



**Annual Report and Accounts**

**For the Year Ending September 2002**



**Brewin Dolphin Holdings PLC**



## The Brewin Dolphin Group

- Total income £105 million (2001: £117 million)
- Pre-tax profit, before goodwill amortisation and exceptional items, of £10.5 million (2001: £17.5 million)
- Earnings per share 3.8p (2001: 6.1p)\*
- Total dividend 3.5p (2001: 3.5p) per share
- £13.5 billion total funds currently under management (September 2001: £15.3 billion) of which £4.2 billion is on a discretionary basis (September 2001: £4.0 billion)

Sir David Rowe-Ham, Chairman, said:–

“Our policy of investing in high quality people has been justified by our performance in a very difficult year. We have increased discretionary funds under management to £4.2 billion, maintained total income above £100 million and attracted a number of new senior portfolio managers.”

\*Figures quoted prior to goodwill amortisation and exceptional items

## Table of Contents

Chairman's Statement	<b>3</b>
Chief Executive's Report	<b>4</b>
Directors, Secretary and Officers	<b>6</b>
Directors' Report	<b>7</b>
Corporate Governance	<b>9</b>
Remuneration Committee	<b>11</b>
Statement of Directors' Responsibilities	<b>14</b>
Independent Auditors' Report to the Members of Brewin Dolphin Holdings PLC	<b>15</b>
Consolidated Profit and Loss Account	<b>16</b>
Consolidated Statement of Total Recognised Gains and Losses	<b>17</b>
Consolidated Balance Sheet as at 27 September	<b>18</b>
Company Balance Sheet as at 27 September	<b>19</b>
Consolidated Cash Flow Statement	<b>20</b>
Notes to the Accounts	<b>21</b>
Five Year Record	<b>38</b>
Shareholders at 26 November 2002	<b>39</b>
Directors' Biographies	<b>40</b>
Notice of the Annual General Meeting and notes	<b>42</b>
Branch Address List	<b>44</b>

## Chairman's Statement

Our policy of investing in high quality people has been justified by our performance in a very difficult year. We have increased discretionary funds under management to £4.2 billion, maintained total income above £100 million and attracted a number of new senior portfolio managers.

We are now in the third year of a recognised bear market, which comes after many years of economic growth. Recently investors have been experiencing the kind of markets not seen since the early 1970s. Against this backdrop it is creditable that we have maintained income at over £100 million. This is testimony to the dedication and expertise of all staff throughout our Group. We have made further progress in our efficiency drive and in paring back overheads. At the same time, we consider it a priority to invest now in our people and our systems to provide the very best client service, thus ensuring that we continue to build the client base and strengthen our position in our market.

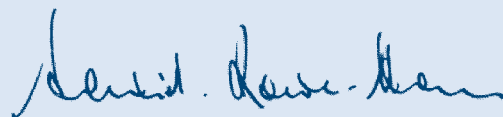
Total funds under management are currently £13.5 billion, of which £4.2 billion are managed on a discretionary basis. This represents a net increase in discretionary funds of 5% as compared with a 24% fall in the FTSE 100 Index. Our internal growth continued during the year and, in addition, 5 further teams of portfolio managers joined us. We operate from 33 offices across the U.K.

Our institutional and corporate finance businesses service smaller and medium-sized quoted companies throughout the U.K. Our success in helping our 142 corporate clients was recognised in the latest Hemscott survey in which we topped the rankings of advisor to the "fastest growing companies with the fastest growing earnings."

Looking to the future, as one of the UK's leading independent private client fund managers and stockbrokers, we continue to build on our major strength, namely a professional and hardworking team, that serves a well spread and diversified client base on whose best interests we remain entirely focused.

I have now served as Chairman since the management buy-out of the company in 1992. Since that time the Company has grown enormously. In accordance with the company's policy that non-executives serve in office for no longer than a ten year period I intend to step down from the chair and the board this February at the AGM in February 2003. I am delighted Sir Fred Holliday, who has been a member of the board since 1998, has agreed to take my place.

I have much enjoyed my time with Brewin Dolphin. I am glad to have had the opportunity to play a part in the development of this growing and expanding business. I believe the Group is well positioned to take full advantage of any improvement in the market and I wish Sir Fred and the team all success.



**Sir David Rowe-Ham**  
26 November 2002

## Chief Executive's Report

The period under review has been an extremely difficult one for financial markets worldwide with the FTSE 100 Index falling 24% over the period. Accordingly it will come as no surprise to shareholders that we are reporting lower figures than those for last year. However, it is very much to the credit of my colleagues that we have continued to trade profitably throughout the year and that includes the summer period, always our quietest quarter, which saw a fall of 17% in the FTSE 100 Index. This demonstrates the resilience of our Group.

For the year ended 27 September 2002 our total income amounted to £105 million, a reduction of 10%. Profit before tax, goodwill amortisation and exceptional items was £10.5 million against £17.5 million, whilst earnings per share on the same basis were 3.8p against 6.1p. As already announced we took a decision to sell the Group's holding of London Stock Exchange shares which gave us a profit of £2.2 million over book value. This has been treated as an exceptional item. Against this we have made a provision of £2.5 million against costs and liabilities in connection with split capital investment trusts which I refer to in greater detail below. Goodwill amortisation over the year amounted to £3.9 million.

We made dividend payments in April and October this year amounting to a total of 3.5p per share, the same as in the previous year. We propose to announce the interim payment for April 2003 at our AGM on 26 February 2003

Total income can be broken down as follows:

	<b>2002</b>	2001
	<b>£m</b>	£m
Discretionary portfolio management	<b>41.3</b>	34.5
Advisory portfolio management	<b>47.5</b>	59.9
Corporate finance and institutional broking	<b>10.6</b>	13.2
Stocktrade	<b>6.0</b>	9.5

### Portfolio Management and Stockbroking

One of the most encouraging aspects of last year has been the growth of the funds we manage on a full discretionary basis for clients. These amounted to £4.2 billion, a figure which, although down from its peak, still showed an increase over the level of twelve months earlier when it stood at £4.0 billion despite the market fall over the period. This reflects the fact that we continued to attract new client funds, although in equal measure it reflects a switch from advisory to discretionary management. Advisory funds under management are £9.3 billion giving a total of £13.5 billion.

I am delighted to say we continue to attract quality teams of portfolio managers to join us. Since the year end we have added two new teams to our London office. At the interim stage we announced that the long established partnership of Popes would be joining us. This agreement was finalised on 5 July. They are settling in well and we look forward to them making a positive contribution to the current financial year.

I am pleased to report that our ISA subscriptions held up well and for the third year running were just over £100 million. We currently manage over £1 billion in PEPs and ISA funds and we are seeing a significant increase in the number of PEP and ISA transfers to the Group from both new clients and intermediaries.

We continue to concentrate on controlling our costs as well as striving for greater efficiency. Despite an increase in our senior client executives of 25 over the year, and accordingly our potential earning power, we continue to make improvements to the cost base with a £7 million saving in the 2002 accounts. Following a decision to integrate fully the Stocktrade division operationally into the group, we have combined the back office functions in Scotland on one site. With other efficiency measures and the re-negotiation of certain contracts this will reduce annual costs by a further £3 million.

## Chief Executive's Report

Split capital investment trusts have been much in the news recently and, even though they represent a very small part of our overall business, I would like to comment on them, particularly in view of the adverse publicity these trusts have attracted. In common with the rest of the industry we have bought these stocks as part of some of our clients' portfolios for over twenty years. For much of this time they were successful investments meeting their objectives. A large number of them continue to trade on a sound basis to this day although, sadly, some have failed. When recommending these stocks to certain of our clients we were not only in line with the rest of the industry, accountancy firms, and solicitors but we were also following the Association of Investment Trust Companies line who designated Zero stocks as low risk whilst the Securities Institute too had them as low risk in the syllabus for their exams. In cases where clients have raised concerns about split capital trusts we are looking into them on an individual basis and in great depth. We believe we are dealing with them all equitably. Details of accounting provisions made in respect of claims and associated costs are set out in note 4 of the accounts.

### Corporate Finance and Institutional Broking

Our corporate and institutional broking business operates predominantly in the small cap arena and as such it is pleasing that we have been able to achieve a satisfactory return from this division despite market conditions. New issues work has not been the feature we have seen in recent years but this has been mitigated by corporate activity and annual retainers from our existing client base. We currently act for 142 quoted corporate clients. We were also brokers to a small number of split capital trusts and, as such, sponsored flotations on their behalf. We are satisfied that at the time of the issue the trusts were properly capitalised and the prospectuses complied with the listing rules.

### Stocktrade

In the quieter market conditions that have persisted throughout the year trading for execution only brokers has been particularly difficult. Turnover in the Stocktrade division fell by 37% over the year but even so,

thanks to the drive for further efficiencies, it is gratifying to be able to report a year end profit, including interest. During the year we have increased the number of quoted companies to which we provide dealing services to over 50 of which 15 are currently in the FTSE 100. In November 2001 we launched a new on-line trading platform for private investors and intermediaries which was designed by our own IT development team. It has proved successful and extremely reliable and is a platform we are continually developing to suit the wide variety of our clients.

### The Board

As you will have read in his Chairman's statement, Sir David Rowe-Ham has indicated that he will not be standing for re-election at the AGM in February 2003. Sir David joined the Board as Chairman in March 1992 at the time of the buy-out. Since that time we have seen a period of quite exceptional expansion, the acquisition of Bell Lawrie in 1993, the flotation in 1994 and the acquisition of Wise Speke in 1998. In the period the Group's turnover has increased from £13.3 million to over £100 million. His enthusiasm and wholehearted support has been enormously appreciated by me and the entire executive team and we will miss him greatly. The process for appointing a new Non-Executive Director through the Nominations Committee is now well advanced and whilst the appointment will be with a view to taking up the Chairmanship in due course we are delighted that Sir Fred Holliday, the senior Non-Executive Director, has agreed to take over the Chairmanship at the AGM.

We are extremely grateful to David for his great contribution. We agree with him that as he leaves the Group it is well positioned to take full benefit from the upturn in prices and market activity when it arrives, which it surely will.



**John Hall**

26 November 2002

## Directors, Secretary and Officers

### Directors

Sir David Rowe-Ham, GBE, FCA (i)  
John Peirs Hall  
Robin Alec Bayford, FCA  
Professor Sir Frederick Holliday, CBE, DSc, FRSE (i)  
William Nicholas Hood, CBE (i)  
Vikram Lall, CA  
Christopher David Legge  
Jamie Graham Matheson (ii)  
Ian Benjamin Speke (ii)  
Simon Jonathan Henry Still (ii)  
Michael John Ross Williams

**Chairman**  
**Chief Executive**  
**Finance Director**  
**Senior Independent Director**

(i) non-executive and members of the audit, nomination and remuneration committees

(ii) elected at the 2002 AGM on 27 February 2002

Derek John Hunter McIntosh and Nigel Sherlock retired as Directors at the 2002 AGM on 27 February 2002.

**Secretary** Leann Bowden, ACA

**Registered Office** 5 Giltspur Street  
London EC1A 9BD  
Telephone 020 7248 4400  
Registered in England number 2685806

**Web Sites** [www.brewindolphin.co.uk](http://www.brewindolphin.co.uk)  
[www.stocktrade.co.uk](http://www.stocktrade.co.uk)

### Officers

**Registrars**  
Lloyds TSB Registrars  
The Causeway  
Worthing  
West Sussex BN99 6DA

**Solicitors**  
S J Berwin & Co  
222 Grays Inn Road  
London WC1X 8HB

**Principal Bankers**  
Bank of Scotland  
New Uberior House  
11 Earl Grey Street  
Edinburgh EH3 9BN

HSBC Financial Institutions  
HSBC Bank PLC  
Poultry & Princes Street  
London EC2P 2BX

**Auditors**  
Deloitte & Touche  
Stonecutter Court  
1 Stonecutter Street  
London EC4A 4TR

**Stockbrokers**  
Bridgwell  
Old Change House  
128 Queen Victoria Street  
London EC4V 4BJ

HSBC Securities  
Vintners Place  
68 Upper Thames Street  
London EC4V 3BJ



## Directors' Report

The directors present their report and the audited accounts for the 52 week period ended 27 September 2002.

### Principal Activity

The principal activity of the Group is that of a private client fund manager and stockbroker. The principal activity of the Company is that of a holding company.

### Review of the Business and its Future Development

The business and its future development is reviewed in the Chief Executive's Report on page 4.

### Results and Dividend

The results of the Group are set out in detail on page 16. The Group paid two interim dividends during the year, see note 9 to the accounts. It is the directors' intention to maintain a similar dividend pattern in the year 2002/2003. No final dividend will be declared. This policy will be approved at the Annual General Meeting.

### Share Capital

Movements in the Company's share capital are set out in note 19 to the accounts.

### Directors

The directors are listed on pages 11 and 12. Biographies of the directors are given on page 40.

### Directors' Interests in Shares and Substantial Shareholdings

The interests of the directors in the shares of the Company are set out on page 39, as are the interests of substantial shareholders.

### Political and Charitable Donations

The Group made no political donations during the period. Charitable donations of £51,456 (2001 £44,910) were made.

### Employees

The average number of persons, including directors, employed by the Group and their remuneration, are set out in note 3 to the accounts

### Employment Policies

Employees are encouraged to identify with, and to become involved with the financial performance of the Group and service to clients by extensive profit sharing and bonus arrangements. In addition, the employees own 35% of the Group, and, if the maximum number of options and shares which could be earned under deferred purchase agreements were issued, employees would in total own 50% of the Group.

Employees are kept informed of key issues affecting them by intranet and quarterly Group meetings around the country, which include question and answer sessions. Management accounts are widely distributed and there are annual staff assessments.

It is the policy of the Group to give fair and full consideration to applications for employment from disabled people. For the purposes of training, career development and promotion, disabled employees are treated in the same way as other employees.

### Creditor Payment Policy

It is the Group's policy to settle all of its trading transactions on the agreed settlement date; this policy extends to other trade creditors, normally being 30 days. On average, creditors are paid within ten days in 2002 and 2001.

## Directors' Report

### Environmental and Ethical Matters

The Group makes every effort to reduce its environmental footprint. It has reduced the use of paper by encouraging electronic communication both to and from its clients by the use of the internet and internally by the widespread use of intranet. While the Group's overall investment policy is solely concerned to obtain the best return for clients, it is our policy to construct portfolios which take into account the personal preferences of our clients in relation to ethical and environmental matters.

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

There are three levels of service provided:

- **Ethical Collection** – a fund-based approach for investors wishing to spread their risk. In this service the principal investments are unit or investment trusts investing in ethical companies. The emphasis of each may be different and the service is designed to provide an indication of the thrust of the principal investments available and their respective historical performance. This is a discretionary service option.
- **Ethical Emphasis** – a facility for investors wishing to avoid the negative criteria, or even encourage the positive ethical contribution, of a particular sector or invest within their broader investment portfolio, without necessarily impacting on all of their investments – an ethical "pick and mix". In this service we have established a number of benchmark criteria for measuring the positive or negative ethical impact of specific sectors, thereby creating a "black" or "white" list for the purposes of investment selection. This service can either be run on a discretionary or advisory basis.

- **Ethical Concentration** – a customised, in-depth service for clients with detailed ethical requirements and whose portfolios need to be constructed or screened with reference to specific and detailed ethical criteria. In this instance an in-depth questionnaire is completed by the client at the outset. As implied, this service allows individual clients to effectively set their own ethical criteria, to which the fund manager will always refer when selecting the individual investments in the clients' portfolio. This option is only available as a discretionary service.

### Auditors

In accordance with current corporate governance practice we have reviewed the appointment of our auditors, and following a tender process, appointed Deloitte & Touche to be auditors of the Group in April 2002, replacing KPMG Audit PLC who resigned at the end of the tender process. Deloitte & Touche have indicated their willingness to be re-elected. Accordingly, a resolution is to be proposed at the Annual General Meeting for the re-appointment of Deloitte & Touche as auditors of the Company.

By order of the Board

### Leann Bowden

Secretary  
26 November 2002

## Corporate Governance

The directors are committed to a high standard of corporate governance and to compliance with the best practice provisions of the Combined Code on corporate governance introduced by the London Stock Exchange in June 1998.

### The Board

The Board currently has eleven members, comprising eight executive directors and three non-executive directors including the Chairman. There is a clear division of responsibility between the Chairman and the Chief Executive, which ensures that there is a balance of power and authority. All the non-executive directors are regarded as independent. Biographies of all the directors are presented on page 40.

The Board met nine times during the course of the year. New directors receive an appropriate briefing when they first join the Board. Executive members of the Board have to date been appointed from within the Group and have served on subsidiary boards prior to appointment.

The Board has three standing committees: the Nominations Committee, the Audit Committee and the Remuneration Committee. These committees have written terms of reference, which were last reviewed in 2001 and approved by the Board. The non-executive directors are the members of all the committees. The Chief Executive, by invitation, attends the Nomination Committee and Remuneration Committee for part of their deliberations. The Finance Director and Compliance Officer/Company Secretary similarly attend part of the Audit Committee. The Chairman of the Audit Committee and Nomination Committee is Sir David Rowe-Ham; Sir Fred Holliday is chairman of the Remuneration Committee, and has assumed the Chair of the Nomination Committee from 26 November 2002.

The Board undertakes a full review of all aspects of the Group's business, identifies the main risks to the

business, and identifies the key controls to counter these risks. Day to day review and monitoring has been delegated to the Risk and Controls Committee of Brewin Dolphin Securities Limited (BDS), which consists of the Group's Chief Executive, the Finance Director, the Company Secretary/BDS Compliance Director, the Group's Chief Operating Officer, the BDS Operations Director and the BDS Controls Director. This committee meets fortnightly and reports are made to the main Board at each of its meetings.

In addition to normal internal audit and compliance department reviews, our business is subject to inspections by the Financial Services Authority. The results of these visits are reported to the Board and any recommendations made are welcomed and necessary action taken.

### Relationship with Shareholders

The Company places a great deal of importance on communication with shareholders and aims to keep shareholders informed by regular communication. We keep our website up to date covering all corporate activity. Half-yearly reports written on the Group by Equity Development Limited, are available to all shareholders on the Web at [www.equity-development.co.uk](http://www.equity-development.co.uk). The Company welcomes all shareholders to our AGM with the opportunity to ask questions formally at the meeting, or more informally afterwards. The Group's policy is to announce the number of proxy votes cast on resolutions at the AGM.

### Internal Control

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

- i) There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group as outlined above. This has

## Corporate Governance

been in place for the year under review and up to the date of approval of the annual report and accounts. It is regularly reviewed by the Board and accords with the guidance in the Combined Code. Any system of internal control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

- ii) Financial results, key operating statistics and controls are reported to the Board monthly, and variances are followed up vigorously. Monthly reports are received from the compliance and internal audit functions, which are represented at the Board by the Company Secretary.
- iii) The directors have reviewed the Group's system of internal controls and compliance monitoring and believe that these provide assurance that problems have been identified on a timely basis and dealt with appropriately throughout the year under review and up to the date of approval of the annual report and accounts.

### **Compliance with the Combined Code**

The directors consider that they have complied with the provisions set out in section one of the Combined Code throughout the year, save that the number of non-executive directors is less than one third of the Board. The Board considers that for the size of the Group three non-executive directors is an adequate number.

### **Going Concern**

After making appropriate enquiries, the directors have a reasonable expectation that the Company and the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis.

## Remuneration Committee

The members of the Remuneration Committee are:-

Professor Sir Fred Holliday, CBE, DSc, FRSE (Chairman)  
Sir David Rowe-Ham, GBE, FCA  
William Nicholas Hood, CBE

### Policy on Remuneration of Executive Directors and Senior Executives

The Group operates under the concept that while all executives should have a basic salary, a substantial proportion of income in an average year should come from profit share, so that the interests of shareholders and executives in sustained increasing profits are closely aligned and risks and rewards are shared.

All staff participate in a discretionary profit share which is progressively geared, and depending on profit levels can be between 20% and 45% of profit on the margin. Exceptional items are normally excluded from profit when computing profit share.

The executive directors are remunerated within the above policy and with reference to the remuneration of other senior executives within the Group. The Remuneration Committee has to approve any change to profit share schemes throughout the Group. In addition, it reviews the basic salaries of the executive directors

Directors' remuneration is set out below:

together with their profit participation, based on a number of factors including work undertaken and comparable salaries in similar companies.

The above policy gives downside protection to shareholders in that taking into account normal levels of profit a large proportion of any reduction in profitability is borne by staff and directors by way of reduced incentive payments.

The movement in directors' remuneration in 2002 reflects the incidence of this policy and the increase in the number of directors.

All executive directors have six-month contracts of employment. Non-executive directors have three-year letters of appointment, which expire in 2003 and 2004.

### Material contracts with Directors

Other than the loans set out below, there were no material contracts between the Group and the directors. The directors undertake transactions in stocks and shares in the ordinary course of the Group's business for their own account. The transactions are not material to the Group in the context of its operations. £Nil was outstanding at 27 September 2002 and 30 September 2001.

	Salary and fees £000's	Benefits in kind £000's	Profit share taken as			Basic pension contributions £000's	Total 2002 £000's	Total 2001 £000's
			Salary £000's	Pension contributions £000's	Total £000's			
<b>Executives</b>								
J.P. Hall	145	2	-	-	147	31	178	178
R.A. Bayford	99	1	-	-	100	21	121	116
C.D. Legge	107	6	21	56	190	39	229	274
D.J.H. McIntosh (retired 27/2/2002)	34	1	-	-	35	6	41	99
V. Lall	88	1	81	60	230	18	248	260
J.G. Matheson (appointed 27/2/2002)	56	2	16	-	74	17	91	-
N. Sherlock (retired 27/2/2002)	42	-	-	-	42	6	48	122
I.B. Speke (appointed 27/2/2002)	50	3	14	-	67	13	80	-
S.J.H. Still (appointed 27/2/2002)	61	1	-	-	62	2	64	-
M.J.R. Williams	98	1	109	32	240	23	263	240

## Remuneration Committee

	Salary and fees £000's	Benefits in kind £000's	Profit share taken as		Total £000's	Basic pension contributions £000's	Total 2002 £000's	Total 2001 £000's
			Salary £000's	Pension contributions £000's				
<b>Non-Executives</b>								
Sir David Rowe-Ham	55	–	–	–	55	–	55	54
Sir Fred Holliday	26	–	–	–	26	–	26	26
W.N. Hood	26	–	–	–	26	–	26	26
<b>Total</b>	<b>887</b>	<b>18</b>	<b>241</b>	<b>148</b>	<b>1,294</b>	<b>176</b>	<b>1,470</b>	<b>1,395</b>
Total 2001	822	18	262	132	1,234	161	1,395	

Mr I.B. Speke received £318,000 under the Wise Speke earn out in March 2002.

Mr I.B. Speke and Mr J. Matheson had interest free loans under the Company's share purchase schemes amounting to £69,000 and £10,000 respectively on the date they were appointed Directors and at the period end. These loans were made prior to their becoming directors of the Company and are secured on the Company's shares.

Executive directors' main pension entitlement is via a defined contribution scheme. The following directors were also in the Brewin Dolphin Securities Limited Staff Scheme up to the National Insurance upper earnings limit, their entitlement under the scheme being as follows:–

	Accrued pension entitlement at 27 September 2002*	Accrued pension entitlement at 30 September 2001**	Increases in accrued pension entitlement at 27 September 2002	MFR transfer value of increase in accrued pension entitlement less director's contributions at 27 September 2002
	£000's	£000's	£000's	£000's
J.P. Hall	7	6	1	8
R.A. Bayford	2	1	1	2
C.D. Legge	7	6	1	6
D.J.H. McIntosh	4	4	–	3
V. Lall	4	4	–	4
J.G. Matheson	3	–	–	1
S.J.H. Still	1	–	–	1
I.B. Speke	2	–	–	1
M.J.R. Williams	7	6	1	4

\* Accrued pension on retirement.

\*\* Includes inflation adjustment to 27 September 2002.

## Remuneration Committee

### Long Term Incentives and Share Options

It is a fundamental belief that all major business originators should have the opportunity to have a significant stake, for them as individuals, in the Group. To encourage this, in addition to the Group's approved share option scheme, a limited loan scheme was introduced for employees who have not been able to participate in the original purchases of Brewin Dolphin, Bell Lawrie White, Wise Speke or other business acquisitions.

A long-term incentive plan was introduced in June 2001 involving purchasing £2.3 million of shares in the Company at 134p a share by way of five to ten year loans. At the end of the five to ten year period a sum equal to the value of the loan will be paid as profit share, subject to targets being met, enabling approximately 60% of the loan to be repaid after taking into account taxation. The loans will be amortised through the profit and loss account over the five to ten year period. The loans are secured on the shares and are immediately repayable in full if employees leave the Group to obtain employment elsewhere.

Total loans to employees amount to £3.9 million.

In the case of the Wise Speke acquisition, the deferred consideration schemes concluded satisfactorily with the whole £3 million reward being earned in 2001 and a further £8 million in 2002 both in a mixture of shares and cash.

In 1998 the Group introduced an employee share save scheme, which so far has had two issues. Currently outstanding options represent 4.5% of the Group's issued share capital, and after taking into account options taken up and lapsed a further 4% remain available for issue.

A new incentive scheme that could include directors and a limited number of senior executives was approved at

the AGM in February 2002, but there have been no issues under this scheme to date.

### Companies used for Comparison

In assessing all aspects of pay and benefits, the Remuneration Committee compares packages offered by similar financial service companies. These companies are chosen having regard to:-

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

### Policy on External Appointments

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

### Group Policy on Contracts of Service

All senior executives within the Group have substantially identical six-month rolling contracts. The normal retirement age within the Group is 65 for senior executives.

### Group Pension Policy regarding Senior Executives

The Group excludes senior executives from the Group's final salary scheme, save for a small basic sum. Senior executives are responsible for their own pension arrangements as part of their overall remuneration package. They can join the senior staff pension scheme, which is a defined contribution scheme, or take out personal pensions.

Life assurance cover of six times an executive's total remuneration package, excluding profit participation, is provided to senior executives.

### Non-Executive Directors' Remuneration

The Board determines the level of non-executive fees and other remuneration.

## Statement of Directors' Responsibilities

United Kingdom Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for the systems of internal control and for taking such steps that are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.



# Independent Auditors' Report

## To the Members of Brewin Dolphin Holdings PLC

We have audited the consolidated financial statements of Brewin Dolphin Holdings PLC for the 52 week period ended 27 September 2002, which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the balance sheets, the consolidated cash flow statement, and the related notes 1 to 25. These consolidated financial statements have been prepared under the accounting policies set out therein.

## Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the consolidated financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements, auditing standards, and the Listing Rules of the Financial Services Authority.

We report to you our opinion as to whether the consolidated financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the consolidated financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law or the Listing Rules regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We review whether the corporate governance statement reflects the company's compliance with the seven provisions of the Combined Code specified for our review by the Listing Rules and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the

group's corporate governance procedures or its risk and control procedures.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the consolidated financial statements.

## Basis of audit opinion

We have conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the consolidated financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the consolidated financial statements and of whether the accounting policies are appropriate to the circumstances of the company and the group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the consolidated financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the consolidated financial statements.

## Opinion

In our opinion the consolidated financial statements give a true and fair view of the state of affairs of the company and the group as at 27 September 2002 and of the profit of the group for the 52 week period then ended and have been properly prepared in accordance with the Companies Act 1985.

## Deloitte & Touche

Chartered Accountants and Registered Auditors  
London

26 November 2002

## Consolidated Profit and Loss Account

for the 52 weeks to 27 September 2002 (2001 52 weeks to 30 September)

	Note	2002 52 weeks Continuing operations Acquisitions £000's	2001 52 Weeks Continuing operations £000's
Turnover	1	97,421	111,591
Other operating income	1	6,372	5,576
<b>Total Income</b>	2	<b>103,793</b>	<b>117,167</b>
Staff costs	3	(51,974)	(55,399)
Other operating costs			
operating costs		(42,624)	(47,238)
goodwill amortisation		(3,614)	(2,775)
exceptional provision for split capital trust liabilities	4	(2,500)	-
		<b>(48,738)</b>	<b>(50,013)</b>
		<b>(100,712)</b>	<b>(105,412)</b>
<b>Operating Profit</b>		<b>3,081</b>	<b>11,755</b>
Profit on disposal of fixed assets (exceptional)	4		-
Other interest receivable and similar income			1,999
Interest payable and similar charges	5		(124)
<b>Profit on ordinary activities before goodwill amortisation and exceptional items</b>			<b>10,549</b>
Goodwill amortisation			(3,864)
Exceptional items	4		(294)
<b>Profit on ordinary activities before taxation</b>	2&6		<b>6,391</b>
Tax on profit on ordinary activities	7		(2,626)
<b>Profit on ordinary activities after taxation</b>	8		<b>3,765</b>
Equity dividends	9		(6,544)
			<b>(2,779)</b>
<b>Earnings per share</b>			
Basic	10		2.0p
Diluted	10		1.9p
Excluding goodwill amortisation and exceptional items			
Basic	10		4.0p
Diluted	10		3.8p

The notes on pages 21 to 37 form an integral part of these accounts.

## Consolidated Statement of Total Recognised Gains and Losses

for the 52 weeks to 27 September 2002 (2001 52 weeks to 30 September)

	<b>2002</b>	2001
	<b>52 weeks</b>	52 weeks
	<b>£000's</b>	£000's
Profit for the period	<b>3,765</b>	9,127
Revaluation of London Stock Exchange shares	-	209
Deferred tax on revaluation	-	(63)
Total recognised gains for the period	<b><u>3,765</u></b>	<u>9,273</u>

The notes on pages 21 to 37 form an integral part of these accounts.

## Consolidated Balance Sheet

as at 27 September 2002 (30 September 2001)

	Note	2002 £000's	2001 £000's
<b>Fixed Assets</b>			
Intangible assets	11	43,323	51,840
Tangible assets	12	14,017	13,998
Investments	13	431	6,354
		<u>57,771</u>	<u>72,192</u>
<b>Current assets</b>			
Investments	14	494	649
Debtors	15	159,169	165,035
Cash at bank and in hand	16	33,162	41,545
		<u>192,825</u>	<u>207,229</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>(167,682)</u>	<u>(180,380)</u>
<b>Net current assets</b>		<u>25,143</u>	<u>26,849</u>
<b>Total assets less current liabilities</b>		<u>82,914</u>	<u>99,041</u>
<b>Provision for liabilities and charges</b>	18	<u>(3,985)</u>	<u>(1,485)</u>
<b>Net assets</b>		<u>78,929</u>	<u>97,556</u>
<b>Capital and reserves</b>			
Called up share capital	19	1,910	1,837
Shares to be issued including premium	20	3,000	24,757
Share premium account	21	77,965	71,462
Merger reserve	21	1,967	1,504
Revaluation reserve	21	-	4,259
Profit and loss account	21	(5,913)	(6,263)
<b>Equity shareholders' funds</b>	21	<u>78,929</u>	<u>97,556</u>

Approved by the board of directors on 26 November 2002 and signed on its behalf by:-

**J.P.Hall**

**Directors**

**R.A.Bayford**

The notes on pages 21 to 37 form an integral part of these accounts.

# Company Balance Sheet

as at 27 September 2002 (30 September 2001)

	Note	2002 £000's	2001 £000's
<b>Fixed Assets</b>			
Investments	13	<u>110,761</u>	<u>124,690</u>
		<u>110,761</u>	<u>124,690</u>
<b>Current assets</b>			
Debtors	15	<u>670</u>	<u>962</u>
Cash at bank and in hand		<u>2</u>	<u>304</u>
		<u>672</u>	<u>1,266</u>
<b>Creditors: amounts falling due within one year</b>	17	<u>(14,489)</u>	<u>(14,788)</u>
<b>Net Current Liabilities</b>		<u>(13,817)</u>	<u>(13,522)</u>
<b>Total assets less current liabilities</b>		<u>96,944</u>	<u>111,168</u>
<b>Capital and reserves</b>			
Called up share capital	19	<u>1,910</u>	<u>1,837</u>
Shares to be issued including premium	20	<u>3,000</u>	<u>24,757</u>
Share premium account	21	<u>77,965</u>	<u>71,462</u>
Merger reserve	21	<u>2,252</u>	<u>1,789</u>
Profit and loss account	21	<u>11,817</u>	<u>11,323</u>
<b>Equity shareholders' funds</b>	21	<u>96,944</u>	<u>111,168</u>

Approved by the board of directors on 26 November 2002 and signed on its behalf by:-

**J.P.Hall**

**Directors**

**R.A.Bayford**

The notes on pages 21 to 37 form an integral part of these accounts.

## Consolidated Cash Flow Statement

for the 52 weeks to 27 September 2002 (2001 52 weeks to 30 September)

	Note	2002 52 weeks £000's	2001 52 weeks £000's	
Cash flow from operating activities (see below)		19,929	7,151	
Return on investments and servicing of finance		1,875	2,971	
Taxation		(6,657)	(6,243)	
Capital expenditure	12	(5,791)	(7,609)	
Purchase of fixed asset investments	13	(161)	-	
Acquisitions	11	(11,718)	(1,586)	
Equity dividends paid	9	(6,440)	(5,836)	
<b>Cash outflow before financing</b>		<b>(8,963)</b>	<b>(11,152)</b>	
Financing (see below)		242	698	
<b>Decrease in cash in the period</b>		<b>(8,721)</b>	<b>(10,454)</b>	
<b>Notes to the cash flow statement</b>				
<b>Reconciliation of operating profit to operating cash flow</b>				
Operating profit		2,310	11,755	
Depreciation and amortisation		9,635	7,625	
Sale of fixed assets investments	4	8,290	96	
Decrease/(increase) in current asset investments		155	(4)	
Decrease in debtors		5,866	143,497	
Decrease in creditors		(8,827)	(155,818)	
Increase in provisions	4	2,500	-	
<b>Net cash inflow from operating activities</b>		<b>19,929</b>	<b>7,151</b>	
<b>Financing</b>				
Issue of shares for cash	19	242	794	
Repayment of finance leases		-	(96)	
		242	698	
<b>Reconciliation of net cash flow to movement in net funds</b>				
Decrease in cash in the period		(8,721)	(10,454)	
Cash movement from change in lease financing		-	96	
Change in net funds resulting from cash flows		(8,721)	(10,358)	
Net funds at start of period		40,742	51,100	
Net funds at end of period		32,021	40,742	
<b>Analysis of net funds</b>				
		2002 £000's	Cash flow £000's	2001 £000's
Firm's cash	16	20,617	1,574	19,043
Firm's overdraft	17	(1,141)	(338)	(803)
<b>Firm's net cash</b>		<b>19,476</b>	1,236	18,240
Client settlement cash	16	12,545	(9,957)	22,502
Net cash		32,021	(8,721)	40,742

The notes on pages 21 to 37 form an integral part of these accounts.

# Notes to the Accounts

## 1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements.

### (a) Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under historical cost accounting rules, modified to include the revaluation of certain fixed assets.

### (b) Basis of consolidation

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

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

In the Company's accounts, investments in subsidiary undertakings are stated at cost. Dividends received and receivable are credited to the profit and loss account to the extent that they represent a realised profit for the Company.

In accordance with Section 230(4) of the Companies Act 1985 Brewin Dolphin Holdings PLC has taken advantage of the legal dispensation not to present its own profit and loss account. The amount of the profit for the financial period dealt with in the financial statements of the Company is disclosed in note 8 to the accounts.

### (c) Transaction date accounting

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

### (d) Turnover

Turnover comprises gross commission, management fees and other income, excluding VAT, receivable in respect of the period. Nonrecurring fees which are payable on a contingency basis are taken to revenue only when the relevant transaction is completed and a fee agreed.

### (e) Foreign currencies

Foreign currency monetary assets and liabilities have been translated into sterling at the exchange rates ruling at the balance sheet date. Transactions during the period have been converted into sterling at the rates ruling at the time the transactions were executed. All exchange differences are reflected in the profit and loss account.

### (f) Depreciation of tangible fixed assets

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:

Motor vehicles	4 years
Computer equipment	4 years
Office equipment	4 to 10 years
Leasehold improvements	Over life of lease.

# Notes to the Accounts

## 1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements.

### (a) Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under historical cost accounting rules, modified to include the revaluation of certain fixed assets.

### (b) Basis of consolidation

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

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

In the Company's accounts, investments in subsidiary undertakings are stated at cost. Dividends received and receivable are credited to the profit and loss account to the extent that they represent a realised profit for the Company.

In accordance with Section 230(4) of the Companies Act 1985 Brewin Dolphin Holdings PLC has taken advantage of the legal dispensation not to present its own profit and loss account. The amount of the profit for the financial period dealt with in the financial statements of the Company is disclosed in note 8 to the accounts.

### (c) Transaction date accounting

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

### (d) Turnover

Turnover comprises gross commission, management fees and other income, excluding VAT, receivable in respect of the period. Nonrecurring fees which are payable on a contingency basis are taken to revenue only when the relevant transaction is completed and a fee agreed.

### (e) Foreign currencies

Foreign currency monetary assets and liabilities have been translated into sterling at the exchange rates ruling at the balance sheet date. Transactions during the period have been converted into sterling at the rates ruling at the time the transactions were executed. All exchange differences are reflected in the profit and loss account.

### (f) Depreciation of tangible fixed assets

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:

Motor vehicles	4 years
Computer equipment	4 years
Office equipment	4 to 10 years
Leasehold improvements	Over life of lease.



## Notes to the Accounts

### 1. Accounting Policies (continued)

#### (g) Investments

Investments held as fixed assets are stated at cost, save where there is a quoted market value where market value is applied.

Current asset listed investments are stated at the lower of cost and market value and unlisted investments at the lower of cost and directors' valuation; in establishing market value account is taken of size and marketability.

#### (h) Goodwill

Purchased goodwill arising on business combinations in respect of acquisitions before 30 September 1998 was written off to reserves in the year of acquisition. Purchased goodwill (representing the excess of the fair value of the consideration over the fair value of the separable net assets acquired) since then has been capitalised. Payments made to individuals as part of an acquisition who remain in the employment of the Group are included within goodwill.

Goodwill is amortised to nil by equal annual instalments over its estimated useful life not exceeding 20 years, subject to impairment. The useful life of goodwill is normally 20 years in respect of payments made to owners of a stockbroking firm; payments made to individuals as part of an acquisition who continue to remain in the employment of the Group are amortised over periods up to 7 years and the charge is included within the charge for goodwill amortisation, within other operating costs.

#### (i) Leases

Annual rentals on operating leases are charged to the profit and loss account on a straight line basis over the lease term. Finance leases, where substantially all the risks and rewards of ownership of an asset rest with the Group, are capitalised and an appropriate interest and depreciation charge made.

#### (j) Pensions

The Group operates two types of pension scheme. The majority of senior employees are in a defined contribution pension scheme; the majority of other employees are in a pension scheme providing benefits based on final pensionable pay. The amount charged against profits represents premiums payable to the scheme in respect of the year. In the case of the defined benefit scheme, payments are calculated so as to spread the cost over employees' working lives within the Group.

The transitional arrangements of FRS 17 "Retirement Benefits" require certain additional disclosures to be given which are shown in note 24. There is no effect on the results or financial position of the Group, as the transitional provisions only require disclosures to be made.

#### (k) Deferred taxation

Full provision is made for deferred taxation in respect of tax timing differences likely to crystallise in the foreseeable future.

#### (l) Netting of balances

Amounts due to and from Counterparties due to settle on balance are shown net. Amounts due to and from Counterparties due to settle against delivery of stock are shown gross. Clients' money is segregated and held in clients' money bank accounts and is netted against the corresponding liability to clients and other Counterparties within trade creditors.

#### (m) Other operating income

Interest receivable and payable on client free money balances is netted and included under the heading other operating income.

## Notes to the Accounts

### 2. Total Income and Profit before Tax

	2002 52 weeks		2001 52 weeks	
	Total income £000's	Profit before taxation £000's	Total income £000's	Profit before taxation £000's
Discretionary portfolio management	41,280	4,419	34,514	6,473
Advisory portfolio management	47,557	2,884	59,894	5,012
Stocktrade	6,055	(953)	9,518	(1,872)
Corporate finance and Institutional	10,603	2,324	13,241	4,917
OPERATING PROFIT BEFORE goodwill amortisation and exceptional items		8,674		14,530
Interest		1,875		2,971
PROFIT BEFORE TAX, goodwill amortisation and exceptional items		10,549		17,501
Exceptional items (note 4)		(294)		-
Goodwill amortisation		(3,864)		(2,775)
	<b>105,495</b>	<b>6,391</b>	117,167	14,726

It is not meaningful to analyse the balance sheet by the above classes of business, all of which is carried out in the United Kingdom and Channel Islands.

### 3. Directors, Employees and Related Party Transactions

	2002 52 weeks No.	2001 52 weeks No.
The average number of persons, including directors, employed by the Group	<b>1,389</b>	1,430
	<b>£000's</b>	£000's
The aggregate payroll costs were as follows:		
Wages and salaries	<b>44,108</b>	47,548
Social security costs	<b>3,892</b>	3,101
Other pension costs	<b>5,029</b>	4,750
	<b>53,029</b>	55,399
The above figures include payments under profit share schemes of:-	<b>7,738</b>	8,529

Details of directors' emoluments and pensions are shown in the Remuneration Report. Details of share options are shown on page 39.

Details of material contracts with directors and loans to directors are shown in the Remuneration Report.

There were no other related party transactions.

## Notes to the Accounts

### 4. Exceptional Items

	<b>2002</b>	2001
	<b>52 weeks</b>	52 weeks
	<b>£000's</b>	£000's
Profit on disposal of fixed assets see (i) below		
Proceeds of sale	<b>8,290</b>	-
Revalued carrying value at 1 October 2001	<b>(6,084)</b>	-
	<hr/>	<hr/>
Provision for split capital trusts liabilities, see (ii) below and note 18	<b>2,206</b>	-
	<b>(2,500)</b>	-
	<hr/>	<hr/>
	<b>(294)</b>	-
	<hr/> <hr/>	<hr/> <hr/>

i) The group owned 1,800,000 London Stock Exchange shares with a historical cost of nil. These shares were sold in February 2002. The revalued carrying value of £6,084,000 less deferred tax has been transferred to the profit and loss account through reserves.

ii) By mid November 2002 the Group's principal subsidiary, Brewin Dolphin Securities Limited, had received 800 complaints in respect of advice given to clients where their portfolios contained some split capital trusts; total losses suffered by these clients were approximately £35m. Each of these complaints is assessed in accordance with the Group's complaints procedures within the guidelines set down by the Financial Services Authority. To date the Group has found that in fewer than 5% of cases reviewed there may be some grounds for compensation, and based on the detailed work done so far, the directors believe that the majority of complaints will not be sustained. However, in circumstances where the Group is found to be liable the directors are satisfied that such claims would fall within the level of the Group's insurance cover.

Nevertheless costs will be incurred in assessing the complaints and defending the Group's position, and on this basis a £2.5m provision has been made against costs and claims. It is anticipated that these costs will be paid out over the next two years.

### 5. Interest Payable and Similar Charges

	<b>2002</b>	2001
	<b>52 weeks</b>	52 weeks
	<b>£000's</b>	£000's
Bank overdrafts	<b>124</b>	293
Other interest payable	<b>-</b>	5
	<hr/>	<hr/>
	<b>124</b>	298
	<hr/> <hr/>	<hr/> <hr/>

## Notes to the Accounts

### 6. Profit on Ordinary Activities before Taxation

	<b>2002</b>	2001
	<b>52 weeks</b>	52 weeks
	<b>£000's</b>	£000's
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration		
Audit fees	<b>185</b>	205
Amounts paid in respect of non audit services	<b>45</b>	347
Company audit fee	<b>5</b>	5
Charges under operating leases:		
Land and buildings	<b>2,351</b>	2,479
Hire of equipment	<b>670</b>	787
Depreciation on tangible fixed assets		
Owned	<b>5,771</b>	4,841
Leased	<b>-</b>	9
	<b>=====</b>	<b>=====</b>

### 7. Tax on Profit on Ordinary Activities

United Kingdom corporation tax based on the taxable profit for the period at 30% (2001 30%)		
Current	<b>4,648</b>	6,769
Prior year	<b>(2,063)</b>	(51)
Deferred – UK only	<b>(1,677)</b>	(1,205)
Prior year deferred – UK only	<b>1,677</b>	-
Overseas tax	<b>41</b>	86
	<b>=====</b>	<b>=====</b>
	<b>2,626</b>	5,599

The current tax charge for the period exceeds 30% (2001 30%) for the following reasons:

Tax on ordinary activities at the standard rate 30% (2001 30%)	<b>1,917</b>	4,418
Goodwill amortisation – disallowed proportion	<b>814</b>	832
Leasehold property depreciation	<b>96</b>	86
Disallowable expenses and other timing differences	<b>185</b>	314
	<b>=====</b>	<b>=====</b>
Current tax charge for the period	<b>3,012</b>	5,650
Prior period tax	<b>(386)</b>	(51)
	<b>=====</b>	<b>=====</b>
	<b>2,626</b>	5,599

### 8. Profit on Ordinary Activities after Taxation

Profit after taxation dealt with in the accounts of the Company	<b>7,038</b>	5,909
	<b>=====</b>	<b>=====</b>

## Notes to the Accounts

### 9. Dividends

	<b>2002</b>	2001
	<b>52 weeks</b>	52 weeks
	<b>£000's</b>	£000's
First interim dividend paid on 6 April 2002 of 2p (2001 2p)	<b>3,684</b>	3,598
Second interim dividend of 1.5p per share paid 1 October 2002 (2001 1.5p)	<b>2,860</b>	2,756
	<b>6,544</b>	6,354

In accordance with the Group's stated dividend policy there are two interim dividends paid and no final dividend.

### 10. Earnings per Share

	<b>No.</b>	No.
	<b>000's</b>	000's
<b>Basic</b>		
Weighted average number of shares in issue in the period	<b>187,500</b>	181,011
<b>Diluted</b>		
Weighted average number of options outstanding for the period	<b>557</b>	4,244
Estimated weighted average number of shares earned under deferred consideration arrangements	<b>7,709</b>	10,102
Diluted weighted average number of shares in issue in the period	<b>195,766</b>	195,357
	<b>£000's</b>	£000's
Basic profit for the period and attributable earnings	<b>3,765</b>	9,127
Goodwill amortisation	<b>3,864</b>	2,775
less tax on goodwill amortisation	<b>(346)</b>	-
exceptional items	<b>294</b>	-
less tax on exceptional items	<b>(88)</b>	-
Adjusted basic profit for the period and attributable earnings	<b>7,489</b>	11,902

## Notes to the Accounts

### 11. Intangible Fixed Assets

#### Group

	Note	£000's
Goodwill		
Cost		
At 1 October 2001		55,551
Additions	(i)	6,847
Change in estimated value of shares to be issued	21	(11,500)
<b>At 27 September 2002</b>		<b>50,898</b>
Amortisation		
At 1 October 2001		3,711
Charge for the period		3,864
<b>At 27 September 2002</b>		<b>7,575</b>
Net book value		
<b>At 27 September 2002</b>		<b>43,323</b>
Net book value		
At 30 September 2001		51,840
Additions related to:		
Purchase of Popes		2,963
Other acquisitions		3,830
	(ii)	6,793
Further payments re businesses acquired in previous years		54
	(i)	6,847
Other movements relating to acquisitions and disposals		
Completion of prior period acquisitions	21	1,130
		7,977
Less shares issued for acquisitions	19	(6,516)
Reduction in shares to be issued	21	10,257
<b>Net cash movement shown in cash flow</b>		<b>11,718</b>
<b>Purchase of businesses</b>		
<b>Net assets acquired</b>		
Other		-
Goodwill		6,793
Goodwill purchased	(ii)	6,793
Cash paid		6,324
Shares issued	19	469
		6,793

## Notes to the Accounts

### 12. Tangible Fixed Assets

Group	Leasehold Improvements £000's	Office Equipment £000's	Computer Equipment £000's	Motor Vehicles £000's	Total £000's
Cost:					
At 1 October 2001	2,278	3,783	24,061	18	30,140
Additions	825	145	4,821	-	5,791
Disposals	-	-	-	(18)	(18)
<b>At 27 September 2002</b>	<b>3,103</b>	<b>3,928</b>	<b>28,882</b>	<b>-</b>	<b>35,913</b>
Depreciation:					
At 1 October 2001	1,165	2,375	12,591	11	16,142
Charge for the period	321	526	4,918	6	5,771
Disposals	-	-	-	(17)	(17)
<b>At 27 September 2002</b>	<b>1,486</b>	<b>2,901</b>	<b>17,509</b>	<b>-</b>	<b>21,896</b>
Net book value:					
<b>At 27 September 2002</b>	<b>1,617</b>	<b>1,027</b>	<b>11,373</b>	<b>-</b>	<b>14,017</b>
Net book value:					
At 30 September 2001	1,113	1,408	11,470	7	13,998

## Notes to the Accounts

### 13. Fixed Asset Investments

Group	Unlisted €000's	Listed €000's	Total €000's
Other investments			
Shares at cost			
At 1 October 2001	270	-	270
Additions	161	-	161
<b>At 27 September 2002</b>	<b>431</b>	<b>-</b>	<b>431</b>
Shares at cost or valuation			
At 1 October 2001	270	6,084	6,354
Additions	161	-	161
Disposals	-	(6,084)	(6,084)
<b>At 27 September 2002</b>	<b>431</b>	<b>-</b>	<b>431</b>

#### Unlisted

During the year CRESTco was acquired by Euroclear. In the opinion of the directors the Group's holding of 19,899 ordinary shares in Euroclear PLC have a value of not less than cost.

#### Listed

The group owned 1,800,000 London Stock Exchange shares with a historical cost of nil. These shares were sold in February 2002.

### Company

Cost of investments in subsidiary undertakings:

	2002 €000's	2001 €000's
At 1 October 2001	124,690	125,975
Additions – Brewin Dolphin Securities Limited	1,250	3,510
– Other subsidiaries	1,750	3,560
Dividends received from subsidiary undertakings	(1,750)	(3,924)
Adjustment to value of shares to be issued	(15,179)	(4,431)
<b>At 27 September 2002</b>	<b>110,761</b>	<b>124,690</b>

Principal subsidiary undertakings

	Country of registration	Trade	Percentage of voting rights held
Brewin Dolphin Securities Limited	England	Fund manager and stockbroker	100%
Brewin Nominees Limited	England	Nominee company	100%
North Castle Street (Nominees) Limited	Scotland	Nominee company	100%
Wise Speke Financial Services Limited	England	Other financial services	100%

All the above are indirectly owned, save for Brewin Dolphin Securities Limited which is directly owned. All the shares owned were ordinary shares.



## Notes to the Accounts

	<b>2002</b>	2001
	<b>£000's</b>	£000's
<b>14. Current Asset Investments</b>		
<b>Group</b>		
Current asset investments		
Cost		
Quoted on the London Stock Exchange or A.I.M.	<b>117</b>	272
Unquoted	<b>377</b>	377
	<b>494</b>	649
Valuation		
Quoted at market value	<b>122</b>	272
Unquoted at directors' valuation	<b>377</b>	377
	<b>499</b>	649
<b>15. Debtors</b>		
<b>Group</b>		
Trade debtors	<b>143,690</b>	149,591
Loans	<b>4,328</b>	4,231
Other debtors	<b>1,365</b>	2,622
Prepayments and accrued income	<b>9,786</b>	8,591
	<b>159,169</b>	165,035
<p>£3,929,000 (2001 £3,770,000) represents loans to staff under the Group share schemes and are repayable in more than one year. The loans are secured on the Company's shares.</p>		
<b>Company</b>		
Other debtors	<b>6</b>	10
Loans repayable in more than one year	<b>664</b>	952
	<b>670</b>	962
<b>16. Cash</b>		
<b>Group</b>		
Firm's cash	<b>20,617</b>	19,043
Client settlement cash	<b>12,545</b>	22,502
	<b>33,162</b>	41,545

Client settlement cash is held in segregated client accounts and is not available for use in the business.

At the balance sheet date there were also deposits for clients, not included in the consolidated balance sheet, which were held in segregated client bank accounts in the name of the firm amounting to £670,444,000 (2001 £670,955,000)

## Notes to the Accounts

	<b>2002</b>	2001
	<b>£000's</b>	£000's
<b>17. Creditors:</b> amounts falling due within one year		
<b>Group</b>		
Trade creditors	<b>135,244</b>	140,393
Bank overdrafts	<b>1,141</b>	803
Other creditors	<b>4,393</b>	4,934
Corporation tax	<b>2,103</b>	6,134
Other taxation	<b>1,039</b>	1,231
Social security	<b>1,090</b>	1,111
Accruals and deferred income	<b>19,812</b>	23,018
Dividend	<b>2,860</b>	2,756
	<b>167,682</b>	180,380

### Company

Amounts owed to Group undertakings	<b>11,153</b>	11,150
Other creditors	<b>476</b>	882
Dividend	<b>2,860</b>	2,756
	<b>14,489</b>	14,788

### 18. Provision for Liabilities and Charges Group

	Provision for split capital trust liabilities £000's	Deferred taxation £000's	Total £000's
Balance at 1 October 2001	–	1,485	1,485
Charge for the period	2,500	–	2,500
<b>Balance at 27 September 2002</b>	<b>2,500</b>	<b>1,485</b>	<b>3,985</b>

The provision for split capital trust liabilities is explained in note 4.

	<b>2002</b>	2001
	<b>£000's</b>	£000's
Deferred taxation		
Potential capital gain on investments	–	1,825
Goodwill amortisation	<b>2,145</b>	–
Capital allowances	<b>(360)</b>	(119)
Other short term timing differences	<b>(300)</b>	(221)
	<b>1,485</b>	1,485

## Notes to the Accounts

<b>19. Called up Share Capital Group and Company</b>	<b>2002 £000's</b>	2001 £000's
Authorised:		
225,928,700 ordinary shares of 1p each	<b>2,259</b>	2,259
Allotted, issued and fully paid:		
190,937,465 (2001 183,771,885) ordinary shares of 1p each	<b>1,910</b>	1,837

During the period the following shares were issued:-

Date	Price	Reason	No of shares issued	Nominal value £000's	Merger reserve £000's	Share premium £000's	Total £000's
November 2001	103p	Purchase of Birmingham private client business	291,262	3	297	-	300
December 2001	120p	Second payment in relation to purchase of Birmingham private client business	154,530	2	-	183	185
March 2002	104p	Third payment in relation to purchase of Wise Speke plc	4,613,135	46	-	4,752	4,798
" "	104p	Second payment London private client business	1,023,286	10	-	1,054	1,064
" "	104p	Subscribed for out of profit share	269,999	3	-	278	281
July 2002	65p	Purchase of a Leeds private client business	260,625	3	166	-	169
Various	Various	Options taken up	552,743	6	-	242	248
Costs of issue			-	-	-	(6)	(6)
			7,165,580	73	463	6,503	7,039
		New private client businesses acquired					469
		Second payments for private client businesses					6,047
		Business purchases for shares (note 11)					6,516
		Shares subscribed for out of profit share					281
		Shares paid for in cash					242
							7,039

## Notes to the Accounts

### 19. Called up Share Capital (continued)

The following options have been granted and remain outstanding at 27 September 2002:-

	Grant date	2002 No	2001 No	Exercise price
Employee's options under the approved share option scheme	April 1996	–	40,000	36p
Employee's options under the approved share option scheme	April 1997	580,000	850,000	37.3p
Employee's options under the approved share option scheme	April 1998	820,000	850,000	71.4p
Sharesave scheme	June 1998	2,355,336	2,697,307	56.3p
Employee's options under the approved share option scheme	January 2000	17,000	17,000	174.5p
Employee's options under the approved share option scheme	June 2000	1,380,750	1,453,752	167.5p
Sharesave scheme	June 2000	1,704,184	2,194,846	134p
Employee's options under the approved share option scheme	June 2001	1,710,582	1,791,082	134p
Total options outstanding		<u>8,567,852</u>	<u>9,893,987</u>	

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

The Group's approved employee option scheme was adopted in 1994 and the Sharesave Scheme in April 1998. The number of options over Ordinary Shares may not exceed 10% of the Company's ordinary share capital over a ten year period.

The employee options are exercisable from five to ten years from grant. The Sharesave Scheme options are exercisable from three to five years of grant.

### 20. Shares to be Issued including Premium

Under a number of agreements related to the purchase of businesses, ordinary shares may be issued, based on a profit related, or similar formula.

	Expected date of issue	Maximum Value 2002 £000's	Expected value 2002 £000's	Expected value 2001 £000's
Acquisitions				
Wise Speke 3rd payment		–	–	6,507
Broadbridge	January 2004	4,856	–	2,500
Hill Osborne	January 2004	15,000	1,000	10,000
Private client department of Williams de Broë		–	–	3,000
Taunton private client business	January 2004	3,500	2,000	2,000
Popes	December 2005	6,000	–	–
Other	2002-2007	10,883	–	250
		<u>40,239</u>	<u>3,000</u>	<u>24,257</u>
Profit share scheme		–	–	500
		<u>40,239</u>	<u>3,000</u>	<u>24,757</u>

## Notes to the Accounts

### 21. Reserves and Reconciliation of Movements in Shareholders' Funds

Group	2002 52 weeks					Share premium £000's	Shares to be issued including premium £000's	Share capital £000's	Share- holders' funds £000's	Share- holders' funds £000's
	Profit and loss account			Revaluation Reserve £000's	Merger Reserve £000's					
	Goodwill written off £000's	Realised profit £000's	Total £000's							
At 1 October 2001	(41,425)	35,162	(6,263)	4,259	1,504	71,462	24,757	1,837	<b>97,556</b>	90,523
Issue of shares in period	-	-	-	-	463	6,503	(10,257)	73	<b>(3,218)</b>	2,403
New shares to be issued created in period	-	-	-	-	-	-	-	-	-	2,000
Estimated movement in value of shares to be issued	-	-	-	-	-	-	(11,500)	-	<b>(11,500)</b>	(80)
Prior period acquisitions	(1,130)	-	(1,130)	-	-	-	-	-	<b>(1,130)</b>	(209)
Transfer to realised profit	-	4,259	4,259	(4,259)	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	146
Profit for the period	-	3,765	3,765	-	-	-	-	-	<b>3,765</b>	9,127
Dividends	-	(6,544)	(6,544)	-	-	-	-	-	<b>(6,544)</b>	(6,354)
<b>At 27 September 2002</b>	<u>(42,555)</u>	<u>36,642</u>	<u>(5,913)</u>	<u>-</u>	<u>1,967</u>	<u>77,965</u>	<u>3,000</u>	<u>1,910</u>	<b><u>78,929</u></b>	<u>97,556</u>

Company	2002 52 weeks					Share premium £000's	Shares to be issued including premium £000's	Share capital £000's	Share- holders' funds £000's	Share- holders' funds £000's
	Profit and loss account		Realised profit £000's	Merger Reserve £000's	Revaluation Reserve £000's					
	Realised profit £000's	Revaluation Reserve £000's								
At 1 October 2001			11,323	1,789	71,462	24,757	1,837	<b>111,168</b>	107,290	
Issue of shares in period			-	463	6,503	(10,257)	73	<b>(3,218)</b>	2,403	
New shares to be issued created in period			-	-	-	-	-	-	-	2,000
Estimated movement in value of shares to be issued			-	-	-	(11,500)	-	<b>(11,500)</b>	(80)	
Profit for the period			7,038	-	-	-	-	<b>7,038</b>	5,909	
Dividends			(6,544)	-	-	-	-	<b>(6,544)</b>	(6,354)	
<b>At 27 September 2002</b>			<u>11,817</u>	<u>2,252</u>	<u>77,965</u>	<u>3,000</u>	<u>1,910</u>	<b><u>98,944</u></b>	<u>111,168</u>	

## Notes to the Accounts

### 22. Financial Commitments

At 27 September 2002 the Group had annual commitments under non-cancelable operating leases as follows:

	2002		2001	
	Land and buildings £000's	Hire of equipment £000's	Land and buildings £000's	Hire of equipment £000's
Operating leases which expire:				
Within one year	–	114	–	137
Between one and five years	1,612	556	1,419	578
After five years	738	–	1,272	–
	<b>2,350</b>	<b>670</b>	2,691	715

### 23. Derivatives and other Financial Instruments

The group acts as a fund manager and agency stockbroker and very rarely undertakes trading on its own behalf. Therefore the Group does not hold derivatives or other financial instruments other than cash and securities.

All cash is repayable on demand (see note 16) and is held at major banks, mainly in the UK. This in turn means that the Group takes no interest rate risk and the credit risk is deemed to be minimal. The Group carries out at least annual reviews of all its banks' and custodians credit ratings.

The Group deals in foreign currencies on a matched basis on behalf of clients, limiting foreign exchange exposure. The total foreign exchange exposure at the year end was £143,000 (2001 £nil).

The Group's trade debtors and creditors are held on a matched basis and are largely settled between 1 and 25 days. Consequently we have taken advantage of the exemptions provided in FRS13 in respect of short term debtors and creditors.

Loans to clients are repayable on demand, and are secured against marketable securities. Loans to staff are repayable over 5 to 10 years and are secured against the Company's shares (see note 15). The market value of current asset investments is shown in note 14.

### 24. Pensions

The Group operates three pension schemes for its employees comprising two defined benefit schemes and one defined contribution scheme. The pension charge was as follows:

	52 weeks to 27 September 2002 £000's	52 weeks to 30 September 2001 £000's
Defined benefit schemes – including death in service contributions	2,939	2,750
Defined contribution scheme	2,090	2,000
	<b>5,029</b>	4,750

The assets of the schemes are held by trustees in funds separated from the Group's finances.

## Notes to the Accounts

### 24. Pensions (continued)

The following disclosure is made in accordance with the provisions of FRS 17 "Retirement benefits".

The Group operates one active defined benefit scheme in the UK the Brewin Dolphin Securities Limited Retirement Benefit Scheme (BDS RBS). In addition some ex-employees of Wise Speke PLC are deferred members of the Wise Speke Retirement Benefit Scheme (WS RBS) which is closed. Full actuarial valuations were carried out at 1 January 2001 for the BDS RBS and the WS RBS. These were updated to 27 September 2002 by a qualified independent actuary.

The main assumptions used by the actuary were (in nominal terms):

	<b>27 September 2002</b>	30 September 2001
	<b>% per annum</b>	% per annum
Rate of increase of salaries	<b>3.0</b>	3.50
Rate of increase of pensions in payment and deferred pensions*	<b>2.3</b>	2.75
Discount rate	<b>5.5</b>	6.50
Inflation assumption	<b>2.3</b>	2.75

\*Some pensions receive fixed rate increases.

The Company currently contributes 10% (2001 8.5%) of Pensionable Pay to the BDS RBS. The Group excludes senior executives from the BDS RBS above the National Insurance upper earnings limit.

### Actual and expected rates of return on assets

	Long term rate of return expected at		Value at 27 September 2002			30 September 2001
	27 September 2002	30 September 2001	BDS RBS £000's	WS RBS £000's	Total £000's	Total £000's
<b>Net Pension asset</b>						
Equities	7.5% pa	7.5% pa	12,657	2,747	15,404	16,500
Bonds	5.5% pa	6.5% pa	2,654	470	3,124	2,963
Other	5.5% pa	6.5% pa	392	213	605	589
<b>Total market value of assets</b>			15,703	3,430	19,133	20,052
Present value of schemes liabilities			(27,705)	(5,922)	(33,627)	(21,761)
<b>Deficit in the schemes</b>			(12,002)	(2,492)	(14,494)	(1,709)
Deferred taxation					4,348	513
Net pension liability					(10,146)	(1,196)
Profit and loss account at 27 September 2002 before deducting notional pension deficit					(5,913)	(6,263)
Profit and loss account at 27 September 2002 after deducting notional pension deficit in accordance with FRS 17					(16,059)	(7,459)

## Notes to the Accounts

### 24. Pensions (continued)

#### MOVEMENT IN DEFICIT DURING THE PERIOD

	BDS RBS £000's	WS RBS £000's	Total £000's
Balance at 1 October 2001	(733)	(976)	(1,709)
Movement in year:			
Current service cost	(1,783)	-	(1,783)
Contributions	2,369	90	2,459
Other finance income	116	(30)	86
Actuarial loss	(11,971)	(1,576)	(13,547)
Balance at 27 September 2002	<u>(12,002)</u>	<u>(2,492)</u>	<u>(14,494)</u>
The actuarial loss can be analysed as follows:-			
Actual return less expected return on pension scheme assets	(4,284)	(891)	(5,175)
Percentage difference between the expected and actual return	-27.0%	-23.0%	-26.0%
Experience gains and losses arising on the scheme liabilities	(3,439)	57	(3,382)
Percentage of the present value of the scheme liabilities	-12.0%	1.0%	-10.0%
Change in assumptions underlying the present value of the liabilities	(4,248)	(742)	(4,990)
	<u>(11,971)</u>	<u>(1,576)</u>	<u>(13,547)</u>
Percentage of the present value of the scheme liabilities	43%	27%	40%

After 31 December 1998 all employees have been able to participate in the BDS RBS.

The Trustees of the two defined benefit schemes are in the process of arranging a transfer of past service credits out of the WS RBS into the BDS RBS.

As a result of the actuarial review in 2001 the Group increased its funding rate to 10% from 8.5% and staff contributions increased from 4% to 5%. Advice from the independent actuary is that the funding rate could be increased again to 12% to reduce the above deficit.

### 25. Capital Commitments

Group	2002 £000's	2001 £000's
Expenditure contracted for but not provided in these accounts	<u>350</u>	<u>1,380</u>
Expenditure authorised by the directors but not contracted for	<u>-</u>	<u>517</u>



## Five year record

	Year 2002 £000's	Year 20001 £000's	Year 2000 £000's	Year 1999 £000's	Nine months 1998 £000's
Turnover	99,056	111,591	122,083	85,618	48,762
Other operating income	6,439	5,576	3,893	2,147	1,402
<b>Total Income</b>	<b>105,495</b>	117,167	125,976	87,765	50,164
Costs	(103,185)	(105,412)	(105,048)	(73,356)	(43,500)
<b>Operating Profit</b>	<b>2,310</b>	11,755	20,928	14,409	6,664
Profit on disposal of fixed assets	2,206	–	–	536	–
Interest receivable	1,999	3,269	3,888	2,702	1,842
Interest payable	(124)	(298)	(607)	(131)	(155)
<b>Profit on ordinary activities before goodwill amortisation and exceptional items</b>	<b>10,549</b>	17,501	25,137	16,988	8,351
Goodwill amortisation	(3,864)	(2,775)	(928)	(8)	–
Exceptional items net	(294)	–	–	536	–
<b>Profit on ordinary activities before taxation</b>	<b>6,391</b>	14,726	24,209	17,516	8,351
Tax charge on profit on ordinary activities	(2,626)	(5,599)	(7,411)	(5,707)	(2,784)
<b>Profit on ordinary activities after taxation</b>	<b>3,765</b>	9,127	16,798	11,809	5,567
Dividends	(6,544)	(6,354)	(5,573)	(4,093)	(1,090)
<b>Retained (loss)/profits</b>	<b>(2,779)</b>	2,773	11,225	7,716	4,477
<b>Diluted earnings per share excluding goodwill amortisation and exceptional items</b>	<b>3.8p</b>	6.1p	10.0p	7.0p	4.1p

## Shareholders at 26 November 2002

There were no changes in directors' shareholdings between 30 September 2002 and 26 November 2002.

	Number of ordinary shares	% Voting equity prior to exercise of options	Number of ordinary shares, options and deferred purchase consideration	% Voting equity post exercise of options and maximum deferred purchase consideration	Share save options exercisable at 134p	Held by Directors Share save options exercisable at 56.3p	Options exercisable at 167.5p for Mr Speke and 139p for Mr Still
<b>Directors</b>							
Sir David Rowe-Ham	150,000		150,000				
J.P. Hall	3,358,932		3,383,773		1,611	23,230	
R.A. Bayford *	779,441		780,366		925		
Sir Fred Holliday	4,200		4,200				
W.N. Hood	10,000		10,000				
V. Lall	727,647		748,384		2,197	18,540	
C.D. Legge	3,547,387		3,570,617			23,230	
J.M. Matheson	436,797		461,782		1,755	23,230	
I.B. Speke	390,855		420,948		12,593		17,500
S.J.H. Still	4,330		25,912				21,582
M.J.R. Williams**	1,447,812		1,471,042			23,230	
	<u>10,857,401</u>	<u>5.7%</u>	<u>11,027,024</u>	<u>4.3%</u>	<u>19,081</u>	<u>111,460</u>	<u>39,082</u>
Other members of the Group	55,359,669	29.0%	55,359,669	21.6%			
Options	-		8,398,229	3.3%			
Estimated maximum deferred purchase shares	-		57,000,000	22.2%			
Employee ownership	66,217,070	34.7%	131,784,922	51.4%			
<b>Institutions</b>							
Amvescap PLC	10,769,567	5.6%	10,769,567	4.2%			
Morley Fund Management	10,360,907	5.4%	10,360,907	4.0%			
Threadneedle Asset Management Ltd	8,163,719	4.3%	8,163,719	3.2%			
Aberforth Partners	7,650,000	4.0%	7,650,000	3.0%			
Legal & General	5,902,802	3.1%	5,902,802	2.3%			
Other	72,065,131	37.8%	72,065,131	28.1%			
Private individuals	9,808,269	5.1%	9,808,269	3.8%			
<b>Total</b>	<u>190,937,465</u>	<u>100.0%</u>	<u>256,505,317</u>	<u>100.0%</u>			

\* Includes 12,190 non beneficial

\*\* Includes 132,500 non beneficial

At 27 September 2002 the Company's share price was 55.5p (2001 74p). The highest price in the year was 133p and the lowest 55.5p.

The directors' interest in shares at 30 September 2001, or date of appointment was as follows:-

	Ordinary shares	Share Save options exercisable at 34p	Share Save options exercisable at 56.3p	Options exercisable at 167.5p	Options exercisable at 139p
Sir David Rowe-Ham	150,000	-	-	-	-
J.P. Hall	3,358,932	1,611	23,230	-	-
R.A. Bayford	779,441	925	-	-	-
Sir Fred Holliday	4,200	-	-	-	-
W.N. Hood	10,000	-	-	-	-
V. Lall	727,647	2,197	18,540	-	-
C.D. Legge	3,539,637	-	23,230	-	-
J.M. Matheson	436,797	1,755	23,230	-	-
I.B. Speke	188,053	12,593	-	17,500	-
S.J.H. Still	4,330	-	-	-	21,582
M.J.R. Williams	1,447,812	-	23,230	-	-

## Directors' Biographies

Brief biographies of the Directors are set out below:

### **Sir David Rowe-Ham, GBE, FCA (aged 66) – Chairman**

Sir David Rowe-Ham joined Brewin Dolphin in 1992 as Chairman. He is currently President of The Crown Agents Foundation, Chairman of Olayan Europe Limited, Coral Products PLC, BNP Paribas South Asia Investment Co. Ltd. He is also a non-executive director of a number of other Companies, including Chubb plc and St. David's Investment Trust PLC. His previous positions include that of senior partner of Smith Keen Cutler, and he was a non-executive director of Williams PLC.

### **John Peirs Hall (aged 62) – Chief Executive**

John Hall began his career on the Stock Exchange in 1960 and became a partner in the firm of Wontner Renwick & Francis in 1967. In 1974, on the amalgamation of Wontner, Dolphin & Francis with Brewin & Co., he became a member of the management committee (at that time, the body responsible for managing the business) and then Chairman of the committee in 1980. In 1987, on the incorporation of the business and its sale to a subsidiary of The Scandinavian Bank, he became Managing Director, and subsequently led the Buy-out in 1992. He is a non-executive director of the Association of Private Client Investment Managers and Stockbrokers and Mountview PLC.

### **Robin Alec Bayford, FCA (aged 53) – Finance Director**

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

### **Sir Fred Holliday, CBE, DSc, FRSE, FIBiol (aged 67)**

Sir Fred Holliday was appointed to the Board in July 1998. He had a distinguished academic career during which he was Vice Chancellor of Durham University 1980-1990. He is Chairman of Northumbrian Water Group and Northern Venture Capital Fund. He is President of the British Trust for Ornithology and of the Freshwater Biological Association. He was a director of Shell UK from 1980 to 1999, Suez Lyonnaise des Eaux 1997-2001, and Chairman of the Go-Ahead Group until October 2002.

### **W Nick Hood, CBE (aged 66)**

Nick Hood was appointed to the board in April 2000. He was Chairman of Wessex Water 1987 to 1999 and led the privatisation. He is a member of The Prince of Wales Council, deputy Chairman of Business in the Community, Chairman or a Director of seven other companies and Chairman of the Bristol Cancer Help Centre.

### **Vikram Lall, CA (aged 56)**

Vikram Lall joined Bell Lawrie in 1987. He is a Chartered Accountant and, prior to joining Bell Lawrie, was a Director of Noble Grossart before forming his own corporate finance advisory company, which he subsequently sold to Bell Lawrie. He became a director in June 1993 and is responsible for the Group's corporate finance activities. He is currently a non-executive director of the Malcolm Group plc, Murray VCT PLC, Murray VCT2 PLC and Canvas Holidays Ltd. He is Chairman of the Scottish Industrial Development Advisory Board.

### **Christopher David Legge (aged 59)**

Christopher Legge joined Brewin Dolphin & Co. in 1962 and became a partner in 1968, continuing a family involvement going back to 1929. He joined the Board upon incorporation in 1987 and has consistently been involved in portfolio management for over 30 years. He heads private client investment management.

## Directors' Biographies

### **James Matheson, GSI (aged 48)**

Jamie Matheson is a Glasgow director of the Bell Lawrie White division of the Group and heads up the Group's institutional broking department. He started his career in 1972 at Parsons & Co and remained with that firm through its various evolutionary stages until January 1996 when he joined the Group. He is a non-executive director of Scottish Radio Holdings plc and AIM VCT2 plc. He is a past Deacon of the Bonnetmakers and Dyers of Glasgow and Ex-Precis of the Grand Antiquity Society of Glasgow.

### **Ian Benjamin Speke (aged 52)**

Ben Speke joined Wise Speke in 1973 continuing a long family involvement. In 1974 he joined the London jobbers Pinchin Denny and subsequently moved to Hoare Govett. In 1980 he rejoined Wise Speke and became a director in 1987. In 1999 after Wise Speke became part of the Group he became Managing Director of the Newcastle office; in 2000 he joined the Brewin Dolphin Securities Board and is a member of the Group's Private Client Regional committee.

### **Simon Still, FInstD (aged 53)**

Simon Still graduated from Durham University. After 14 years' executive experience in the electronics and engineering industry, which included starting a software company, he entered a City based consultancy practice in 1987. In 1991 he became a consultant to Wise Speke while building up interests in a range of unquoted companies. In 2001 he became Chief Operating Officer of the Group. He is a non-executive Chairman of Affinity Food Holdings Ltd and a non-executive director of Bells Stores Ltd, Galaxy Radio NE Ltd., and Northern Business Forum. He is a member of the North East Industrial Development board.

### **Michael John Ross Williams (aged 55)**

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

## Notice of Meeting

Notice is hereby given that the Annual General Meeting of Brewin Dolphin Holdings PLC will be held at Haberdashers' Hall, 18 West Smithfield, London EC1A 9HQ on Wednesday 26 February 2003 at 12 noon for the following purposes.

As **ordinary business**

1. To receive the Accounts and the Reports of the Directors and Auditors for the period ended 27 September 2002.
2. To re-elect as a Director Mr John Hall who retires by rotation.
3. To re-elect as a Director Mr Robin Bayford who retires by rotation.
4. To re-elect as a Director Mr Vikram Lall who retires by rotation.
5. To reappoint Deloitte & Touche as auditors of the Company at a remuneration to be fixed by the Directors.
6. To approve the Company's current dividend policy of paying two interim dividends per year, taking regard of anticipated profits for the year, and authorising the Directors to continue this policy for the year 2003.
7. To consider and, if thought fit, to pass the following resolution as an ordinary resolution.

That the Directors be authorised generally and unconditionally to exercise all the powers of the Company to allot relevant securities (in accordance with Section 80 of the Companies Act 1985) up to an aggregate nominal amount of £636,394.57 (representing 33.3% of the issued share capital of the Company as at 4 December 2002), for the period expiring on 25 February 2008 but so that the Company may, before such expiry, make an offer or an agreement which would or might require such relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to such an offer or agreement as if the authority conferred hereby had not expired; this authority shall replace any previous authority granted pursuant to Section 80 of the Companies Act 1985, save that such previous authority shall continue in respect of shares issued, rights to subscribe or convert issued, or shares or rights contracted to be issued prior to the date of the passing of this resolution.

As **special business**, to consider and, if thought fit, to pass the following resolutions as special resolutions.

8. That the Directors be empowered to allot for cash equity securities pursuant to the authority granted under Section 80 of the Companies Act 1985 at the 2003 Annual General Meeting of the Company as if Section 89(1) of the Companies Act 1985 did not apply to the allotment of any such securities, such power being limited to:
  - (a) the allotment of equity securities in connection with an issue of shares to holders of relevant shares or relevant employee shares, or in connection with any other form of issue of such securities in which such holders are offered the right to participate, in proportion (as nearly as may be) to their respective holdings, but subject to such exclusions or other arrangements as the Directors consider necessary or expedient to deal with any fractional entitlements or any legal or practical problems under the laws of any territory or the requirements of any stock exchange or regulatory authority; or
  - (b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of £95,468.73 (being 5% of the issued share capital of the Company as at 4 December 2002).
9. That the Company be generally and unconditionally authorised to make market purchases (within the meaning of Section 163 of the Companies Act 1985) of ordinary shares of 1p each in the capital of the Company ("ordinary shares") provided that:
  - (a) the maximum number of ordinary shares hereby authorised to be purchased shall be 19,093,746.
  - (b) the minimum price which may be paid for an ordinary share shall be 1p;

## Notice of Meeting

- (c) the maximum price which may be paid for an ordinary share shall be an amount equal to 105% of the average of the middle market quotations for an ordinary share derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is purchased;
- (d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2004 or, if earlier, on 26 May 2004, unless such authority is renewed prior to such time; and
- (e) the Company may enter into contracts to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority, which contracts will or may be executed wholly or partly after the expiry of such authority, and may make purchases of ordinary shares pursuant to any such contracts.

By order of the Board

Leann Bowden  
Secretary

4 December 2002

### Notes

1. A member entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to attend and, on a poll, to vote in his/her/its stead. A proxy need not be a member of the Company.
2. A form of proxy is enclosed and, to be valid, must be lodged with the Company's registrars, Lloyds TSB PLC, Registrars Department, The Causeway, Worthing, West Sussex BN99 6DA, not less than 48 hours before the time appointed for the holding of the meeting. Submitting a proxy does not prevent a member from attending the meeting and voting in person.
3. Under Regulation 41 of the Uncertificated Securities Regulations 2001, only those members who are registered on the Company's share register at 9.00 am on Tuesday 25 February 2003 are entitled to attend the meeting and to vote in respect of the number of shares registered in their names at that time. Changes to entries on the share register after 9.00 am on Tuesday 25 February 2003 shall be disregarded in determining the rights of any person to attend and/or vote at the meeting.
4. Brief biographical information on the persons to be re-elected as directors is set out on page 40.
5. The directors have no present intention of exercising the authority to allot relevant securities pursuant to resolution 7.
6. The directors have no present intention of exercising the authority to make purchases of the Company's shares pursuant to resolution 9. If granted, the authority would only be exercised if an improvement in earnings per share was expected to result and if the purchase was in the best interests of shareholders generally. As at 26 November 2002 (the latest practicable date prior to publication of this notice), there were outstanding options to subscribe for a total of 8,567,852 ordinary shares of 1p each in the Company. These options represent 4.5% of the Company's issued share capital as at 26 November 2002. If the authority under resolution 9 to make market purchases was granted and exercised in full, these options would represent 5% of the Company's issued share capital as at 26 November 2002.

## Branch Address List

### Aberdeen

25 Albyn Place  
Aberdeen  
AB10 1YL.  
Telephone 01224 589345  
Fax 01224 573199

### Birmingham

Edmund House  
12-22 Newhall Street  
Birmingham  
B3 3DB.  
Telephone 0121 236 7000  
Fax 0121 212 0011

### Bradford

Auburn House  
8 Upper Piccadilly  
Bradford  
BD1 3NU.  
Telephone 01274 728866  
Fax 01274 370483

### Cardiff

Sutherland House  
Castlebridge  
Cowbridge Road East  
Cardiff  
CF11 9BB.  
Telephone 02920 340100  
Fax 02920 344999

### Cheltenham

The Lypiatts  
Lansdown Road  
Cheltenham  
GL50 2JA.  
Telephone 01242 577677  
Fax 01242 520030

### Dorchester

50 South Street  
Dorchester  
Dorset  
DT1 1DQ.  
Telephone 01305 259333  
Fax 01305 269111

### Dumfries

43 Buccleuch Street  
Dumfries  
DG1 2AB.  
Telephone 01387 252361  
Fax 01387 257288

### Dundee

1 Courthouse Square  
Dundee  
DD1 1NH.  
Telephone 01382 317200  
Fax 01382 317201

### Eastbourne

2 Hyde Gardens  
Eastbourne  
East Sussex  
BN21 4PN.  
Telephone 01323 411585  
Fax 01323 410544

### Edinburgh

PO Box No. 8  
7 Drumsheugh Gardens  
Edinburgh  
EH3 7QH.  
Telephone 0131 225 2566  
Fax 0131 225 3134

### Glasgow

48 St. Vincent Street  
Glasgow  
G2 5TS.  
Telephone 0141 221 7733  
Fax 0141 221 7706

### Guernsey

PO Box 288  
Les Vardes House  
La Charrotrie  
St Peter Port  
Guernsey  
GY1 3RN.  
Telephone 01481 736682  
Fax 01481 729910

### Halifax

12-14 Fountain Street  
Halifax  
HX1 1LX.  
Telephone 01422 367707  
Fax 01422 348362

### Hull

Ground Floor Front Suite  
Lowgate House  
Hull  
HU1 1EL.  
Telephone 01482 599759  
Fax 01482 599769

### Inverness

Kintail House  
Beechwood Business Park  
Inverness  
IV2 3BW.  
Telephone 01463 225888  
Fax 01463 226777

### Jersey

27 Charing Cross  
St Helier  
Jersey  
JE2 3RP.  
Telephone 01534 703000  
Fax 01534 731910

### Leeds

34 Lisbon Street  
Leeds  
LS1 4LX.  
Telephone 01132 459341  
Fax 01132 435666

### Leicester

Permanent House  
Horsefair Street  
Leicester  
LE1 5BU.  
Telephone 01162 420700  
Fax 01162 536585

### Lincoln

Wigford House  
Brayford Wharf East  
Lincoln  
LN5 7AY.  
Telephone 01522 585100  
Fax 01522 513965

### Llandudno

59 Madoc Street  
Llandudno  
North Wales  
LL30 2TW.  
Telephone 01492 874391  
Fax 01492 871990

### London

5 Giltspur Street  
London  
EC1A 9BD.  
Telephone 020 7248 4400  
Fax 020 7236 2034

### Lymington

98 High Street  
Lymington  
Hampshire  
SO41 9AP.  
Telephone 01590 674288  
Fax 01590 679039

### Manchester

PO Box 512  
National House  
36 St Ann Street  
Manchester  
M60 2EP.  
Telephone 0161 839 4222  
Fax 0161 832 9092

### Marlborough

Cross Keys House  
The Parade  
Marlborough  
Wiltshire  
SN8 1NE.  
Telephone 01672 519600  
Fax 01672 515550

### Newcastle

Commercial Union House  
39 Pilgrim Street  
Newcastle upon Tyne  
NE1 6RQ.  
Telephone 0191 279 7300  
Fax 0191 279 7301

### Norwich

Jacquard House  
Old Bank of England Court  
Queen Street  
Norwich  
NR2 4SX.  
Telephone 01603 767776  
Fax 01603 767476

### Orpington

Lynwood House  
Crofton Road  
Orpington  
Kent  
BR6 8AF.  
Telephone 01689 872200  
Fax 01689 834214

### Reigate

Park House  
77 Bell Street  
Reigate  
Surrey  
RH2 7AN.  
Telephone 01737 223722  
Fax 01737 224848

### Scarborough

5 Alma Square  
Scarborough  
YO11 1JR.  
Telephone 01723 372478  
Fax 01723 500116

### Stoke

15 Trinity Street  
Hanley  
Stoke-on-Trent  
Staffordshire  
ST1 5PH.  
Telephone 01782 764000  
Fax 01782 764001

### Taunton

2 Mendip House  
High Street  
Taunton  
Somerset  
TA1 3SX.  
Telephone 01823 332042  
Fax 01823 335166

### Teeside

Progress House  
Fudan Way  
Teesdale  
Stockton-on-Tees  
TS17 6EN.  
Telephone 01642 608855  
Fax 01642 604488

### Execution Only – On-Line Broker Stocktrade

PO Box 1076  
10 George Street  
Edinburgh  
EH2 2PZ.  
Telephone 0131 240 0400  
Fax 0131 240 0423  
web: [www.stocktrade.co.uk](http://www.stocktrade.co.uk)







Aberdeen Birmingham Bradford Cardiff Cheltenham Dorchester Dumfries Dundee Eastbourne Edinburgh Glasgow  
Guernsey Halifax Hull Inverness Jersey Leeds Leicester Lincoln Llandudno London Lymington Manchester  
Marlborough Newcastle Norwich Orpington Reigate Scarborough Stocktrade Stoke-on-Trent Taunton Teesside



## Brewin Dolphin Holdings PLC

Brewin Dolphin Holdings PLC  
5 Giltspur Street,  
London,  
EC1A 9BD.

**T:** 020 7248 4400

**F:** 020 7236 2034

**DX:** 46602 Barbican

**E:** [info@brewindolphin.co.uk](mailto:info@brewindolphin.co.uk)

**W:** [www.brewindolphin.co.uk](http://www.brewindolphin.co.uk)