how risk management is structured within the Group, are set out opposite.

Risk management process

We categorise risks into risk groups covering potential impacts to clients, revenue, capital and reputation.

The three risk groups are:

Business risks

Financial risks

Operational risks

Our risk management process involves the identification and assessment of specific risks within these risk groups, mitigation and management of these risks, and monitoring and reporting against these risks, which provides the foundation to enable us to deliver against our strategic objectives.

Risk Management Framework

Top down risk management

Board

- Responsible for ensuring there is an adequate and appropriate risk management framework and culture in place.
- Sets risk appetite and is responsible for ensuring alignment with the Group's business strategy.
- Approves the ICAAP.

Risk Committee

- Oversees the Risk Management Framework.
- Assists the Board in its responsibilities for the integrity of internal control and risk management systems.
- Recommends the ICAAP to the Board for approval.

Audit Committee

- Assists the Board in gaining assurance as to the integrity of the Financial Statements and the effectiveness of the system of internal controls.
- Monitors the effectiveness and objectivity of internal and external auditors.

Risk Management Committee

- Executive level committee oversight and monitoring of the adequacy and effectiveness of the Risk Management Framework.
- Monitors current and emerging risks and themes.
- Oversees the Group's Policy Framework.

Business risks

These are the risks that we do not set the right strategy, a material business decision fails or external market factors impact the viability of the business.

Financial risks

These are the risks facing our business in terms of inadequate or failed management of finances and the risk introduced by external factors that could have a detrimental impact on our cash flow, capital and liquidity.

Operational risks

This is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

Bottom up risk management

Risk identification and assessment

- Risk and Control Self Assessments to identify the key risks for each department, for business change activities, and for new products and services.
- A horizon scanning forum is in place to identify and assess emerging risks, and establish ownership for mitigation and management of those risks.
- Assessment of inherent (pre-control) and residual risk (post-control).

Risk mitigation and management

- Management of events that have a potential or actual financial, regulatory, operational or client impact.
- Agreeing action plans to mitigate risk issues.

Risk monitoring and reporting

- The business community is primarily responsible for monitoring risks.
- Risk trends are monitored and analysed.
- Key risk indicators are reviewed monthly.

Risk assurance

- Internal auditors evaluate the adequacy of process and systems, and test the operating effectiveness of key controls.
- Control monitoring teams are in place, undertaking both regular control sampling and thematic reviews.

Principal Risks continued

Principal risks – gross risk assessment

Factors which reduce these risks are provided in the principal risks and uncertainties table. The risks are shown on an inherent basis (before mitigating controls):

Business risks	Financial risks	Operational risks	ESG risks
1: Propositions 2(a): Acquisitions – embedding 2(b): Acquisitions – market consolidation	3: Counterparty default	4: Regulatory & legal compliance 5: Change management 6: Conduct 7: Resilience 8: Fraud	In addition to our Principal Risks, during the period we have considered the different emerging ESG risks to Brewin Dolphin, these can be found on page 52.

Responding to risks

- We held an in depth risk workshop with our Risk Committee and Executive Committee members to discuss the key risks that can impact our business strategy, including external speakers providing their perspective on ESG and Climate Change risks to wealth management firms.
- Financial market uncertainty remains a focus and we regularly stress test our funds, profits, cash and regulatory capital to understand and plan for both market wide and firm specific scenarios that could result in the need to amend our business strategy.
- Change management governance and oversight has continued to be a significant focus during the period as we are in the final stages of implementing a new custody and settlement system.
- We have completed the deployment of all modules to support our core risk management processes into our Governance, Risk and Compliance tool, including Operating Events, Client Complaints, Risk and Control Self Assessments, Key Risk Indicators, Risk Issues and Actions. The tool provides enhanced analytical and workflow capabilities, increasing the efficiency in how we identify trends and manage risk.
- The pipeline of regulatory change remains a focus, including our preparations for the Investment Firms Prudential Regime, due to be implemented in January 2022.

The Directors confirm that we have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.

Principal risks and uncertainties

The tables below detail the principal risks and uncertainties we have identified, it is not an exhaustive list of all of the risks the Group faces. We have a process to regularly report key risk indicators and identify changes in the profile of these principal risks. We also consider emerging risks as part of this process.

Key to our strategic outcomes

R Relevant E Efficient G Growth C Culture O Other

Business risks

These are the risks that we do not set the right strategy, a material business decision fails, or external market factors impact the businesses viability. 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. In addition to the principal risk specified, we monitor the external environment and model the potential impact of different potential geopolitical scenarios as part of our stress testing programme.

Principal risk and risk owner(s)	Nature and potential impact of the risk	Primary strategic objectives	Mitigating factors	Examples of risk metrics monitored	Movement in the year
1 Propositions Risk owners: Managing Director of Advice and Innovation, and Managing Director of Wealth and Investment	The risk of propositions being uncompetitive and not meeting the needs of our clients, resulting in a failure to attract new clients or existing clients leaving, e.g. risk of not meeting increasing demand for sustainability focused investment solutions.	R G	• Dedicated resources to develop, test and launch new service offerings. • New service offerings are piloted before broader rollout. • We have continued to innovate over the last year, with the launch of new ESG solutions '1762 Responsible Progress' through 1762 *from Brewin Dolphin* and 'Sustainable MPS' for the intermediaries market. In addition we have launched Brewin Dolphin Voyager funds.	• Number of new clients, client pipeline, net flows, funds under management.	▼ Client needs continue to evolve, and we have increased choice for our clients by launching new propositions.
2a 2b Acquisitions Risk owner: Chief Executive Officer	(a) The risk of acquisitions not achieving strategic objectives or resulting in unexpected adverse financial impacts, and (b) the risk of missed strategic acquisition opportunities.	G	• Acquisitions form part of the Change Management Programme governance. • Post completion metrics are monitored. • An acquisition forum is in place to review potential opportunities.	• Income, client and staff retention, client complaints.	▲ Although the risks associated with past acquisitions have decreased as integration activity has been completed, there is increasing acquisition activity in the industry, and more potential strategic opportunities.

Financial risks

These are the risks facing our business in terms of inadequate or failed management of finances and the risk introduced by external factors that could have a detrimental impact to our cash flow, capital and liquidity.

Principal risk and risk owner(s)	Nature and potential impact of the risk	Primary strategic objectives	Mitigating factors	Examples of risk metrics monitored	Movement in the year
3 Counterparty Risk owner: Chief Financial Officer	Default by our banking counterparties could put our own or our client cash deposits or assets at risk of loss.	O	• A Financial Risk Management Framework is in place which includes managing the Group's exposure to counterparty credit risk; setting and monitoring counterparty limits. • Diversity across our banking counterparties. • Due diligence is undertaken for all banking counterparties. • A Financial Risk Committee provides oversight of the Financial Risk Management Framework.	• Proportion of money held per banking counterparty. • Banking counterparty ratings. • Changes in the risk profile of banking counterparties. • Credit Default Swap spreads.	◀▶ We maintain diversity across our banking counterparties, and have robust oversight and monitoring in place.

> Read more on page 20 for 'Our Strategy' and page 22 for KPIs for further information in relation to the primary strategic impact

Operational risks

This is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

Principal risk and risk owner(s)	Nature and potential impact of the risk	Primary strategic objectives	Mitigating factors	Examples of risk metrics monitored	Movement in the year
4 Regulatory & Legal Compliance (Risk owner: Chief Risk Officer)	This is the risk that we are not compliant with all existing applicable regulation and legislation, which could lead to regulatory enforcement action.	O	• Compliance and Legal functions monitor and oversee fulfilment of our regulatory and legislative requirements and interactions with our key regulators. • We execute against a robust compliance monitoring plan, and have strong governance in place to identify issues and ensure any required actions are completed.	• We have dashboards in place to monitor each regulatory risk which includes assessment of the control environment, regulatory interaction, issues and breaches.	◀▶ Regulatory and Legal Compliance has been an area of continued focus during the year.
5 Change Management (Risk owners: Chief Risk Officer and Chief Operating Officer)	The risk that business and regulatory changes are not delivered. This could restrict the firm's ability to achieve its strategic objectives of revenue growth and operational efficiency.	E	• A Business Change Board with Executive Committee representatives oversee and challenge the change management programme. • Change management is centralised within a Change and Transformation team.	• Project status taking into account risks, issues, budget, resources, internal and vendor deliverables.	▲ Resourcing requirements during the year have challenged change delivery. However, strong progress has been achieved during the final stages of implementing our new custody and settlement system.
6 Conduct (Risk owner: Group Head of Investment Governance)	This is the risk of not delivering fair outcomes for clients.	C	• Tone from the top sets a culture which puts delivering fair outcomes for clients at the core of the Group's activities/ethos. • A conduct risk framework sets our approach to conduct risk governance and the ongoing assessment, monitoring against key metrics and reporting of conduct risk. • A conduct risk dashboard is in place, enabling detailed monitoring and oversight of conduct risk at an individual employee level. • A risk based client on-boarding process which ensures that we understand our clients' needs and attitudes to risk. • A quality assurance process to identify and address any instances where the best outcomes for clients are not achieved. • Robust investment governance supported by an Investment Governance Committee and a dedicated research department.	• Client advice reviews. • Quality of advice. • Asset allocation. • Portfolio turnover. • Client complaints.	▼ Market volatility has trended downwards, leading to reduced trading levels and fewer changes to client requirements compared to the prior year. We have been focused on client advice reviews, and continuing to enhance our governance oversight.

Operational risks continued

This is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

Principal risk and risk owner(s)	Nature and potential impact of the risk	Primary strategic objectives	Mitigating factors	Examples of risk metrics monitored	Movement in the year
7 Resilience (Risk owners: Chief Risk Officer and Chief Operating Officer)	This is the risk that the Group does not have the ability to respond to, recover and learn from operational disruption to core business activities.	E	• A dedicated Operational Resilience team reports directly to the Chief Operating Officer. • Crisis management response teams are in place. • Our Digital Security and Vendor Management teams ensure the resilience capabilities of our third parties.	• Technology resilience and potential vulnerabilities. • Key person dependencies. • Service disruptions.	Although the external threat of operational disruption remains at similar levels to last year, we continue to increasingly invest time and resources in mitigating this risk.
8 Fraud (Risk owner: Chief Risk Officer)	The risk of unauthorised gain or transfer of company or client assets, and the risk of unauthorised access to or corruption of information.	O	• All expense payments are requested, approved and administered using a spend management platform with in built controls. • Robust controls are in place for the requested change of payee bank account details. • Threat scanning for potential cyber risks. • Simulated phishing programme in place to ensure familiarisation with phishing attacks.	• Fraud attempts. • Internal process monitoring results. • Security threats. • Phishing testing results.	External risk has been heightened since fraudsters have been taking advantage of COVID-19 disruption, particularly related to cyber.

Environmental, social and governance risks

In addition to our Principal Risks, during the period we have started to consider the different emerging ESG risks to Brewin Dolphin and have the governance in place to oversee the risks related to our responsible business initiatives, stewardship activities and investment offerings.

Risk	Nature and potential impact of the risk	Governance of ESG
The risk of misalignment of ESG activities	The risk that there is a misalignment between our ESG commitments and our outward values, in comparison to our actions, resulting in a lack of credibility and damaging our reputation.	• The Sustainability Committee defines the sustainability goals for the Group, and provides a sustainability framework that ensures oversight of business activities related to the Group's sustainable investment offering, the Group's stewardship activities, and the Group's internal responsible business initiatives. • The ESG Investment Forum considers clients' needs relating to ESG investing, and contributes to thinking around the development of the Group's ESG investment strategies ensuring alignment to our core values. • The Wealth Governance Committee responsibilities include approval of key investment process controls, oversight and challenge of investment strategy and performance, and consideration of new products and services. • Areas of activity with a societal focus, e.g. employment practices, tax and supplier management are managed within the existing Risk Management Framework.
The risk of unsuccessful responsible investment offerings	The risk that our responsible investment offerings are not perceived as credible, damaging our ability to attract current and future demand for responsible investment offerings.	
The risk of being unable to accommodate clients' ESG preferences	The risk that our responsible investment offerings do not meet clients' ESG preferences, or that clients' ESG preferences are unable to be accommodated within bespoke portfolios leading to loss of existing clients / being unable to attract new clients.	
The risk of ESG investment criteria not being fully understood by clients	The risk that the investment criteria for ESG investment solutions is ambiguous to clients, and as a result holdings are out of line with client expectations, resulting in client dissatisfaction.	
Conflicts of interest in stewardship activities	The risk that our ESG stewardship activities are in conflict with clients' own interests and are not appropriately managed.	
The risk that our ESG values are not shared by our vendors and counterparties	The risk that our ESG values are undermined by our vendors and counterparties having conflicting values, damaging our reputation.	
Climate change physical and transitional risks to our funds under management	The risk that our funds under management are impacted by i) physical risks resulting in a loss in value or ii) transitional risks resulting in a loss in value, impacting investment performance and fee income.	
Climate change physical risks to Brewin Dolphin	The risk that a climate change sudden physical event impacts on Brewin Dolphin's staff or operations.	

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, the Strategic Report and the report of the Risk Committee.

The Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and its exposure to credit risk and liquidity risk are described in note 29 to the Financial Statements.

The Directors believe that the Group is well placed to manage its business risks successfully. The Directors assess the outlook of the Group by considering its Medium-Term Plan ('MTP') as described in the viability statement below, as well as the results of a range of stress tests. The MTP takes into account the economic impact of the COVID pandemic. The stress tests, including a reverse stress, 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 (see note 2.2.2 to the Financial Statements for detail).

These tests demonstrated that the Group has adequate resources, including cash 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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent company's ability to continue as a going concern for twelve months from the date the 2021 Annual Report and Accounts is signed.

Viability statement

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

The assessment is based on the Group's Medium Term Plan ('MTP'), the Internal Capital Adequacy Assessment Process ('ICAAP') and the evaluation of the Group's principal risks and uncertainties (see pages 49-52), including those risks that could threaten its business model, future performance or solvency.

The Group maintains a five-year MTP as part of its corporate planning process, which is a financial articulation of the Group's strategy. The financial forecasting model is predicated on a detailed year-one budget and higher level forecasts for years two to five. As part of preparing the MTP, the Board takes into consideration the impact of external factors and this year in particular the impact of the COVID-19 pandemic and the resulting economic uncertainty, in the projections.

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 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, are deemed to be severe but plausible, after considering the principal risks and uncertainties faced by the Group. The scenarios involved are refreshed on an at least annual basis or sooner if a trigger event occurs to ensure they remain current. Next year will see the introduction of the ICARA under the new Investment Firms Prudential Regime where new comparable stresses will be considered.

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

The reverse stress test allows 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. In order for the Group to fail, this year's test consists of individual stresses combined with additional overlays, occurring simultaneously, of a banking counterparty default and a reputational event which leads to significant outflows.

One of the individual stresses for the Group is a market-wide scenario based around the impact of the prolonged inflation experienced in the 1970's which saw global equities fall approximately 40%. Subsequent management actions include, inter alia, a significant decrease of dividend payments over the period and variable remuneration reduced to the minimum possible. Following these actions, the resultant outcome ensures the Group still maintains sufficient net assets and regulatory resources to operate as a going concern.

Following the assessment of the above, the Board concluded that the Viability Statement should cover a period of five 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 MTP used as part of the Group's corporate planning process.

In addition to the assessment of working capital, cashflow and capital position, the Board has considered the overall prospects of the Group including the industry and geographies within which it operates, looking at our market position, market share and growth rates and satisfied itself that they demonstrate the Group is well placed to grow sustainably into the future. These are discussed more in detail in the CEO statement and Financial Review.

Taking account of 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 five years.

Non-Financial Information Statement

The following section provides the key areas of disclosure in this Annual Report required by sections 414CA and 414CB of the Companies Act relating to non-financial reporting and references to where further information can be found. All policies have an accountable person who attests that the policy is fit for purpose prior to it being reviewed and approved by the relevant committee on an annual basis, the relevant committee for each policy is set out in the table below.

Policy	Policy objective	Outcomes/impact/action taken

Employees

The Group values its people and their wellbeing. It is strongly committed to the engagement, development and recognition of its employees and is mindful of the impact of culture. Further details on HR policies and employee related outcomes can be found on pages 44-45 and page 69.

Policy	Policy objective	Outcomes/impact/action taken
Employee handbooks Approved by the Executive Committee	The handbooks outline values, culture, benefits etc. They are designed to improve engagement among staff and are an important element of the recruitment process.	Employees are updated on general policies, guidelines and benefits and understand what action to take if problems occur in order that issues are dealt with fairly and consistently.
Health and Safety Policy Approved by the Risk Management Committee	The policy ensures that the Group complies with legislation to protect its employees and clients and provides a suitable and safe environment for clients, employees and anyone affected by the Group's operations.	Annual risk assessments are completed and actions identified to improve the health and safety of employees. For further information see page 38.
Senior Managers Individual Accountability Policy Approved by the Executive Committee	The policy ensures that the Group's regulatory obligations in respect of Senior Manager's training and competence requirements and the assessment of their ongoing fitness and propriety are met.	Senior Managers have access to training and are encouraged to develop their knowledge. Bi-annually a report is submitted to the Risk Management Committee identifying exceptions, issues and breaches accompanied by recommendations.
Training and Competence Scheme Approved by the Executive Committee	The scheme ensures that the Group meets its regulatory obligations in respect of training and competence and that clients receive suitable advice, fair outcomes and high standards of service by helping to ensure that employees are fit and proper.	Competency is maintained through training and ongoing supervision.

Environment

The Group does not have a specific policy in relation to environmental matters. Our impact on the environment is largely through UK-based travel and the consumption of resources and emissions at the buildings in our branch network, please see our Environmental, Social and Governance section on page 34 for further initiatives. The Group's Greenhouse Gas Emissions report can be found on page 107.

Social Matters

The Group does not have a specific policy in relation to social matters. However, as detailed in the Environmental, Social and Governance section, see pages 38 to 40, we strive to make meaningful contributions to the local communities in which we operate.

Policy	Policy objective	Outcomes/impact/action taken
Vulnerable Clients Policy Approved by the Investment Governance Committee	The policy defines vulnerable clients and the Group's approach to supporting them, managing them sensitively and taking into account their specific needs.	Systems are in place which allow Certified Persons to record when a client is vulnerable and to ensure the client has all the support to ensure they understand information provided and implications of decisions they make. Training on the policy takes place on a periodic basis.
Data Protection Policy Approved by the Risk Management Committee	The policy sets out the responsibility of the Group, Board, Executive Committee, staff, contractors and consultants to comply fully with GDPR and the UK Data Protection Act 2018.	Data security and awareness training is provided to Group personnel on an annual basis. Risk and Compliance teams perform monitoring and IT security oversee the implementation of appropriate tools to perform monitoring.
Achieving Fair Outcomes for Clients Policy Approved by the Investment Governance Committee	The policy sets out the requirements to ensure the Group delivers fair outcomes for its clients, underpinning the way the Group does business which is embedded into its culture, policies and procedures.	Mandatory conduct training is undertaken by all Group personnel. Group personnel are adequately trained, supervised and must remain competent in their responsibilities and comply with legal regulatory standards. Management Information is reviewed periodically by committees including the Investment Governance Committee.
Vendor Management and Outsourcing Policy	See Anti-Corruption and Bribery section below.	
Complaints Policy Approved by the Investment Governance Committee	The policy ensures that all client expressions of dissatisfaction alleging financial loss, material distress or inconvenience are resolved fairly resulting in good client outcomes.	Complaints handling management information is reported to the Chief Risk Officer and Board as appropriate.

Policy	Policy objective	Outcomes/impact/action taken

Human Rights

The Group's exposure to human rights issues is limited, so we do not have specific policies for this. We take a zero-tolerance stance on slavery and human trafficking within our workforce and supply chain and a rigorous vendor due diligence is completed regularly on suppliers. The Group's Modern Slavery and Human Trafficking Statement can be found on our website. See the Environmental, Social and Governance section on page 41 for more information.

Policy	Policy objective	Outcomes/impact/action taken
Modern Slavery Policy Approved by the Board	The policy outlines the Group's position in relation to modern slavery and establishes a framework to facilitate the monitoring and supervision of internal and external business dealings to ensure we are not directly or indirectly facilitating modern slavery of any kind and satisfy our legal obligations.	Modern slavery training is provided to staff to be considered at higher risk of encountering incidents of modern slavery. Due-diligence is carried out prior to onboarding any vendor asking for confirmation of their adherence to Modern Slavery Law.
Speak Up Policy Approved by the Audit Committee	The policy provides guidance on regulatory obligations and expectations concerning whistleblowing arrangements, encouraging staff to report suspected wrongdoing and concerns as soon as possible without fear or reprisals.	An annual Speak Up Report is submitted to the Speak Up Champion and Audit Committee. Appropriate training is provided to Group personnel.

Anti-Corruption and Bribery

Policy	Policy objective	Outcomes/impact/action taken
Anti-Bribery and Corruption ('ABC') Policy Approved by the Audit Committee	The policy sets out the Group's requirements in respect of Anti-Bribery and Corruption, helping to prevent Group personnel and other associated parties from committing acts of bribery and provide guidance to those working for the Group on how to recognise and deal with bribery and corruption issues.	ABC management information is reported to senior management including Risk Management Committee and breaches are identified, monitored and reported. ABC training and awareness is available for all Group personnel.
Vendor Management and Outsourcing Policy Approved by the Risk Management Committee	The policy ensures the Group enters and maintains relationships with vendors on a commercial footing and is compliant with all relevant laws and regulation.	Vendor management and outsourcing management information is reported to the Risk Management Committee on a regular basis.
Conflicts of Interest Policy Approved by the Audit Committee	The policy sets out minimum standards to identify and manage conflicts of interest and take appropriate steps to identify, prevent or manage conflicts that may arise in carrying out business activities and also maintain effective arrangements to prevent conflict causing damage to a client's interests.	A Conflicts of Interest register is maintained and reviewed by the Risk Management Committee bi-annually and the Audit Committee annually. Mandatory training is an annual requirement for all Group personnel along with an annual declaration to disclose any Conflicts of Interest.
Gifts and Hospitality Policy Approved by the Risk Management Committee	The policy sets out the requirements that must be observed in relation to giving or receiving gifts, hospitality to clients and third parties, so that Group personnel understand the risks in relation to gifts and hospitality.	Gifts and hospitality management information is provided to the Risk Management Committee on a monthly basis. Additionally there are periodic checks of gifts and hospitality.
Anti-Money Laundering and Counter-Terrorist ('AML & CT') Financing Policy Approved by the Audit Committee	The policy sets out to mitigate the risk that Group could be used to further financial crime (including money laundering and/or terrorist financing) which meets the objectives of the regulators and applicable laws.	AML & CT management information is provided to the Risk Management Committee and the Audit Committee and an annual report is submitted to the FCA. Mandatory training is an annual requirement for all Group personnel.

Description of principal risks and impact of business activity

> See Principal Risks, pages 49-52

Description of the business model

> See Business Model page 10

Non-financial key performance indicators

The Group uses non-financial information in all aspects of its business, from development of its business model and strategy (pages 10 and 20) to reviewing and measuring the principal risks (pages 49 and 52) and the performance of the business (pages 26 to 33). Key non-financial KPIs relate to client satisfaction and employee engagement; more information can be found on pages 22-23.

The Risk Committee and Audit Committee consider non-financial matters as a matter of routine; their reports can be found on pages 78 and 80 respectively.

Governance

Board of Directors

A leadership team creating shareholder value

Pars Purewal
Non-Executive Director
N RK A

Caroline Taylor
Non-Executive Director
R N

Ian Dewar
Senior Independent Director
A N R RK

Toby Strauss
Chairman
N R

Joanna Hall
Non-Executive Director
N R

Committee membership

- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- RK Risk Committee
- Denotes Chairman of Committee

Phillip Monks
Non-Executive Director
RK N A

Michael Kellard
Non-Executive Director
N RK

Robin Beer
Executive Director

Siobhan Boylan
Executive Director

Not pictured: Charlie Ferry, Executive Director

Board of Directors biographies

A leadership team creating shareholder value

Toby Strauss
Chairman

N R

Appointed: February 2021.

Current external appointments: Non-executive director at Legal and General, Chairman at Pacific Life Re.

Previous experience: Group Director of Insurance at Lloyds Banking Group PLC. CEO of Aviva's UK life and pension businesses. CEO of John Scott & Partners. Managing Director of Charcol.

Key areas of experience: Financial services, insurance, private clients.

Robin Beer
Executive Director

Appointed: Chief Executive Officer June 2020. Joined the Group in 2008.

Previous experience: Prior roles at National Australia Bank, Gerrard and Barclays. Member of the Group's Executive Committee since 2016.

Key areas of experience: Wealth and investment management, financial services and operations.

Siobhan Boylan
Executive Director

Appointed: Chief Financial Officer March 2019.

Previous experience: CFO at Legal & General Investment Management, CFO of Aviva North America and Aviva Investors. Qualified as an accountant (ICAEW) at PricewaterhouseCoopers.

Key areas of experience: Finance, investment management and financial services.

Charlie Ferry
Executive Director

Appointed: Executive Director March 2021. Joined the Group in 2008.

Previous experience: Head of London and South East Gerrard Investment Management. Chartered Fellow of the Securities Institute and a graduate of the Advanced Management Program at Harvard Business School. Member of the Group's Executive Committee since 2016.

Key areas of experience: Financial services, investment management.

Ian Dewar
Senior Independent Director

A N R RK

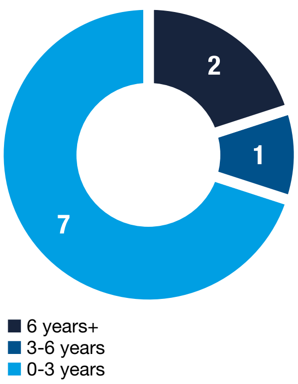
Appointed: November 2013, Chairman of Audit Committee March 2014. Senior Independent Director July 2019.

Current external appointments: Non-Executive Director of Manchester Building Society and Non-Executive Director of Arbuthnot Banking Group PLC.

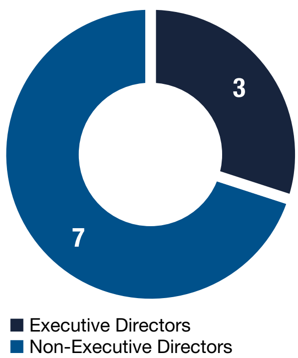
Previous experience: Partner of KPMG and Non-Executive Trustee of a charity. Qualified as a chartered accountant (ICAEW) at KPMG.

Key areas of experience: Finance, financial services, audit, risk management and not-for-profit.

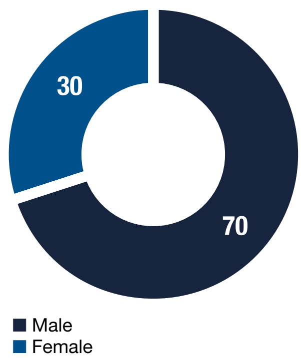
Length of tenure



Balance of Executive and Non-Executive Directors



Board Diversity %



Committee membership

- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- RK Risk Committee
- Denotes Chairman of Committee

Mike Kellard
Non-Executive Director

N RK

Appointed: December 2017.

Current external appointments: Director Brae Lea Financial Ltd.

Previous experience: CEO of AXA Wealth Management, CEO of Winterthur Life and National Distribution Director of Norwich Union (Now Aviva). Member of Scottish Future Growth Council.

Key areas of experience: Financial services, wealth management, pensions and life sector, sales and digital financial service platforms.

Phillip Monks
Non-Executive Director

RK N A

Appointed: February 2020. Chair of Risk Committee February 2021.

Previous experience: Chief Executive Officer of Europe Arab Bank PLC and Gerrard Ltd, senior management positions at Barclays Bank Ltd and Founder and CEO of Aldermore Group PLC.

Key areas of experience: Financial services.

Caroline Taylor
Non-Executive Director

R N

Appointed: May 2014, Chair of Remuneration Committee October 2018.

Current external appointments: Non-Executive Director of Floors Castle Outdoor Events Limited and Hampden and Company.

Previous experience: Director of Goldman Sachs Asset Management International and Director of GS Luxembourg and Dublin Mutual Funds. Non-Executive Director of Ecclesiastical Insurance Office PLC, Ecclesiastical Insurance Group PLC.

Key areas of experience: Remuneration, financial services, investment management, operations and compliance.

Pars Purewal
Non-Executive Director

N RK A

Appointed: May 2021.

Current external appointments: Non-Executive Director at Hermes Fund Managers Limited and Temple Holdings Limited. Chairman of Beyond Food Foundation.

Previous experience: Senior partner of PricewaterhouseCoopers, Asset Management leader and Finance Partner for both Asset and Wealth Management. Fellow of ICAEW.

Key areas of experience: Audit, financial services, asset & wealth management.

Joanna Hall
Non-Executive Director

N R

Appointed: June 2021.

Current external appointments: Non-Executive Director of Chorley and District Building Society. Member Trustee Director of Aon's Retirement Plan.

Previous experience: Interim Marketing and Innovating Director at AXA Health and Director at various consulting and technology organisations.

Key areas of experience: Financial services, distribution, marketing and proposition development.

Chairman's introduction to corporate governance

Toby Strauss
Chairman

Dear shareholder

Since joining the Board in February 2021, I have enjoyed meeting colleagues across the business and hearing their views on Brewin Dolphin. I have been impressed with the commitment from all our people to looking after our clients and ensuring Brewin Dolphin is a trusted and valued business for its stakeholders. I am particularly pleased to have found that the governance at Brewin is strong which is essential to protect stakeholders' interests and ensure that we can build and sustain the long-term success of the Group. The Board is committed to upholding the highest standards of governance and works closely with the executive team to offer support and robust challenge in order to help the Group achieve its objectives.

The Group's values of Genuine, Expert and Ambitious are evident in the people I have met and I have seen first-hand how important these core values are in instilling a sense of pride in our place of work. We are proud of our culture and colleagues enjoy working at and are proud to work for Brewin Dolphin.

The relationship between Chairman and CEO is key to the success of any Board. A collaborative and strong working relationship, based on a shared purpose, is needed for the Board to be successful. Robin was appointed as CEO in June 2020 and has always been a strong advocate of Brewin's culture. It is quite clear despite my relatively short time on the Board that we share common views on culture and values which will drive our approach to delivering the Group's strategic agenda.

The Board meets regularly for scheduled Board and Committee meetings and also has a number of adhoc meetings to consider specific issues. We also hold an annual strategy day where we consider changes in the business environment, risks and impacts on our business and how we might manage these challenges.

The Board is mindful of the need to refresh its membership at the appropriate time. We have had some significant changes to the Board during the year, most notably the retirement of Simon Miller who had been the Chairman since 2013. Pars Purewal was appointed during the year and will replace Ian Dewar as Chair of the Audit Committee in 2022, subject to Regulatory approval. Ian will continue as the Senior Independent Director until his tenure comes to an end. Phillip Monks will take over the role at that time. We also appointed Joanna Hall as a Non-Executive Director and Charlie Ferry as an Executive Director. We are looking to broaden the skills and experience of the Board through the recruitment of an additional Non-Executive Director to take over from Caroline Taylor as Chair of the Remuneration Committee. The Board currently consists of seven Non-Executive Directors and three Executive Directors. Whilst the Executive Directors run the operational side of the business on a daily basis, the Non-Executive Directors provide appropriate guidance, challenge and support. I am confident that the changes made to date will strengthen our ability to deliver on our strategic aims and that the Board will continue to be effective in supporting and challenging the executive team in the pursuit of our strategic ambitions.

The Board remains committed to cultural, ethnic and gender diversity when considering the composition of the Board, recognising that more informed decisions are made by a diverse board. Different perspectives are valued and this commitment will continue for future searches. We nevertheless remain focused on recruiting on merit and the best candidate for the role.

The commitment to diversity is not just for the Board but is a key objective for the rest of the business to ensure that the Group benefits from the breadth of perspective that diversity brings to any organisation. See pages 68 for more details.

We believe that a comprehensive induction programme is important for all new Board members as well as a programme of continuing evaluation for the Board to assess its effectiveness. This year we conducted an external Board evaluation process which confirmed that the Board and its committees were operating effectively. The opportunities for development will be worked on. Full details of our evaluation are on page 68 and the induction programme on page 70.

Stakeholder engagement is an important part of the way we do business. The Board remains committed to open dialogue with our stakeholders and to take them into consideration in its decision making. For more information on how, why and what we do to engage with our stakeholders refer to pages 71 to 73.

I would like to thank all of our people for their hard work and resilience during the pandemic and especially to everyone for going above and beyond for the organisation during the difficult recent times, to ensure that we continued to deliver for our stakeholders.

This year the AGM will be held on 4 February 2022, full details are contained in the Notice of Meeting.

Toby Strauss
Chairman

23 November 2021

UK Corporate Governance Code Compliance Statement

The Board reviewed the principles and provisions of the UK Corporate Governance Code 2018 (the ‘Code’).

Following this review, the Board is pleased to confirm that the Company has complied with the Code for the financial year ended 30 September 2021. The Code can be found on the Financial Reporting Council (‘FRC’) website, www.frc.org.uk and further information on compliance with the Code can be found below.

Governance framework – leading from the top

Board

The Board has principal responsibility for promoting the long-term strategy and success of the Group and provides strategic leadership. It sets the Group's values and standards which underpin our culture.

The Board delegates certain responsibilities to the Board Committees below, whilst maintaining an appropriate level of oversight through regular reports from Committee Chairs.

The Matters Reserved for the Board and the Terms of Reference for the Board Committees can be found on the Investor Relations section of the website brewin.co.uk/group/investor-relations.

Delegated Committees

Audit Committee

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.

> See pages 80-84 for more information

Nomination Committee

The Committee ensures that the Board retains an appropriate balance of skills to support the strategic objectives of the Group and that there are appropriate procedures in place for the nomination, selection, training and evaluation of Board members. It also ensures that there is an effective framework for succession planning.

> See pages 76-77 for more information

Risk Committee

The Committee provides oversight of the Risk Management Framework of the Group and assists the Board with its responsibilities for ensuring the integrity of the Group's internal control and risk management systems.

> See pages 78-79 for more information

Remuneration Committee

The Committee exercises independent judgement on remuneration policies and practices, and the incentives created to manage risk, capital and liquidity. It also oversees personal objectives, performance appraisal and individual compensation packages for the Chairman and Executive Directors.

> See pages 85-99 for more information

Executive Committee

The purpose of the Executive Committee is to support the Chief Executive Officer in the implementation and formulation of strategy, as well as overseeing the day-to-day running of the Group. It agrees operational decisions that are not reserved for the Board.

The Committee consists of the Chief Executive Officer, Chief Financial Officer and members of senior management from different areas of the business. The Committee meets monthly.

> See pages 74-75 for more information

Disclosure Committee

The Disclosure Committee focuses on discharging the Company's duties in accordance with the EU Market Abuse Regulation. It comprises the Chief Executive Officer, Chief Financial Officer, either the Company Secretary or Chief Legal Officer (as alternates), plus either the Chief Risk Officer or the Head of Compliance (as alternates).

A clear division of responsibilities

The Board has a majority of Independent Non-Executive Directors. Further information on the Directors' range of skills and expertise can be found on pages 60 to 61.

Chairman	• Provides leadership to the Board, promoting constructive debate and challenge between the Executive and Non-Executive Directors. • Ensures that there is a good information flow to the Board, and from the Board to its key stakeholders. • Supports and advises the Chief Executive Officer, particularly on the development of strategy. • Builds an effective and complementary Board, regularly considering its composition and balance, diversity and succession planning.
Chief Executive Officer	• 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 Board is fully informed of all key matters.
Chief Financial Officer	• Supports the Chief Executive Officer in developing and implementing strategy. • Oversees the financial delivery and performance of the Group and provides insightful financial analysis that informs key decision making. • Leads investor relations activities and communication with investors alongside the Chief Executive Officer. • Works with the Chief Executive Officer to develop budgets and medium-term plans to support the agreed strategy.
Managing Director of Wealth and Investment	• Supports the Chief Executive Officer in developing and implementing strategy. • Oversees the wealth and investment services across Brewin Dolphin, the intermediary's business and marketing and research departments. • Ensures that the Board is fully informed of all key business matters in relation to client insight, leading on being advice-focused, digitally enabled wealth manager in the UK and Ireland.
Senior Independent Director	• 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 once a year. • Leads the Board in the ongoing monitoring and annual evaluation of the Chairman's performance. • Available to meet with major shareholders and act as a point of contact for shareholders and other stakeholders.
Independent Non-Executive Directors	• Constructively challenge management and decisions taken at Board level. • Oversee the performance of management in meeting agreed goals. • Support the Chairman and Executive Directors in instilling appropriate culture, values and behaviours in the boardroom and across the Group. • Challenge the adequacy and quality of information received prior to Board meetings.

Board and Committee attendance record[1]

Member	Appointed in the year[2]	Resigned in the year[3]	Independent	Board	Audit	Risk	Remuneration	Nomination
Executive Directors								
Robin Beer			N	8/8	n/a	n/a	n/a	n/a
Siobhan Boylan			N	8/8	n/a	n/a	n/a	n/a
Charlie Ferry	17/03/2021		N	5/5	n/a	n/a	n/a	n/a
Non-Executive Directors								
Simon Miller		05/02/2021	N	3/3	n/a	n/a	2/2	1/1
Toby Strauss	05/02/2021		Y	5/5	n/a	n/a	3/3	2/2
Ian Dewar			Y	8/8	7/7	4/4	5/5	3/3
Kath Cates		05/02/2021	Y	3/3	4/4	2/2	n/a	1/1
Michael Kellard			Y	8/8	7/7	2/2	1/1	2/2
Simonetta Rigo		13/11/2020	Y	2/2	n/a	1/1	1/1	n/a
Caroline Taylor			Y	8/8	n/a	n/a	5/5	3/3
Phillip Monks[4]			Y	7/8	3/3	3/3	n/a	1/1
Pars Purewal	12/05/2021		Y	4/4	1/1	1/1	n/a	1/1
Joanna Hall	16/06/2021		Y	3/3	n/a	n/a	2/2	1/1

1. The table shows attendance at scheduled meetings only. The Board and Committees also meet on an ad hoc basis when required.
2. Directors that were appointed in the year attended all Board Meetings held from their start date.
3. Directors that stepped down from the Board in the year attended all Board Meetings held to that date.
4. Phillip Monks provided input prior to the Board meeting that he was absent from.

Effectiveness

For the Directors to discharge their responsibilities as set out in the Matters Reserved for the Board, the Board meets at least eight times a year, including the Board strategy day with executive management to discuss in depth the Group’s direction. A full list of Matters Reserved for the Board can be found on our website. Details of the Board and Committee attendance at scheduled meetings can be found above. The Board and Committees also meet on an ad hoc basis when required.

How the Board spent its time

Key considerations	Key activities	In practice[1]
Strategy	• The Board held its annual strategy day to discuss the strategic objectives. • Assessed performance of the Group against previously agreed strategic objectives. • Discussion around setting the Group's Net Zero Targets.	**Strategy day** The objective was to review the current strategy and direction of travel to provide clarity around key objectives. Significant outcomes included, ensuring the correct prioritisation of major projects within the change agenda, consideration of M&A opportunities, aligning the work around 'purpose' to strategic objectives and agreeing the Group's commitments to the Net Zero Asset Managers Initiative.
Finance	• Received reports from the Chief Financial Officer. • Considered and debated the payment of the interim and full-year dividend. • Monitored the costs of the change agenda.	**Medium-Term Plan ('MTP')** The Board considered the MTP, with particular reference to the Head Office relocation decision as well as the impact of the current investment into operational transformation. It was concluded that the Head Office would not relocate and the costs of the change agenda be closely monitored.
Risk and compliance	• Received reports from the Chief Risk Officer. • Approved the capital to be held following the completion of the ICAAP. • Reviewed and discussed developments on cyber crime. • Reviewed the overall risk profile of the Group including review of the most significant operational risks.	**Capital assessment** The Board considered a recommendation from the Risk Committee and approved changes in capital during the year in response to risk profile changes, following completion of the year end capital assessment.
People and culture	• Received regular updates from the Group People and Sustainability Director. • Updates received from Caroline Taylor, the Employee Engagement representative. • Approved the appointment of the Chairman and three Directors.	**People strategy** The Group People and Sustainability Director presented the HR People Strategy which considered topics such as: - Culture and Engagement; - Reward, Performance and Insight; and - Learning and Development. This helped to define the key themes for the HR deliverables over the next three years which includes agile working, digitisation, diversity and wellbeing.
Governance	• Established a Technology Forum. • Framework of oversight around the delivery of change agenda. • Stakeholder engagement. • Undertook an externally facilitated Board and Committee evaluation.	**Change programme oversight** The Board regularly engaged and challenged the independent external consulting firms engaged to provide oversight of the project to implement the new Custody and Settlement System.

1. The Board considered stakeholders in relation to the above key considerations, more information can be found on page 73.

Focus for 2022

The Board will continue to focus on technology, innovation, ESG and expanding our distribution channels in 2022.
For further information, please see pages 20 to 21.

Board evaluation

The Board and its Committees undertake an annual evaluation of their performance, with the evaluation externally facilitated every three years. The process provides an opportunity to appraise effectiveness, identify areas of development and follow up on the actions from the previous review. The 2021 process was externally facilitated by Independent Audit Limited (IAL). In 2020 the review was conducted internally using IAL's online tool, Thinking Board®. IAL has no other connection with the Company.

Prior to engaging IAL, the Chairman and Company Secretary discussed the brief for the Board evaluation. Two other providers were considered in the process. After agreeing to use IAL, a session was held with IAL, which drafted self-assessment questionnaires covering all aspects of Board effectiveness. These were shared with the Chairman, Company Secretary and Chairs of the Committees for feedback and released for response in August 2021. Board members and regular attendees at the Board and Committee meetings responded, with the Thinking Board® platform enabling IAL to keep individual responses confidential. In addition, an IAL representative attended the September Board meeting, which was held in person, to observe the Board in action. They also reviewed the papers presented to the meeting in order to assess the quality of the papers provided to the Board. The information obtained in these various ways was analysed by IAL which then drafted a report that was shared with all members of the Board. The report was discussed at the Board meeting in October 2021 with IAL present.

IAL also drafted a questionnaire to obtain Board members' views on the effectiveness of the Chairman. The SID agreed the form and content of the questionnaire and the results were provided to the SID to share with the Chairman. These questionnaires were also completed using the Thinking Board® online platform.

The picture that emerged from the evaluation was of a Board which is highly engaged in the issues it is confronting, and which is not complacent about the challenges ahead. Many strengths were identified, giving the Board a solid foundation for its work. Amongst others, these included the quality of chairmanship of the Board and Committees, the complementary mix of skills and expertise on the Board, healthy relationships between non-executives and executives, and an open environment that is conducive to discussion.

A number of areas for development have been agreed, and progress will be monitored during the year. All three of the main areas summarised below were also raised last year and work has been done to address them. However, as by their very nature, they are constantly changing issues, it is unlikely that the Board will ever stop seeking to evolve how it deals with them.

Last year's review identified the need to do more to leverage the combined knowledge and experience of existing and newly appointed Board members. The combination of individual efforts during the year and the impact of the new members means that this point is now seen as resolved.

Board Focus for 2022

Oversight of strategy	Ensuring that operational and IT plans are aligned to strategy to ensure that strategy is implemented effectively. Seek opportunities to structure the agenda to give priority to strategic items.
Digital, cyber and operational resilience	Undertaking more in-depth work both on the technology strategy and the Company's approach the management of cyber risk and operational resilience.
Environmental, social and governance	Increasing the Board's oversight in this area to oversee the breadth of change required.

Time commitment

The expectation of the Non-Executive Directors' time commitment is set out in their letters of appointment. Copies are currently available for inspection at an agreed time at the registered office of the Company. Their attendance, along with Executive Directors, at meetings during the year is set out in the table on page 66.

Directors' conflicts of interest

The Board has a policy in place for managing and, where appropriate, approving conflicts or potential conflicts of interest. All Directors are provided with an opportunity to disclose any changes in conflicts at the start of every meeting. Directors are required to seek prior approval of external directorship appointments.

Independence of Directors

The Chairman and all Non-Executive Directors are independent. They do not hold any positions that conflict with their responsibilities.

Information flow

As part of the annual cycle, all Board Committees forward-plan their agendas for the year to ensure that important issues are addressed. The Chairman of each Committee works closely with Company Secretariat and other relevant members of senior management to agree areas of discussion or approval.

Director evaluation

During the year, the Chairman evaluated the performance of all Directors in one-to-one meetings and the Senior Independent Director evaluated the performance of the Chairman. It was confirmed that each Director continued to deliver the required commitment to his or her role and made an effective and valuable contribution to the Group.

Accountability

An overview of the Group's Principal Risks and Uncertainties and a description of the Risk Management Framework can be found on pages 46 to 51 in the Strategic Report. A description of how the Board has discharged its responsibilities in relation to internal controls and risk management is set out on page 106 of the Directors' Report.

Diversity and inclusion

The Nomination Committee considers the succession planning for the Board as well as receiving the Executive Directors succession plan for review and challenge. As part of this process, diversity is considered in respect of gender, ethnicity, ability, social background and cognitive diversity. These considerations form part of our rigorous and transparent process to ensure we appoint directors with the skills, experience and knowledge that will ensure the continued effectiveness of our Board.

The Parker Review has a target for FTSE 250 firms to have at least one director from an ethnic minority background by 2024, this target was met in 2021. While we have met the target, we recognise that we need to increase ethnic diversity across senior levels, and this continues to be one of our key diversity goals. The Hampton Alexander Review, with its goal of achieving a 33% of women on boards and leadership teams of FTSE 350 companies by 2020, completed its five year reporting cycle in 2021. In the FTSE 250 the average number of women on boards in 2020 was 33.2%. The percentage on executive committees and their direct reports in 2020 was 28.5%. We were ranked 70th in the FTSE 250 for our representation of women in senior leadership roles. At the time of reporting, in November 2020 our Board comprised 37.5% women. Following a number of changes to our Board over the last year we currently have 30% representation of women, which is slightly below their target of 33%. The Board remains committed to diversity and fully intends to comply with the target again. Our Women in Finance Charter target for our Executive Committee and direct reports is 45% women by the end of 2023. This year we have increased representation from 40% to 42%. The Group's Diversity strategy is implemented through our senior leaders and with the guidance of our Diversity and Inclusion Committee which meets monthly. Our four distinct objectives are to:

- Enable all BD employees to promote workplace diversity and inclusion; to recognise, value and respect differences and reflect this in the way we all work with each other, our partners and our clients.
- Create a working environment that is welcoming to all colleagues, supports the effective contribution of everyone and creates a sense of belonging.
- Ensure our people policies and processes are aligned to and drive our diversity and inclusion goals and values in support of business strategy.
- Improve diversity in the talent pipeline and at senior levels.

Details of diversity and inclusion activities for the period can be found in the Our People and Culture report on pages 44 to 45.

Employee engagement

Report from the Director responsible for employee engagement.

Employee engagement is prioritised within Brewin Dolphin because we believe that, not only is it the right thing to do, but also engaged employees deliver higher performance which in turn delivers better outcomes for our stakeholders. We have adopted a pro-active approach to employee engagement at all levels of the Group.

Brewin Dolphin has a network of Engagement Partners who work with local management on areas that matter to our people. The introduction of a broader listening strategy allowed us to hear about the employee experience outside of the annual employee survey via engagement partners, and directly from employees, at key points in the employee lifecycle. The strategy comprises a mixture of regular feedback points and more focused listening when key matters arise. The network of engagement partners allows us to inform senior leaders of any changing employee sentiment and during COVID-19 has been particularly beneficial as a method to gauge reactions to issues faced by employees. The network met more frequently during this time and workshops were held to discuss issues.

The major themes discussed in the year included: wellbeing and workload – (especially important due to the change in working practices as a result of COVID-19); leadership communications and their effectiveness; transition to hybrid working model; maintaining engagement during times of significant change; and the results of the Your Future, Your Say survey. Additional workshops have been held to discuss the Group's future agile working model and this provided an opportunity for Engagement Partners to provide feedback. This is an example of more focused feedback thanks to the listening strategy.

Sessions with Engagement Partners have been carried out virtually all year. I have attended the sessions to hear employee views directly and to answer questions from Engagement Partners. As part of our listening strategy, a summary of each Engagement Partner call is also provided to the CEO and to relevant senior management.

Robin Beer attended the January 2021 Engagement Partner meeting to provide his view on engagement, and to talk specifically about the Group's change agenda. Robin answered questions during a Q&A session. Robin recognises the important role that the Engagement Partners play within the Group and has reflected their feedback in his regular video logs, stressing that Engagement Partner feedback is important and action is taken as a result.

During the year the Engagement Partner network also arranged a Q&A session for me where partners posed questions around the Board's view of Brewin Dolphin and engagement. I was keen to understand from the Engagement Partners the effectiveness of communications from the Executive Committee. The feedback was positive and the Engagement Partners welcomed the improvements, and in particular the opportunity for all employees to hear directly from Robin and the rest of Executive Committee through virtual channels.

"Our workforce strive to do the best for our stakeholders and are genuinely committed to the future success of the Group."

I refer my findings from the sessions to the Executive. I provide the Board with formal updates during the year at Board meetings so they are aware of the topical issues that the employees are raising.

Overall my finding is that the workforce is engaged, a sentiment that is supported by our Engagement Survey results. Our workforce strive to do the best for our stakeholders and are genuinely committed to the future success of the Group.

Caroline Taylor

Climate change

We are committed to managing the wider social, environment and economic impacts of our operations which include the way we deal with sustainability issues. In November 2021, we announced our ambition to be net zero by 2050 or sooner and we joined the Net Zero Asset Managers Initiative (NZAMI).

Brewin Dolphin understands the importance of reporting on our response to climate change. We fully intend to comply with the TCFD requirements and as a first step we made a second Carbon Disclosure Project (CDP) disclosure earlier in the year. Furthermore, we have answered the TCFD related questions within our first UN Principles for Responsible Investment report in 2021. Our recently established sustainability team have been tasked with designing and implementing Brewin Dolphin's approach as a responsible business. Further details of recommendations made by the TCFD can be found as follows:

Governance

> See sustainability governance pages 34-35

Strategy

> Details of the ESG strategy are on pages 34 to 44

Risk management

> The Risk Management Framework is presented on pages 46 to 52, including our principal risks and uncertainties

Metrics and targets

> The Directors Report details carbon emissions on pages 107 to 108

Director induction

The induction programme for on-boarding newly appointed Directors.

Board and governance
- Board procedures
- Governance framework
- Evaluation process
- Director training programme

Business introduction
- Structure
- Strategy
- Market environment

Finance
- Budget and forecast
- Management accounts
- Internal audit function
- Analyst/Investor overview

Risk and regulation
- Regulatory landscape
- ICAAP
- Operational risk framework

Other
- Legal updates
- Culture
- People
- Information technology and cyber security issues
- External auditors

Stakeholder engagement

Engagement with our stakeholders is key to a successful business and is an ongoing part of managing our business.

Our stakeholders	Why we engage	How the Board is kept informed
Clients Our clients' financial wellbeing is at the heart of our business. We know that a close relationship between our clients and employees is key to ensuring that their financial needs are met.	Understanding our clients is fundamental to the success of our business. Regular engagement ensures that the business continues to operate with a 'client first' attitude, that responds to their needs. We see client satisfaction as an important aspect of our Group performance overall. It enables us to identify any changes required to our services and to deliver improvements.	• Client engagement reports. • Results of the annual client survey. • Updates from the Director of Marketing and Communications. • Weekly updates of news articles about the Group. • Updates on the implementation of Client Engage.
Employees Our strength is in the service provided by our people, and we have a strong culture. We have a passion for developing our teams.	Maintaining an engaged and motivated workforce enables us to continue to deliver a high level of service to our clients. We are a people business, and our Genuine, Expert and Ambitious values are an important part of who we are. In order to recruit the best talent and be a 'favoured employer' in the wealth management sector, we need to understand what is important to current and prospective colleagues.	• Updates from the designated Non-Executive Director for employee engagement, Caroline Taylor (see page 69 for more information). • Reports from the Group People and Sustainability Director. • Results from the annual Employee Engagement Survey (see page 69 for further information). • Feedback and attendance at Group events such as Women@Brewin.
Shareholders As a FTSE 250 listed company it is important to provide our shareholders with reliable, timely and transparent information.	Our shareholders are constantly evaluating their portfolios and considering their exposure in our stock. In order to maintain a loyal shareholder base, it is important that we keep them well informed. We provide them with information to ensure their understanding of the business is up to date and enable them to make informed decisions.	• The Chairman, Chief Executive Officer, Chief Financial Officer and Chair of the Remuneration Committee engaged with major shareholders directly and indirectly. • Engagement topics included executive remuneration, dividend and capital allocation. • Regular broker reports are provided to the Board that detail shareholder feedback. • The Company's AGM is an opportunity for all shareholders to meet and question the Directors and senior management. • The Board receives feedback from investors after the full and half year results announcements from the Investor Relations team.

> Continued on following page

Stakeholder engagement continued

Our stakeholders	Why we engage	How the Board is kept informed
Regulators We are keen to engage pro-actively with our regulators in an open and co-operative way to build and develop a positive and mutually beneficial relationship.	Having a positive dialogue with our regulators means we can help them to understand our business model and strategy, our culture and our focus for doing the right thing for our clients. We aim to achieve a transparent relationship with our regulators, as well as providing an insight into any challenges we may face.	• Regulatory updates provided by the Chief Risk Officer that included details of engagement with the FCA's supervisory team. • Chairman and Senior Independent Non-Executive Director met with the FCA during the year to discuss factors that affect the business including succession. • Feedback from trade bodies, agencies and supervisory bodies. • The Board and Committees take the views of the regulator into consideration when agreeing the Group's Risk Framework as well as the design of remuneration structures.
Suppliers We run a significant business from more than 30 locations in the UK and Ireland, which is dependent upon our relationships with our suppliers.	Our suppliers provide a range of services, which the smooth functioning of our business depends upon. Regular engagement ensures that we can maintain good relationships, and that the business, and its clients, are not exposed to unnecessary risks.	• Attendance at Board meetings by major IT suppliers in order to ensure accountability and maintain good relationships. • Regular reporting from the business to update on performance of major suppliers.
Society We have a responsibility to play our part in our communities and society. Through our stewardship responsibilities we seek to influence companies to create a sustainable future.	Considering the impact of our actions as a business on the wider interests of society is an important part of being a responsible business. As investors, our decisions can have a wider impact and we take our stewardship responsibilities seriously. We see ourselves as part of the communities in which we live and work, and seek to actively contribute, and actively engaging with them is an important part of who we are.	• Regular report to the Board by Group People and Sustainability Director and Employee Engagement Partner. • The Board received updates on CSR reporting including volunteering and charitable donations. • The Board received a presentations on ESG and the Net Zero Asset Managers Initiative.

How stakeholder interests have influenced Board decision making

Key decisions and discussions	Stakeholders	How the Board considered stakeholders during the year	Annual report sections
Chairman appointment	Employees Shareholders Regulators	The recruitment process focused on the abilities of each candidate to lead the Group into the next chapter of its strategy. In particular, consideration was given to the leadership style of the individuals including the likely fit with the Group's culture and values, as well as the message it would send to the Group's employees. Our regulators were updated on progress of the process and interviewed Toby Strauss prior to his formal appointment. Toby Strauss held shareholder meetings with some of our top 20 Shareholders to get their feedback on the business and our strategy.	> See page 77 for details of the recruitment process > See pages 44 and 45 for details of the Group's culture
Agreement to join the Net Zero Asset Managers Initiative	Clients Employees Shareholders Regulators Suppliers Society	The Board takes into consideration the importance of their responsibilities towards the environment and during the year have committed to join the Net Zero Asset Managers Initiative (NZAMI) and become a Net Zero Company by 2050, or sooner. The Board believes that by committing to NZAMI and delivering against the targets, when set, will promote the long term success of the Company and forms part our ESG agenda. Our intention is to understand the impact we have on the environment, both directly through our operations and indirectly through the investments we make. Our primary focus will be engaging with all of our stakeholders, specifically with high emissions companies and ensuring our clients understand how climate change will affect their objectives and portfolios over time. We want to ensure that those portfolios continue to meet their expectations. The environment and climate continue to be key areas for all of our Stakeholders and the Board intend to set Net Zero targets next year.	> See pages 36 and 37 for our ESG and Climate Change disclosures
Head Office relocation	Clients Employees Shareholders	The Board revisited the decision to relocate the Head Office to Cannon Street in light of recent changes to the external environment that has impacted working practices. After considerable debate and taking into consideration the impact this would have on employees, the decision was made to remain in the current office as the space at Cannon Street was no longer necessary to future proof the working environment. The Board are now focusing on enhancing the Smithfield office to benefit our employees and clients. As result of this decision there has been a positive impact on costs and which will impact long term shareholder return.	> See pages 44 and 45 for our People and Culture

Executive Committee Report

Looking ahead

Robin Beer
Chairman of the Executive Committee

The purpose of the Executive Committee is to support the Chief Executive Officer in the implementation and formation of strategy as well as overseeing the day to day running of the Group. It has formal Terms of Reference which are reviewed by the Board annually.

The Committee meets on a monthly basis and meetings are minuted by the Group Company Secretary. The internal auditor is a standing attendee. Non-Committee members are regularly invited to attend and report on particular areas of the business which are pertinent to the Group's strategy.

The Committee has an agreed standard annual agenda to cover key areas in the year. Prior to each meeting, the Chief Executive Officer agrees the agenda with the Group Company Secretary.

The diagram below illustrates the committees within the governance structure that report to Executive Committee.

Key areas of focus for 2021

Strategy
- Inorganic and organic growth opportunities
- ESG
- Marketing

Operational
- Change management
- Technology
- Office space needs
- Operational resilience

Risk & Compliance
- CASS
- Risk appetite
- MAR training
- Key risks

Employees
- Agile working arrangements
- Employee benefits
- Employee engagement survey

Finance
- MTP
- Capital allocation
- Budgeting
- Strategic priorities and initiatives

Priorities for 2022

- Delivering performance against strategic initiatives.
- Delivering on our ESG commitments.

Committee composition

The Committee during the year comprised Robin Beer (Chairman), Siobhan Boylan, Susan Beckett, Richard Buxton, Charlie Ferry, Nick Fitzgerald and Sarah Houlston.

Robin Beer
Chief Executive Officer

> See page 60

Siobhan Boylan
Chief Financial Officer

> See page 60

Charlie Ferry
Managing Director of Wealth and Investment

> See page 60

Susan Beckett
Chief Risk Officer

Appointed: Joined the Group and Executive Committee in September 2014 and is a Non-Executive Director and Chair of the Board Risk Committee for Brewin Dolphin Wealth Management, Ireland since 2019.

Key areas of experience: Susan has 30 years of experience in the financial services sector. Her current responsibilities include risk, compliance, financial crime, information security, data protection, conduct risk and CASS for the Group. Susan is the executive sponsor of Women@Brewin; a women's network aimed at influencing a traditional culture to grow and become more inclusive.

External appointments: Non-Executive Director and Chair of the Board Risk Committee for the Scottish Friendly Group.

Previous experience: Similar senior leadership positions at Schroders, JP Morgan, Barclays Global Investors, BlackRock, Kleinwort Benson and BT Pension Scheme.

Richard Buxton
Group People and Sustainability Director

Appointed: Joined the Group and Executive Committee in February 2015.

Key areas of experience: Richard has over 20 years of experience in the financial services sector. Richard joined Brewin Dolphin as the Group HR Director with responsibility for devising and implementing the Group's first people strategy aimed at creating a culture of high employee engagement. His responsibilities include learning, leadership development, talent, competence, and diversity and inclusion. In 2020 he took on responsibility for the Group's sustainability strategy.

Previous experience: Group Talent Director at Lloyds Banking Group and EMEA Head of HR at Bank of America. Fellow of the Chartered Institute of Personnel and Development.

Nick Fitzgerald
Managing Director of Advice and Innovation

Appointed: Joined the Group in 2008 and the Executive Committee in February 2016.

Key areas of experience: Nick has over 30 years of experience in financial planning.

Nick joined Brewin Dolphin to lead the integration of its financial planning capabilities, helping it to become the advice-led business it is today. He has been instrumental in developing and broadening the Group's propositions and services, such as launching and building our '1762 by Brewin Dolphin' proposition. He has more recently taken responsibility for enhancing the client's digital user experience across all the propositions.

Previous experience: Head of Financial Planning for Barclays Wealth and Gerrard, Lloyds Bank PLC and Lloyds Retail and senior management at Prudential high net wealth division.

Sarah Houlston
Chief Operating Officer

Appointed: Joined the Group in 2018 and the Executive Committee in October 2020 when she became Chief Operating Officer.

Key areas of experience: Sarah joined Brewin Dolphin in February 2018 as Head of Change and Transformation, and designed, mobilised and managed the delivery of the company's portfolio of strategic change projects. These have included the programmes to replace the client management system and the core custody and settlement system, as well as the successful integration of Investec's Irish wealth business into Brewin Dolphin Ireland.

Previous experience: 30 years at RBS, which culminated in her being Director of Banking Operations for the future Williams & Glyn.

Nomination Committee Report

Expanding the Board skill set

Toby Strauss
Chairman

Dear shareholder

The Committee has responsibility for reviewing the composition of the Board and leading the succession planning process. This includes ensuring new appointments to the Board bring the required skills and experience to support the Board in delivering strategy and at the same time to deliver diversity of thought in its decision making.

We announced last year that Simon Miller would not stand for re-election at the 2021 AGM after being Chairman since 2013. Ian Dewar, the Senior Independent Director (SID), led the search for his successor. Details of the search were included in last year's Annual Report.

Kath Cates did not seek re-election at the 2021 AGM and Simonetta Rigo resigned on 13 November 2020 to take up an executive role. Charlie Ferry was appointed to the Board as an Executive Director in March 2021 and is the Managing Director of Wealth and Investment. His appointment bolsters client focus and executive representation on the Board.

As a result, during the year the Committee oversaw the search process for two Non-Executive Directors. This resulted in the appointment of Pars Purewal in May 2021 and Joanna Hall in June 2021. Pars will replace Ian Dewar as Chairman of the Audit Committee at the end of March 2022, subject to regulatory approval. These appointments further strengthen the diverse mix of expertise and experience on the Board. Pars brings his very significant audit experience to the Board and Joanna brings marketing, technology and customer engagement expertise to the Board. Ridgeway Partners was selected which resulted in the appointment of Pars Purewal. Ridgeway Partners have no connection with the Company or any individual or director and have previously supported recruitment of Non-Executive Directors to the Board. Although no external recruitment agency was used for the appointment of Joanna Hall, the usual assessment, screening and interview process was followed. The Committee will continue to review Board composition especially in light of Ian Dewar's 9 year tenure coming to an end in November 2022 and Caroline Taylor's in May 2023.

Ahead of making any appointments to the Board, consideration is given as to whether in the Company's view, the proposed director would have sufficient time to fulfil his or her obligations to the Board given other positions they might hold.

The Induction process for all newly appointed directors aims to bring the new directors up to speed on the activities of the business as quickly as possible. This includes access to all Board and Committee papers, one to one induction meetings with senior management and information on the Group structure and governance framework.

During the year the Group People and Sustainability Director reported on succession planning measures in place for the Executive Committee and key roles below the Executive Committee level.

Committee composition

The Committee during the year comprised Simon Miller (resigned 5 February 2021), Toby Strauss (appointed 5 February 2021), Caroline Taylor, Kath Cates (resigned 5 February 2021), Ian Dewar, Mike Kellard, Phillip Monks, Pars Purewal (appointed 12 May 2021) and Joanna Hall (appointed 16 June 2021).

The Chief Executive Officer and Group People and Sustainability Director are standing attendees at Committee meetings; the Chief Executive Officer and the Chairman exclude themselves from discussions relating to their own appointments.

> Further details of membership and attendance can be found on page 66

The responsibilities of the Committee are defined in the Committee's Terms of Reference, a copy of which can be found at brewin.co.uk/group/investor-relations.

This included identifying potential successors for each role and it also considered the diversity of the pipeline. The Committee was satisfied that the Company has an effective succession planning process that includes development plans for individuals to succeed in senior roles and also emergency cover arrangements. The process drew out the areas where there were insufficient internal candidates to fill key roles and external candidates would have to be considered. As part of this succession process Diversity and Inclusion (D&I) was considered. This included enhancing our external employment brand; ethnic minority workshops provided insights which have informed the approach to D&I recruitment and moves to remove language bias from job descriptions and adverts. We have now implemented specific recruitment methods to enable us to tap into a more diverse talent pool.

The Committee also considered succession planning for the CEO that covered short-term emergency succession and long-term succession.

The Committee's performance was reviewed as part of the externally facilitated Board Evaluation, for further details see page 68. The review established that the Committee functions well in terms of planning succession to Board and senior roles.

Toby Strauss
Chairman of the Nomination Committee

23 November 2021

Search process for appointment of Non-Executive Directors:

Diversity – Our belief is that diversity at all levels of the business enhances the decision making process through the benefit of different skills and experience and culture. Our commitment to diversity runs deep and we aim in our search process to ensure that there are at least 50% female candidates and ethnic minority candidates from various backgrounds.

Selection of recruitment consultants:
Ridgeway Partners was selected for the search for Pars Purewal. Ridgeway Partners has no other connection with the Company or any individual director and have been used previously for Non-Executive Directors appointments.

Candidate specification:
The Committee discussed the skillset of the candidates and also the cultural fit. Diversity formed part of this process.

Potential candidates:
A list of candidates meeting the requirements was identified this included a diverse range of backgrounds and a balanced gender profile.

Interviews:
A shortlist of candidates was interviewed by members of the Committee, led by the Chairman.

Following the interview process the Committee recommended the appointment of Pars Purewal and Joanna Hall to the Board for appointment.

Both new Non-Executive Directors and the Chairman undertook induction programmes, further details are on page 70.

Risk Committee

Overseeing the risk management framework

Phillip Monks
Non-Executive Director

Dear shareholder

This is my first year as Chair of the Risk Committee and on behalf of the Board, I am pleased to present on how the Committee discharged its risk oversight responsibility for 2021.

The Committee's principal focus during the year continued to be review of the change management agenda which included appointing KPMG as part of the governance and oversight of the replacement of the custody and settlement system which is in the final stages of implementation. The Committee reviewed the resourcing challenges associated with the change management agenda that included managing the implications of IR35 on temporary project resource. It also included operations and financial resilience during the period.

The Committee has remained aware of its duties to safeguard the interests of its stakeholders, including clients, investors and shareholders. We also updated our capital assessment of change management risk during the year.

We held an in-depth risk workshop with our Risk Committee and Executive Committee members to discuss the key risks that can impact our strategy. External speakers provided their perspective on ESG and climate change risks to wealth management firms and at subsequent meetings we have discussed the emerging risks of ESG including climate change risks, to the firm.

We reviewed preparations for the 2022 operational resilience requirement and the Risk Committee will oversee its embedding and provide updates to the Board. In addition to regulatory compliance, there will also be a wide range of benefits for our stakeholders as a result of delivering the operational resilience requirements. A key part of our operational resilience is our cyber resilience. The Committee received presentations on cyber risk during the year and as we mature, our cyber response plans must be able to respond to new scenarios and challenges in securing Group, colleague and client data against continued threats. We discussed scenarios and latest industry practice in this area.

During the year we also received training on the Investment Firms Prudential Regime due to be implemented in the UK in January 2022, and the requirements which will come into force over the coming years. The Committee discussed how it would oversee the Group's approach to the changing regulation.

The key priorities for the coming year include the successful implementation of the core custody and settlement system and laying the foundations for future work on operational resilience.

Phillip Monks
Chairman of the Risk Committee

23 November 2021

Committee composition

The Committee comprises only independent Non-Executive Directors. The members comprise Phillip Monks (Chairman), Ian Dewar, Pars Purewal and Mike Kellard. There is a cross membership with the Audit Committee, to help ensure that agendas are aligned, and key information is shared appropriately across the Board Committees.

The Chairman of the Risk Committee attends the Remuneration Committee at least once a year and is also a member of the Audit Committee.

Standing attendees at Committee meetings include the Chief Executive Officer, Chief Financial Officer and the Chief Risk Officer.

> Further details of membership and attendance can be found on page 66

The responsibilities of the Committee are outlined in the Committee's Terms of Reference, a copy of which can be found at brewin.co.uk/group/investor-relations.

The Committee’s key areas of focus

Key risks & risk appetite	Reviewed the key risks facing the Group and debated potential risks on the horizon that included a focus on ESG and climate change risks that could impact strategy. Recommended the Risk Appetite Statement, the Group Policy Framework and the Group Risk Management Framework to the Board for approval. These help to set the agenda for the following year for key areas of discussion.
ICAAP and joint meeting with Audit Committee	Challenged the key components of the ICAAP during the year, exploring operational risk scenarios, impacts of acquisitions and stress testing our regulatory capital against more extreme market volatility, taking into consideration the impact of COVID-19. The key inputs for the operational risk scenarios were annually updated, testing the sensitivity of the assessment and ensuring our capital assessment remained adequate.
Conduct risk	Continued oversight of the overall effectiveness of the conduct risk management framework including ensuring all relevant management information is taken into account during the remuneration process.
Change agenda	Continued oversight of the change agenda that included resourcing challenges and their impact on the agenda. Engaged with the consultancy responsible for providing management, consulting and assurance for the new core custody and settlement system.
Regulatory change	Reviewed the key risks in relation to regulatory change legislation including that on operational resilience. Continued to monitor embedding of new processes to ensure compliance and accountability.
Deep dives	Received presentations from business areas during the year that included; cyber security risk and the Group’s response plans, a review of data quality within the Group’s systems and overseeing the progress against KRIs for client service reviews.
Routine matters	Held Non-Executive Director only sessions before each meeting and met the Chief Risk Officer, external auditor, internal auditor and the Head of CASS on an individual basis. Reviewed the Terms of Reference for the Committee and disclosures for the Annual Report in addition to dealing with routine governance matters. Underwent a formal evaluation of its performance during the year. The results were discussed by the Board and have helped to inform forward-looking agendas.

Audit Committee

Keeping the focus on quality in a world of change

Ian Dewar
Senior Independent Director

Dear shareholder

The one constant theme on the Audit Committee Agenda in 2021 has been 'change' and the impact of that both on our control environment and our external reporting. Some of the change is internal through our own systems and people but increasingly the challenge has been change from outside the organisation and our need to both respond to that and try to stay ahead of the curve.

A starting point for external change is our Auditor. Over the past year there has been an ever increasing focus on audit quality, with more 'audit failures' hitting the headlines. The quality of our external audit was right at the top of our agenda when we carried out our recent audit tender process and the Committee has sought to ensure that this has been delivered by Ernst & Young LLP (EY), our new auditors. We critically examined the proposals put forward in the Business Energy and Industrial Strategy (BEIS) consultation document earlier this year on governance and audit and provided detailed feedback on our views. We have also discussed with our EY team the commitment of their firm to audit quality and the results of the latest round of FRC reviews.

Two other external changes that we have been monitoring are ESG and cyber issues. We are starting to consider the role of the Audit Committee in the context of the soon to be introduced much wider reporting on ESG matters as we understand the importance of this both to us as a business and to our shareholders. We have also been focussed on the increase in cyber threats that face all businesses. Getting both of these right are key business imperatives.

Internally the biggest change focus for the Audit Committee has been the project to replace the custody and settlement system. Part of our work is around the treatment in the Annual Report and Accounts, but more importantly is the monitoring role we have undertaken in partnership with the Risk Committee. The success of the replacement of the custody and settlement system is critical to the business and has rightly been a focus of the Committee's attention.

Finally, this will be my last report as Audit Committee Chair as I will be handing over to Pars Purewal during 2022. I would like to thank everyone who has supported me in this role over the past eight years.

Ian Dewar
Chairman of the Audit Committee

23 November 2021

Committee composition

The Committee comprises only independent Non-Executive Directors. The members comprise Ian Dewar (Chairman), Phillip Monks and Pars Purewal. There is a cross membership with the Risk Committee, to help ensure that agendas are aligned, and key information is shared appropriately across the Board Committees.

> Further details of membership and attendance can be found on page 66

The Chief Executive Officer, Chief Financial Officer and Chief Risk Officer are invited to attend at the Committees discretion. In addition, all Non-Executive Directors including the Chairman are entitled to attend. The external audit partner and our internal audit partner are both standing attendees. We have considered the Financial Reporting Council ('FRC') requirement for the Committee to have competence relevant to the financial services sector and have concluded that the Committee, as a whole, satisfies the requirement.

The responsibilities of the Committee are outlined in the Committee's Terms of Reference, a copy of which can be found at brewin.co.uk/group/investor-relations.

The Committee's key areas of focus

The Committee has a set agenda for the year although it will adapt to take account of changes in the business and the Board's strategy to ensure that there is challenge and oversight from an audit perspective and to ensure a strong control environment. The Committee's key areas of focus for 2021 were:

Financial reporting	Reviewed the Annual Report and Accounts, the quarterly trading updates, the Interim Report and the investor presentations. Received reports on the key judgements and accounting policies followed in the preparation of the Financial Statements. Debated the proposal to pay an interim and full-year dividend. Reviewed reports from the external auditor on the Financial Statements. These covered the significant audit risks, areas of audit focus, the appropriateness of the significant management judgements used in preparing the accounts and the effectiveness of systems of internal financial control. Reviewed the Group's Going Concern assumption and Viability Statement. Reviewed the processes around balance sheet reconciliation and purchasing shares for the Trust. Considered proposed change in accounting practice which resulted in the reduction of cash generating units (CGUs) for the purposes of goodwill impairment testing.
External auditor	Approved the external audit plan, the external auditor's terms of engagement and the fees to be paid to the external auditor for the audit of the 30 September 2021 Annual Report. Assessed the independence, objectivity and effectiveness of the external auditor. Reviewed and approved the External Auditor Independence Policy relating to non-audit services provided by the external auditor. Received and reviewed EY's year-end reporting for the audit of the 2021 Financial Statements. Received an initial observations report post EY's appointment.
Internal auditor	Reviewed and approved the internal audit plan for the year. Received quarterly internal audit reports, challenged the robustness of their findings and agreed appropriate actions with management. Reviewed how issues identified for action, whether arising from internal audit reports or from internal control processes, are progressed and reported, ensuring an effective framework for the management of issues within the Group.
Control oversight	Reviewed and discussed the Control Environment Report, the Annual Money Laundering, Financial Crime report and Group Risk Assessments. Reviewed the Group's annual Speak Up report and considered matters for Board escalation. Reviewed and discussed the six-monthly updates for both the Client Money and Assets report ('CASS') and Audit Assurance Faculty report ('AAF'). Assessed which parties were responsible for delivering the different levels of assurance for the project to replace the Custody and Settlement System. Reviewed an action plan focused on delivering CASS commitments.
ICAAP	Jointly reviewed the ICAAP with the Risk Committee. After reviewing and challenging the ICAAP and its key components, the Committee recommended its approval to the Board.
Routine matters	Conducted an independent review of the Committee's performance. Reviewed and approved the Committee's Terms of Reference and minutes.

Significant matters related to the Financial Statements

We reviewed the significant matters set out below in relation to the Group's Financial Statements for the year ended 30 September 2021. We discussed these matters at various stages with management during the financial year and during the preparation and approval of the Financial Statements. We are satisfied that the Financial Statements appropriately address the critical judgements and key estimates, in respect of both of the amounts reported, and the disclosures made, following review and consideration of the presentations and reports presented by management. We also reviewed these matters with the auditors during the audit-planning process and at the conclusion of the year-end audit. We are satisfied that our assessment and conclusions in relation to these matters are in line with those drawn by the auditors.

Matter	Key considerations	Role of the Committee	Conclusion
Amortisation of client relationships (see note 3.3.1 to the Financial Statements)	Determination of the useful economic life of client relationships, which impacts the amount of the amortisation expense recognised in the Income Statement.	We considered the paper prepared by management setting out the average client tenure and useful economic life expectations, which are based both on past experience and future expectations. We challenged whether the metrics used were appropriate and complete.	We concluded that the assumptions and judgements used were reasonable and we were satisfied that the useful economic life expectations were appropriate, reflecting both experience and future expectations.
Assumptions underlying the calculation of the defined benefit pension scheme surplus (see note 3.3.2 to the Financial Statements)	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 surplus recognised on the Balance Sheet.	We considered management's paper explaining the assumptions used in the calculation and the resulting impact on the balance sheet. We challenged whether the assumptions were appropriate.	We concluded that the assumptions and judgements used in determining the defined benefit pension scheme surplus were appropriate, including the mortality assumptions for the pension liability.
Likelihood of meeting performance conditions for the long-term incentive plan (see note 3.3.3 to the Financial Statements)	Determining the likelihood of meeting the performance conditions which impact the amount of the expense recognised in the Income Statement.	We considered management's paper explaining the assumptions for the likelihood of meeting the performance conditions. We challenged whether the assumptions were appropriate as awards do not always vest in full.	We concluded that the assumptions used in calculating the expense were appropriate.
Impairment of goodwill, client relationships and brand	Appropriate application of IFRS and underlying principles.	We reviewed management's paper proposing a change in accounting practice which resulted in the reduction of cash generating units (CGUs) for the purposes of goodwill impairment testing to 2 CGUs based on the Group's geographical operating segments. We enquired of management whether there would be any impairment if the accounting practice remained unchanged. We reviewed management's paper explaining the assumptions and calculation methodologies applied in: 1. determining the recoverable amounts for goodwill including the identification of CGUs for the purpose of goodwill impairment testing; and 2. assessing for indicators of impairment for client relationships and brand.	We concluded that • the change in accounting practice was appropriate and reflected that the cashflows to which the goodwill contributes is wider than the previously identified CGUs. • the assumptions and calculation methodologies applied by management were appropriate on concluding that there was no impairment to be recognised for the Group's intangible assets.
Intangible asset – software	Determination of the costs to be capitalised and the value of the asset recognised on the Balance Sheet.	We exercised oversight in relation to costs being capitalised for the most significant software project (Avaloq) by enquiring of management about the policies and controls for monitoring the capitalisation of costs. We considered management's paper assessing indicators of impairment.	We concluded that the cost recognised on the Balance Sheet was appropriate and that the asset was not impaired.

Fair, balanced and understandable Report and Accounts

The Committee receives a report and performs a review to ensure the Group's Annual Report and Accounts are 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	Committee's conclusions
Fair	• Not exhibiting any bias. • Reasonable or impartial. • Performed according to the rules.	• Is the whole story being presented? • Have any sensitive material areas been omitted?	The Committee is of the opinion that the Annual Report and Accounts articulates how the Group has performed during the year, providing full disclosure and forward looking statements. Therefore, it is the opinion that the disclosures present a fair reflection of the performance of the Group.
Balanced	• Even-handed. • Taking account of all sides on their merits without prejudice or favouritism.	• 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? • Is there a balance between positive and negative messages in the narrative? • 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?	There is consistency between the narrative sections and the Financial Statements and an appropriate balance of positive and negative messaging in the narrative reporting. This is demonstrated by the narrative in the Strategic report which covers the delay to the implementation of the Custody and Settlement System, and the balanced reporting on Key Performance Indicators in the Strategic and Directors Remuneration Reports.
Understandable	• Having a meaning or nature that can be understood. • Able to be accepted as normal.	• Is there a clear and cohesive framework for the Annual Report? • Is the report written in accessible language? • Are the messages clearly drawn out?	The structure of the Annual Report focuses on the key strategic messages in the Strategic Report and has a clear structure with important themes drawn out with sufficient details and examples provided where appropriate.

Internal audit

The Group's internal audit function is outsourced to BDO, who directly report to the Committee and were appointed in 2016.

The Committee continues to believe that the outsourcing model delivers enhanced benefits including the availability of a wider range of skills and resources than an internal model could provide. Christian Bellairs, a senior partner at BDO, attends the Audit Committee and the Executive Committee meetings as a standing attendee.

The Committee approves and inputs into the internal audit plan. The plan for the year was created based on the key risks identified by the Board as well as other key areas identified by the Executive Committee members. The Committee receives quarterly reports on all internal audits conducted and progress against the plan. The plan is reviewed midway through the year to ensure it remains relevant and Committee members are given the opportunity to change the scheduling or topics for consideration. All internal audit reports are available to the Committee and Board.

The internal audit plan runs from January to December and the Committee evaluated the effectiveness of the internal auditor in January 2021. A review was conducted by the Chief Financial Officer and shared with the Chief Executive Officer and Chief Risk Officer to assess the progress BDO made against the recommendations set out in the previous effectiveness review.

The findings were positive, enhancements had been made by BDO in line with recommendations made. Based on the review, the Committee were satisfied that BDO continued to provide an effective service and the current outsourcing model remained appropriate.

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, all of which are closely related to performance of the external audit. It also provides an approval process for the provision of any other non-audit services.

The External Auditor Independence Policy of the Group has been reviewed and updated in the context of the latest Financial Reporting Council's Ethical Standard 2019, the EU Directive (No.537/2014) and the 2018 UK Corporate Governance Code. This policy is available to view on the website https://www.brewin.co.uk/group/investor-relations.

The Board generally only uses the external auditor for audit and audit-related activities. Where the external auditor is recommended by management 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. An analysis of the auditor's remuneration is provided in note 7 to the Financial Statements.

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.

Ernst & Young LLP was appointed at the AGM in February 2021 to audit the year ended 30 September 2021 with Matt Price appointed as senior statutory auditor for a maximum five year term as lead audit partner.

External Auditor effectiveness

The Committee assesses the effectiveness of the External Auditor on an annual basis. EY was appointed as Auditor in February 2021 and therefore its effectiveness will be reviewed in January 2022 following the 2021 year-end audit.

Committee Chair's introductory statement

Caroline Taylor
Non-Executive Director

Dear shareholder

On behalf of the Remuneration Committee (the 'Committee') and the Board, I am pleased to present the Directors' Remuneration Report (the 'Report') for the year ended 30 September 2021. At the 2022 AGM, the Report will be submitted for the usual, annual advisory vote. The Report for the year ended 30 September 2020 received overwhelming support at the 2021 AGM, with 97.8% of votes in favour.

Directors' Remuneration Policy (the 'DRP')

The DRP was last approved by shareholders at the AGM held in February 2020, with 89.52% of votes in favour. The approved DRP included an increase in the Minimum Shareholding Requirement for Executive Directors, the introduction of a post-cessation shareholding requirement, and modifications to variable pay policy to bring it closer into line with market practice. No changes to pension policy were made; Brewin Dolphin's Executive Directors are eligible only for the statutory auto-enrolment minimum pension (3% of qualifying earnings), which is less than the median pension benefit provided to employees of the Company. No changes to the DRP are proposed for FY2022.

The Committee will review the current policy during the course of FY2022, in preparation for the next required vote at the AGM in 2023. This review will take account of the latest shareholder and voting agency guidance, and the changes to the FCA Remuneration Code for UK investment firms that take effect for Brewin Dolphin's FY2023 financial year, including a focus on the strategic ESG objectives. The review will also ensure continued adherence to provision 40 of the UK Corporate Governance Code that requires the Committee to address the following in determining the policy: clarity; simplicity; prudent risk management; predictability of outcomes subject to performance; proportionate link to performance; and, alignment to our culture and values. The Committee will consult with shareholders on any significant changes to policy.

ESG

This financial year has seen great progress for ESG initiatives, including the establishment of our ESG strategy, roles responsibilities and committees, launched a Sustainable MPS and 1762 Responsible Progress. These achievements are reflected in the Executive Directors' current non-financial objectives and have clear ownership at the Executive Committee level. We will continue to build the ESG-related objectives over the coming year, both in annual and longer term performance metrics.

The Remuneration Committee continued to monitor the Gender Pay Gap and CEO pay ratio. We are surveying our employees to provide the data we require to enable us to publish our ethnicity pay gap. The salaries of our employees already exceed the Living Wage Foundation's 'Real Living Wage' and we will soon to be able to confirm the same for our contractors.

Committee composition

The Committee comprises independent Non-Executive Directors, and the Non-Executive Chairman of the Board, who was independent upon his appointment. Caroline Taylor was appointed as Committee Chair on 1 October 2018. Caroline was a member of the Committee for four years prior to being appointed as Chair. The other Committee members are Toby Strauss, Joanna Hall (appointed to the Committee 16 June 2021) and Ian Dewar. Simonetta Rigo resigned from the Committee in November 2020 and Mike Kellard was a member of the Committee from December 2020 to June 2021 as an interim replacement. There is cross-membership with the Risk Committee to help ensure alignment between the Group's key risks and its remuneration policy. The Chairman of the Risk Committee and Chief Risk Officer attend relevant Remuneration Committee meetings, to advise the Committee on risk and compliance factors relevant to remuneration. The Chair of the Remuneration Committee also attends Risk Committee meetings, at least annually. Further details of Remuneration Committee membership and attendance can be found on page 66. The responsibilities of the Committee, which include determining remuneration for all Material Risk Taker roles and oversight of remuneration across the Group, are outlined in the Committee's Terms of reference, a copy of which can be found at brewin.co.uk/group/investor-relations.

Change of Board Chairman, and new Executive Director

Simon Miller stepped down as Board Chairman at the AGM on 5 February 2021 after 16 years distinguished service to the Company. The Board was delighted to appoint Toby Strauss as his successor. Charlie Ferry, Managing Director of Wealth and Investment, was promoted to Executive Director effective 17 March 2021 following regulatory approval of his appointment. Toby's fees as Board Chairman and Charlie's remuneration details as a Board Director are included in this Report.

Base salary

The Committee reviewed base salaries on 1 January 2021 as usual, and determined that there was to be no general employee salary increase. Therefore there was no increase to the Chief Financial Officer's salary in line with other employees. The Committee noted, however, that the Chief Financial Officer's salary was below median for a company of Brewin Dolphin's size, and the minimal level of pension and benefits for the Company's executives meant that total fixed remuneration was below the lower quartile.

The Managing Director, Wealth Management and Investment, joined the Board in March 2021 on a base salary of £395,000.

As detailed in full in the Remuneration Report for FY2020, the Committee had determined, on Robin Beer's promotion to Chief Executive in June 2020, that his base salary should progress towards the market benchmark level of £500,000 in stages. This benchmark is at the lower quartile of the FTSE 250 and is also in the context of Brewin Dolphin's minimal level of pension provision for executives. Robin's base salary was set at £445,000 on appointment in 2020, with a plan to increase this to £472,500 in January 2021, and then to £500,000 in January 2022, subject to Robin's performance and development in the role. Following a review of Robin's strong performance so far in the role, the Committee confirmed the planned increase to £472,500 effective 1 January 2021.

Annual bonus outcome for FY2021

As in previous years, annual bonus for FY2021 was weighted 60% on financial metrics, and 40% based on challenging operational, strategic and personal objectives. As described in the last Remuneration Report, the three financial metrics for FY2021 were adjusted Profit Before Tax, total income and organic net funds inflow to our discretionary wealth management service, each weighted at 20% of the total annual bonus scorecard.

Performance for all three of these financial metrics was outstanding. Total income and adjusted PBT grew by 12.3% and 16.2%, respectively, relative to FY2020. Net discretionary funds inflow was 6.1%, compared to 3.5% in FY2020. These excellent performances resulted in a maximum bonus being payable for financial performance (90% of base salary).

An overall strong performance was also achieved across the range of challenging, non-financial performance criteria, including our environmental and social goals, as detailed later in this Report. This resulted in bonuses of between 39.0% and 41.4% of base salary (out of a maximum 60% of base salary) for these non-financial criteria.

As a result of both the financial and non-financial performance, a total bonus ranging from 129.0% to 131.4% of base salary (out of a maximum possible bonus of 150% of base) was achieved across the three Executive Directors.

Charlie Ferry's annual bonus award for his service as a Director was pro-rata to time served on the Board since his promotion on 17 March 2021, as detailed in the Report. He was also rewarded for his previous role to this date.

Between 37.5% and 38.6% of the Executive Directors' bonuses for FY2021 have been deferred into shares under the Deferred Profit Share Plan for three years, in accordance with the Policy, to further enhance the alignment with shareholders.

LTPP granted in December 2018

The performance period for the 2018 LTPP ended on 30 September 2021. The LTPP grant was weighted 50% on the compound annual growth rate (CAGR %) in adjusted EPS and 50% based on annual average organic discretionary funds inflow (%), both measured over the three performance years.

The three-year EPS CAGR was 3.1% per annum compared to a target range of 5% to 15% between threshold and maximum. This resulted in zero vesting in respect of this metric. Organic discretionary net funds inflow averaged 4.6% per annum, compared with a target range of 3% to 9% from threshold to maximum. This resulted in an overall vesting level of 26.0% of maximum for the 2018 LTPP grant. The vested shares, net of sales to settle income tax on vesting, are subject to a two-year, post-vesting holding period.

Discretion

The Committee determined that the bonus payment and LTPP vesting outcomes were a fair reflection of the overall performance achieved, including the total financial, non-financial, and risk management performance of the Company in the last year, and for the thee-year performance period in the case of the LTPP.

They also concluded that no unjustified 'windfall gains', unrelated to performance or resulting from abnormally depressed shares prices at the time of the LTPP grant, had occurred. Therefore no discretion was required to be exercised to override the bonus and LTPP outcomes that had been determined according to the relevant performance targets and criteria.

LTPP granted during the year

The Chief Executive and Chief Financial Officer each received an LTPP grant of 150% of base salary during the course of the FY2021 financial year. The metrics are adjusted EPS CAGR (%), average annual organic net discretionary funds inflow (%), and average annual growth in total income (%), each with a one-third weighting. The performance period is the three financial years ending 30 September 2023. A two-year post-vesting holding period applies. Charlie Ferry also received an award under the LTPP in November 2020 prior to his appointment as an Executive Director.

Annual bonus and LTPP grants for the next performance periods

The Committee has carefully considered the performance conditions for annual bonus and LTPP for the forthcoming periods. Annual bonus performance criteria for FY2022 will continue to be set using a weighting of 60% financial performance and 40% on non-financial criteria. Financial criteria will comprise growth in adjusted PBT (20% weighting), organic net discretionary funds inflow (20% weighting) and total income (20% weighting).

LTPP awards will be granted as usual during in FY2022 at the level of 150% of base salary in accordance with the policy. The performance conditions for the grants to be made in FY2022 will be adjusted EPS CAGR (%), average organic discretionary funds inflow (%) and average total income growth (%), each measured over 3 years.

The continued use of a total income growth metric in these scorecards is aligned to the Group's strategic goals of growing revenues from a range of activities. Net fund inflows are an essential pre-condition of continued strong growth in the business, and the 3-year EPS and 1-year PBT metrics are a good indication of the value created for our shareholders.

Regulatory change

Brewin Dolphin is currently subject to the FCA's IFPRU Remuneration Code (19A). This regulatory framework for remuneration is changing with the implementation of the UK Investment Firms Prudential Regime and the new FCA Remuneration Code (19G) that accompanies it. The Committee is monitoring these developments, and considering any implications for our remuneration policies and practices, both for our Executive Directors and other key Material Risk Taker roles. This will include reviewing our current structure of variable pay deferral, and the portion of variable pay that is delivered in shares with holding periods. The Committee will consult with shareholders if any substantive changes are required to the remuneration of Directors as a result of regulatory developments in addition to other changes that will be included in the Policy review. The Committee also reviewed how remuneration works for the executives in our Irish business to ensure compliance with Investment Firms Directive and Investment Firms Regulation (IFR and IFD).

TSR performance

Brewin Dolphin's long-term total shareholder return performance relative to the wider market has been excellent. £100 invested in the Company at the end of September 2011 was worth £482 at the end of September 2021, compared to £219 if it had been invested in the FTSE All Share Index.

Conclusion

I thank shareholders for voting in favour of our Remuneration Report at the last AGM. The Committee has continued to ensure that remuneration outcomes are aligned with performance and with the long-term interests of our shareholders. I hope you find this year's report informative, and that you will continue to give the Committee your support.

Caroline Taylor
Chairman of the Remuneration Committee

23 November 2021

What the Committee has focused on during the year

Area	Action in the meeting	Result
Executive Directors' remuneration	• Determined the terms of the service agreement of the newly promoted Executive Director. • Reviewed the Executive Directors' salaries, bonus and other awards.	The approval of the service agreement for the newly promoted Executive Director.
Share based awards	• Assessed and approved the 2018 LTPP vesting. • Approved the LTPP performance criteria and other share-based incentive plan awards. • Reviewed LTPP share plan rules to bring in line with the Directors' Remuneration Policy. • Extended the share based plans to employees in Ireland.	The performance metrics of the LTPP were reviewed to ensure that they remained appropriate and stretching. The Committee was satisfied that it remained an effective reward mechanism.
Governance	• Discussed the outcome of the Committee performance evaluation report. • Discussed the outcome of the AGM voting on the Remuneration Policy. • Reviewed and updated the Terms of Reference for the Committee. • Reviewed the effectiveness of external remuneration advisors. • Conducted and completed a tender process for external remuneration advisors.	Outcomes from the 2021 Committee evaluation were discussed and an action plan agreed. Agreed to consult with shareholders who had voted against the Policy and enhance the consultation process. Monitored the views of shareholders and voting agencies prior to finalising remuneration arrangements for year end FY2021. Following the tender of the external remuneration advisors, agreed to retain Alvarez & Marsal.
Core compliance	• Assessed and approved annual bonus outcomes, including deferral awards under the Deferred Profit Share Plan. • Reviewed the Directors' Remuneration Report for the Annual Report. • Reviewed the Group's remuneration budget and other employee incentives. • Identified and approved the individual compensation for the Material Risk Takers (MRTs). • Reviewed the process and guidelines for annual remuneration for the entire employee workforce. • Debated the impact of market volatility on the minimum shareholding requirement and post-employment shareholding requirement.	Our core processes ensure alignment of remuneration with performance and regulatory requirements.
Regulatory	• Received reports from the Chief Risk Officer on conduct risk. • Approved the changes to the Remuneration Policy Statement for submission to the FCA and Pillar III disclosures. • Received regular updates on changes in regulation and trends in remuneration, including the impact of COVID-19 and the Investment Firms Prudential Regime. • Received regular updates on diversity and inclusion initiatives including the results of the Gender Pay Gap Report and the CEO pay ratio. • Reviewed and complied with Investment Firms Directive and Regulation for Brewin Dolphin Ireland.	The Committee received an update from the Chief Risk Officer on conduct risk for Executive Directors, Executive Committee members, the Company Secretary and MRTs. The outcomes were then used to inform bonus and profit share allocations. Ensured our Remuneration Policy and processes are in compliance with the relevant regulation in the UK and Ireland.

Annual Report on Remuneration

This part of the Directors' Remuneration Report has been prepared in accordance with Part 3 of the revised Schedule 8 set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, and 9.8.6 of the Listing Rules. The financial information in this part of the Directors' Remuneration Report has been audited where indicated.

Total remuneration for the financial year to 30 September 2021 (Audited)

£'000	Year	Salary & fees	Benefits[1]	Pension[2]	Annual bonus[3]	Long-term Performance Plan[4,5]	Total	Total fixed remuneration	Total variable remuneration
Executive Directors									
Robin Beer[4,5]	2021	465	1	1	621	76	1,164	467	697
	2020	131	–	–	93	60	284	131	153
Siobhan Boylan	2021	333	1	1	438	–	773	335	438
	2020	329	1	1	240	–	571	331	240
Charlie Ferry[6]	2021	214	1	–	276	76	567	215	352
	2020	–	–	–	–	–	–	–	–
Non-Executive Chairman									
Toby Strauss[7]	2021	129	–	–	–	–	129	129	–
	2020	–	–	–	–	–	–	–	–
Non-Executive Directors									
Ian Dewar	2021	87	–	–	–	–	87	87	–
	2020	87	–	–	–	–	87	87	–
Caroline Taylor	2021	77	–	–	–	–	77	77	–
	2020	77	–	–	–	–	77	77	–
Mike Kellard[8]	2021	62	–	–	–	–	62	62	–
	2020	62	–	–	–	–	62	62	–
Phillip Monks	2021	70	–	–	–	–	70	70	–
	2020	39	–	–	–	–	39	39	–
Pars Purewal[9]	2021	24	–	–	–	–	24	24	–
	2020	–	–	–	–	–	–	–	–
Joanna Hall[10]	2021	18	–	–	–	–	18	18	–
	2020	–	–	–	–	–	–	–	–
Former Executive Director									
David Nicol[11]	2021	–	–	–	–	–	–	–	–
	2020	311	1	–	227	–	539	312	227
Former Non-Executive Chairman									
Simon Miller[12]	2021	71	–	–	–	–	71	71	–
	2020	200	–	–	–	–	200	200	–
Former Non-Executive Directors									
Kath Cates[13]	2021	27	–	–	–	–	27	27	–
	2020	77	–	–	–	–	77	77	–
Paul Wilson[14]	2021	–	–	–	–	–	–	–	–
	2020	2	–	–	–	–	2	2	–
Simonetta Rigo[15]	2021	12	–	–	–	–	12	12	–
	2020	62	–	–	–	–	62	62	–
Total	**2021**	**1,590**	**2**	**3**	**1,334**	**152**	**3,081**	**1,595**	**1,486**
Total	2020	1,378	2	1	560	60	2,001	1,380	620

1. Benefits relate to death-in-service insurance and private medical insurance. Executives can also elect to use part of their total fixed remuneration to fund additional benefits. These amounts are disclosed as part of the 'salary and fees' figure.
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 Group 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 bonus. Any sums sacrificed from bonus have been shown in the bonus column, with the related employer contribution of 13.8% shown in the pension column.
3. This relates to the payment of the annual bonus which is subject to a mandatory deferral policy as set out on page 97.
4. The value of the long-term incentive is the value of shares for the 2018 LTPP award where the performance period ends at the end of the current financial year; 26.0% has vested in the current period. The figure for FY2021 has been calculated using the average of the Group's Q4 share price in the three-month period to 30 September 2021, being £3.76 (rounded). The actual vesting date of the 2018 LTPP award is 29 November 2021.

   The figure included for the 2017 LTPP in FY2020 has been updated from the three-month average figures used in last year's report (being £52,490 based on a share price of £2.53 (rounded) to take into account the Group's share price on the date of vesting, 14 December 2020 (13 December 2020 being a Sunday), being £2.89 (rounded). The LTPP figure for FY2020 in the table above includes £7,469 which is attributable to the movement in the share price between the grant date, (13 December 2017) and the end of the performance period (30 September 2020). This amounts to 12.46% of the vesting amount shown in the table.
5. The LTPP figure for FY2021 in the table above includes £10,901 which is attributable to the 2018 LTPP and relates to the movement in the share price between the grant date (29 November 2018) and the end of the performance period (30 September 2021). This amounted to 14.36% of the vesting amount shown in the table.
6. Charlie Ferry was appointed to the Board on 17 March 2021. His remuneration is pro-rated from the date of appointment. The LTPP figure for FY2021 in the table above includes £10,901 which is attributable to the movement in the share price between the grant date (29 November 2018) and the end of the performance period (30 September 2021). This amounted to 14.36% of the vesting amount shown in the table.

7. Toby Strauss was appointed to the Board on 5 February 2021.
8. In addition to the fees set out above which are in relation to his Brewin Dolphin Holdings PLC directorship, Mike Kellard receives an annual fee of €40,000 in relation to his position as a Non-Executive Director of Brewin Dolphin Wealth Management Limited (BDWM), the Group's Irish subsidiary.
9. Pars Purewal was appointed to the Board on 12 May 2021.
10. Joanna Hall was appointed to the Board on 16 June 2021.
11. David Nicol stepped down from the Board on 14 June 2020. His salary and bonus are pro-rated until the date of his retirement.
12. Simon Miller stepped down from the Board on 5 February 2021.
13. Kath Cates stepped down from the Board on 5 February 2021.
14. Paul Wilson stepped down from the Board on 9 October 2019.
15. Simonetta Rigo stepped down from the Board on 13 November 2020.

Appointment of Charlie Ferry as Executive Director (Audited)

Charlie Ferry was appointed as Executive Director and joined the Board on 17 March 2021. His remuneration package upon appointment was determined in accordance with the Directors' Remuneration Policy, as follows:

- Base salary £395,000.
- Pension contribution of 3% of qualifying earnings (statutory minimum pension contribution). Charlie Ferry has opted out of this entitlement and does not receive cash in lieu.
- Annual bonus up to a maximum of 150% of base salary, subject to performance conditions, three-year deferral and time-proration for the period worked during the year.
- Charlie Ferry will be eligible for LTPP awards of up to 150% of base salary for the financial year ended 30 September 2021 onwards, subject to performance conditions measured over three years and a two-year post-vesting holding period (net of tax).

Base salary review (Audited)

Salaries are normally reviewed in Q4, to take effect from 1 January 2021 each year. An increase of 6% (£27,500) was awarded to the Chief Executive Officer (Robin Beer) in accordance with the plan set out in his appointment and explained in the Committee Chairman's introductory statement. The Chief Financial Officer did not receive a salary increase, on 1 January 2021, in line with other employees.

	Salary as at 30 September 2020 (or date of appointment)	**Salary as at 30 September 2021**	Change
Robin Beer	£445,000	**£472,500**	6.2%
Siobhan Boylan	£333,000	**£333,000**	–
Charlie Ferry	£395,000	**£395,000**	–

Annual variable pay outcomes for 2021

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. The maximum annual bonus for each individual Executive Director is 150% of base salary. For the financial year ended 30 September 2021, the bonus award opportunity for on-target performance was 90% of base salary. The Committee has the discretion to adjust the final outcome to take account of overall Group performance and exceptional events.

Overall outcome

Criteria	Weighting	% of salary at maximum	% of maximum total bonus paid	% of base salary
Financial	60%	90%	60%	90%
Non-financial	40%	60%	26-27.6%	39-41.4%
Total		150%	86-87.6%	129-131.4%

Performance for financial criteria

Key Performance Indicator	Weighting	Threshold 25% of salary	On-target 90% of salary	Maximum 150% of salary	Actual for year ending 30 September 2021	% of salary awarded for this criterion	Comment
Adjusted[1] PBT	20%	£70.0m	£73.5m	£80.0m	£90.9m	30%	Targets set in relation to prior year performance and budget
Discretionary net funds inflow[2]	20%	1.0%	2.0%	6.0%	6.1%	30%	Targets set in relation to prior year performance and budget
Total income	20%	£360.0m	£370.0m	£380.0m	£405.9m	30%	Targets set in relation to prior year performance and budget
Outcome						90%	

1. See explanation of adjusted performance measures on page 27.
2. Adjusted to exclude internal transfers.

Performance for non-financial criteria

Team KPIs

Criteria and weightings	Key metrics/targets	Performance achieved	Rating for each criterion (out of 5)
More choice for more clients 20%	• Successfully develop and implement attractive ESG client offerings, according to business plan, timetable and budget.	• Management and governance infrastructure well-embedded for ESG framework and offering. • New ESG initiative successfully launched on time and budget. Including Responsible Progress (for 1762), Sustainable MPS, ESG DashBoard being piloted in Charities. • UN Principles for Responsible Investment and Carbon Disclosures Project (environment) reports successfully submitted. • Accepted as FRC Stewardship Code signatory.	4.5
	• Successfully augment other investment offerings.	• Successful launch of Voyager funds on 19 Platforms, and rebalancing tool launched in 4 offices with Manchester pilot team. • Successful pilot of new B2B offering with 30 new clients, and additional pipeline established.	
	• Maintain high Net Promoter Score (NPS) and client satisfaction relative to industry benchmarks.	• Overall client satisfaction improved to 8.8/10 from 8.7 (benchmark 8.6) and NPS is the Group's highest at 56%, up from 51% (benchmark 49%).	
Digital client experience 15%	• Deliver enhanced BPS user experience journey by end Q2, with increased inflows. Enhance digital on-boarding for clients, Wealthpilot and MyBrewin functionality. • Develop digital client on-boarding by year end.	• BPS user experience data is positive with inflows of £65.6m. Active portfolios are now available on BPS. • WealthPilot implementation successfully completed and transferred into business as usual. Six B2B Partners using the tool. The migration of suitable clients to WealthPilot is slower than expected. • Over 30 large intermediary partners live with paperless MyBrewin solution. • Significant progress in digital on-boarding, but further work required.	3.0
Maintaining culture 15%	• Deliver Future Wealth Manager (FWM), and other talent development programmes. • Achieve high levels of employee engagement relative to industry benchmarks levels. • Deliver effective diversity and inclusion, and wellbeing programmes, and drive towards Hampton Alexander goals. • Drive corporate responsibility agenda. • Maintain robust risk management.	• Future Wealth Manager phases 1 and 2 successfully completed with 93 participants. • Four other talent programmes with 251 participants, including Emerging Talent, Aspire Manager, Aspire Lead and Emerging Leaders. • Employee engagement score of 88%, 10 points above financial services benchmark. 14 point engagement score improvement in Ireland. • Diversity and wellbeing – 9 successful initiatives, including new race network, reverse mentoring of senior leadership and multiple training and initiatives on diversity and disability. Ranked first in FTSE 350 investment and wealth sector for Hampton Alexander report 2020. • Range of community and charity programmes successfully maintained: School for Social Entrepreneurs, payroll giving and matching, employee volunteering, community grant programme. • Successful roll-out of enhanced Group Risk Framework. Significant augmentation of Risk and Compliance Management Information achieved.	4.0

Team KPIs continued

Criteria and weightings	Key metrics/targets	Performance achieved	Rating for each criterion (out of 5)
Platform for Growth 30%	• Deliver new custody and settlement system, on time and budget, to achieve productivity gains. • Deliver Client Engage (CE) phase 1b. • Enhance data programme. • Complete strategic technology review in Ireland.	• The implementation of the new custody and settlement system is now being phased, with the old and new system dual running. It is expected that the new system will be live within our environment in autumn 2021 and the old system will be switched off in summer 2022. • Implemented phase 1b of the CE system; reductions in on-boarding time made but further improvements and benefit realisation required. • Enhanced data programme underway. Two new MI apps for client facing teams implemented with circa 60,000 views over last 12 months. • Completed phase 1 of Ireland strategic technology review.	2.0

Personal KPIs

Criteria and weightings	Key metrics/targets	Performance achieved	Rating for each criterion (out of 5)
Robin Beer (CEO) 20%	• Achieve strong and effective leadership for the Group's key strategic projects. • Achieve high score for leadership in employee engagement survey. • Further enhance good relationships between Group and key external stakeholders. • Receive good feedback from Non-Executive Directors for contribution to Board discussions and decisions and overall leadership of Group.	• Provided effective leadership and support to key projects across the Group, with particular emphasis on the key IT projects and ESG agenda. • Achieved high leadership score in employee engagement survey: 20 percentage points above the financial services industry benchmark. • Continued to build good relationships with regulators and shareholders. • Achieved positive feedback from Non-Executive Directors on personal leadership and Board contribution.	4.5
Siobhan Boylan (CFO) 20%	• Achieve strong and effective leadership of financial aspects of the Group's key strategic projects. • Take personal lead in communications with shareholders and analysts. • Undertake review of Group's brokers and advisers. • Deliver constructive challenge around efficiency and costs. • Receive good feedback from Non-Executive Directors for contribution to Board discussions and decisions and financial leadership of Group.	• Undertaken key role in financial management of major projects, including achieving material cost savings. • Good feedback on quality of interactions with shareholders and analysts. • Led successful review and appointment of advisers and brokers. • Has led further enhancements in managing efficiency and costs, including through regular meeting cycles with senior business heads, and strategic project teams. • Achieved positive feedback from Non-Executive Directors on personal leadership and Board contribution.	4.5
Charlie Ferry (Managing Director Wealth and Investment) 20%	• Implementation of new organisation design in Wealth and Investment, maintaining alignment with SMCR requirements. • Drive successful progress and outcomes on key strategic projects within remit. • Receive good feedback from Non-Executive Directors for contribution to Board discussions and decisions, and leadership of Wealth and Investment.	• New organisation structure implemented, on time. Enhancing clarity of accountabilities, together with new governance and oversight of client information and analysis. • Three out of four strategic projects under leadership rated 'green' (on plan). Has also taken a key role in supporting employee development programmes. • Achieved encouraging feedback from Non-Executive Directors on personal leadership. Some areas of development in Board contribution to focus on, as further matures in the Director role.	3.5

Across all of the non-financial KPIs, the weighted average rating out of 5 was 3.25-3.45, and this equated to a bonus of 39-41.4% of salary after applying the weighing which is 40% on non-financial criteria.

Bonus outcomes (Audited)

Based on assessment of performance, the Committee has awarded the following annual bonuses to the Chief Executive Officer, the Chief Financial Officer and Managing Director of Wealth and Investment, with the split between cash and deferred shares as indicated in the table below. The Executive Directors receive part of their annual variable pay under the Deferred Profit Share Plan ('DPSP') as a deferred award in Group shares, normally in the form of a nil-cost option. The options vest and become exercisable three years from the date of grant.

Both the share and cash elements of the bonus are subject to malus and clawback provisions. Please see the Directors' Remuneration Policy table on page 101 for further details. The Committee has the discretion to adjust the final outcome to take account of overall Group performance and exceptional events. After careful consideration, the Committee did not make any such adjustment for the bonuses in respect of the financial year ended 30 September 2021.

Name	Role	Cash	Deferred shares[1]	Total
Robin Beer	Chief Executive Officer	£381,122	£239,743	£620,865
Siobhan Boylan	Chief Financial Officer	£273,521	£164,041	£437,562
Charlie Ferry[2]	Managing Director of Wealth and Investment	£172,468	£103,538	£276,006

1. See deferral table below.
2. Charlie Ferry's total bonus figures are pro-rated for the period in his respective roles during the year. The deferral percentages are calculated based on his bonus and salary received as an Executive Director.

In accordance with the DRP, annual bonus awards are subject to deferral on the basis shown on the table below. This is designed to increase the deferral percentage at high levels of bonus.

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

Vested LTPP outcome for the three-year performance period ended 30 September 2021 (Audited)

The Chief Executive Officer and Managing Director, Wealth and Investment received a conditional share award granted under the LTPP in December 2018. The performance period for the grant was the three years ended 30 September 2021 and the performance criteria set are shown below:

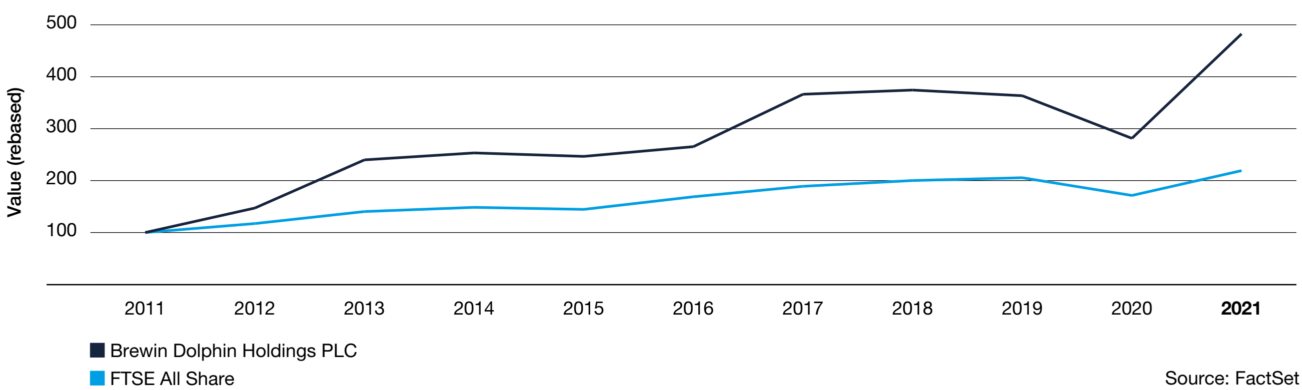
Criteria	Weighting	Threshold target	Full vesting target	Actual performance achieved	% of award to vest
Adjusted EPS Compound Annual Growth Rate ('CAGR')	50%	5.0%	15.0%	3.1%	0%
Average annual discretionary net funds growth[1]	50%	3.0%	9.0%	4.6%	26.0%
Blended pay out total					26.0%[2]

1. Average annual net inflows in discretionary funds expressed as a % of prior year discretionary funds. Between threshold and stretch, there is an additional inflection point at 5% growth with 75% vesting on this metric. The growth is adjusted to exclude internal transfers.
2. No discretion was exercised to override the vesting outcome, as the outcome is a fair reflection of performance achieved.

Chief Executive Officer pay for performance comparison

The graph below shows the value by 30 September 2021 of £100 invested in Brewin Dolphin Holdings PLC in September 2011. The other points plotted are the values at intervening financial year-ends. Brewin Dolphin's TSR has been compared against the FTSE All Share Index, which shows how the Group's shares have performed relative to the market as a whole.

Total Shareholder Return[1]



1. This graph shows the value, by 30 September 2021, of £100 invested in Brewin Dolphin Holdings PLC on 30 September 2011, compared with the value of £100 invested in the FTSE All Share on the same date.

The total remuneration figure for the director undertaking the role of Chief Executive Officer during each of the previous 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, the deferral amount is shown in the year in which it was awarded.

	2012	2013	2014	2015	2016	2017	2018	2019	DN[1] 2020	RB[1] 2020	Total 2020	**2021**
Total remuneration (£'000)	557	577	770	702	713	1,025	1,199	1,091	539	284	823	**1,164**
Annual bonus (% max)	39	63	80	67	60	82.6	71.1	57.6	48.0	48.0	48.0	**87.6**
LTPP vesting (% of award)	n/a	n/a	n/a	n/a	nil	16.2	74.6	61.8	–	32.2	32.2	**26.0**

The movement in the remuneration of the Directors between the current and previous financial year compared to that for the average UK Group employee is shown below. Executive Directors receive minimal benefits, other than those they purchase from their base salary. As such, an analysis of the movement in benefits for the Directors and the average employee was not considered to be practical or meaningful and has not been included in the below comparison.

	2019	2020	% change from 2019 to 2020	**2021**	**% change from 2020 to 2021**
Chief Executive – Robin Beer (£)[1]					
Salary	432,000	442,018	2.32%	**465,625**	**5.34%**
Bonus	375,840	320,400	(14.75)%	**620,865**	**93.78%**
Chief Financial Officer – Siobhan Boylan (£)[2]					
Salary	187,000	329,000	75.94%	**333,000**	**1.22%**
Bonus	162,000	239,760	48.00%	**437,562**	**82.50%**
Executive Director – Charlie Ferry (£)[3]					
Salary	N/A	N/A	N/A	**214,274**	**N/A**
Bonus	N/A	N/A	N/A	**276,006**	**N/A**
Chairman – Simon Miller (£)[4,11]					
Salary	180,000	200,000	11.11%	**70,512**	**(64.74)%**
Chairman – Toby Strauss (£)[5,11]					
Salary	N/A	N/A	N/A	**128,974**	**N/A**
Non-Executive Directors (£)[6,11]					
Kath Cates					
Salary	83,000	77,000	(7.23)%	**27,147**	**(64.74)%**
Ian Dewar					
Salary	77,000	87,000	12.99%	**87,000**	**0.00%**
Caroline Taylor					
Salary	70,000	77,000	10.00%	**77,000**	**0.00%**
Mike Kellard					
Salary	60,000	62,000	3.33%	**62,000**	**0.00%**
Phillip Monks[7]					
Salary	N/A	39,000	N/A	**70,230**	**80.08%**
Simonetta Rigo[8]					
Salary	60,000	62,000	3.33%	**12,479**	**(79.87)%**
Pars Purewal[9]					
Salary	N/A	N/A	N/A	**24,005**	**N/A**
Joanna Hall[9]					
Salary	N/A	N/A	N/A	**18,123**	**N/A**
Average per employee (£)					
Salary	53,860	56,820	5%	**57,500**	**1.20%**
Bonus	31,178	27,763	(11)%	**33,436**	**20.43%**

1. The salary and bonus for Chief Executive for FY2020 is the sum of the salary and bonus received by each of David Nicol and Robin Beer for the respective periods that they served as Chief Executive.
2. Siobhan Boylan's salary and bonus for FY2019 were pro-rated based on her period of service as a Director, circa 7 months.
3. Charlie Ferry joined the Board from 17 March 2021.
4. Simon Miller stepped down from the Board on 5 February 2021.
5. Toby Strauss joined the Board from 5 February 2021.
6. Kath Cates stepped down from the Board from 5 February 2021.
7. Phillip Monks is the Risk Committee Chairman. The fee for this role is £15,000.
8. Simonetta Rigo stepped down from the Board on 13 November 2020.
9. Pars Purewal was appointed to the Board on 12 May 2021.
10. Joanna Hall was appointed to the Board on 16 June 2021.
11. Bonuses are not awarded to the Chairman and Non-Executive Directors.

Chief Executive Officer pay ratio

We have provided the Chief Executive Officer's pay ratio information below for the year ending September 2021, in comparison with the ratio for the prior years.

In accordance with the regulatory requirements, the table below sets out the ratio between the Chief Executive Officer's total remuneration and the median, 25th and 75th percentile of the total remuneration amongst our UK employees. Total remuneration reflects all remuneration received by an individual in respect of the relevant year, including base salary, benefits, pension, annual bonus awarded, and the value vested from any long-term incentive.

Out of the three alternative methods available under the regulations for calculating the ratio, we chose to use Option A. It is the most precise way of identifying employees at P25, P50 (median) and P75, and is generally preferred under shareholder guidelines. Under this approach we calculated total remuneration on a full-time equivalent basis for all of our UK employees and ranked these figures to arrive at the median and the other percentiles.

Percentile	Total Remuneration 2019	Ratio 2019	Total Remuneration 2020[1]	Ratio 2020[1]	**Total Remuneration 2021[2]**	**Ratio 2021[2]**
25th percentile	£31,930	34:1	£33,613	29:1	**£35,508**	**32:1**
50th percentile	£53,026	20:1	£55,678	17:1	**£60,541**	**18:1**
75th percentile	£100,934	11:1	£100,536	9:1	**£105,505**	**10:1**

1. In last year's Report, the final figures for employee variable pay were estimated (as the distribution of the pool was not finalised at the time of calculation), but this did not have a significant impact on the ratio. The figures shown above for FY2020 have been adjusted to reflect the final distribution of the variable pay pool.
2. The final figures for employee variable pay for FY2021 are estimated (as the distribution of the pool was not finalised at the time of calculation) but this is not expected to have a significant impact on the ratio. Final figures will be updated in next year's Report.

The table below provides further information on the base salary component within total remuneration.

Percentile	Salary 2019	Ratio 2019	Salary 2020	Ratio 2020	**Salary 2021**	**Ratio 2021**
25th percentile	£27,150	15:1	£25,888	17:1	**£25,936**	**17:1**
50th percentile	£41,478	10:1	£41,025	10:1	**£41,625**	**11:1**
75th percentile	£69,508	6:1	£70,059	6:1	**£69,305**	**6:1**

Our ratio for FY2021 of 18:1 to our median employee total remuneration, is significantly lower than the median of the ratios in other FTSE 250 companies, which is 30:1 based on latest available data. The ratio is also slightly higher than for FY2020, reflecting higher annual bonus but a similar level of LTPP vesting for the Chief Executive Officer role based on performance. This relatively low ratio is consistent with the pay, reward and progression policies applicable to the company's employees as a whole. All employees are eligible for incentives, salaries are based on role size and market benchmarks, and there are similar benefits and lower levels of pension contribution for the Chief Executive Officer compared to the median employee.

Our Chief Executive Officer's total remuneration package is relatively low compared to other companies of our size, with below-market median salary, limited pension benefit, and relatively low maximum variable pay to date. It is important to recognise that the ratio is likely to fluctuate from year to year, especially as it is influenced by LTPP vesting value outcomes which vary with share price as well as performance outcomes. It may also be affected by: changes made to the LTPP grant size in accordance with the policy approved by shareholders in 2020, as these grant levels flow through to vesting; and, the effect of the higher base salary that will be applicable to the Chief Executive Officer, as detailed elsewhere in this report.

Gender Pay Gap

The Group seeks to create an inclusive workplace with a diverse workforce. The Committee monitors the Gender Pay Gap on a regular basis, and there is a strategy in place to narrow the gap. The mean hourly pay gap improved between FY2020 and FY2021, with figures of 32.55% and 29.69% respectively. Although these gaps are higher than the national average, they are similar to levels elsewhere in the financial services sector. They reflect the profile of the workforce at different job levels, rather than differences in pay between men and women in the same role. Further details are available on the Company's website.

Directors' share interests (Audited)

Outstanding share options and conditional share awards

The tables below set out details of Executive Directors' outstanding share awards (which will vest in future years subject to performance and/or continued service). The share price at 30 September 2021 was 383p.

Share options – Deferred Profit Share Plan ('DPSP')

	Grant Date	Exercise Price	Number of shares at 1 October 2020	Granted during year	Exercised during year	Lapsed during year	**Number of shares at 30 September 2021[1]**	End of Performance Period	Maturity Date	End of Exercise Period
Robin Beer	30/11/17	0.00p	27,501	–	27,501	–	**–**	n/a	30/11/20	30/11/23
	29/11/18	0.00p	34,678	–	–	–	**34,678**	n/a	29/11/21	29/11/24
	28/11/19	0.00p	30,434	–	–	–	**30,434**	n/a	28/11/22	28/11/25
	26/11/20	0.00p	–	34,535	–	–	**34,535**	n/a	26/11/23	26/11/26
Total			92,613	34,535	27,501	–	**99,647**			

	Grant Date	Exercise Price	Number of shares at 1 October 2020	Granted during year	Exercised during year	Lapsed during year	**Number of shares at 30 September 2021[1]**	End of Performance Period	Maturity Date	End of Exercise Period
Siobhan Boylan	28/11/19	0.00p	12,339	–	–	–	**12,339**	n/a	28/11/22	28/11/25
	26/11/20	0.00p	–	22,671	–	–	**22,671**	n/a	26/11/23	26/11/26
Total			12,339	22,671	–	–	**35,010**			

	Grant Date	Exercise Price	Number of shares at 1 October 2020	Granted during year[1]	Exercised during year	Lapsed during year	**Number of shares at 30 September 2021[1]**	End of Performance Period	Maturity Date	End of Exercise Period
Charlie Ferry	30/11/17	0.00p	34,139	–	34,139	–	**–**	n/a	30/11/20	30/11/23
	29/11/18	0.00p	41,407	–	–	–	**41,407**	n/a	29/11/21	29/11/24
	28/11/19	0.00p	36,714	–	–	–	**36,714**	n/a	28/11/22	28/11/25
	26/11/20	0.00p	–	42,060	–	–	**42,060**	n/a	26/11/23	26/11/26
Total			112,260	42,060	34,139	–	**120,181**			

1. Options under the Deferred Profit Share Plan were granted, in respect of a portion of the annual bonus earned for performance in FY 2020.

Conditional share awards – Long Term Performance Plan ('LTPP')

	Grant Date	Number of shares as at 1 October 2020	Granted during year[2]	Vested during year	Lapsed during year	**Number of shares at 30 September 2021**	End of Performance Period	Vesting date
Robin Beer	29/11/18[1]	77,639	–	20,186	57,453	**–**	30/09/21	29/11/21
	28/11/19	72,463	–	–	–	**72,463**	30/09/22	28/11/22
	26/11/20	–	239,247	–	–	**239,247**	30/09/23	26/11/23
Total		150,102	239,247	20,186	57,453	**311,710**		

	Grant Date	Number of shares as at 1 October 2020	Granted during year[2]	Vested during year	Lapsed during year	**Number of shares at 30 September 2021**	End of Performance Period	Vesting date
Siobhan Boylan	28/11/19	141,304	–	–	–	**141,304**	30/09/22	28/11/22
	26/11/20	–	179,032	–	–	**179,032**	30/09/23	26/11/23
Total		141,304	179,032	–	–	**320,336**		

	Grant Date	Number of shares as at 1 October 2020	Granted during year[2]	Vested during year	Lapsed during year	**Number of shares at 30 September 2021**	End of Performance Period	Vesting date
Charlie Ferry	29/11/18[1]	77,639	–	20,186	57,453	**–**	30/09/21	29/11/21
	28/11/19	72,463	–	–	–	**72,463**	30/09/22	28/11/22
	26/11/20	–	163,082	–	–	**163,082**	30/09/23	26/11/23
Total		150,102	163,082	20,186	57,453	**235,545**		

1. Actual vesting date is 29 November 2021. Figures shown are the number of shares vesting at the end of the three-year performance period, 30 September 2021.
2. Participants received awards under the LTPP with a face value of 150% of base salary. The awards are subject to the performance conditions as set out in last year's Remuneration Report.

Share Award Agreement ('SAA')

	Grant Date	Number of Shares at 1 October 2020	Granted during year	Vested during year	Lapsed during year	**Number of Shares at 30 September 2021**	Vesting date
Siobhan Boylan	29/03/19	45,810	–	45,810	–	**–**	30/04/21
	29/03/19	7,287	–	–	–	**7,287**	29/03/22
	29/03/19	32,278	–	–	–	**32,278**	02/05/22
Total		85,375	–	45,810	–	**39,565**	

Share awards were granted to Siobhan Boylan during FY2019 to replace the share awards forfeited on leaving her previous employer. These awards will vest from 2021 to 2022. Please see note 31 to the Financial Statements for more information.

Beneficial interests and Minimum Shareholding Requirement ('MSR')

To further align the interests of Executive Directors with shareholders, Executive Directors are required to build up a shareholding within five years of appointment date (15 June 2020 for Robin Beer, 4 March 2019 for Siobhan Boylan and 17 March 2021 for Charlie Ferry). Under the Directors' Remuneration Policy (DRP) that was approved by shareholders at the 2020 AGM, the current MSR for all Executive Directors is 200% of base salary. Executive Directors are also required to maintain a shareholding for two years post-cessation, in accordance with the DRP. This is enforced through a written agreement with the individuals.

Shares that count towards these requirements include shares owned outright by the Executive Director, the amount equal to the net of tax value of unvested awards granted under the DPSP, and under the Share Award Agreement for Siobhan Boylan, as they are unfettered by performance criteria, and net of tax LTPP share awards that have vested and been retained.

	As at 30 September 2021						
Director	Beneficially owned at 30 September 2020	Outstanding Deferred Profit Share Plan awards	Outstanding Long Term Incentive Plan Awards	Share Award Agreement	**Beneficially owned 30 September 2021[1]**	Percentage of base salary held[2]	Beneficially Owned at 20 November 2021
Robin Beer[4]	75,144	99,674	389,349	–	**139,352**	156%	139,440
Siobhan Boylan[3]	86,902	35,010	320,336	39,565	**111,105**	173%	111,105
Charlie Ferry[1,4]	n/a	120,181	313,184	–	**114,641**	173%	114,717
Simon Miller[1]	80,000	–	–	–	**n/a**	–	n/a
Toby Strauss[1]	n/a	–	–	–	**65,900**	–	65,900
Kath Cates[1]	5,587	–	–	–	**n/a**	–	n/a
Ian Dewar	6,358	–	–	–	**6,358**	–	6,358
Joanna Hall[1]	n/a	–	–	–	**–**	–	–
Michael Kellard	16,096	–	–	–	**16,096**	–	16,096
Phillip Monks	–	–	–	–	**32,670**	–	32,670
Pars Purewal[1]	n/a	–	–	–	**–**	–	–
Simonetta Rigo[1]	15,250	–	–	–	**n/a**	–	n/a
Caroline Taylor	14,500	–	–	–	**22,000**	–	22,000

1. Holdings as at year end or date of appointment/resignation if relevant.
2. Includes 53% of outstanding DPSP options and 53% of the 2018 LTPP award which will vest at 26.0% on 29 November 2021 but met its performance criteria on 30 September 2021. These are included on a net of tax basis.
3. Siobhan Boylan was appointed on 4 March 2019. Her shareholding includes share awarded under the Share Award Agreement, on a net of tax basis, which replaces the shares forfeited on leaving her former employer.
4. The increase of 88 shares for Robin Beer and 76 shares for Charlie Ferry were as a result of two monthly Share Incentive Plan purchases.

Deferred bonus

The Executive Directors receive part of their annual variable pay under the DPSP as a deferred award in Company shares, normally in the form of a nil-cost option. The option vests and becomes exercisable three years from the date of grant.

Share Incentive Plan ('SIP')

Employees may use funds from their gross salary up to a maximum of 10% of their gross salary in regular monthly payments (being not less than £10 and not greater than £150) to acquire Ordinary Shares in the Group ('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. These shares are held in an employee benefit trust (the 'Trust'). Market purchase shares are used to satisfy all shares purchased under the SIP and it is the intention of the Directors to continue this practice for the forthcoming financial year. Our participation rate as at 30 September 2021 is 60% and this compares favourably to market norms.

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, shall not exceed 10% of the issued share capital. Within this 10% limit, the aggregate number of shares which may be issued under discretionary schemes targeted at executives and other key roles shall not exceed 5% of the issued share capital in any 10-year rolling period. The current cumulative dilution level over the 10-year period to 30 September 2021 is 1.25%.

Material contracts with Directors

There were no material contracts between the Group and the Directors, except for their contracts of employment or letters of appointment. The Directors undertake transactions in 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.

Total pension entitlements

Executive Directors may opt to waive part of their salary and receive an equivalent defined pension contribution instead. They may also receive part of their annual bonus in the form of pension contribution. Robin Beer and Siobhan Boylan receive the statutory minimum contribution of 3% of their qualifying earnings. Charlie Ferry has opted out of this entitlement and does not receive cash in lieu.

Defined benefit pension scheme

Entry to the Group defined benefit pension scheme was withdrawn in 2004 for new employees.

Death-in-service benefits

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

Private Medical Insurance ('PMI')

Executive Directors are eligible for PMI cover at a rate of single cover. They may elect to add dependants to the policy at their own cost.

Group Income Protection ('GIP')

Executive Directors are eligible for GIP cover at the rate of 25% of their base salary. They may elect to increase this cover to 50% of base salary at their own cost.

Relative importance of the spend on pay (Audited)

	2020 '000	**2021 '000**	Change
Staff costs	£179,418	**£198,884**	11%
Dividends	£42,234	**£46,135**	9%

Staff costs – average salary per employee has increased by 1.2% and the average bonus per employee has increased by 20.43% respectively, however the overall staff costs number has increased due to increased head count and the impact of acquisitions (see page 94).

External advisers

The Remuneration Committee was advised by the Executive Compensation practice of Alvarez & Marsal. They are members of the Remuneration Consultants Group and abide by its code of conduct which requires advice to be impartial and objective. Alvarez & Marsal has no other connections with the Group. The total fees paid in respect of services provided by Alvarez & Marsal to the Committee during the year were £129,590.

External directorships

There are no external directorships held by the Executive Directors during the year.

Statement of shareholder voting

The Directors' Annual Report on Remuneration received the following votes from shareholders at the 2021 AGM:

	2020 Remuneration Policy vote	**%**	**2021 Annual Report on Remuneration**	%
Votes cast in favour	200,463,249	89.5%	218,559,929	97.76%
Votes cast against	23,475,000	10.5%	5,010,431	2.24%
Total votes cast	223,938,249		223,570,360	
Abstentions	170,857		45,220	

Fees for the Chairman and the Non-Executive Directors

As detailed in the Policy, the Group's approach to setting Non-Executive Directors' remuneration is with reference to the market levels in similar-sized FTSE companies, levels of responsibility and time commitments.

The Non-Executive Directors' fees were last reviewed during 2019. Effective 1 October 2021, the Non-Executive Directors' base fee was increased to £65,000. The Remuneration Committee agreed to increase the Chairman's fee to £210,000 effective 1 October 2021.

	1 October 2020	**1 October 2021**	Change in fees
Chairman	£200,000	**£210,000**	5.0%
Base fee	£62,000	**£65,000**	4.8%
Senior Independent Director	£10,000	**£10,000**	–
Committee chair	£15,000	**£15,000**	–

Performance targets for FY2022 annual bonus, and LTPP awards to be granted in FY2022

For FY2022, the annual bonus will be based on performance against a balanced scorecard comprising four key performance areas.

Key performance areas	Weighting (each measured independently)
Adjusted PBT	20%
Discretionary funds net inflows	20%
Total income	20%
Non-financial targets	40%

Targets for FY2022 annual bonus will be disclosed in next year's Report.

The LTPP awards to be granted in FY2022 will be subject to three separate performance metrics shown below, each accounting for one-third of the award. The targets have been set with reference to the internal medium-term plans. There is also a general underpin that 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.

LTPP performance metric	Weighting (each measured independently)	Threshold (25% vesting)	Stretch (100% vesting)	Measurement period
Adjusted EPS CAGR	33%	2.5%	10.0%	CAGR measured over the three financial years FY2022, FY2023 and FY2024, using FY2021 as the base year.
Average annual discretionary net funds inflows	33%	2.0%	6.0%	Average over the three financial years FY2022, FY2023 and FY2024.
Average annual total income growth	33%	2.0%	6.0%	Average over the three financial years FY2022, FY2023 and FY2024.

The Committee has amended the LTPP rules to allow for adjustment at or prior to vesting in FY2024 if the Committee considers there has been an unjustified windfall gain resulting from severely depressed market share prices at the time of grant. The Committee's assessment of whether an unjustified windfall gain has arisen will take account of all the circumstances, including the overall performance achieved by the Group, any ongoing impact of the COVID-19 pandemic, and the movement in stock market indices, on incentive plans and share awards.

Executive base salary review January 2022

Effective from 1 January 2022, Robin Beer's salary will be increased to £500,000 (5.8% increase) as explained in the Chairman's introductory statement.

An increase of 3.9% to £346,000 will be awarded to Siobhan Boylan, and an increase of 3.0% to £407,000 will be awarded to Charlie Ferry, effective from 1 January 2022. This is consistent with the levels of percentage increase awarded to our other employees.

Directors' Remuneration Policy (the 'Policy')

This Policy describes the policies, principles and structures that provide the parameters for the Remuneration Committee's decision-making in executive remuneration. The current Policy was approved by the shareholders at the 2020 AGM and is applicable to FY2020-2023. The Committee carried out a detailed review of the previous Policy during 2019, taking into account the 2018 UK Corporate Governance Code and feedback received from shareholders and voting agencies.

Remuneration principles and objectives

The primary objectives of the Policy are:

- To attract, retain and motivate talented executives 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.

Remuneration Policy 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 plus Private Medical Insurance (PMI) at single cover. They are eligible to participate in the Group Death in Service insurance, plus the Group Income Protection (GIP) in line with other employees. In addition, they can elect to purchase additional PMI and GIP benefits from net salary. Executive Directors can choose to sacrifice salary into the Group's defined contribution pension scheme. The Company does not provide any other pension allowance for contribution for the Executive Directors other than the statutory auto-enrolment minimum. The Company can reimburse Directors' reasonable business expenses (including tax thereon if applicable). Individual levels of base salary 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.	Base salary is benchmarked against relevant peers, and is targeted to be not more than the approximate median of relevant comparators.

Remuneration Policy for Executive Directors

Element	Purpose and link to short and long-term strategy	Operation, performance measures and periods, deferral and clawback	Maximum opportunity
Annual variable pay (Discretionary)	Rewards annual Group and personal performance, and, through the use of deferral into shares, also aligns reward with longer-term performance.	Performance measures, targets and weightings are reviewed annually and set in line with the annual business plan. Actual measures and weightings may change from year to year to reflect the business priorities at that time. Portion of annual bonus – What fraction is 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 override formulaic bonus outcomes, where necessary, under both the financial and non-financial performance metrics, to take account of wider factors. Malus and clawback provisions may apply in exceptional situations, such as misstatement of performance, failure of risk management, serious misconduct, serious reputational damage, corporate failure resulting from executive actions or failure to act.	The maximum individual award of annual variable pay is 150% of base salary. 60% of maximum opportunity may be payable for on-target performance.
LTPP (Discretionary)	Rewards achievement of long-term performance objectives.	Executive Directors will be eligible to be considered each year for a conditional award of 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 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 has the discretion to override formulaic LTPP vesting outcomes, where necessary, taking account of the overall or underlying Company performance. Malus and clawback provisions may apply in exceptional situations, such as misstatement of performance, failure of risk management, serious misconduct, serious reputational damage, corporate failure resulting from executive actions or failure to act.	The maximum annual award under the LTPP is 150% of base salary (in face value of shares at grant).
Minimum Shareholding Requirement	To ensure alignment of the long-term interests of Executive Directors and shareholders.	Executive Directors are required to build and maintain a shareholding equivalent to 200% of base salary, normally within five years of appointment.	n/a
Post-employment Shareholding Requirement	To ensure alignment of Executive Directors post-cessation and shareholder interests.	Executive Directors are required to maintain a shareholding of 200% of base salary (or the actual holding on departure, if lower) for the first year post-cessation, and 100% of base salary for the second year (or the actual holding on departure, if lower). The Committee has discretion to make adjustments to the post-employment shareholding requirement in exceptional circumstances.	n/a

Remuneration Policy for Executive Directors

Assumption	Minimum	Target	Maximum
Fixed pay	Total fixed remuneration.	Total fixed remuneration.	Total fixed remuneration.
Annual bonus	No annual bonus payable.	On-target annual bonus of 90% of base salary.	Maximum annual bonus of 150% of base salary.
LTPP	Zero vesting – threshold not achieved.	n/a	Full vesting (100% of award).

The scenario bar charts relating to the policy were included in the Report for FY2019, which is available in the Annual Report for FY2019 on the Company's website.

Remuneration Committee discretion

The Committee will operate the incentive plans according to the rules of each respective plan, and consistent with normal market practice and the Listing Rules, where relevant. The Committee has flexibility in a number of areas regarding the operation and administration of these plans, subject to the plan rules, including (but not limited to) the following:

- Participants in the plans;
- Timing of awards, payments and vesting;
- The size of an award or a payment, or the level of vesting, taking account of the overall or underlying Company performance;
- The treatment of awards in the event of change of control or restructuring of the Group;
- Whether a Director is a good or bad leaver for incentive plan purposes and the extent of, and timing of, any vesting; and
- How and whether an award or performance condition may be adjusted in certain exceptional circumstances (for example, in the event of extreme share price movement).

How the views of shareholders are taken into account

The Remuneration Committee compares the Policy with shareholder guidelines and takes account of shareholder voting. The Remuneration Committee Chair consults 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 98

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 bonuses and the principle of bonus deferral applies to 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.

Caroline Taylor is the Non-Executive Director responsible for employee engagement and she reports her findings to the Board, page 69.

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 is 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, as 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 their 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 is 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 legally 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 LTPP 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 LTPP 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 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 Chairman and other Non-Executive Directors

Element	Purpose and link to strategy	Operation	Maximum
Chairman fee	To pay a market competitive all-inclusive fee that takes account of the role and responsibilities.	The 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 maximum aggregate fee for Non-Executive Directors is as listed in the Articles of Association. 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. 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 Non-Executive Directors' 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.

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

Caroline Taylor
Chairman of the Remuneration Committee

23 November 2021

Directors' Report

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 Model	Strategic Report	10-11
Principal Risks	Strategic Report	46-53
Disclosure information to auditor	Directors' Report	107
Directors in office during the year	Corporate Governance Report	58-61
Dividend recommendation for the year	Chairman's Statement	5
Directors' Insurance	Directors' Report	106
Environmental, social and governance	Strategic Report	34-43
Greenhouse gas emissions	Directors' Report	107-108
Risk management objectives and policies	Note 29 to the Financial Statements	162
Future developments of the Company	Strategic Report	6-7
Employment policies and employee involvement	Strategic Report	54-55
Non-financial information statement	Strategic Report	54-55
Structure of share capital, including restrictions on the transfer of securities, voting rights and significant shareholders	Directors' Report	105
Rules governing the appointment of Directors	Corporate Governance Report	76-77
Powers of Directors	Corporate Governance Report	65
Rules governing changes to the Articles of Association	Directors' Report	106
Shareholder waiver of dividends	Note 26 to the Financial Statements	159
Stakeholder engagement	Corporate Governance Report	71-73

Relevant information related to Companies (Miscellaneous Reporting) Regulations 2018 may be found in the following sections:

- Stakeholder Engagement, Corporate Governance Report pages 71-73.
- Employee Engagement, Corporate Governance Report page 69.

The above information is incorporated by reference and together with the information on pages 105 to 108 forms the Directors' Report in accordance with section 415 of the Companies Act 2006.

Strategic Report

The Strategic Report is set out on pages 1 to 55 and was approved by the Board on 23 November 2021.

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 section 417 of the Companies Act 2006.

Share capital

Details of the Company's authorised and issued share capital, together with details of the movements therein, are set out in note 26 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 plans are set out in note 30 to the Financial Statements. Under the rules of the Group's Share Incentive Plan ('SIP'), 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 a 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 fully paid.

Articles of Association

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

Substantial shareholdings

As at 30 September 2021, 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	Number of voting rights	% of voting rights
Aberforth Partners	14,390,759	5.08%
Janus Henderson Group PLC	15,314,530	5.05%
FIL Investment International	12,477,394	5.00%
BlackRock, Inc.	Below 5%	Below 5%
Royal London Asset Management	15,142,075	4.99%
FIL Limited	14,092,698	4.97%
J O Hambro Capital Management	13,847,348	4.89%
Legal & General	8,563,901	3.99%
Computershare Nominees (Channel Islands) Limited	9,380,935	3.09%
Kames Capital	8,756,747	3.08%

Annual General Meeting

The AGM will be held on 4 February 2022. Further information can be found in the Notice of Meeting.

Purchase of own shares

At the AGM on 5 February 2021, 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 2022. The Directors had not used this authority at the date of this report.

Directors' Insurance

The Group has in place a Directors and Officers Liability Insurance Policy which provides cover for the personal liability which the Company's directors and officers may face. This remains in force at the date of this report.

Employees

The average number of persons, including Directors, employed by the Group and their remuneration is set out in note 6 to the Financial Statements. Other information about the Group's employee engagement, diversity and inclusion policies is set out on pages 44, 45, 68 and 69. The Group-wide gender diversity split as at 30 September 2021 was 43% female and 57% male.

Internal control and risk management

The Directors confirm that they have carried out a robust assessment of the principal and emerging 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 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. Senior management, the Board and the Audit Committee regularly monitor progress towards completion of these actions. The Board considers that none of the identified areas for improvement constitute a significant failing or weakness.

Greenhouse Gas Emissions ('GHG')

The Group recognises and strives to minimise its impact on the environment. As a financial services provider, our main environmental focus is on our network of offices and employee travel. Global Greenhouse Gas ('GHG') emissions data for the year ended 30 September 2021.

Global Greenhouse Gas ('GHG') emissions data for the year ended 30 September 2021

	Year ended 30 September 2021			Year ended 30 September 2020		
	UK and offshore	**Global (exc UK and offshore)**	**Total**	UK and offshore	Global (exc UK and offshore)	Total
Emissions from activities for which the company own or control – combustion of fuel (Scope 1): tCO_2e	**137**	**8**	**145**	224	11	235
Emissions from activities for which the company own or control – operation of facilities (Scope 1): tCO_2e	**91**	**–**	**91**	–	–	–
Emissions from purchase of electricity, heat, steam and cooling purchased for own use (Scope 2, location based): tCO_2e	**462**	**17**	**479**	673	25	697
Total gross Scope 1 & Scope 2 emissions: tCO_2e	**690**	**25**	**715**	897	36	932
Energy consumption used to calculate above emissions: kWh	**2,655,179**	**91,178**	**2,746,357**	3,730,672	118,547	3,849,219
Intensity ratio: tCO_2e (gross Scope 1 + 2)/FTE	**0.34**	**0.28**	**0.33**	0.40	0.38	0.40
Emissions from Fuel and energy related activities (Scope 3 category 3): tCO_2e	**194**	**6**	**200**	255	4	259
Emissions from employee business travel for which the company does not own or control (Scope 3 category 6): tCO_2e	**76**	**–**	**76**	362	–	362
Intensity ratio: tCO_2e (gross Scope 1, 2 +3)/FTE	**0.47**	**0.34**	**0.46**	0.68	0.42	0.66

Methodology

This data covers most of our emission sources that we have responsibility for, some are omitted based on materiality and a lack of data. Scope 2 emissions calculations for purchased electricity follow the location-based methodology of the GHG Protocol. We have used SpheraCloud – Corporate Sustainability software to gather energy use data (natural gas and electricity) as well as data on hydrofluorocarbons and business mileage data and have applied emission factors from the 2020 update to DEFRA. For Brewin Dolphin's international operations (i.e. Dublin), please note IEA's electricity emission factor is applied for Scope 2 and for all Scope 3 electricity emissions we have used the GaBi emission factor set. We have reported our operation in Jersey under UK.

Data quality for electricity and gas consumption

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

- consumption bills from suppliers/reports from property agents, meter read evidence etc.; and
- our approximations based on exact data.

We have used estimated data in some cases because we were unable to get complete data for all our offices for the current reporting period. The section below details the approach that we have taken to fill the gaps in consumption data.

- A number of offices had incomplete electricity or gas consumption figures for certain months over the current reporting period. In such situations, we identified the month(s) in the dataset with electricity consumption, calculated the daily consumption figure and applied this daily figure to the month(s) that had missing data.
- In other cases, there were offices that we had no electricity and or gas consumption data for. In these situations, we used an average consumption intensity per square foot across offices with reliable data in the current reporting period. We then used these average annual "consumptions per square foot" intensities to estimate the annual electricity/gas consumption of the offices with no electricity/ gas consumption data, based on individual floor areas.

Emission sources not reported

- Only some of the offices we operate directly make use of gas and we have included this in our emissions from combustion of fuel. We do not have distinct data on heat/steam for our other offices as this is most likely embedded in the office service charges that we pay. As a result, we have not currently reported on purchased heat or steam.
- Three small offices were not included in the review as they were deemed not to be material.

Brewin Dolphin are compliant with the UK government's interpretation of Article 8 of the European Union Energy Efficiency Directive (EED). The principle aim of ESOS is to encourage large organisations to both assess energy consumption and to save Energy. We have begun to implement actions identified from the work including:

- Replacement of T5 lights with LED lights across some floors of the Edinburgh office. We have achieved this across 70% of the office.
- Replacement of over 75% of the T5 lights with LED lights at our Newcastle office.

Disclosure of information to auditors

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's 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 section 418 of the Companies Act 2006.

Independent auditor

The auditor Ernst & Young LLP (EY) has expressed its willingness to continue in office as auditor and a resolution to re-appoint them will be proposed at the forthcoming AGM.

Approved for and on behalf of the Board.

Tiffany Brill
Company Secretary
Brewin Dolphin Holdings PLC
Company Number: 02685806

23 November 2021

Statement of Directors' Responsibility

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 such financial statements for each financial year. Under that law the Directors have prepared the Company Financial Statements in accordance with international accounting standards in conformity with the requirements of Companies Act 2006 and the Group Financial Statements in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies to the European Union. Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing the Parent Company Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group 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 the relevant financial reporting framework, 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 position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 23 November 2021 and is signed on its behalf by

Robin Beer
Chief Executive Officer

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

Opinion

In our opinion:

- Brewin Dolphin Holdings PLC's Group financial statements and Parent Company financial statements (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 2021 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No.1606/2002 as it applies in the European Union;
- the Parent Company financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Brewin Dolphin Holdings PLC (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2021 which comprise:

Group	Parent company
Consolidated Balance Sheet as at 30 September 2021	Company Balance Sheet as at 30 September 2021
Consolidated Income Statement for the year then ended	Company Statement of Changes in Equity for the year then ended
Consolidated Statement of Comprehensive Income for the year then ended	Company Cash Flow Statement for the year then ended
Consolidated Statement of Changes in Equity for the year then ended	Notes to the Financial Statements 1 to 35 including a summary of significant accounting policies
Consolidated Cash Flow Statement for the year then ended	
Notes to the Financial Statements 1 to 35 including a summary of significant accounting policies	

The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006 and, as regards to the Group financial statements, International Financial Reporting Standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union and as regards the Parent Company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting, we have:

- assessed the assumptions used in management's five-year forecast and determined that the models are appropriate to enable management to make an assessment on the going concern and viability of the Group. We also performed back testing on prior year forecasts;
- evaluated the capital and liquidity position of the Group by reviewing the Internal Capital Adequacy Assessment Process;
- assessed the appropriateness of the stress and reverse stress test scenarios that consider the key risks identified by management. We evaluated management's analysis by testing the clerical accuracy and assessing the conclusions reached in the stress and reverse stress test scenarios;
- assessed the plausibility of available options to mitigate the impact of the key risks identified by management in the stress and reverse stress test scenarios by comparing them to our understanding of the Group;
- performed enquiries of management and those charged with governance to identify risks or events that may impact the Group's ability to continue as a going concern. We also reviewed the management paper approved by the Board, and minutes of meetings of the Board and its committees; and
- assessed the appropriateness of the going concern disclosures by comparing the consistency with management's assessment and for compliance with the relevant reporting requirements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for at least twelve months from the date the Annual Report and Accounts is signed.

In relation to the Group and Parent Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and Parent Company's ability to continue as a going concern.

Overview of our audit approach

First-year audit considerations

For our first-year audit of the 30 September 2021 financial statements, we prepared a detailed transition plan. Our audit planning and transition commenced in May 2020 after we had confirmed our independence of the Group to the Audit Committee. Our transition activities included shadowing the former auditor Deloitte LLP ('Deloitte') at meetings of the Audit Committee. We reviewed Deloitte's 2020 audit work papers and gained an understanding of their risk assessment and key judgments.

In March 2021 we held a planning meeting with senior members of the audit team in order to agree our first-year audit approach. We obtained a specific understanding of the Group's business, culture and operations, through review, enquiry and observation.

This transition activity allowed us to gain an understanding of the Group's key processes and controls over financial reporting. We then established our audit base and formalised our audit strategy for the 2021 Group audit.

Audit scope	• The group comprises legal entities domiciled in the UK, Channel Islands and Ireland. • We performed an audit of the complete financial information of 3 legal entities and audit procedures on specific balances for 2 further legal entities. • The legal entities where we performed full or specific audit procedures accounted for 99.4% of Profit before tax, 99.6% of Revenue and 99.8% of Total assets.
Key audit matters	• Risk of improper recognition of revenue. • Risk of incorrect recognition of impairment on goodwill. • Risk of incorrect key assumptions in the valuation of the Defined Benefit Pension Scheme liability.
Materiality	• Overall group materiality of £3.6m which represents 5% of profit before tax.

An overview of the scope of the Parent Company and Group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each entity within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of Group-wide controls, changes in the business environment and other factors such as the impact of the COVID-19 pandemic or recent Internal Audit results when assessing the level of work to be performed at each entity.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of all the legal entities of the Group, we selected 5 legal entities within the UK, Channel Islands and Ireland.

Of the 5 legal entities selected, we performed an audit of the complete financial information of 3 legal entities ("full scope entities") which were selected based on their size or risk characteristics. For the remaining 2 legal entities ("specific scope entities"), we performed audit procedures on specific accounts within that legal entity that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The legal entities where we performed audit procedures accounted for 99.4% of the Group's Profit before tax, 99.6% of the Group's Revenue and 99.8% of the Group's Total assets.

The remaining legal entities together represent 0.6% of the Group's profit before tax. For these legal entities, we performed other procedures, including: analytical review, testing of consolidation journals and intercompany eliminations, centralised processes and controls, and foreign currency translation recalculations, to respond to potential risks of material misstatement to the Group financial statements.

Involvement with our Irish team

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each legal entity by the primary audit engagement team, or by local auditors from EY Ireland operating under our instruction. For Brewin Dolphin Wealth Management Limited and subsidiaries, audit procedures were performed directly by the Irish audit team. Audit procedures for all other legal entities were performed directly by the primary audit engagement team.

During the current year's audit cycle, a visit was undertaken by the primary audit team to the local audit team in Ireland. This visit involved discussing any issues arising from their work, meeting with local management, attending a closing meeting and reviewing key audit working papers on risk areas. The primary team interacted regularly with the local audit team where appropriate during various stages of the audit, reviewed key working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk

Fraud and Significant Risk – Risk of improper recognition of revenue (£404.1m, PY comparative £359.2m)

> Refer to the Accounting policies (page 128); and Note 4 of the Consolidated financial statements (page 138)

The Group earns revenue from the provision of wealth management services to a range of institutions and individuals. The inputs and methods of calculation vary between different revenue streams.

Fee income is calculated as a percentage, defined within an agreement with the client, of the Funds Under Management ('FUM') for the client. Manual, non-standardised adjustments to fee rates may be made to accurately calculate the fees which should be charged for a client, for example where a discount is applied to a client's fees.

The majority of financial planning income is earned in the form of ongoing advice fees for financial planning services provided to clients, which are calculated based on a percentage of FUM, either manually by Brewin Dolphin personnel as part of the Fee Income process, or by the third parties who hold the clients' assets.

Commission income is calculated as a percentage of each investment transaction made on behalf of a client.

The following key risks of material misstatement are identified relating to revenue recognition:

- fee terms or other client data has been incorrectly entered into the fee calculation and billing systems;
- unauthorised manual adjustments are processed or fee amendments are not complete and accurate;
- FUM are incorrectly valued; and
- the manual journals posted to record the revenue on a monthly basis are incorrectly posted.

There is also a risk that management may influence the timing or recognition of revenue to meet internal performance targets or external market expectations.

Our response to the risk

We have:

- gained an understanding of the procedures and controls in place throughout the revenue processes through walkthrough procedures;
- tested the relevant IT controls over the calculation and flow of data between systems for completeness and accuracy;
- tested the controls over new and amended fee agreements;
- tested automated controls over the arithmetical accuracy of a sample of fee calculations within the relevant systems;
- for a sample of clients, agreed the rates used to client agreements and challenged the rationale and authorisation of any manual adjustments or fee amendments to the system generated fee;
- for a sample of investment transactions, agreed the transaction value to third party sources;
- tested the controls in place for the existence of client holdings and valuation of FUM used in the fee calculations;
- inspected the complaints register and operational incident log to identify errors in revenue or potential control deficiencies; and
- to address the residual risk of management override we performed enquiries of management, read Board and sub-committee minutes throughout the year and performed journal entry testing, including testing manual journals used to record the revenue on a monthly basis.

Key observations communicated to the Audit Committee

All transactions tested have been recognised in accordance with the underlying agreements or other supporting documentation. Revenue has been recorded materially in accordance with IFRS 15.

Based on the procedures performed, we have no matters to report in respect of revenue recognition.

Risk	Our response to the risk

Fraud and Significant Risk – Risk of incorrect recognition of impairment on goodwill (£54.8m, PY comparative £54.9m)

> Refer to the Audit Committee Report (page 82); Accounting policies (page 132); and Note 12 of the Consolidated financial statements (page 144)

The Group records goodwill as intangible assets on its consolidated balance sheet which results from costs capitalised in the previous acquisitions of businesses and teams.

IAS 36 'Impairment of Assets' requires management to use their judgment to perform a fair value less costs to dispose ('FVLCTD') calculation to determine whether there is any indication that acquired goodwill are impaired. This assessment is based on the expected future returns of the relevant cash-generating unit ('CGU'). Management has revised its methodology for goodwill impairment testing in the current period and now recognises two CGUs which are the UK and Channel Islands business, and the Republic of Ireland business. This reflects how business performance and operations are considered, controlled and assessed by management.

Management uses the FVLCD model and, where the FVLCTD is difficult to measure, the discounted cash flow ('DCF') model, to estimate the recoverable amount of each CGU. The models require management to make judgments on terminal growth rates, discount rates, and forecast the profit before tax of each CGU. At each reporting period, management considers whether there are any indicators of impairment that may impact their assessment.

There is a risk that management incorrectly identifies the CGUs or makes inaccurate assumptions in the valuation models, resulting in incorrectly identifying whether an impairment is required.

We have:

- gained an understanding of management's processes and controls by performing walkthrough procedures;
- reviewed management's CGU analysis and challenged the appropriateness of the CGUs identified for which a goodwill impairment assessment is performed, by obtaining supporting evidence to demonstrate the separately identifiable assets and cash inflows for each CGU, and by considering the level at which management monitors financial information;
- performed a search for impairment indicators for each CGU, such as a material decline in revenues in each CGU;
- with the support of our valuation specialists, reviewed the methodology and key assumptions used in the assessment of impairment, for each CGU, with reference to comparable companies and observable market data. Using our specialists' own assumptions, we derived a reasonable range for the recoverable value for each CGU and compared this to management's FVLCD;
- performed sensitivity analysis by flexing the key assumptions to establish the values that would result in an impairment;
- assessed the compliance of management's accounting policies and disclosures with IAS 36 – Impairment of Assets ('IAS 36');
- to address the residual risk of management override we performed enquiries of management, and read Board and sub-committee minutes throughout the year.

Key observations communicated to the Audit Committee

All transactions tested have been recognised in accordance with the underlying agreements or other supporting documentation. Goodwill has been recorded materially in accordance with IAS 36.

Based on the procedures performed, we have no matters to report in respect of impairment on goodwill.

Risk	Our response to the risk
Significant Risk – Risk of incorrect key assumptions in the valuation of the Defined Benefit Pension Scheme liability (£101.4m, PY comparative £105.8m) > Refer to the Audit Committee Report (page 82); Accounting policies (page 136); and Note 17 of the Consolidated financial statements (page 150) The Group operates a defined benefit scheme ('Brewin Dolphin Limited RBS' or the 'Scheme') in the UK which offers pensions in retirement and death benefits to members of the scheme. The defined pension benefits are based on each members' final salary at retirement and their length of service and are a liability for the Group. The scheme has been closed to new entrants since 1 April 2003 and members under the age of 55 at 1 April 2004 ceased to accrue further service in the defined benefit scheme from that date. At each reporting date, management must use their judgment to estimate the Scheme's assets and liabilities. The valuation of the Scheme's assets requires management to appropriately price the positions held and there is a risk that these are incorrectly valued. The valuation of the liability requires management to estimate appropriate financial and demographic assumptions such as: • Discount rates: under IAS 19, due to the long timescales involved, post-employment benefit obligations are discounted to reflect the time value of money. • Inflation: under IAS 19, the price inflation assumption should reflect expectations of long-term future inflation. • Mortality rates: IAS 19 requires assumptions to be the best estimate of the mortality of plan members both during and after employment. Management performs this assessment in conjunction with independent actuaries, the XPS Pensions Group ('XPS'). There is a risk that incorrect assumptions are applied in determining the value of the scheme's liabilities. The surplus comprises the fair value of the plan assets less the present value of the defined benefit obligation. Management must make an assessment as to whether the Group has an unconditional right to a refund of this amount in accordance with IFRIC 14 - IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements, and their Interaction ('IFRIC 14').	We have: • gained an understanding of management's processes and controls for the recognition of the defined benefit pension scheme assets and liabilities by performing walkthrough procedures in which we evaluated the design effectiveness of controls and discussing the methodology that management's specialist, XPS Pensions Group, follow when determining the assumptions to be used in the valuation of the scheme's liability; • performed an assessment of the independence, qualifications, and experience of management's specialist; • with the support of EY actuaries, assessed the methodology used in the triennial valuation of the scheme's liabilities conducted in the year; • obtained external confirmation from the third-party custodian to test the existence of a sample of assets held within the scheme, and tested the fair valuation of a sample of assets held within the scheme by comparing to third party pricing sources; • agreed the amounts recorded and disclosed in relation to the pension schemes as required by IAS 19 from the report produced by XPS Pensions Group to the financial statements; and • assessed compliance of the accounting and disclosures with IAS 19 and IFRIC 14.

Key observations communicated to the Audit Committee

All transactions tested have been recognised in accordance with the underlying agreements or other supporting documentation. The Defined Pension Scheme liability has been recorded materially in accordance with IAS 19.

Based on the procedures performed, we have no matters to report in respect of the valuation of the Defined Benefit Pension Scheme liability.

Prior year comparison

In the prior year, Deloitte identified 'Acquisition accounting for Investec Capital and Investments (Ireland) Limited ("ICIIL")' as a key audit matter. We did not consider this to be a key audit matter because the acquisition accounting for ICIIL was finalised in the year ended 30 September 2020.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £3.6 million, which is 5% of profit before tax. We believe that profit before tax is the most relevant performance measure to the stakeholders of the entity.

We determined materiality for the Parent Company to be £2.7 million, which is 1% of net assets. The Parent Company primarily holds the investments in Group entities and, therefore, net assets is considered to be the key focus for users of the financial statements.

During the course of our audit, we reassessed initial materiality based on 30 September 2021 profit before tax, and adjusted our audit procedures accordingly.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 50% of our planning materiality, namely £1.8m; this percentage is our normal practice for a first-year audit.

Audit work at entity level, for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each entity is based on the relative scale and risk of the entity to the Group as a whole and our assessment of the risk of misstatement at that entity. In the current year, the range of performance materiality allocated to individual entities was £0.4m to £1.8m.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.2m, which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Prior year comparison

In 2020, the overall materiality for the Group was set at £3.1 million by Deloitte, which was 5% of profit before tax.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 109 and 172 to 176, including the Strategic Report, Governance, and Other Information sections, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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.

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 53;
- Directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 53;
- Directors' statement on fair, balanced and understandable set out on page 83;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 46;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 46; and;
- The section describing the work of the audit committee set out on page 80.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 109, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and Parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Group and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework (international financial reporting standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union, the Companies Act 2006 and UK Corporate Governance Code) and relevant tax compliance regulations. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being the Listing Rules and relevant Financial Conduct Authority ('FCA') rules and regulations.

- We understood how the Group is complying with those frameworks by making enquiries of senior management, including the Chief Financial Officer, Legal Counsel, Company Secretary, Head of Compliance, Head of Risk, Head of Internal Audit and the Chairman of the Audit Committee. We corroborated our understanding through our review of board and committee meeting minutes, papers provided to the Audit Committee, and correspondence with regulatory bodies.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where they considered there was susceptibility to fraud. We also considered performance targets and their potential influence on efforts made by management to manage or influence the perceptions of external parties. We considered the controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud, including in a remote-working environment; and how senior management monitors these controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business; enquiries of senior management, including those at full and specific scope entities; and focused testing, as referred to in the key audit matters section above.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

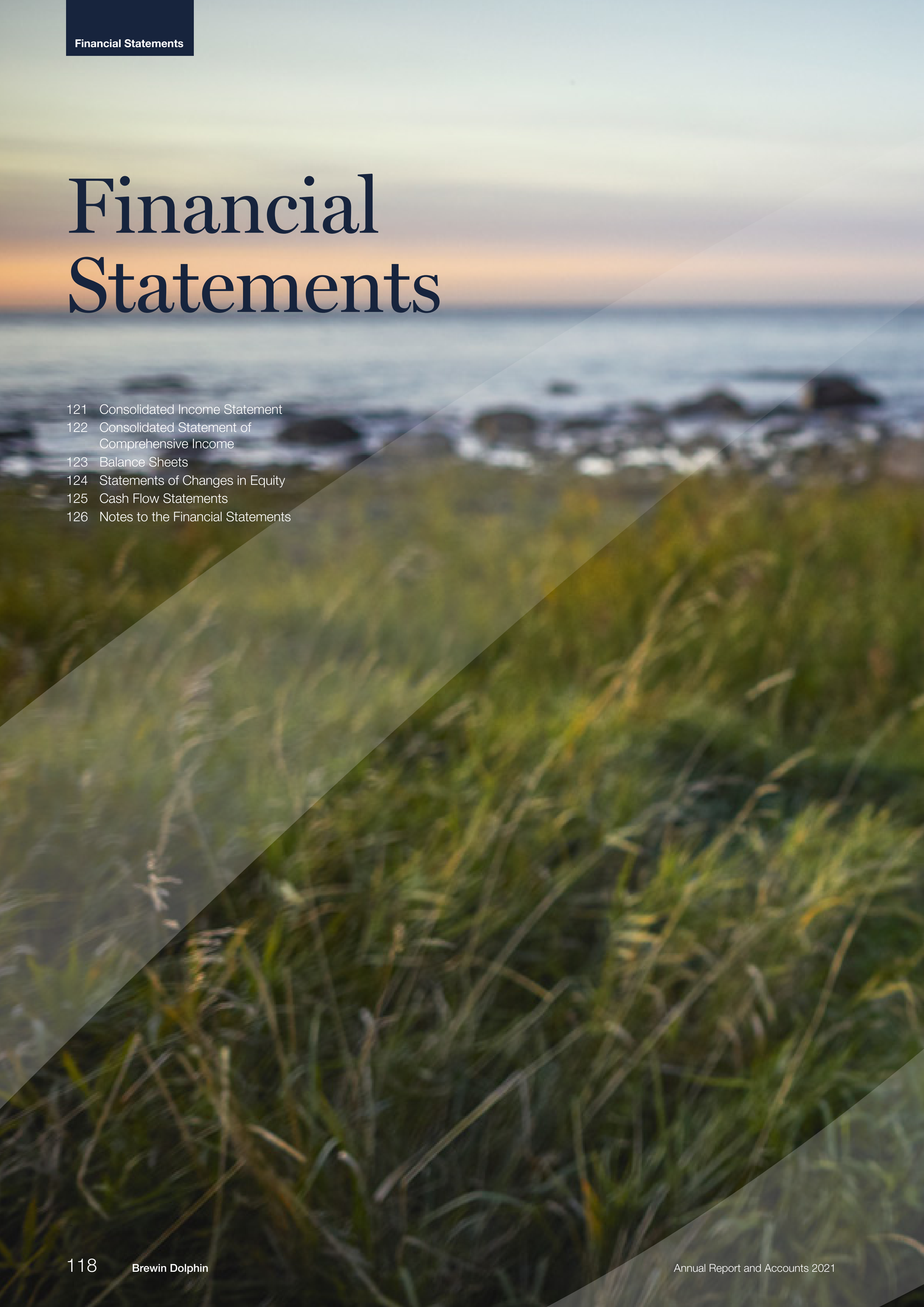
- Following the recommendation from the audit committee, we were appointed by the Group and Parent Company on 5 February 2021 to audit the financial statements for the year ending 30 September 2021 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is one year, covering the year ended 2021.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the group and the parent company in conducting the audit.
- The audit opinion is consistent with the Audit Results Report to the Audit Committee.

Use of our report

This report is made solely to the Group's and Parent 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 Group's and Parent 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 Group and Parent Company and the Group's and Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Price (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

London
23 November 2021



Financial Statements

Financial Statements

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Consolidated Income Statement

For the year ended 30 September 2021

	Note	Group (Consolidated) 2021 £'000	2020 £'000
Revenue	4	**404,075**	359,164
Other operating income	4	**1,841**	2,283
Income		**405,916**	361,447
Staff costs	6	**(222,967)**	(199,485)
Amortisation of intangible assets – client relationships and brand	12	**(11,232)**	(11,072)
Onerous contracts	23	**(3,644)**	(250)
Acquisition costs	33	**(1,500)**	(3,600)
Incentivisation awards		**(2,015)**	(1,192)
Defined benefit pension scheme past service costs	17	**(360)**	–
Other operating costs		**(90,219)**	(82,056)
Operating expenses		**(331,937)**	(297,655)
Operating profit		**73,979**	63,792
Finance income	8	**454**	907
Other gains and losses	7	**340**	–
Finance costs	8	**(2,245)**	(2,627)
Profit before tax		**72,528**	62,072
Tax	9	**(17,210)**	(14,117)
Profit for the year		**55,318**	47,955
Attributable to:			
Equity holders of the parent		**55,318**	47,955
		55,318	47,955
Earnings per share			
Basic	11	**18.8p**	16.3p
Diluted	11	**18.3p**	15.9p

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

Consolidated Statement of Comprehensive Income

Year ended 30 September 2021

	Note	Group (Consolidated) 2021 £'000	2020 £'000
Profit for the year		**55,318**	47,955
Items that will not be reclassified subsequently to profit and loss:			
Actuarial gain on defined benefit pension scheme	17	**238**	1,377
Deferred tax charge on defined benefit pension scheme surplus	25	**(1,295)**	(609)
Realised gain on disposal of equity instruments designated as at fair value through other comprehensive income		**27**	–
Tax on disposal of equity instruments designated as at fair value through other comprehensive income		**(5)**	–
Fair value loss on investments in equity instruments designated as at fair value through other comprehensive income	19	**–**	(5)
Deferred tax on fair value on investments in equity instruments designated as at fair value through other comprehensive income	25	**1**	–
		(1,034)	763
Items that may be reclassified subsequently to profit and loss:			
Exchange differences on translation of foreign operations		**(2,643)**	1,245
		(2,643)	1,245
Other comprehensive (expense)/income for the year net of tax		**(3,677)**	2,008
Total comprehensive income for the year		**51,641**	49,963
Attributable to:			
Equity holders of the parent		**51,641**	49,963
		51,641	49,963

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

Balance Sheets

As at 30 September 2021

	Note	Group (Consolidated) 2021 £'000	Group (Consolidated) 2020 £'000	Company 2021 £'000	Company 2020 £'000
Assets					
Non-current assets					
Intangible assets	12	**187,660**	174,717	**–**	–
Property, plant and equipment	13	**8,059**	9,723	**–**	–
Right of use assets	14	**32,324**	38,042	**–**	–
Finance lease receivables	15	**1,791**	1,966	**–**	–
Investment in subsidiaries	16	**–**	–	**241,833**	238,659
Defined benefit pension scheme	17	**20,822**	20,324	**–**	–
Other receivables	18	**–**	931	**–**	–
Total non-current assets		**250,656**	245,703	**241,833**	238,659
Current assets					
Trade and other receivables	18	**241,633**	241,939	**41,849**	35,042
Finance lease receivables	15	**174**	167	**–**	–
Financial assets at fair value through other comprehensive income	19	**37**	68	**–**	–
Financial assets at fair value through profit or loss	19	**2,974**	379	**–**	–
Current tax		**2,741**	3,909	**–**	–
Cash and cash equivalents	20	**188,021**	180,533	**216**	1,256
Total current assets		**435,580**	426,995	**42,065**	36,298
Total assets		**686,236**	672,698	**283,898**	274,957
Liabilities					
Trade and other payables	21	**258,763**	256,036	**13,626**	12,419
Lease liabilities	22	**7,766**	8,316	**–**	–
Provisions	23	**5,823**	4,798	**–**	–
Total current liabilities		**272,352**	269,150	**13,626**	12,419
Net current assets		**163,228**	157,845	**28,439**	23,879
Non-current liabilities					
Trade and other payables	21	**509**	459	**–**	–
Lease liabilities	22	**38,250**	45,265	**–**	–
Provisions	23	**11,322**	9,956	**–**	–
Shares to be issued	24	**3,807**	3,738	**3,807**	3,738
Net deferred tax liability	25	**12,737**	9,094	**–**	–
Total non-current liabilities		**66,625**	68,512	**3,807**	3,738
Total liabilities		**338,977**	337,662	**17,433**	16,157
Net assets		**347,259**	335,036	**266,465**	258,800
Equity					
Share capital	26	**3,035**	3,032	**3,035**	3,032
Share premium account	26	**58,393**	58,340	**58,393**	58,340
Own shares	27	**(29,723)**	(25,238)	**(29,723)**	(25,238)
Hedging reserve	28	**–**	–	**(24)**	(24)
Revaluation reserve	28	**(1)**	(2)	**–**	–
Merger reserve	28	**70,553**	70,553	**70,838**	70,838
Profit and loss account	28	**245,002**	228,351	**163,946**	151,852
Equity attributable to equity holders		**347,259**	335,036	**266,465**	258,800

The Company's total profit for the year was £48,365k (2020: £44,225k).

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

Approved by the Board of Directors and authorised for issue on 23 November 2021.

Signed on its behalf by

Robin Beer
Chief Executive Officer

Siobhan Boylan
Chief Financial Officer

Brewin Dolphin Holdings PLC – Company Number: 02685806

Statements of Changes in Equity

Year ended 30 September 2021

Group (Consolidated)

		Attributable to the equity holders of the parent							
	Note	Share capital £'000	Share premium account £'000	Own shares £'000	Hedging reserve £'000	Revaluation reserve £'000	Merger reserve £'000	Profit and loss account[1] £'000	Total £'000
At 30 September 2019		3,032	58,238	(25,214)	(24)	3	70,553	231,115	337,703
Effect of change in accounting policy for initial application of IFRS 16		–	–	–	–	–	–	(5,813)	(5,813)
At 1 October 2019		3,032	58,238	(25,214)	(24)	3	70,553	225,302	331,890
Profit for the year		–	–	–	–	–	–	47,955	47,955
Other comprehensive (expense)/income for the year		–	–	–	–	(5)	–	2,013	2,008
Total comprehensive (expense)/income for the year		–	–	–	–	(5)	–	49,968	49,963
Dividends	10	–	–	–	–	–	–	(48,393)	(48,393)
Issue of share capital		–	102	–	–	–	–	–	102
Own shares acquired in the year	27	–	–	(8,388)	–	–	–	–	(8,388)
Own shares disposed of on exercise of options	27	–	–	8,364	–	–	–	(8,364)	–
Share-based payments	6	–	–	–	–	–	–	9,779	9,779
Hedge reversal		–	–	–	24	–	–	–	24
Tax on share-based payments		–	–	–	–	–	–	59	59
At 30 September 2020		3,032	58,340	(25,238)	–	(2)	70,553	228,351	335,036
Profit for the year		**–**	**–**	**–**	**–**	**–**	**–**	**55,318**	**55,318**
Other comprehensive income/(expense) for the year		**–**	**–**	**–**	**–**	**1**	**–**	**(3,678)**	**(3,677)**
Total comprehensive income for the year		**–**	**–**	**–**	**–**	**1**	**–**	**51,640**	**51,641**
Dividends	10	**–**	**–**	**–**	**–**	**–**	**–**	**(42,652)**	**(42,652)**
Issue of share capital	26	**3**	**53**	**–**	**–**	**–**	**–**	**(2)**	**54**
Own shares acquired in the year	27	**–**	**–**	**(10,689)**	**–**	**–**	**–**	**–**	**(10,689)**
Own shares disposed of on exercise of options	27	**–**	**–**	**6,204**	**–**	**–**	**–**	**(6,204)**	**–**
Share-based payments	6	**–**	**–**	**–**	**–**	**–**	**–**	**12,587**	**12,587**
Tax on share-based payments		**–**	**–**	**–**	**–**	**–**	**–**	**1,282**	**1,282**
At 30 September 2021		**3,035**	**58,393**	**(29,723)**	**–**	**(1)**	**70,553**	**245,002**	**347,259**

1. A cumulative debit of £1,479k has been recognised in the profit and loss account reserve as at 30 September 2021 for exchange differences on translation of foreign operations (2020: £1,164k credit, 2019: £81k debit).

Company

		Attributable to the equity holders of the Company						
	Note	Share capital £'000	Share premium account £'000	Own shares £'000	Hedging reserve £'000	Merger reserve £'000	Profit and loss account £'000	Total £'000
At 30 September 2019		3,032	58,238	(25,214)	(24)	70,838	154,605	261,475
Profit for the year		–	–	–	–	–	44,225	44,225
Dividends	10	–	–	–	–	–	(48,393)	(48,393)
Issue of share capital		–	102	–	–	–	–	102
Own shares acquired in the year	27	–	–	(8,388)	–	–	–	(8,388)
Own shares disposed of on exercise of options	27	–	–	8,364	–	–	(8,364)	–
Share-based payments		–	–	–	–	–	9,779	9,779
At 30 September 2020		3,032	58,340	(25,238)	(24)	70,838	151,852	258,800
Profit for the year		**–**	**–**	**–**	**–**	**–**	**48,365**	**48,365**
Dividends	10	**–**	**–**	**–**	**–**	**–**	**(42,652)**	**(42,652)**
Issue of share capital	26	**3**	**53**	**–**	**–**	**–**	**(2)**	**54**
Own shares acquired in the year	27	**–**	**–**	**(10,689)**	**–**	**–**	**–**	**(10,689)**
Own shares disposed of on exercise of options	27	**–**	**–**	**6,204**	**–**	**–**	**(6,204)**	**–**
Share-based payments		**–**	**–**	**–**	**–**	**–**	**12,587**	**12,587**
At 30 September 2021		**3,035**	**58,393**	**(29,723)**	**(24)**	**70,838**	**163,946**	**266,465**

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

Cash Flow Statements

Year ended 30 September 2021

	Note	Group (Consolidated) 2021 £'000	Group (Consolidated) 2020 £'000	Company 2021 £'000	Company 2020 £'000
Profit before tax		**72,528**	62,072	**48,365**	44,225
Adjustments for:					
Share-based payment expense	6	**12,587**	9,779	**–**	–
Amortisation of intangible assets – client relationships and brand	12	**11,232**	11,072	**–**	–
Amortisation of intangible assets – software	12	**3,994**	417	**–**	–
Loss on disposal of intangible assets – software	12	**115**	–	**–**	–
Depreciation of property, plant and equipment	13	**3,249**	3,114	**–**	–
Loss on disposal of property, plant and equipment	13	**421**	–	**–**	–
Depreciation of right of use assets	14	**6,371**	6,250	**–**	–
Defined benefit pension scheme past service costs	17	**360**	–	**–**	–
Defined benefit pension scheme cash contributions	17	**(313)**	(1,250)	**–**	–
Other gains and losses		**(340)**	–	**–**	1,174
Effect of changes in foreign exchange rates		**1,198**	303	**–**	–
Lease incentive		**–**	442	**–**	–
Finance income		**(399)**	(416)	**–**	–
Finance costs		**2,242**	2,607	**–**	–
Operating cash flows before movements in working capital		**113,245**	94,390	**48,365**	45,399
Increase/(decrease) in payables and provisions		**6,148**	27,237	**–**	(154)
Decrease/(increase) in receivables and trading investments		**1,496**	(27,144)	**(6,807)**	3,925
Cash generated by operating activities		**120,889**	94,483	**41,558**	49,170
Tax paid		**(11,903)**	(16,894)	**–**	–
Net cash inflow from operating activities		**108,986**	77,589	**41,558**	49,170
Cash flows from investing activities					
Purchase of intangible assets – software		**(32,679)**	(26,523)	**–**	–
Purchase of property, plant and equipment		**(1,960)**	(2,379)	**–**	–
Purchase of intangible assets – client relationships	12	**(176)**	–	**–**	–
Capital contribution to subsidiary	16	**–**	–	**–**	(45,449)
Purchase of financial instruments at fair value through profit and loss	19	**(2,255)**	–	**–**	–
Disposal of financial instruments at fair value through other comprehensive income		**58**	6	**–**	–
Acquisition of subsidiaries	33	**–**	(32,029)	**–**	–
Net cash used in investing activities		**(37,012)**	(60,925)	**–**	(45,449)
Cash flows from financing activities					
Dividends paid to equity shareholders	10	**(42,652)**	(48,393)	**(42,652)**	(48,393)
Repayment of lease liabilities	22	**(10,266)**	(8,765)	**–**	–
Proceeds on issue of shares	26	**54**	102	**54**	102
Purchase of own shares	27	**(10,689)**	(8,388)	**–**	–
Foreign exchange		**–**	–	**–**	(1,174)
Net cash used in financing activities		**(63,553)**	(65,444)	**(42,598)**	(49,465)
Net increase/(decrease) in cash and cash equivalents		**8,421**	(48,780)	**(1,040)**	(45,744)
Cash and cash equivalents at 1 October		**180,533**	229,199	**1,256**	47,000
Effect of foreign exchange rates		**(933)**	114	**–**	–
Cash and cash equivalents at 30 September	20	**188,021**	180,533	**216**	1,256

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

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 year ended 30 September 2021 were authorised for issue by the Directors on 23 November 2021.

The Company is a public company limited by shares and is incorporated in the United Kingdom under the Companies Act 2006. The Group's activities are focused on Wealth Management in the UK and Ireland and the nature of these 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.

Note 16 identifies the subsidiaries that have taken advantage under s479A of the Companies Act 2006 of the exemption from audit.

The material accounting policy information has been disclosed below. The material accounting policies for the Group and the Company are consistent unless otherwise stated below in note 2.4.

2. Material accounting policy information

2.1. Statement of compliance

The financial statements for the Company and the consolidated financial statements for the Group have been prepared in accordance with both International Accounting Standards in conformity with the requirements of Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union ('IFRS').

2.2. Basis of preparation

The consolidated financial statements are presented in pounds sterling, the functional currency of the Group and Company, rounded to the nearest thousand pounds (£'000) except where otherwise indicated. The foreign operations have been translated into the functional currency at a spot rate of €/£1.164 for the Balance Sheet at 30 September 2021 (2020: €/£1.103) and at a monthly average exchange rate of €/ £1.148 for the Income Statement items for the financial year ending 30 September 2021 (2020: €/ £1.141).

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 goods and services.

2.2.1. 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 a detailed 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, were considered in assessing whether there were indicators of impairment including performance of the assets.

The COVID-19 pandemic is no longer considered an indicator of impairment by management. The pandemic has been a feature of the economic environment for over a year and has had a limited impact on the Group's financial results and position.

The assessment did not identify any indicators of impairment for the assets held by the Group.

2.2.2. 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 consolidated financial statements should continue to be prepared on a going concern basis, the Directors have assessed the outlook of the Group by considering:

a. 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

b. the performance of a range of stress tests including a reverse stress test that are used as part of the Internal Capital Adequacy Assessment Process ('ICAAP') to assess the Group's ability to withstand a variety of scenarios.

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 Annual Report and Accounts is signed.

Further detail is contained in the Going Concern Statement and the Viability Statement included in the Strategic Report on page 53.

2.3. Basis of consolidation

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

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated Income Statement from the date the Company gains control until the date when the Company ceases to control the subsidiary.

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 financial statements have been prepared on the historical cost basis. The material accounting policies adopted are the same as those set out in the Group's financial statement note disclosures, where applicable. 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.

2.4. Application of new and revised International Financial Reporting Standards ('IFRSs') and changes in material accounting policies

2.4.1. New standards, amendments and interpretations adopted

In the current year, there have been no new standards, amendments or interpretations adopted that have had a material impact on the disclosures or amounts reported in these financial statements.

2.4.2. Changes in material accounting policies

There have been no changes to material accounting policies in the year.

2.4.3. 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:

New or revised standards		
IFRS 17	Insurance Contracts.	1 Jan 2023
Amendments		
IAS 1 – classification of liabilities.	Presentation of financial statements on classification of liabilities as current or non-current.	1 Jan 2023
Further amendments – IAS 8, IAS 12, IAS 1 and IFRS Practice Statement 2.	IAS 8 – Definition of Accounting Estimates; IAS 12 – Disclosure of Accounting Policies; and IAS 1 and IFRS Practice Statement 2 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction.	1 Jan 2023
Further amendments – IFRS 3, IAS 16 and IAS 37.	IFRS 3 – Reference to the Conceptual Framework; IAS 16 – Proceeds before Intended Use; and IAS 37 – Onerous Contracts – Costs of Fulfilling a Contract.	1 Jan 2022
Annual Improvements 2018 -2020; IFRS1, IFRS 9 and IAS 41.	IFRS 1 – Subsidiary as a first-time adopter; IFRS 9 – Fees in the '10 per cent' test for derecognition of financial liabilities; and IAS – Taxation in fair value measurements.	1 Jan 2022
Amendments to IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16.	Interest Rate Benchmark Reform – phase 2.	1 Jan 2021
Further amendment – IFRS 16.	Covid-19-Related Rent Concessions beyond 30 June 2021.	1 Apr 2021

The Directors are reviewing the impact of these new standards, amendments and interpretations and do not intend to adopt the standards early. It is not currently expected that these will have a material impact on the financial statements of the Group.

2. Material accounting policy information continued

2.5. 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 such as legal and professional costs are recognised in the Income Statement as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred the excess is recognised immediately in the Income Statement as a bargain purchase gain.

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 asset / liability recognition and measurement guidance in IFRS. Changes in the fair value of contingent consideration classified as equity are not recognised.

2.6. Transaction date accounting

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

2.7. 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 the Income Statement 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 transaction dates are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

2.8. Revenue recognition

Revenue represents investment management fees, investment management commissions, financial planning income, execution only fee and commission income and expert report writing service income, excluding VAT.

2.8.1. Identification of performance obligations

The Group assesses all the services expressed in its contracts with customers to identify performance obligations. The Group delivers several series of distinct services that are substantially the same and have the same pattern of transfer to the customer. All the services are highly interrelated and interdependent and are integrated to provide an overall service to the customer. The Group bundles series of services into specific performance obligations where the services have the same pattern of transfer to the customer.

2.8.2. Transaction price

Revenue is measured based on the consideration specified in customer contracts excluding amounts collected on behalf of third parties, that the Group is entitled to in exchange for transferring services to a customer.

The transaction price for services provided over time is variable as it is based on the value of customers' assets at a specific billing point.

Payment is typically due for services within three months.

2.8.3. Satisfaction of performance obligations

The Group recognises revenue when it transfers control over a service to a customer and satisfies its performance obligations, this can be at a point in time or over time.

For performance obligations satisfied over time the Group measures progress towards complete satisfaction of the performance obligations equally over time. The Group recognises revenue when the relevant performance obligation has been satisfied and the customer simultaneously receives and consumes the benefits of the services. Where a contract contains variable consideration, the Group estimates the amount to which it is entitled under the contract. The Group constrains the estimate where there is a risk of significant revenue reversal and reassesses this estimate at the end of the relevant billing period when the variable consideration amount is known.

For the performance obligations delivered at a point in time, the Group simultaneously satisfies the performance obligations and recognises revenue at the point the trade is executed which is when the customer receives control of the services.

2.8.4. Nature of services

The following are the principal activities from which the Group generates its revenue.

Investment management

The Group recognises management fees and commissions from its direct or indirect clients on fulfilment of its discretionary investment management, advisory investment management, Brewin Portfolio Service ('BPS') or Model Portfolio Service ('MPS') performance obligations.

All investment management performance obligations are satisfied over time except for trade execution services provided to advisory clients which are satisfied at a point in time.

Financial planning

The Group recognises financial planning income (initial fees, initial commissions and ongoing advice fees) on fulfilment of its financial planning advisory, initial or transactional services performance obligations. The performance obligations are satisfied over time.

Execution only

The Group recognises fees and trade execution commission on fulfilment of its performance obligations. Performance obligations for custody services are satisfied over time and trade execution service performance obligations are satisfied at a point in time.

Expert witness report service

The Group recognises fees for the provision of expert witness reports on fulfilment of its performance obligations which are satisfied at a point in time.

2.9. Interest income

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.

2.10. Dividend income

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.

2.11. Other operating income

Other operating income includes the net of interest receivable and payable on client money balances representing the Group's share of interest receivable; rental income from operating subleases (see note 2.12); and Research & Development tax credit incentives.

2.12. Leases

The Group is primarily a lessee of property and is also a sub-lessor for a small number of property leases.

2.12.1. The Group as a lessee

For any new contracts, the Group considers whether a contract is, or contains a lease by assessing whether the contract meets three key criteria which are:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use.

Right of use ('ROU') assets

The Group recognises ROU assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of the ROU assets includes the initial amounts of the corresponding lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

An estimate of any costs to return the leasehold asset to the condition required by the contract is included in the related ROU asset and a corresponding provision is recognised.

The depreciation charge is recognised in the Income Statement and is calculated over the shorter of the ROU asset's useful life and the lease term on a straight-line basis from the commencement date of the lease.

The ROU assets are assessed for impairment annually (incorporating any onerous lease assessments).

2. Material accounting policy information continued

Lease liabilities

At the commencement date of a lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments included in the measurement of the lease liability comprises the following items, where applicable:

- fixed payments less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lease term reflects the exercise of an option to terminate the lease; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the lease liabilities are reduced for payments made and increased for interest. Interest recognised on the lease liability is included in finance costs in the Income Statement. Lease payments including finance costs are presented within the financing activities of the Group's Cash Flow Statement.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in substance in the fixed lease payments or a change in the assessment to purchase the underlying asset. On remeasurement of the lease liability, the corresponding adjustment is reflected in the ROU asset. If the ROU asset is already reduced to nil, the adjustment is recognised in the Income Statement.

Short-term leases and leases of low-value assets

The Group has adopted certain optional recognition exemptions available under IFRS 16 for short-term (less than 12 months) and low-value (< £5,000) leases. These leases are held off balance sheet with rentals charged to the Income Statement on a straight-line basis over the lease term and are classified as operating leases. 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.

2.12.2. The Group as an intermediate lessor

Subleases

The Group acts as an intermediate lessor in respect of surplus office space, in which the Group classifies its subleases either as an operating or finance lease by reference to the right of use asset arising from the head lease (rather than by reference to the underlying asset) or if the head lease belonging to the Group is a short-term lease, the sublease is classified as an operating lease. The Group accounts for the head lease and the sublease as two separate contracts.

Finance lease receivable

Amounts due from lessees under finance leases are recognised as a finance lease receivable and represent the Group's net investment in the finance sublease.

Any difference between the ROU asset and the net investment in the sublease is recognised in the Income Statement.

The Group applies the discount rate used for the head lease (adjusted for any initial direct costs associated with the sublease) to measure the net investment in the sublease.

Finance lease income is allocated to accounting periods so as to reflect the constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Any allowances for expected credit losses are recognised against finance lease receivables as required by IFRS 9, if applicable.

The lease liabilities relating to the head leases are retained on the Balance Sheet and represent the lease payments payable to the head lessor.

Operating subleases

For subleases which are classified as an operating lease, the Group recognises both the lease liability and the ROU asset relating to the head lease. Rental income from the operating sublease is recognised in the Income Statement as other operating income on a straight-line basis over the term of the relevant sublease.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.13. Share-based payments

Share-based payments are remuneration payments to selected employees that take the form of an award of shares in Brewin Dolphin Holdings PLC. Employees are generally not able to exercise such awards in full until three years after the award has been made (the vesting period), although conditions vary between different types of award.

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 30.

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 the number of shares that will eventually vest. At each balance sheet date, the Group revises its estimate of the shares 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 the Income Statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

2.14. Taxation

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

2.14.1. 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.

2.14.2. 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.

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.

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.

2.14.3. Current and deferred tax for the year

Current and 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 current and deferred tax is also dealt with in other comprehensive income.

2.15. Investments in subsidiaries

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

2. Material accounting policy information continued

2.16. Intangible assets

2.16.1. 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 2.18 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. The consideration may be settled in shares or cash (see note 2.22 for the Shares to be issued accounting policy). 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.

2.16.2. Client relationships

Intangible assets classified as 'client relationships' are recognised when 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 the consideration transferred by the Group is deferred or contingent as a result of a business combination, the consideration may be settled in shares or cash (see note 2.22 for the Shares to be issued accounting policy). 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.

Client relationships acquired separately are initially recognised at cost. Following initial recognition, these are carried at cost less accumulated amortisation and any accumulated impairment losses.

Client relationships are amortised on a straight line basis over five to fifteen years, dependent upon management's assessment of the estimated useful life of the client relationships.

2.16.3. Brand

Intangible assets classified as 'brand' are recognised when acquired as part of a business combination. The initial cost of a brand is the fair value at the acquisition date. Following initial recognition, the intangible asset is carried at cost less accumulated amortisation and any accumulated impairment losses.

When the consideration transferred by the Group is deferred or contingent as a result of a business combination, the consideration may be settled in shares or cash (see note 2.22 for the Shares to be issued accounting policy). 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.

Brands are amortised on a straight line basis over ten years, dependent upon the assessment of the estimated useful life of the brand. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimates being accounted for on a prospective basis.

2.16.4. Computer software

Computer software which is not an integral part of the related hardware is classified as an intangible asset. Costs of acquiring and developing 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 performed annually and based on the contractual terms or where appropriate past experience of the life of similar assets, with the effect of any changes in estimates being accounted for on a prospective basis. The expected useful life for the major software asset under construction, has been assessed to be 12 years and will be amortised over the expected useful life from the point when it is operating as management intends.

2.17. 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 expected lease term or 10 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 the Income Statement.

2.18. 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).

The recoverable amount is the higher of fair value less costs to dispose 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. 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.

For the purposes of impairment testing, client relationships, brand and goodwill are allocated to each of the Group's CGUs. Fair value is established by valuing clients' funds in each of the CGUs at the period end; the percentages of funds being used depend on values attributed in recent public transactions for the purchase of advisory and discretionary funds. If the carrying amount relating to any CGU exceeds the calculated fair value less costs to dispose, a value in use is calculated using a discounted cash flow method. If the recoverable amount of the CGU 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, brand 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.

2.19. 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 IFRS 16, 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.

2.20. 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 can include equity and debt 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 the Income Statement.

2. Material accounting policy information continued

2.20.1. Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

a. Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost (see (i) below):

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ('FVTOCI') (see ii below):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit and loss ('FVTPL') (see (iii) below). However, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (ii) below); and
- to designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iii) below).

i. Financial assets at amortised cost

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments and the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

ii. Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as FVTOCI.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the revaluation reserve. The cumulative gains and losses are not reclassified to the Income Statement on disposal of the equity investments, instead, they are transferred to retained earnings.

The Group has designated all investments in equity instruments that are not held-for-trading as at FVTOCI.

Dividends on these investments in equity instruments are recognised in the Income Statement when the Group's right to receive the dividends is established in accordance with the Group's dividend income policy (see note 2.10), unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'Finance income' line item in the Income Statement.

iii. Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (ii) above) are measured at FVTPL.

The Group holds all held-for-trading equity instruments at FVTPL, unless the Group designates an equity investment that is neither held-for-trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (ii) above).

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in the Income Statement. The net gain or loss recognised in the Income Statement includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in note 2.19.

b. Impairment of financial assets

Expected credit losses are recognised for trade debtors, other financial assets held at amortised cost and financial assets measured at FVTOCI. At initial recognition, an allowance is made for expected lifetime credit losses using the simplified single loss-rate approach. The expected credit loss is determined to be the difference between all contractual cash flows that are due to the Group and all the cash flows that the Group expects to receive, adjusted for the value of any collateral held. Consideration is also given to the Group's historical credit loss experience, adjusted as necessary to reflect current and future economic conditions, for the relevant financial asset.

The expected credit loss allowance is adjusted as necessary at each balance sheet date to reflect changes in circumstances such as default events that provide objective evidence of impairment. The Group determines trade debtors are in default when a payment is 90 days past due. An assessment of whether credit risk has increased significantly since initial recognition is not required under the simplified approach.

Trade debtors are normally written off, either partially or in full, against the related allowance when there is no realistic prospect of recovery, and the amount of the loss has been determined following the disposal of any collateral held. Subsequent recoveries of amounts previously written off decrease the amount of impairment losses recorded in the Income Statement.

c. Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset are fully received, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, any difference between the carrying amount of the asset and the sum of the consideration received is recognised in the Income Statement.

On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the associated revaluation reserve is reclassified to the Income Statement.

On derecognition of an investment in an equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the revaluation reserve is not reclassified to the Income Statement but is transferred to retained earnings.

On derecognition of a financial asset measured at FVTPL the difference between the asset's carrying amount and the sum of the consideration received is recognised in the Income Statement.

Typically, the Group holds financial assets in business models where the value of the financial assets is recovered by collecting contractual cash flows and/or selling the instrument. Hence these financial assets are derecognised once all the contractual cash flows have been received or the financial asset has been sold or transferred.

2.20.2. Financial liabilities and equity

a. Classification

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

b. Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. No gain or loss is recognised in the Income Statement on the purchase, sale, issue or cancellation of the Company's own equity instruments.

c. Financial liabilities

Financial liabilities are subsequently measured as either financial liabilities 'at FVTPL' or 'amortised cost'. The Group holds all financial liabilities at amortised cost and at FVTPL.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held-for-trading, or designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

Financial liabilities subsequently measured at FVTPL

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

d. Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the Income Statement.

2. Material accounting policy information continued

2.21. Derivative financial instruments (derivatives) and hedging activities

Derivatives are contracts or agreements whose value is derived from one or more underlying indices or asset values inherent in the contract or agreement, which require no or little initial net investment and are settled at a future date. Derivatives are occasionally held for risk management purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Group applies hedge accounting in accordance with IAS 39 and designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges); or
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges); or
- hedges of a net investment in a foreign operation (net investment hedges).

The Group designates derivatives in respect of foreign currency risk as cash flow hedges.

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Movements in the hedging reserve in equity are detailed in note 28.

2.22. 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.

2.23. 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.

2.24. Post-retirement benefits

Costs

Payments to defined contribution retirement benefit schemes are charged as an expense when employees have rendered services entitling them to the contributions.

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 on 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.

Net interest is calculated by applying a discount rate to the net defined benefit liability or asset and net interest expense or income is recognised within finance costs (see note 8).

Defined benefit pension scheme asset/liability

The defined benefit pension scheme asset/liability recognised on the Balance Sheet represents the present value of the defined benefit pension scheme obligation, 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.

Any asset recognised is only recognised to the extent that the Group is able, without condition or restriction placed on it by the trustees, to run the Scheme; until the last member dies, without benefits being augmented; wind up the Scheme at that point; and reclaim any remaining monies.

2.25. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event; 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.

2.26. Employee share ownership trusts ('ESOT')

Brewin Dolphin Limited and Brewin Dolphin Wealth Management Limited are the sponsoring employers 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.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

3.1. 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.

3.2. Key sources of estimation uncertainty

The key sources of estimation uncertainty disclosed below do not present a significant risk of material adjustment in next years' financial statements, however they are the most significant areas of estimation in the financial statements.

3.2.1. Amortisation of client relationships

The useful economic life over which client relationships are amortised is based on assumptions around the expected duration of the client relationships which is determined with reference to past experience of account closures, in particular the average life of those relationships, and future expectations. During the year, client relationships were amortised over periods ranging from 5 to 15 years.

The amortisation for the year was £11,093k (2020: £10,933k). A reduction in the average amortisation period by one year would increase the amortisation expense for the year by £2,496k (2020: £1,862k).

3.2.2. Defined benefit pension scheme

The calculation of the present value of the defined benefit pension scheme is determined by using actuarial valuations. Management makes key assumptions in determining the inputs into the actuarial valuations, which may differ from actual experience in the future. These assumptions are governed by IAS 19 Employee Benefits, and include the determination of the discount rate, life expectancies, inflation rates 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 17.

The defined benefit pension scheme has a surplus of £20,822k (2020: £20,324k). See note 17 page 150 'Defined benefit pension scheme asset recognition basis' for further detail.

3.2.3. Long Term Incentive Plan ('LTIP')

Awards are granted under the LTIP. The scheme includes performance-based vesting conditions, which impact the amount of benefit paid, such as

- Average annual net inflows in discretionary funds; and
- Growth in adjusted diluted EPS over the performance period.

3. Critical accounting judgements and key sources of estimation uncertainty continued

Assumptions are made on the likelihood of meeting certain average and stretch targets over the remaining service periods in determining the expense in the year. The directors consider that the LTIP is qualitatively material. The charge for the year was £1,244k (2020: £747k).

If all of the performance conditions were assumed to be met, the charge for the year would increase by £2,967k (2020: £3,105k); an increase of 10% in the vesting assumptions would increase the charge for the year by £480k (2020: £443k).

Further information on the scheme is disclosed in note 30.

4. Income

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

	Group	
	2021 £'000	2020 £'000
Discretionary investment management fee income	**269,620**	237,617
Discretionary investment management commission income	**70,225**	70,033
Financial planning income	**41,623**	33,079
Execution only fee income	**4,860**	4,611
Execution only commission income[1]	**7,151**	6,684
Advisory investment management fee income	**4,430**	3,633
Advisory investment management commission income[1]	**2,782**	1,066
BPS[2] investment management fee income	**1,660**	1,335
Expert witness report service[1]	**1,724**	1,106
Revenue	**404,075**	359,164
Other operating income	**1,841**	2,283
Income	**405,916**	361,447

	2021 £'000	2020 £'000
Services transferred at a point in time	**11,657**	8,856
Services transferred over time	**392,418**	350,308
Revenue	**404,075**	359,164

1. Services transferred at a point in time.
2. Brewin Portfolio Service.

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 (see note 21).

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.

5. Segmental information

Group

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 year and consequently, the Group's Consolidated Income Statement and Consolidated Balance Sheet (these are set out on pages 121 and 123) 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.

Geographical information

For the year ended 30 September 2021

Segmental income statement

	Group		
	UK & CI business £'000	ROI business £'000	Total £'000
Revenue	375,602	30,314	405,916
Staff costs	(209,870)	(13,097)	(222,967)
Other operating costs	(80,680)	(9,539)	(90,219)
	85,052	7,678	92,730
Amortisation of intangible assets – client relationships and brand	(7,993)	(3,239)	(11,232)
Defined benefit pension scheme past service costs	(360)	–	(360)
Acquisition costs	(1,500)	–	(1,500)
Onerous contracts	(3,644)	–	(3,644)
Incentivisation awards	(125)	(1,890)	(2,015)
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

	Group		
	UK & CI business £'000	ROI business £'000	Total £'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

For the year ended 30 September 2020

Segmental income statement

	Group		
	UK & CI business £'000	ROI business[1] £'000	Total £'000
Revenue	338,098	23,349	361,447
Staff costs	(189,189)	(10,296)	(199,485)
Other operating costs	(74,134)	(7,922)	(82,056)
	74,775	5,131	79,906
Amortisation of intangible assets – client relationships and brand	(8,084)	(2,988)	(11,072)
Acquisition costs	–	(3,600)	(3,600)
Onerous contracts	(250)	–	(250)
Incentivisation awards	(258)	(934)	(1,192)
Operating profit/(loss)	66,183	(2,391)	63,792
Net finance costs and other gains and losses	(1,582)	(138)	(1,720)
Profit/(loss) before tax	64,601	(2,529)	62,072
Tax	(14,453)	336	(14,117)
Profit/(loss) after tax	50,148	(2,193)	47,955

1. The Group acquired Brewin Dolphin Capital & Investments (Ireland) Limited on 31 October 2019 – see note 33 for further details.

Segmental balance sheet

	Group		
	UK & CI business £'000	ROI business £'000	Total £'000
Net assets	284,386	50,650	335,036
Total assets	612,866	59,832	672,698
Total liabilities	328,480	9,182	337,662

6. Staff costs

Group

	Group 2021 No.	Group 2020 No.
The average monthly number of employees (including Executive Directors) by category was:		
Client facing	**1,284**	1,229
Business support	**947**	882
	2,231	2,111

	2021 £'000	2020 £'000
The aggregate remuneration (including Executive Directors) comprised:		
Wages and salaries	**171,539**	155,715
Social security costs	**23,232**	19,264
Share-based payments	**12,587**	9,779
Apprenticeship levy	**851**	803
Termination benefits – redundancy costs	**474**	601
Defined contribution pension scheme and death in service contributions	**14,284**	13,323
	222,967	199,485

Company

The Company principally operates as a holding company and does not have any employees (2020: none).

7. Profit for the year

Profit for the year has been arrived at after charging:

	Note	Group 2021 £'000	Group 2020 £'000
Staff costs	6	**222,967**	199,485
Amortisation of intangible assets – client relationships	12	**11,093**	10,933
Amortisation of intangible assets – software	12	**3,994**	417
Amortisation of intangible assets – brand	12	**139**	139
Loss on disposal of intangible assets – software	12	**115**	–
Depreciation of property, plant and equipment	13	**3,249**	3,114
Loss on disposal of property, plant and equipment	13	**421**	–
Depreciation of right of use assets	14	**6,371**	6,250
Allowance for credit impaired assets for trade receivables	18	**(184)**	93
Expected credit loss allowance on trade debtors and accrued income	18	**–**	1
Other gains from trading investments	19	**340**	–
Auditor's remuneration (see analysis below)		**1,409**	1,009

Analysis of auditor's remuneration:

	Group 2021 £'000	Group 2020 £'000
Audit services		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**124**	94
Fees payable to the Company's auditor for the audit of its subsidiaries	**691**	466
	815	560
Assurance services		
Regulatory assurance work	**343**	182
Interim review	**71**	79
Other assurance services	**10**	55
	424	316
Other non-audit services		
AAF 01/20 – controls assurance report	**170**	133
	170	133
Total auditor's remuneration	**1,409**	1,009

Ernst & Young LLP ('EY') were appointed the Group's Statutory Auditor for the financial year ended 30 September 2021. The analysis above includes fees payable to EY in respect of the Group's Irish subsidiaries for audit and regulatory assurance work of £131k and £78k respectively.

Deloitte LLP were the Statutory Auditor for the financial year ended 30 September 2020. In that year fees of £76k and £55k were paid to EY in respect of the audit of Brewin Dolphin Capital & Investments (Ireland) Limited and regulatory assurance work respectively during 2020.

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 84.

8. Finance income and costs

		Group	
	Note	**2021 £'000**	2020 £'000
Finance income			
Interest income on defined benefit pension scheme	17	**307**	324
Interest on lease receivables	15	**92**	92
Interest on bank deposits		**55**	491
		454	907
Finance costs			
Interest expense on lease liabilities	22	**2,036**	2,327
Unwind of discounts on provisions	23	**137**	210
Unwind of discounts on shares to be issued	24	**69**	70
Interest on bank overdrafts		**3**	20
		2,245	2,627

9. Income tax expense

		Group	
	Note	**2021 £'000**	2020 £'000
Current tax			
United Kingdom:			
Charge for the year		**11,905**	10,623
Adjustments in respect of prior years		**828**	(1,174)
Overseas:			
Charge for the year		**445**	67
Adjustments in respect of prior years		**347**	(70)
Total current tax		**13,525**	9,446
Deferred tax			
United Kingdom:			
Charge for the year		**4,106**	4,048
Adjustments in respect of prior years		**(515)**	889
Overseas:			
Charge for the year		**38**	(266)
Adjustments in respect of prior years		**56**	–
Total deferred tax	25	**3,685**	4,671
Tax charged to the Income Statement		**17,210**	14,117

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.

9. Income tax expense continued

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

	Group	
	2021 £'000	2020 £'000
Profit before tax	**72,528**	62,072
Tax at the UK corporation tax rate of 19% (2020:19%)	**13,780**	11,794
Tax effect of:		
Expenses that are not deductible in determining taxable profit	**2,142**	1,275
Permanent differences in respect of capital expenditure	**(693)**	163
Share-based payments	**(1,453)**	1,098
Under/(over) provision for tax in prior years	**716**	(408)
Lower tax rates of subsidiaries	**(37)**	142
Impact of deferred tax rate change	**2,755**	53
Tax expense for the year	**17,210**	14,117
Effective tax rate for the year	**23.7%**	22.7%

Expenses that are not deductible in determining taxable profit include amortisation of client relationships and brand, acquisition costs, hospitality costs and professional fees that are capital in nature.

Lower rates in subsidiaries reflects the overall impact of overseas taxes on the total tax charge of the Group. Although the Group's subsidiaries are taxed at a lower rate than the UK corporation tax rate of 19%, the impact of permanent disallowable items and prior year adjustments suffered in overseas subsidiaries has been to increase the tax suffered by the overseas subsidiaries to a rate higher than the UK statutory corporation tax rate.

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.

10. Dividends

	Group and Company	
	2021 £'000	2020 £'000
Amounts recognised as distributions to equity shareholders in the year:		
2020/19 Final dividend paid 10 February 2021, 9.9p per share (2020: 12.0p per share)	**29,142**	35,401
2021/20 Interim dividend paid 11 June 2021, 4.6p per share (2020: 4.4p per share)	**13,510**	12,992
	42,652	48,393
Proposed final dividend for the year ended 30 September 2021 of 11.1p (2020: 9.9p) per share based on shares in issue at 18 November 2021 (2020: 19 November 2020)	**32,625**	29,242

The proposed final dividend for the year ended 30 September 2021 of 11.1p 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 9,594,749 Ordinary Shares representing 3.2% of the Company's called up share capital in relation to employee share plans, has agreed to waive all dividends due to the Trustee.

11. Earnings per share

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

	Group	
	2021 '000	2020 '000
Number of shares		
Basic		
Weighted average number of shares in issue in the year	**293,785**	295,012
Diluted		
Effect of weighted average number of options outstanding for the year	**8,769**	6,110
Effect of estimated weighted average number of shares earned under deferred consideration arrangements	**343**	–
Diluted weighted average number of options and shares for the year	**302,897**	301,122
	£'000	£'000
Earnings attributable to ordinary shareholders		
Profit for the purpose of basic earnings per share	**55,318**	47,955
Finance costs of deferred consideration[1]	**69**	–
less tax effect of above	**(13)**	–
Profit for the purpose of diluted earnings per share	**55,374**	47,955
Amortisation of intangible assets – client relationships and brand	**11,232**	11,072
Onerous contracts	**3,644**	250
Acquisition costs	**1,500**	3,600
Incentivisation awards	**2,015**	1,192
Defined benefit pension scheme past service costs	**360**	–
Other gains and losses	**(340)**	–
less tax effect of above	**(1,583)**	(1,918)
Adjusted profit for the purpose of diluted earnings per share	**72,202**	62,151
Finance costs of deferred consideration[1]	**(69)**	–
less tax effect of above	**13**	–
Adjusted profit for the purpose of basic earnings per share	**72,146**	62,151
Earnings per share		
Basic	**18.8p**	16.3p
Diluted	**18.3p**	15.9p
Adjusted earnings per share		
Basic	**24.6p**	21.1p
Diluted	**23.8p**	20.6p

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

12. Intangible assets

	Group				
	Goodwill £'000	Client relationships £'000	Brand £'000	Software costs[1] £'000	Total £'000
Cost					
At 30 September 2019	52,733	156,656	1,388	30,483	241,260
Additions	2,064	32,067	–	33,157	67,288
Exchange differences	106	1,670	–	–	1,776
At 30 September 2020	54,903	190,393	1,388	63,640	310,324
Additions	**–**	**337**	**–**	**29,625**	**29,962**
Exchange differences	**(113)**	**(1,769)**	**–**	**–**	**(1,882)**
Disposals	**–**	**–**	**–**	**(8,620)**	**(8,620)**
At 30 September 2021	**54,790**	**188,961**	**1,388**	**84,645**	**329,784**
Accumulated amortisation and impairment losses					
At 30 September 2019	–	106,166	69	17,779	124,014
Amortisation charge for the year	–	10,933	139	417	11,489
Exchange differences	–	104	–	–	104
At 30 September 2020	–	117,203	208	18,196	135,607
Amortisation charge for the year	**–**	**11,093**	**139**	**3,994**	**15,226**
Exchange differences	**–**	**(204)**	**–**	**–**	**(204)**
Disposals	**–**	**–**	**–**	**(8,505)**	**(8,505)**
At 30 September 2021	**–**	**128,092**	**347**	**13,685**	**142,124**
Net book value					
At 30 September 2021	**54,790**	**60,869**	**1,041**	**70,960**	**187,660**
At 30 September 2020	54,903	73,190	1,180	45,444	174,717
At 30 September 2019	52,733	50,490	1,319	12,704	117,246

1. £57,981k is under construction.

Client relationship additions are made up as follows:

	Group	
	2021 £'000	2020 £'000
Cash paid for client relationships acquired in current year	**176**	32,029
Deferred consideration for client relationships acquired in current year	**174**	–
Fair value adjustment	**–**	38
Adjustment for client relationships acquired in previous years	**(13)**	–
Total additions	**337**	32,067

On 30 July 2021, Brewin Dolphin Limited, the Group's principal operating subsidiary purchased client relationships from an IFA based in Exeter, for an initial payment of £176k and an estimated deferred consideration of £176k subject to performance conditions. The fair value of the deferred consideration recognised is £174k.

The acquisition has been recognised as an acquisition of a group of assets that do not constitute a business. The optional concentration test under IFRS 3 was applied to determine whether the acquisition constituted a business combination. The optional concentration test is a simplified assessment of whether an acquired set of activities and assets is not a business. Under the test if substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets), the assets acquired do not represent a business.

Under the optional concentration test, this acquisition does not constitute a business. Only one single identifiable asset has been purchased, being the client relationships intangible asset meeting the concentration test requirements.

Goodwill impairment testing

The Group has revised its methodology for identifying cash-generating units ('CGUs') for the purpose of goodwill impairment testing. In prior reporting periods goodwill impairment tests were performed for groups of CGUs based at the branch level. Following a re-assessment of this approach, goodwill impairment testing is now performed for groups of CGUs defined at the geographical operating segment level for the Wealth Management business, as reported in note 5, Segmental information. This means the Group has 2 CGUs which are the UK & CI business and ROI business, reflecting how business performance and operations are considered, controlled and assessed by management.

In accordance with IFRS, the Group performs impairment testing for goodwill on an annual basis, at 30 September, 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 tables below show the goodwill allocated to groups of CGUs and the significant client relationship assets.

Goodwill allocation to CGUs:

	Group
	£'000
UK & CI business	52,732
ROI business	2,058
Carrying amount at 30 September 2021	**54,790**

	Group	
	Groups of CGUs	£'000
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
BD Ireland	1	2,170
Other Branches	17	23,068
Carrying amount at 30 September 2020	22	54,903

Significant client relationship intangible assets:

	Group	
	2021 £'000	2020 £'000
Brewin Dolphin Wealth Management Limited[1]	**7,800**	9,414
Brewin Dolphin Capital and Investments (Ireland) Limited[2]	**25,841**	30,645
BD Ireland	**33,641**	40,059
South East investment management team[3]	**9,511**	13,154
Bath branch[4]	**14,766**	16,645
Other investment management teams[5]	**2,951**	3,332
Carrying amount at 30 September	**60,869**	73,190

1. Amortisation period remaining 4 years 10 months as at 30 September 2021.
2. Amortisation period remaining 8 years 1 months as at 30 September 2021.
3. Amortisation period remaining 2 years 7 months as at 30 September 2021.
4. Amortisation period remaining 7 years 10 months as at 30 September 2021.
5. None of the constituent parts of the client relationships relating to the other investment management teams is individually significant in comparison to the total value of goodwill or client relationships respectively.

Goodwill impairment testing is performed for groups of CGUs at the geographical operating segment level for the Wealth Management business, as reported in note 5, Segmental information. Client relationships and brand impairment testing is performed for each relevant CGU where there are indicators of impairment. At 30 September 2021, there were no indicators of impairment for client relationships and brand intangible assets.

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%.

Following the impairment testing of goodwill, it was determined that none of the goodwill held by the Group was impaired. All of the CGUs within the Group have headroom, where the fair value less costs to dispose ('FVLCTD') is in excess of the carrying value.

Sensitivity analysis of the key assumptions

All of the CGUs within the Group have significant headroom (i.e. where the recoverable amount of the CGU is in excess of the carrying value), such that they are insensitive to all reasonable possible changes to the value of funds used for the purpose of goodwill impairment testing.

13. Property, plant and equipment

	Group			
	Leasehold improvements £'000	Office equipment £'000	Computer equipment £'000	Total £'000
Cost				
At 30 September 2019	19,247	12,227	36,005	67,479
Effect of change in accounting policy for initial application of IFRS 16	(992)	–	–	(992)
At 1 October 2019	18,255	12,227	36,005	66,487
Additions	1,195	483	701	2,379
Exchange differences	11	13	–	24
Disposals	(451)	(115)	(392)	(958)
At 30 September 2020	19,010	12,608	36,314	67,932
Additions	**467**	**11**	**1,559**	**2,037**
Exchange differences	**(23)**	**(35)**	**–**	**(58)**
Disposals	**(912)**	**(203)**	**(568)**	**(1,683)**
At 30 September 2021	**18,542**	**12,381**	**37,305**	**68,228**
Accumulated depreciation and impairment losses				
At 30 September 2019	12,542	11,625	32,653	56,820
Effect of change in accounting policy for initial application of IFRS 16	(775)	–	–	(775)
At 1 October 2019	11,767	11,625	32,653	56,045
Charge for the year	1,200	293	1,621	3,114
Exchange differences	2	6	–	8
Eliminated on disposal	(451)	(115)	(392)	(958)
At 30 September 2020	12,518	11,809	33,882	58,209
Charge for the year	**1,270**	**286**	**1,693**	**3,249**
Exchange differences	**(7)**	**(20)**	**–**	**(27)**
Eliminated on disposal	**(491)**	**(203)**	**(568)**	**(1,262)**
At 30 September 2021	**13,290**	**11,872**	**35,007**	**60,169**
Net book value				
At 30 September 2021	**5,252**	**509**	**2,298**	**8,059**
At 30 September 2020	6,492	799	2,432	9,723
At 30 September 2019	6,705	602	3,352	10,659

During the period, £421k, relating to a leasehold asset recognised in the prior year has been written off and is shown as a disposal (see note 23 for further details).

14. Leases

Group

With the exception of short-term leases and leases of low-value underlying assets, contracts that contain a lease are reflected on the Consolidated Balance Sheet as either a ROU asset or a finance lease receivable with a corresponding lease liability.

The majority of the Group's ROU assets are in respect of leases for the offices it occupies ('property leases'). The property leases generally have a term ranging from 5 to 15 years. There were three new property leases in the year. The property leases require the Group to keep the properties in a good state of repair and to return the offices in their original condition at the end of the lease. The average remaining lease term is 4.3 years for the property leases. The Group entered into a new lease for printers during the year.

The Group signed an agreement to lease 25 Cannon St, London in 2019. The lease for 25 Cannon St is yet to commence and subsequently a ROU asset and corresponding lease liability have not been recognised.

Right of use assets

	Note	Group £'000
Cost		
At 30 September 2019		n/a
Effect of change in accounting policy for initial application of IFRS 16		43,305
At 1 October 2019		43,305
Additions		1,932
Transfer to finance lease receivable	15	(945)
At 30 September 2020		44,292
Lease modifications and rent reviews		**(176)**
Disposals		**(733)**
Additions		**1,549**
Exchange differences		**(32)**
At 30 September 2021		**44,900**
Accumulated depreciation and impairment losses		
At 30 September 2019		n/a
Effect of change in accounting policy for initial application of IFRS 16		–
At 1 October 2019		–
Charge for the year		6,250
At 30 September 2020		6,250
Charge for the year		**6,371**
Disposals		**(38)**
Exchange differences		**(7)**
At 30 September 2021		**12,576**
Net book value		
At 30 September 2021		**32,324**
At 30 September 2020		38,042

Amounts recognised in the Income Statement

	Note	Group **2021 £'000**	Group 2020 £'000
Depreciation expense on ROU assets	7	**6,371**	6,250
Interest expense on lease liabilities	8	**2,036**	2,327
Expenses relating to short-term leases		**428**	653
Expenses relating to low-value assets		**14**	25
Income from subleasing ROU assets recognised as operating leases		**692**	572

Other information

At 30 September 2021, the Group was committed to short-term leases with a total commitment of £67k (2020: £378k).

The total cash outflow for leases recognised as right of use assets was £10,266k for the year ended 30 September 2021 (2020: £8,765k).

Finance lease receivables are presented in note 15 and lease liabilities including the maturity analysis of the lease liabilities are presented in note 22.

15. Finance lease receivables

	Group 2021 £'000	Group 2020 £'000
Current	**174**	167
Non-current	**1,791**	1,966
Net investment in finance leases	**1,965**	2,133

Reconciliation of finance lease receivables

	Note	Group 2021 £'000	Group 2020 £'000
At 1 October		**2,133**	1,299
Non–cash:			
Addition	14	**–**	945
Unwind of discount	8	**92**	92
Cash:			
Lease repayments received from tenants		**(260)**	(203)
At 30 September		**1,965**	2,133

Finance lease arrangements

The Group has entered into various sub-lease arrangements as a lessor. The subleases relate to surplus office space that is leased by the Group. Where the Group has transferred substantially all of the risk and rewards of ownership of the asset, the sub-leases are classified as finance leases.

The Group does not face foreign currency risks, as the leases are denominated in the local currency of each subsidiary.

The maturity analysis of lease receivables, including the undiscounted lease payments to be received, are as follows:

	Group 2021 £'000	Group 2020 £'000
Less than 1 year	**259**	259
1 to 2 years	**259**	259
2 to 3 years	**259**	259
3 to 4 years	**259**	259
4 to 5 years	**259**	259
Greater than 5 years	**1,138**	1,397
Total undiscounted lease payments receivable	**2,433**	2,694
Unearned finance income	**(468)**	(561)
Net investment in finance leases	**1,965**	2,133

The Group's finance leases do not include variable payments.

Impairment of finance lease receivables

The Group estimates the loss allowance on finance lease receivables at an amount equal to the lifetime Expected Credit Loss ('ECL'). The lifetime ECL is determined to £nil taking into account the historical default experience and future expectations. At the reporting date none of finance lease receivables are past due or impaired.

16. Investment in subsidiaries

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

Name of subsidiary	Activity	Country of registration	Class of share capital
Argentum (Capvest) Ireland Limited[4]	Dormant Nominee	Ireland	Ordinary
Aurum Nominees Limited[4]	Dormant Nominee	Ireland	Ordinary
Aurum (Airtricity) Nominees Ireland Limited[4]	Dormant Nominee	Ireland	Ordinary
Aurum Broking Nominees Ireland Limited[4]	Dormant Nominee	Ireland	Ordinary
Aurum (Development) Nominees Ireland Limited[4]	Dormant Nominee	Ireland	Ordinary
Aurum (Placings) Ireland Limited[4]	Dormant Nominee	Ireland	Ordinary
Aurum (Thomas Street) Nominees No 2 Ireland Limited[4]	Dormant Nominee	Ireland	Ordinary
Aylwin Limited[1]	Investment Manager	England & Wales	Ordinary/A Ordinary
B.L.Nominees Limited[1]	Dormant Nominee	England & Wales	Ordinary
BDDL Limited[1]	Investment Manager	England & Wales	Ordinary
BDS Nominees Limited[1]	Client Nominee	England & Wales	Ordinary
Bell Lawrie White & Co. Limited[2]	Dormant	Scotland	Ordinary
Brewin (1762) Limited[1]	Dormant	England & Wales	Ordinary
Brewin 1762 Nominees (Channel Islands) Limited[3]	Dormant Nominee	Jersey	Ordinary
Brewin 1762 Nominees Limited[1]	Client Nominee	England & Wales	Ordinary
Brewin Broking Limited[1,5]	Dormant	England & Wales	A Ordinary/B Ordinary
Brewin Dolphin Capital & Investments (Ireland) Limited[4]	Wealth & investment services	Ireland	Ordinary
Brewin Dolphin (Channel Islands) Limited[3]	Dormant	Jersey	Ordinary
Brewin Dolphin Limited[1,5]	Investment Manager	England & Wales	Ordinary
Brewin Dolphin MP[1]	Investment Manager	England & Wales	A Ordinary/B Ordinary
Brewin Dolphin Securities Limited[1]	Dormant	England & Wales	Ordinary
Brewin Dolphin Wealth Management Limited[4,5]	Investment Manager	Ireland	Ordinary/A Shares
Brewin Nominees (Channel Islands) Limited[3]	Client Nominee	Jersey	Ordinary
Brewin Nominees Limited[1]	Client Nominee	England & Wales	Ordinary
DDY Nominees Limited[1]	Dormant Nominee	England & Wales	Ordinary
Dunlaw Nominees Limited[1]	Client Nominee	England & Wales	Ordinary
Erskine Nominees Limited[2]	Dormant Nominee	Scotland	Ordinary
Giltspur Nominees Limited[1]	Client Nominee	England & Wales	Ordinary
Mathieson Consulting Limited[1]	Investment Manager	England & Wales	Ordinary
North Castle Street (Nominees) Limited[2]	Client Nominee	Scotland	Ordinary
Robert White & Co. Limited[2,5]	Dormant	Scotland	Ordinary
Shareline (Yorkshire) Limited[1]	Dormant	England & Wales	Ordinary
Smittco Nominees Limited[1]	Firm Nominee	England & Wales	Ordinary
Tilman Brewin Dolphin Nominees Limited[4]	Client Nominee	Ireland	Ordinary
Webrich Limited[1,5]	Trustee	England & Wales	Ordinary
Wise Nominees Limited[1]	Dormant Nominee	England & Wales	Ordinary A Voting/ Ordinary B Voting/ Ordinary C
Wise Speke Financial Services Limited[1]	Dormant	England & Wales	Ordinary

1. Registered office: 12 Smithfield Street, London, EC1A 9BD.
2. Registered office: Atria One, 144 Morrison Street, Edinburgh, EH3 8BR.
3. Registered office: 2nd Floor, Kingsgate House, 55 The Esplanade, St Helier JE2 3QB.
4. Registered office: 3 Richview Office Park, Clonskeagh, Dublin 14.
5. Indicates subsidiaries held directly.

All of the UK subsidiaries listed above are entitled to the exemption from audit under s479A of the Companies Act 2006, with the exception of BDDL Limited, Brewin Dolphin Limited, Brewin Dolphin MP, Aylwin Limited and Mathieson Consulting Limited.

Movements in investment in subsidiaries

	Note	Company 2021 £'000	2020 £'000
At 1 October		**238,659**	192,215
Investment in Brewin Dolphin Wealth Management Limited		**–**	45,449
Investment in Brewin Dolphin Limited	8,24	**69**	70
Capital contribution in respect of share-based payments:			
Brewin Dolphin Limited		**2,961**	925
Brewin Dolphin Wealth Management Limited		**144**	–
At 30 September		**241,833**	238,659

17. Defined benefit pension scheme

Group

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').

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.

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% per annum. 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. There is no future benefit accrual since all in-service members have retired. Contributions to the Scheme for the year beginning 1 October 2021 are expected to be £nil.

Valuation for funding purposes

The valuation as at 31 December 2020:

	Group £'000
Value of scheme assets	128,236
Actuarial value of scheme liabilities in respect of:	
In-service members	(16,789)
Deferred pensioners	(51,040)
Current pensioners and dependants	(49,610)
GMP equalisation	(2,709)
Value of scheme liabilities	(120,148)
Scheme surplus	8,088
Funding level	107%

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 2020. The actuarial valuation is used to assess the money the Group needs to put into the pension scheme.

As part of the funding valuation as at 31 December 2017, it was agreed that the Group would pay contributions of £250k per month from 1 January 2018 until 28 February 2019. In addition to this, the Group also agreed to pay additional contributions of £1.25m per annum from 1 March 2019 to 31 December 2020.

The results of the actuarial valuation of the Scheme as at 31 December 2020 revealed a funding surplus and it was agreed that no additional funding contributions would be required from the Group at least until the funding is reassessed as at 31 December 2023. Up to 30 September 2021 the administration costs of the Scheme, including investment management fees and Scheme levy payments were paid by Brewin Dolphin Limited as they fell due. From 1 October 2021 it was agreed that these costs are to be paid directly by the Scheme as they fall due (or reimbursed if met by the Employer).

The next actuarial valuation of the Scheme is due as at 31 December 2023, where the funding position of the Scheme will be reviewed.

Maturity of the Scheme

The liabilities of the Scheme are based on the current value of expected benefit payment cash flows to members of the Scheme over the next 60 years or so. The weighted average duration of the liabilities is approximately 18 years (2020: 18 years).

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 (asset) (to the extent a surplus may be seen) or deficit (liability) on the Balance Sheet. The accounting value shown on the Balance Sheet will always be different from the result obtained using the funding basis.

The pension valuation under IAS 19 as at 30 September 2021 was carried out by a qualified independent actuary.

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.

Amount, timing and uncertainty of future Scheme cash flows

A sensitivity analysis of the principal assumptions used to measure the Scheme's defined benefit obligation as at 30 September 2021 is set out further below. The sensitivities cover the key assumptions shown. The inflation assumption sensitivity factors in the impact of changes to RPI inflation which will impact on future expectations of increases in final pensionable salary (which are capped at RPI increases), pension increases and CPI inflation.

Explanation of the variance between funding valuation and IAS 19 valuation

The accounts show the Scheme has a surplus of £20.8m under IAS 19 as at 30 September 2021 compared to the surplus of £8.1m revealed by the results of the latest funding valuation as at 31 December 2020. The main reason for the difference in surplus is due to the different assumptions used to value the liabilities in the accounting and funding valuations for the Scheme, the funding valuation uses more cautious assumptions to value the liabilities while the accounting assumptions are derived in line with IAS 19.

Defined benefit pension scheme asset recognition basis

Under IAS 19 the net defined benefit pension scheme asset that can be recognised is the lower of the surplus and the asset ceiling (i.e. the economic benefits available in the form of refunds or reductions in future contributions or a combination of both, in accordance with IFRIC 14 'IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'). Under the Scheme's Trust Deeds and Rules the Group is able, without condition or restriction placed on it by the Trustees, to run the Scheme until the last member dies, without benefits being augmented; wind up the Scheme at that point; and reclaim any remaining monies. Consequently, the Group recognises the full surplus calculated in accordance with IAS 19 and IFRIC 14.

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 proportion of equity and assets that are not expected to closely match the majority of the Scheme's liabilities. The Scheme invests in derivatives, predominantly interest rate and inflation rate swaps that are used to provide a liability matching overlay so that the value of these swaps and the gilts held match the majority of the movement in the liabilities to changes in interest rates and inflation. 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 Trustees' 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.

Financial derivatives risk – the Scheme directly holds derivatives in the form of interest rate swaps, inflation swaps and total return swaps with the aim of enhancing how the Trustees' matching assets match changes in the Scheme's liabilities on the funding basis. These are managed by the investment manager as well as all other assets and the Scheme Trustees determine the level of overall liability hedging that is employed. Other than these derivatives used for liability matching and reducing risks, the Scheme does not directly hold any financial derivatives, but these may be held by some of the investment funds that the Scheme invests in. The main risks associated with financial derivatives include: losses may exceed the initial margin; counterparty risk where the other party defaults on the contract; and liquidity risk where it may be difficult to close out a contract prior to expiry. These risks are managed indirectly by the investment managers of the Scheme who will review the Scheme's return seeking assets and the level of investment risk taking to ensure it remains appropriate taking account of the Trustees' investment objectives.

The surplus recognised on the accounting basis is exposed to the risks that increases or decreases in the assets do not match those of the liabilities measured on the accounting basis. The asset liability matching is based on the Scheme's funding basis and so to the extent that the Group's measure for the liabilities in line with IAS 19 requirements changes relative to the measure of the liabilities on the funding basis which the assets are hedging, this could impact on the accounting surplus. The funding position on the funding basis is protected to some degree by the level of hedging that is adopted and the Trustees' plans to de-risk in future years as the funding position improves.

Scheme investment strategy and level of matching

Before the year end the Scheme's investment strategy was changed to target investing 17.5% in higher return seeking assets (e.g. equities, high yielding bonds etc. – previously c. 20%), 20% in a cashflow generating corporate bond fund and 62.5% in matching assets (e.g. fixed interest gilts and index-linked gilts – previously c. 60%). 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

17. Defined benefit pension scheme continued

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 as at 30 September 2021 and 30 September 2020 are provided below, disaggregated between assets that are believed to have a quoted market price in an active market.

The Scheme was hedged up to 100% of interest rate risk and inflation risk as at 30 September 2021 (measured on an appropriate funding basis) to reduce financial risks to the Scheme and the risks of additional contribution requirements for the Group. The current longer-term objective is to continue to hedge around 100% of both the interest rate risk and inflation risk of the liabilities; this will help to further reduce funding level volatility.

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.

Assumptions

A full actuarial valuation of the Scheme was carried out as at 31 December 2020 and has been updated to 30 September 2021 by a qualified independent actuary.

The major assumptions used by the actuary were (in nominal terms) as follows:

	Group	
	As at 30 September 2021	As at 30 September 2020
Discount rate	**1.90%**	1.50%
RPI inflation assumption	**3.50%**	2.90%
CPI inflation assumption	**2.70%**	2.20%
Rate of increase in salaries	**3.50%**	2.90%
LPI pension increases	**3.35%**	2.85%
Average assumed life expectancies for members on retirement at age 65.		
Retiring today:		
Males	**86.6 years**	86.9 years
Females	**89.1 years**	89.2 years
Retiring in 20 years:		
Males	**87.9 years**	88.2 years
Females	**90.5 years**	90.7 years

Scheme assets and liabilities

The assets in the Scheme were:

	Group			
	2021 £'000	2020 £'000	**2021 %**	2020 %
Equities and property (quoted)	**13,704**	22,073	**11.2**	17.5
Fixed interest bonds (quoted)	**50,475**	48,293	**41.3**	38.3
Index linked bonds (quoted)	**49,173**	40,040	**40.2**	31.8
Liability hedging (quoted)	**4,011**	4,559	**3.3**	3.6
Commodities (quoted)	**–**	986	**–**	0.8
Currency hedging (quoted)	**(92)**	78	**(0.1)**	0.1
Alternatives (quoted)	**1,569**	7,116	**1.3**	5.6
Cash and cash equivalents	**3,391**	2,934	**2.8**	2.3
Fair value of scheme assets	**122,231**	126,079	**100.0**	100.0

The actual return on assets over the period was:

	Group	
	2021 £'000	2020 £'000
	(349)	2,793

Net assets recognised on the Balance Sheet:

	Group	
	2021 £'000	2020 £'000
Present value of funded obligations	**(101,409)**	(105,755)
Fair value of scheme assets	**122,231**	126,079
Surplus in funded scheme and net asset on the Balance Sheet	**20,822**	20,324

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

	Group 2021 £'000	Group 2020 £'000
Benefit obligation at beginning of year	**105,755**	107,862
Past service cost[1]	**360**	–
Interest cost	**1,558**	1,913
Net remeasurement gains – demographic	**(1,151)**	(4,247)
Net remeasurement losses – financial	**140**	3,993
Net remeasurement gains – experience	**(1,441)**	(567)
Benefits paid	**(3,812)**	(3,199)
Benefit obligation at end of year	**101,409**	105,755

1. The past service cost relates to the equalisation of the Guaranteed Minimum Pensions ('GMP'). This cost has been incurred following the judgment 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 the plan assets:

	Group 2021 £'000	Group 2020 £'000
Fair value of plan assets at beginning of year	**126,079**	125,235
Interest income on scheme assets	**1,865**	2,237
Return on assets, excluding interest income	**(2,214)**	556
Contributions by employers	**313**	1,250
Benefits paid	**(3,812)**	(3,199)
Fair value of scheme assets at end of year	**122,231**	126,079

The amounts recognised in the Income Statement are:

	Group 2021 £'000	Group 2020 £'000
Past service cost	**(360)**	–
Net interest income on the net defined benefit asset	**307**	324
Total (expense)/income	**(53)**	324

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

	Group 2021 £'000	Group 2020 £'000
Net remeasurement – demographic	**1,151**	4,247
Net remeasurement – financial	**(140)**	(3,993)
Net remeasurement – experience	**1,441**	567
Return on assets, excluding interest income	**(2,214)**	556
Total remeasurement of the net defined benefit asset included in OCI	**238**	1,377

17. Defined benefit pension scheme continued

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 defined benefit pension scheme as at 30 September 2021 is set out below:

Assumption	Change in assumption	Impact on scheme liabilities	Impact on scheme assets	Impact on scheme surplus
Rate of inflation (RPI, CPI, inflation linked pension increases and salary increases)	Increase by 0.25%	Increase by £3.2m	Increase by £4.0m	Increase by £0.8m
Assumed life expectancy	Members live 1 year longer	Increase by £5.0m	£ nil	Decrease by £5.0m
Discount rate	Decrease by 0.25%	Increase by £4.6m	Increase by £5.8m	Increase by £1.2m
Credit spread (difference between discount rate and underlying gilt yields)	Decrease by 0.25% pa	Increase by £4.6m	Increase by £0.3m	Decrease by £4.3m
Credit spread (difference between discount rate and underlying gilt yields)	Increase by 0.25% pa	Decrease by £4.3m	Decrease by £0.3m	Increase by £4.0m
Underlying gilt yields	Decrease by 1% pa	Increase by £20.6m	Increase by £25.2m	Increase by £4.6m
Underlying gilt yields	Increase by 1% pa	Decrease by £15.8m	Decrease by £20.1m	Decrease by £4.3m
Value of assets on risk	Decrease by 10%	n/a	Decrease by £2.3m	Decrease by £2.3m
Value of assets on risk	Decrease by 20%	n/a	Decrease by £4.6m	Decrease by £4.6m

The sensitivity figures have been calculated using the same method used for the calculation of the disclosed liabilities as at 30 September 2021. There are no material limitations of the method used to calculate the sensitivities relative to the disclosed liabilities.

18. Trade and other receivables

	Group 2021 £'000	Group 2020 £'000
Non-current assets		
Other receivables	–	931
Other receivables at 30 September	–	931

The non-current other receivables relate to professional fees incurred for property leases that are yet to commence.

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Current assets				
Trade debtors	**156,765**	169,054	**–**	–
Loss allowance	**(138)**	(333)	**–**	–
	156,627	168,721	**–**	–
Loans[1]	**59**	76	**–**	–
Accrued income	**74,117**	64,714	**–**	–
Other debtors	**1,428**	1,676	**–**	–
Amounts due from subsidiary undertakings	**–**	–	**41,849**	35,042
Prepayments	**9,402**	6,752	**–**	–
Trade and other receivables at 30 September	**241,633**	241,939	**41,849**	35,042

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. An allowance for credit impaired assets is recognised for trade debtors that are older than 90 days unless collateral is held. The maximum exposure to credit risk is the carrying value as above (see note 29 for details of the Group's credit risk).

The expected credit losses have been determined under the simplified approach and accordingly the loss allowance recognised is based on lifetime expected credit losses at each reporting date.

Ageing of trade debtors

	Group	
	2021 £'000	2020 £'000
Not past due	**155,322**	166,828
Up to 15 days past due	**858**	1,518
16 to 30 days past due	**75**	38
31 to 45 days past due	**53**	94
More than 45 days past due	**277**	184
	156,585	168,662
Individually impaired trade debtors	**180**	392
Loss allowance	**(138)**	(333)
Trade debtors	**156,627**	168,721

Movements in loss allowance

	Group			
	Credit impaired assets allowance £'000	**Expected credit loss allowance £'000**	**2021 £'000**	2020 £'000
At 1 October	**324**	**9**	**333**	43
On acquisition	**–**	**–**	**–**	307
Exchange rate movement	**(11)**	**–**	**(11)**	16
Net (credit)/charge to the Income Statement	**(184)**	**–**	**(184)**	94
Loss allowance utilised	**–**	**–**	**–**	(127)
At 30 September	**129**	**9**	**138**	333

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

19. Financial instruments

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

Level 3

	Group
	Unlisted investments £'000
At 30 September 2019	79
Net loss from changes in fair value recognised in equity	(5)
Disposals	(6)
At 30 September 2020	68
Disposals	**(31)**
At 30 September 2021	**37**

	Group	
	2021 £'000	2020 £'000
Equity	**37**	68
Financial assets at FVTOCI	**37**	68

19. Financial instruments continued

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

Level 1

	Group £'000
At 30 September 2019	373
Net gain from changes in fair value recognised in the income statement	6
At 30 September 2020	379
Additions	**2,255**
Net gain from changes in fair value recognised in the income statement in other gains and losses	**340**
At 30 September 2021	**2,974**

	Group	
	2021 £'000	2020 £'000
Listed investments	**2,974**	379
Financial assets at FVTPL	**2,974**	379

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. During October 2020, £2.2m was added to the seed capital, to launch the Group's Voyager fund range (the Voyager fund range is not controlled or consolidated by the Group). Additional capital of £55k was seeded in July 2021. See note 29 for details of financial instruments risk management.

20. Cash and cash equivalents

	Group		Company	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Cash and cash equivalents	**188,021**	180,533	**216**	1,256

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is approximately equal to their fair value.

Cash and cash equivalents at the end of the reporting period as shown in the Cash Flow Statement can be reconciled to the related items in the Balance Sheet as shown above.

21. Trade and other payables

	Group		Company	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Current liabilities				
Trade creditors	**155,156**	167,178	**–**	–
Other creditors	**3,700**	1,780	**–**	–
Other taxes and social security	**12,368**	12,270	**–**	–
Accruals	**85,411**	72,860	**–**	–
Deferred income	**1,868**	1,757	**6,292**	5,085
Amounts payable to subsidiary undertakings	**–**	–	**7,334**	7,334
Contract liabilities	**260**	191	**–**	–
Trade and other payables at 30 September	**258,763**	256,036	**13,626**	12,419

	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Non-current liabilities				
Other creditors	**509**	459	**–**	–
Trade and other payables at 30 September	**509**	459	**–**	–

Trade creditors relate to either market or client transactions; the date for settlement is determined when the trade is booked.

22. Lease liabilities

	Group	
	2021 £'000	2020 £'000
Current	**7,766**	8,316
Non-current	**38,250**	45,265
Lease liabilities	**46,016**	53,581

Maturity analysis of lease payments

	Group	
	2021 £'000	2020 £'000
Less than 1 year	**9,378**	10,216
1 to 2 years	**8,357**	9,261
2 to 3 years	**7,998**	8,095
3 to 4 years	**7,702**	7,788
4 to 5 years	**5,052**	7,617
Greater than 5 years	**15,139**	20,300
Total lease payments	**53,626**	63,277
Finance charges	**(7,610)**	(9,696)
Lease liabilities	**46,016**	53,581

Reconciliation of lease liability:

		Group	
	Note	**2021 £'000**	2020 £'000
At 1 October		**53,581**	57,784
Non-cash:			
Additions		**1,527**	2,235
Disposal of ROU assets, lease modifications and rent reviews		**(862)**	–
Unwind of discount	8	**2,036**	2,327
Cash:			
Repayments		**(10,266)**	(8,765)
At 30 September		**46,016**	53,581

23. Provisions

	Group					
	At 30 September 2020 £'000	**Additions £'000**	**Utilisation of provision £'000**	**Unwinding of discount £'000**	**Unused amounts reversed £'000**	**At 30 September 2021 £'000**
Sundry claims and associated costs	397	**216**	**(239)**	**–**	**(57)**	**317**
Onerous contracts	1,382	**999**	**(197)**	**2**	**–**	**2,186**
Social security and levies on share awards	2,805	**3,099**	**(757)**	**–**	**(73)**	**5,074**
Incentivisation awards	1,420	**1,951**	**–**	**9**	**–**	**3,380**
Deferred and/or contingent consideration	6,587	**174**	**(2,847)**	**80**	**(13)**	**3,981**
Leasehold dilapidations	2,163	**99**	**(74)**	**46**	**(27)**	**2,207**
	14,754	**6,538**	**(4,114)**	**137**	**(170)**	**17,145**

	Group		
	Current liability £'000	Non-current liability £'000	Total £'000
Sundry claims and associated costs	**317**	**–**	**317**
Onerous contracts	**1,305**	**881**	**2,186**
Social security and levies on share awards	**2,066**	**3,008**	**5,074**
Incentivisation awards	**2,019**	**1,361**	**3,380**
Deferred and/or contingent consideration	**–**	**3,981**	**3,981**
Leasehold dilapidations	**116**	**2,091**	**2,207**
At 30 September 2021	**5,823**	**11,322**	**17,145**
At 30 September 2020	4,798	9,956	14,754

23. Provisions continued

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, service charges and professional fees. 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 11.5 years remaining.

Additions of £999k have been made to the provision in the year. The additions include expected future costs of £960k relating to 25 Cannon St, London and £39k for other leases identified as onerous in prior periods.

The Group signed an agreement to lease 25 Cannon St, London in 2019. During the current year, management decided not to proceed with moving the current London office to 25 Cannon St. The lease for 25 Cannon St is yet to commence and subsequently a ROU asset and corresponding lease liability have not been recognised.

The Group has recognised onerous contract costs of £3,644k (2020: £250k) in the Income Statement, the majority of this expense, £3,605k, is attributable to 25 Cannon St. The costs associated with obtaining the 25 Cannon St lease (other receivables – £921k) and the leasehold improvements (£421k) capitalised on the Balance Sheet of 30 September 2020 have been expensed in the current year and further costs incurred in the current year (£1,303k) plus the provision of £960k have been expensed.

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.

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.

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 11.5 years.

24. 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 the performance conditions. The first contingent consideration is payable at the end of a twelve-month performance period to 30 September 2022; the measurement of performance can be delayed under certain circumstances by the seller.

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 30 September 2021, it is not expected that this contingent consideration will be payable, therefore it has been estimated as £nil (2020: £nil).

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

		Group and Company	
	Note	**2021 £'000**	2020 £'000
At 1 October		**3,738**	3,668
Unwind of discount charged to the income statement	8,16	**69**	70
At 30 September		**3,807**	3,738

25. Net deferred tax liability

In addition to the amount debited to the Income Statement, deferred tax relating to the actuarial gain in the defined benefit pension scheme amounting to £1,295k has been debited to other comprehensive income (2020: £609k debited). Deferred tax on share-based payments of £1,236k has been credited to profit and loss reserves (2020: £252k debited).

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

	Group							
	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 2019	964	(1)	828	(2,953)	3,703	31	(5,271)	(2,699)
Effect of change in accounting policy for initial application of IFRS 16	–	–	1,323	–	–	–	–	1,323
At 1 October 2019	964	(1)	2,151	(2,953)	3,703	31	(5,271)	(1,376)
Acquired on acquisition of subsidiary	–	–	1,930	–	–	–	–	1,930
Additions	–	–	–	–	–	–	(4,008)	(4,008)
Exchange rate movement	–	–	101	–	–	–	(209)	(108)
(Charge)/credit in the year to the Income Statement	(107)	–	(63)	(299)	(211)	55	(4,046)	(4,671)
Charge in the year to the Statement of Comprehensive Income	–	–	–	(609)	–	–	–	(609)
Charge in the year to the Statement of Changes in Equity	–	–	–	–	(252)	–	–	(252)
At 30 September 2020	857	(1)	4,119	(3,861)	3,240	86	(13,534)	(9,094)
Exchange rate movement	**–**	**–**	**(101)**	**–**	**–**	**–**	**201**	**100**
(Charge)/credit in the year to the Income Statement	**(4)**	**–**	**(646)**	**(49)**	**2,781**	**285**	**(6,052)**	**(3,685)**
Credit/(charge) in the year to the Statement of Comprehensive Income	**–**	**1**	**–**	**(1,295)**	**–**	**–**	**–**	**(1,294)**
Charge in the year to the Statement of Changes in Equity	**–**	**–**	**–**	**–**	**1,236**	**–**	**–**	**1,236**
At 30 September 2021	**853**	**–**	**3,372**	**(5,205)**	**7,257**	**371**	**(19,385)**	**(12,737)**

Deferred income taxes are calculated using substantially enacted rates of UK corporate tax expected to be in force at the time assets are realised. Following the Finance Bill 2021 announcing an increase in the rate of corporation tax in the UK from 19% to 25% from 1 April 2023, deferred tax liabilities have been remeasured during the year, the blended deferred tax rate is 19.9%.

26. Share capital and share premium

	Group and Company			
	2021 No.	2020 No.	**2021 £'000**	2020 £'000
Authorised:				
Ordinary shares of 1p each	**500,000,000**	500,000,000	**5,000**	5,000
Allotted, issued and fully paid:				
Ordinary shares of 1p each	**303,504,838**	303,234,190	**3,035**	3,032

During the year the following shares were issued:

			Group and Company			
	Date	No. of shares	Exercise/issue price (pence)	Share capital £'000	Share premium account £'000	Total £'000
At 1 October 2020		303,234,190		3,032	58,340	61,372
Issue of shares to satisfy LTIP awards	10/12/2020	**233,644**	**1.0p**	**2**	**–**	**2**
Issue of options	Various	**37,004**	**131.3p - 148.0p**	**1**	**53**	**54**
At 30 September 2021		**303,504,838**		**3,035**	**58,393**	**61,428**

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 year 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').

26. Share capital and share premium continued

- 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, 9,594,749 ordinary shares as at 30 September 2021 (2020: 7,864,976).
- 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.

The following options and awards have been granted and remain outstanding:

	Company			
Scheme	Grant date	Exercise price	**2021 No.**	2020 No.
2004 Approved Share Option Scheme:				
	December 2010	148p	**–**	31,004
	December 2011	131.3p	**8,000**	14,750
			8,000	45,754
Deferred Profit Share Plan[1]:				
	December 2014	Nil	**–**	70,689
	December 2015	Nil	**53,771**	168,018
	December 2016	Nil	**175,778**	339,521
	December 2017	Nil	**469,636**	1,967,162
	December 2018	Nil	**2,327,649**	2,353,271
	December 2019	Nil	**2,202,199**	2,222,172
	December 2020	Nil	**2,537,302**	–
			7,766,335	7,120,833
Equity Award Plan[1]:				
	May 2018	Nil	**–**	3,032
	December 2018	Nil	**109,441**	109,441
	January 2019	Nil	**–**	19,586
	June 2019	Nil	**–**	1,865
	December 2019	Nil	**111,716**	113,165
	January 2020	Nil	**28,344**	28,344
	June 2020	Nil	**4,501**	5,603
	December 2020	Nil	**1,606,053**	–
			1,860,055	281,036
Long-term Incentive Plan[2]:				
	December 2017	Nil	**–**	725,640
	December 2018	Nil	**830,849**	830,849
	December 2019	Nil	**973,255**	973,255
	December 2020	Nil	**1,414,682**	–
			3,218,786	2,529,744
Share Award Agreement[1]				
	March 2019	Nil	**39,565**	85,375
			39,565	85,375
Total options and awards outstanding as at 30 September			**12,892,741**	10,062,742

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.
2. These options may be purchased in the market by the Brewin Dolphin Holdings PLC Employee Share Ownership Trust. When the shares are purchased in the market to satisfy the awards they do not count towards dilution limits.

27. 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 ('ESOT').

	Group and Company	
	No. of shares	£'000
Balance at 30 September 2019	8,205,976	25,214
Acquired in the year	2,447,888	8,388
Own shares disposed of on exercise of options	(2,607,208)	(8,364)
Balance at 30 September 2020	8,046,656	25,238
Acquired in the year	**3,742,912**	**10,689**
Own shares disposed of on exercise of options	**(1,991,670)**	**(6,204)**
Balance at 30 September 2021	**9,797,898**	**29,723**

	2021 No.	2020 No.
Shares held by:		
Brewin Dolphin Holdings PLC ESOT	**9,594,749**	7,864,976
Brewin Dolphin Share Incentive Plan	**203,149**	181,680
Balance at 30 September	**9,797,898**	8,046,656

28. Other reserves

Merger reserve

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. £38.4m of the merger reserve arose on a placing of the Company's shares and forms part of the distributable reserves.

	Group	Company
	£'000	£'000
Balance at 30 September 2020	70,553	70,838
Balance at 30 September 2021	**70,553**	**70,838**

Profit and loss account

The profit and loss reserve forms part of the distributable reserves for the Company, subject to the profits being realised, £134.9m (2020: £124.8m) of the reserve is distributable.

	Group	Company
	£'000	£'000
Balance at 30 September 2020	228,351	151,852
Balance at 30 September 2021	**245,002**	**163,946**

Revaluation reserve

The revaluation reserve represents the cumulative fair value movements on FVTOCI financial instruments recognised in other comprehensive income and does not form part of distributable reserves.

	Group
	£'000
Balance at 30 September 2020	(2)
Balance at 30 September 2021	**(1)**

Hedging reserve

The hedging reserve represents the cumulative fair value movements on financial derivatives recognised in other comprehensive income and does not form part of distributable reserves.

	Group	Company
	£'000	£'000
Balance at 30 September 2020	–	(24)
Balance at 30 September 2021	**–**	**(24)**

29. Risk management

Overview

This note presents information about the Group's:

- exposure to each of the key risks (market risk, credit risk and liquidity risk) arising from the use of financial instruments;
- policies and procedures for measuring and managing risk; and
- management of capital.

Risk management

The Board of Directors has overall responsibility for establishing and overseeing the Group's Risk Management Framework and risk appetite.

The Board has established a clear relationship between the Group's strategic objectives and its willingness to take risk through a Risk Appetite Statement. The Risk Appetite Statement is an expression of limits (qualitative and/or quantitative) giving clear guidance on 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 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 complies 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 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 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 provide the Audit Committee with regular reports based on a structured programme of reviews agreed annually with the Committee, this includes reviews of risk management processes and recommendations to improve the control environment.

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 management policies also serve to set the appropriate control framework. 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. Capital adequacy is given a high level of focus to ensure not only that regulatory capital requirements are met, but that the Group is sufficiently capitalised against the risks to which it is currently exposed, as well as to withstand a range of potential stress events.

There were no changes in the Group's approach to capital management during the year.

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 active regulated entities in the Group: Brewin Dolphin Limited ('BDL') regulated by the FCA and Brewin Dolphin Wealth Management Limited ('BDWM') regulated by the Central Bank of Ireland. The Jersey branch of BDL is regulated by the Jersey Financial Services Commission. There is one further regulated entity in the Group which is dormant, Brewin Dolphin Capital & Investments (Ireland) Limited, a wholly owned subsidiary of BDWM.

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. The ICAAP is kept updated throughout the year to take account of changes to the profile of the risks facing the Group 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 year.

The regulatory capital resources of the Group were as follows:

	2021 £'000	2020 £'000
Share capital	**3,035**	3,032
Share premium account	**58,393**	58,340
Own shares	**(29,723)**	(25,238)
Revaluation reserve	**(1)**	(2)
Merger reserve	**70,553**	70,553
Profit and loss account	**245,002**	228,351
	347,259	335,036
Shares to be issued	**3,807**	3,738
Regulatory capital resources before deductions	**351,066**	338,774
Deduction – Intangible assets (net of deferred tax liability)	**(168,275)**	(161,183)
Deduction – Defined benefit pension scheme asset (net of deferred tax liability)	**(15,617)**	(16,463)
Deduction – Free deliveries	**(122)**	(10)
Total regulatory capital resources after deductions at 30 September	**167,052**	161,118

Information disclosure under Pillar 3 of the Capital Requirements Directive is published annually on the Group's website (www.brewin.co.uk).

Material accounting policy information

Details of the material accounting policy information, 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 2.20 to the financial statements.

Categories of financial instruments

	Carrying value			
	Group		Company	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Financial assets				
Financial assets at FVTOCI	**37**	68	**–**	–
Financial assets at FVTPL	**2,974**	379	**–**	–
Non-current finance lease receivables	**1,791**	1,966	**–**	–
Current finance lease receivables	**174**	167	**–**	–
Non-current receivables	**–**	931	**–**	–
Current loans and receivables	**234,972**	239,096	**41,849**	35,042
Cash and cash equivalents	**188,021**	180,533	**216**	1,256
At 30 September	**427,969**	423,140	**42,065**	36,298
Financial liabilities				
Shares to be issued including premium	**3,807**	3,738	**3,807**	3,738
Financial liabilities at FVTPL – deferred and contingent consideration	**3,981**	6,587	**–**	–
Other financial liabilities at amortised cost	**285,733**	291,093	**7,334**	7,334
At 30 September	**293,521**	301,418	**11,141**	11,072

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 trades 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 18).

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 £273k (2020: £870k).

The Group is exposed to translation risk in respect of the foreign currency value of the net assets of Brewin Dolphin Wealth Management Limited ('BDWM') and its subsidiary Brewin Dolphin Capital & Investments (Ireland) Limited, both based in the Republic of Ireland, together 'Brewin Dolphin Ireland'. At the year end Brewin Dolphin Ireland had net assets of £46.2m (2020: £50.6m) denominated in its local currency (Euros).

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 year.

29. Risk management continued

Equity price risk

The Group is exposed to equity price risk arising from both FVTOCI and FVTPL investments (see note 19).

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 year ended 30 September 2021 would have been £146k higher/lower (2020: £1.9k higher/lower) due to changes in the fair value of financial assets at fair value through profit or loss; and
- Other equity reserves as at 30 September 2021 would increase/decrease by £1.9k (2020: increase/decrease by £4.3k) pre-tax for the Group as a result of the changes in fair value of financial assets through other comprehensive income.

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

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 and firm deposits on demand and in 30 to 95 day notice accounts. Client deposits are fully segregated from the Group's deposits and held in separate accounts. During the year a 0.1% increase in base rate would have increased pre-tax profit by £104k (2020: £109k), this is based on the average cash balance throughout the year multiplied by 0.1%.

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.

The Company has credit risk resulting from intercompany balances held with its subsidiaries; these are reviewed for impairment at each reporting date.

Settlement risk

Exposures to settlement risk are spread across a large number of counterparties and clients. A delivery versus payment 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. The Group utilises a panel of five internally approved major banking groups and the majority of cash is currently spread across all five on the panel, excluding Brewin Dolphin Wealth Management Limited and its subsidiaries.

Maximum exposure

The maximum exposure to credit risk at the end of the reporting year 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 trade size in the current year of £17,182 (2020: £16,971).

Impaired assets

The total gross amount of individually impaired assets in relation to trade receivables at the year end was £180k (2020: £392k). Collateral valued at fair value by the Group in relation to these impaired assets was £42k (2020: £59k). 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 an allowance for credit impaired assets (see note 18). Note 18 details amounts past due but not impaired.

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, which are matched in the market, and are either traded on a Delivery Versus Payment 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 by the Group's nominees. At the year end no financial assets that would otherwise be past due or impaired had been renegotiated (2020: none).

Loans to employees are repayable over a maximum of three years (see note 18).

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 long-term credit rating of A- (S&P) / A3 (Moody's) / A- (Fitch), excluding Brewin Dolphin Wealth Management Limited and its subsidiaries (which comprise the 'Below A-' column below). 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:

	AA	AA-	A+	A	A-	Below A-
Cash and cash equivalents	1.1%	1.4%	37.7%	49.3%	0.0%	10.5%

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 Group's Treasury team.

There has been no material change to the Group's exposure to credit risk during the year.

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. When investing cash belonging to the Group or its clients, the focus is on security of principal and the maintenance of liquidity. Client money is held in segregated client bank accounts with strict limits on deposit tenors, in accordance within regulatory guidelines designed to minimise liquidity risk.

The Group has a Liquidity Policy which is reviewed by the Board regularly. The Group's intention at all times is to operate with an amount of liquid resources which provides significant headroom above that required to meet its obligations. Group cash resources are monitored on a daily basis through position reports and liquidity requirements are analysed over a variety of forecast horizons. Liquidity stress tests are conducted at least annually to ensure ongoing liquidity adequacy, and a Contingency Funding Plan is also maintained to provide backup liquidity in the unlikely event of a severe liquidity stress event.

At 30 September 2021, the Group had access to a revolving credit facility of £10m which is undrawn (2020: £10m).

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 year.

The following are the undiscounted cash flows of financial liabilities so will not always reconcile with the amounts disclosed on the Balance Sheet. The undiscounted cash flows are based on the earliest date on which payment is required.

At 30 September 2021

	Group					
	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	**–**	**–**	**–**	**3,875**	**–**	**3,875**
Financial liabilities at FVTPL – deferred and contingent consideration	**–**	**–**	**–**	**4,051**	**–**	**4,051**
Other financial liabilities at amortised cost	**171,235**	**46,486**	**30,193**	**30,292**	**15,138**	**293,344**
	171,235	**46,486**	**30,193**	**38,218**	**15,138**	**301,270**

At 30 September 2020

	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	–	–	–	3,875	–	3,875
Financial liabilities at FVTPL – deferred and contingent consideration	–	–	2,859	3,875	–	6,734
Other financial liabilities at amortised cost	181,387	34,564	29,900	34,641	20,300	300,792
	181,387	34,564	32,759	42,391	20,300	311,401

At 30 September 2021

	Company					
	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	**–**	**–**	**–**	**3,875**	**–**	**3,875**
Other financial liabilities at amortised cost	**7,334**	**–**	**–**	**–**	**–**	**7,334**
	7,334	**–**	**–**	**3,875**	**–**	**11,209**

At 30 September 2020

	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	–	–	–	3,875	–	3,875
Other financial liabilities at amortised cost	7,334	–	–	–	–	7,334
	7,334	–	–	3,875	–	11,209

29. Risk management continued

Fair value measurement recognised on the Balance Sheet

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 hierarchy

At 30 September 2021

	Group			
	Level 1 £'000	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Financial assets at FVTPL				
Equities	**2,974**	**–**	**–**	**2,974**
Financial assets at FVTOCI				
Equities	**–**	**–**	**37**	**37**
Total	**2,974**	**–**	**37**	**3,011**

At 30 September 2020

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at FVTPL				
Equities	379	–	–	379
Financial assets at FVTOCI				
Equities	–	–	68	68
Total	379	–	68	447

Sensitivity analysis

Sensitivity analyses for Level 3 assets have not been carried out due to the immateriality of the balance.

30. Share-based payments

The Group recognised total expenses in the year of £12,587k (2020: £9,779k) related to equity-settled share-based payment transactions. For a summary of all options and awards outstanding at the year end see note 26.

Equity-settled share option schemes

2004 Approved Option Scheme ('the Scheme')

All options granted under the Scheme have fully vested and the services received from employees entitled to options under the Scheme have been fully expensed. The remaining options if not exercised by employees will expire in December 2021.

Other equity settled share-based payment plans

Long Term Incentive Plan ('LTIP')

The LTIP 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 2021, the Group granted 1,414,682 LTIP awards which have an aggregate fair value of £3,330,303 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:

Weighted average share price	279p
Weighted average exercise price	0.0p
Expected volatility	46.50%
Expected life (yrs)	3
Risk free rate	0.16%
Expected dividend yield	5.66%

Share Incentive Plan ('SIP')

Employees who have been employed for longer than six months and are subject to PAYE are invited to join the SIP. Employees may use funds from their gross salary (being not less than £10 and not greater than £150) to purchase ordinary shares in the Company ('Partnership Shares'). For every Partnership Share purchased, the employee receives matching shares (up to a total value of £20 per month). Employees are offered an annual opportunity to top up contributions to the maximum annual limit of £1,800 (or 10% of salary if lower). 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 30 September 2022.

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 Remuneration Committee they may also take the form of a conditional right to receive ordinary shares. Awards in the form of mandatory deferrals made to 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 30 September 2021.

During 2021, the Group granted 2,541,760 DPSP options which have an aggregate fair value of £7,091,510 at the date of grant.

Equity Award Plan ('EAP')

The EAP 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 Remuneration 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 2021, the Group granted 1,620,598 EAP awards which have an aggregate fair value of £4,521,468 at the date of grant.

Share Award Agreement ('SAA')

The SAA was established specifically to facilitate the recruitment of the Chief Finance Officer and mirrors the rules of the LTIP subject to variations as set out in the SAA. The SAA was made in the form of conditional share awards with varying vesting dates. No performance conditions were attached to the SAA. The SAA is only capable of being settled by the transfer of existing shares via the ESOT and no newly issued or treasury shares can be used to satisfy the awards.

No awards have been made in the year.

31. Operating lease arrangements

Group

The Group as lessor

Operating leases, in which the Group is lessor, relate to certain property leases where there is surplus office space that the Group has sublet. The Group acts as an intermediate lessor in the sublease, where the Group has not transferred substantially all the risks and rewards of the head lease to the lessee, the sublease is classified as an operating lease.

The subleases have terms of 4 to 6.5 years remaining and may contain tenant exercisable break options.

Maturity analysis of the operating lease payments receivable:

	Group	
	2021 £'000	2020 £'000
Less than 1 year	**687**	687
1 to 2 years	**687**	687
2 to 3 years	**687**	687
3 to 4 years	**662**	687
4 to 5 years	**448**	687
Greater than 5 years	**626**	1,158
Total operating lease payments receivable	**3,797**	4,593

32. Contractual commitments

Group

Capital expenditure authorised and contracted for at 30 September 2021 but not provided in the Financial Statements amounted to £11.1m (2020: £0.7m).

33. Business combinations

Group

2021

There were no business combinations in the year, however, the Group has recognised costs £1.5m of relating to aborted acquisitions.

2020

a. Investec Capital & Investments (Ireland) Limited

On 31 October 2019, Brewin Dolphin Wealth Management Limited ('BDWM'), a subsidiary, based in the Republic of Ireland, completed the acquisition of Investec Capital & Investments (Ireland) Limited ('ICIIL'), the wealth management business of Investec Group in the Republic of Ireland. The acquired entity has been renamed Brewin Dolphin Capital and Investments (Ireland) Limited ('BDCIIL'). BDCIIL was acquired to meet the delivery of the Group's strategic objectives by expanding the Group's presence and scale in Ireland.

The acquisition has been accounted for using the acquisition method. Details of the purchase consideration, the fair value of the net assets and intangible assets acquired, and the net cash outflow arising on acquisition are as follows:

Purchase consideration:

	£'000
Cash paid	32,029
Net assets acquired for cash	11,335
Total purchase consideration	43,364

The fair values of the assets and liabilities recognised as a result of the acquisition are provisional and may be subject to change during the measurement period:

Amounts recognised:

	£'000
Non-current assets	
Intangible asset – client relationships[1]	32,067
Current assets	
Trade and other receivables	8,316
Cash and cash equivalents	14,102
Current liabilities	
Trade and other payables	(7,773)
Cash and cash equivalents	(1,380)
Non-current liabilities	(4,008)
Identifiable net assets acquired	41,324
Goodwill	2,040

1. The fair value of BDCIIL's client relationship intangible assets on consolidation has been measured using a multi-period excess earnings method. The model uses estimates of client longevity and the level of both funds and activity driving income to derive a forecast series of cash flows, which are discounted to a present value to determine the fair value of the client relationships acquired.

The goodwill balance comprises:

- the excess of the fair value of the assets acquired (excluding the deferred tax liability) over the consideration paid which was negative; and
- the value of the deferred tax liability arising on recognition of the client relationship intangible asset on acquisition.

Net cash outflow arising on acquisition:

	£'000
Consideration paid in cash	43,364
Less: Net assets acquired for cash	(11,335)
Total net cash outflow[1]	32,029

1. Shown in the line item 'Acquisition of subsidiaries' within the Consolidated Cash Flow Statement.

i. Acquisition-related costs

Acquisition-related costs of £3,600,000 were recognised as an expense in the Income Statement.

ii. Revenue and net profit

The acquired business contributed revenues of £13,491,000 and profit after tax of £2,201,000 to the Group for the period from 31 October 2019 to 30 September 2020 excluding the impact of the amortisation for the client relationships recognised on acquisition. If the acquisition had occurred on 1 October 2019, consolidated revenue and consolidated profit after tax for the year would have been £1,226,500 and £200,100 higher respectively, excluding the impact of the amortisation for the client relationships recognised on acquisition.

34. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation. 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 of the Company and in detail in the following table:

	Company			
	Amounts owed by related parties		Amounts owed to related parties	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Bell Lawrie White & Co. Limited	**–**	–	**2,434**	2,434
Brewin Dolphin Limited	**41,849**	35,042	**–**	–
Brewin Broking Limited	**–**	–	**4,900**	4,900
	41,849	35,042	**7,334**	7,334

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 £45m (2020:£45.5m) from Brewin Dolphin Limited and £3.47m (2020: £nil) from Brewin Dolphin Wealth Management Limited.

The Group companies did not enter into any transactions with related parties who are not members of the Group during the year.

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 ('KMP')

Key management personnel are responsible for planning, directing and controlling the activities of the Group. Key management personnel for the Group have been determined to be the Directors and members of the Executive Committee.

The remuneration expense for key management personnel is as follows:

	Group	
	2021 £'000	2020 £'000
Short-term employee benefits	**4,598**	4,646
Post-employment benefits	**22**	22
Share-based payment:		
Lapses where KMP have left the Group	**-**	(109)
Continuing KMP	**1,523**	1,221
	6,143	5,780

The remuneration of individual Directors is set out in the Directors' Remuneration Report on page 89 in addition to the disclosure above.

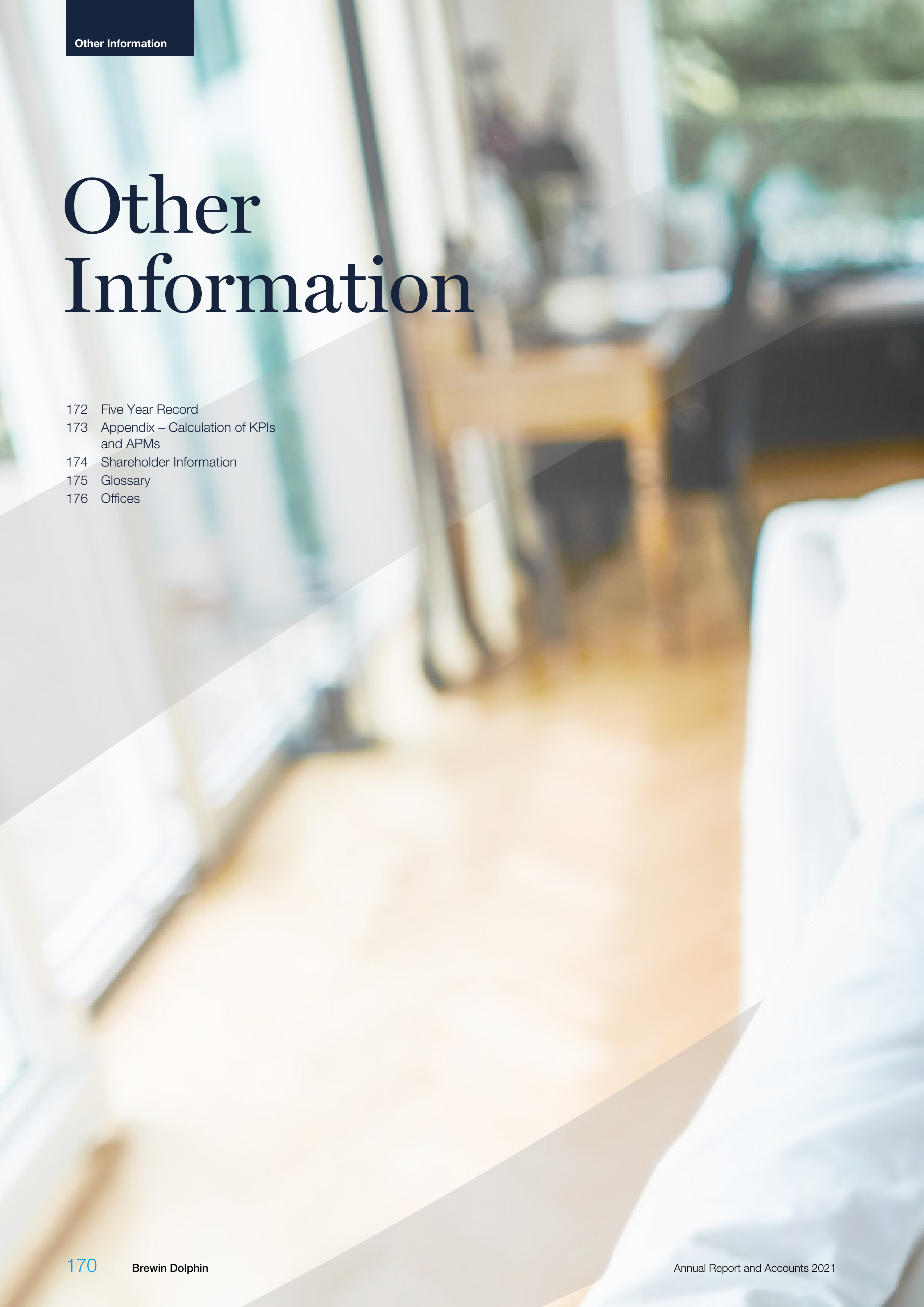
A number of the Group's key management personnel and their close family members make use of the services provided by companies within the Group. Charges for such services are made at various staff rates.

Directors' transactions

There are no contracts, loans to Directors or other related party transactions with Directors.

35. Post balance sheet events

There were no post balance sheet events.



Other Information

Other Information

Five year record

(unaudited)

	Group				
	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'000
Revenue	**404,075**	359,164	336,301	326,226	303,896
Other operating income	**1,841**	2,283	2,808	2,801	568
Income	**405,916**	361,447	339,109	329,027	304,464
Staff costs	**(222,967)**	(199,485)	(184,896)	(174,822)	(162,689)
Other operating costs	**(90,219)**	(82,056)	(80,812)	(77,506)	(71,766)
Adjusted items					
Amortisation of intangible assets – client relationships and brand	**(11,232)**	(11,072)	(6,858)	(7,619)	(6,650)
Onerous contracts	**(3,644)**	(250)	(996)	(170)	(1,969)
Acquisition costs	**(1,500)**	(3,600)	(2,337)	–	(1,683)
Incentivisation awards	**(2,015)**	(1,192)	(340)	(1,318)	(1,297)
Defined benefit pension scheme past service costs	**(360)**	–	(1,909)	–	–
FSCS levy	**–**	–	–	288	–
Redundancy costs	**–**	–	–	–	(742)
Operating expenses	**(331,937)**	(297,655)	(278,148)	(261,147)	(246,796)
Operating profit	**73,979**	63,792	60,961	67,880	57,668
Net finance (expense)/income and other gains and losses	**(1,451)**	(1,720)	1,563	624	(25)
Profit before tax	**72,528**	62,072	62,524	68,504	57,643
Tax	**(17,210)**	(14,117)	(14,457)	(15,008)	(12,490)
Profit attributable to equity shareholders of the parent	**55,318**	47,955	48,067	53,496	45,153
Dividend per share	**15.7p**	14.3p	16.4p	16.4p	15.0p
Adjusted earnings per share[1]					
Basic	**24.6p**	21.1p	21.2p	22.5p	20.5p
Diluted	**23.8p**	20.6p	20.7p	21.9p	19.8p

1. See note 11 to the Financial Statements.

Appendix - calculation of KPIs and APMs

The 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; these measures are identified and explained below.

Measure	KPI	APM	Calculation
Adjusted profit before tax ('Adjusted PBT')	No	Yes	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. See page 27 of the Financial Review in the Strategic Report for further details and explanation.
Adjusted PBT margin (%)	Yes	Yes	Adjusted PBT margin is calculated by taking the adjusted PBT of £90.9m in 2021 (2020: £78.2m) over the total income of £405.9m (2020: £361.4m) resulting in an adjusted PBT margin of 22.4% (2020: 21.6%).
Adjusted diluted EPS (p)	Yes	Yes	This measure is adjusted for the same items as adjusted PBT (see above). The adjusted diluted EPS is 23.8p (2020: 20.6p), (see note 11 to the Financial Statements).
Capital Adequacy risk appetite ratio (%)	Yes	No	Capital adequacy risk appetite ratio is calculated by dividing regulatory capital resources over the assessment of regulatory capital requirements (see note 29 to the Financial Statements).
Discretionary funds inflows (%)	Yes	No	Discretionary funds inflows are calculated from the Group's client database. The growth in net inflows is derived from the total new client accounts opened, closed or transferred between services categories during the year. Net fund flows of £1.9bn (2020: £0.9bn) over the opening discretionary funds value of £41.2bn (2020: 40.1bn) show a growth rate of 4.6% (2020: 2.2%).
Discretionary funds per Client-Facing Certified Person (£m)	Yes	No	Discretionary funds per Client-Facing Certified Person of £89m (2020: £77m) is based on the total of discretionary funds excluding MPS & Voyager over the total number of client-facing professional investment managers and financial planning staff ('Client Facing Certified Persons') for the Group of 491 (2020: 477).
Dividend payout ratio (%)	Yes	Yes	Dividend payout ratio is calculated by adding the interim and final dividend per share paid by the Group 15.7p (2020: 14.3p) and dividing by adjusted diluted EPS 23.8p (2020: 20.6p).
Employee engagement (%)	Yes	No	Survey conducted by an independent third party.
Total income (£m)	Yes	No	Total reported annual income (see note 4 to the Financial Statements).
Income margin (bps)	No	Yes	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.
Net promoter score (%)	Yes	No	Survey conducted by an independent third party.
Overall client satisfaction	Yes	No	Survey conducted by an independent third party.

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 interim 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 2237 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 Dolphin 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 Annual Report and Accounts, are made available to shareholders on the Brewin Dolphin 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 2022 Annual General Meeting of Brewin Dolphin Holdings PLC will be held at 12 Smithfield Street, London EC1A 9BD on Friday 4 February 2022 at 10.30 a.m. it will also be broadcast via webinar. Further details are available in the Notice of Meeting.

Useful contacts

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Company Registration Number:

02685806

Company Secretary:

Tiffany Brill – 0.Cosec@brewin.co.uk

Head of Investor Relations:

Carla Bloom – investor.relations@brewin.co.uk

Registrar:

Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. +44 (0) 121 415 7047

Registrar online help:

www.shareview.co.uk – from here, you will be able to securely email Equiniti with your enquiry.

Glossary

AGM	Annual General Meeting
APM	Alternative Performance Measure
ASOP	Approved Share Options Plan
AUM	Assets under management
AUA	Assets under advice
BDCILL	Brewin Dolphin Capital & Investments (Ireland) Limited
BDH	Brewin Dolphin Holdings PLC/Brewin Dolphin
BDL	Brewin Dolphin Limited
BDO LLP	Internal Auditor
BDWM	Brewin Dolphin Wealth Management Limited
bps	Basis points
BPS	Brewin Portfolio Service
B2B	Business-to-business
CASS	Client Money & Assets
CEO	Chief Executive Officer
CDP	Carbon Disclosure Project
CFCP	Client-facing Certified Person
CFO	Chief Financial Officer
CGU	Cash generating unit
CMA	Competition and Markets Authority
CSR	Corporate Social Responsibility
CRO	Chief Risk Officer
Ernst & Young LLP	External Auditor
DFM	Discretionary Fund Management
DPSP	Deferred Profit Share Plan
EAP	Equity Award Plan
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPS	Earnings per share
ESG	Environment, Social and Governance
Equiniti	The Company's Registrar
ExCo	Executive Committee
FCA	Financial Conduct Authority
FRC	Financial Reporting Council
FSCS	Financial Services Compensation Scheme
GDPR	General Data Protection Regulation
GHG	Greenhouse Gas Emissions
Group	Brewin Dolphin Holdings PLC (the 'Company') and its subsidiaries
IAS	International Accounting Standards
ICAAP	Internal Capital Adequacy Assessment Process
IFA	Independent Financial Adviser
ISS	Institutional Shareholder Services
KPIs	Key Performance Indicators
KRIs	Key Risk Indicators
L&D	Learning and Development
LSE	London Stock Exchange
LTPP	The Company's long term incentive plan, the 'Long Term Performance Plan'
MAR	Market Abuse Regulation
MiFID II	Markets in Financial Instruments Directive
MPS	Managed Portfolio Service
MTP	Medium-Term Plan
NZAMI	Net Zero Asset Managers Initiative
PBT	Profit Before Tax
RMF	Risk Management Framework
ROE	Return on Equity
ROU	Right of Use
SAA	Share Award Agreement
SMCR	Senior Managers & Certification Regime
SRI	Socially Responsible Investing
TCFD	Task Force on Climate-related Financial Disclosures
TSR	Total Shareholder Return
UNPRI	UN Principles for Responsible Investment
XO	Execution Only

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