

# Focused delivery



A highlight of the year was the increase in funds under management which grew by 13.3% to a record of £40.1 billion. In part due to a strong stock market but also, and importantly, as a result of credible investment performance and a substantial inflow of new business. Statutory profit before tax from continuing operations increased by 15% to £57.6 million confirming Brewin Dolphin's position as one of the leading UK wealth managers.

The Board is proposing a final dividend of 10.75p per share, to be paid on 7 February 2018 to shareholders on the register on 12 January 2018, the ex-dividend date is 11 January 2018. This will bring the total dividend for the year to 15.0p per share, an increase of 15.4% compared to the full year dividend for the 2016 financial year. This reflects a payout ratio of dividends to earnings of 77% and lies well within the Company's target ratio of 60% to 80%.

## Changing environment

We are entering a period of intense change in the wealth management sector, for which we are well positioned. These changes are in part driven by regulation, in particular MiFID II, and in part by external factors including pricing pressure which has arisen particularly as a result of the exponential growth of US passive funds.

MiFID II comes into effect in January 2018. It is now embedded in European law and seeks to harmonise best practice across all the EU member states. It is designed to give clients greater transparency across the wealth management industry. Over time this will stimulate change in service and charging models.

Huge effort has been spent on ensuring that the Group will both comply with MiFID II and respond accordingly to the changes it heralds.

We have examined carefully the services we provide and over the next few months will continue to develop a broader offering. In this context we launched the Brewin Portfolio Service. This provides a cost effective service to clients who have smaller sums to invest. Additionally, we delivered a new digital portal, MyBrewin, to allow clients improved access to their portfolios.

## Clients and employees

The bedrock of our business lies in the relationship between our people and our clients. Last year we launched both an employee and a client satisfaction survey. The employee engagement score, already above its peer group benchmark, is again higher. Our annual client survey also shows sustained high levels of client satisfaction with their adviser and the quality of advice and service. The survey confirms the continued importance of trust in the relationship with clients. Both surveys indicate a sound business.

Brewin Dolphin is a people business. We continue to invest in talent and attract new people. During the year there was a concerted and successful drive across the Group to raise the standard of employee development and training. By way of illustration, a Financial Planning Academy was set up to ensure a regular supply of well trained financial planners. Sixteen planners are currently being trained and another twelve will be recruited during the year.

Talent and dedication are to be found at all levels of the organisation which is why I am proud to have been asked to sponsor a People Awards Scheme, to recognise outstanding individual performance. The number and quality of nominations received confirms the depth of expertise throughout the organisation.

## Board

The Board is committed to delivering high standards of corporate governance and embedding the right culture and behaviour throughout the business. This determines how we interact with our clients, our employees, our shareholders, the communities in which we live, our regulators and all the parties which we deal with on a regular or one-off basis.

The Board consists of two Executive Directors, four Non-Executive Directors and me. Angela Knight retired during the year and I have already paid fulsome tribute to her contribution. We concluded that we should recruit both a replacement for her

and an additional Non-Executive Director. This is a reflection of the increasing workload placed upon the Board. On 15 November 2017, Mike Kellard's appointment to the Board was announced and will take effect from 1 December 2017. We will continue to search for an additional Non-Executive Director and use this as an opportunity to add to the Board's skillset.

The day to day management of the Group is delegated to the Executive Committee, chaired by David Nicol as Chief Executive. The Board continues to work closely with the Executive team to offer support and challenge.

## Annual General Meeting ('AGM')

This year's AGM will be held on 2 February 2018 at 11:30 in Haberdasher's Hall, 18 West Smithfield Street, London EC1A 9HQ, a few minutes' walk from our head office. Light refreshments will be held after the meeting. I do hope you will be able to attend. If you are not able to do so, please write to me with any questions or comments you may have, and I will ensure that you receive a timely response.

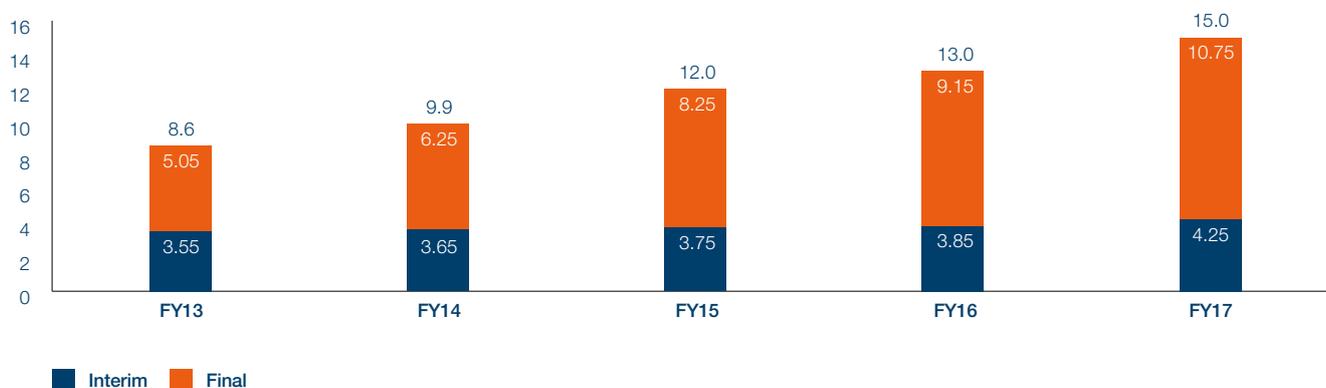
We endeavour to maintain a regular dialogue with our shareholders, large and small, and your views are always most welcome. Further details can be found in the Notice of AGM.

### Simon Miller

Chairman

28 November 2017

## Dividend history (p)



## Dividend policy

The Company's dividend policy is to grow dividends in line with the Group's adjusted earnings; with a target payout ratio of 60% to 80% of annual adjusted diluted earnings per share.

The policy is intended to ensure that shareholders benefit from the growth of the Group and it aligns with the strategic objective of growing our dividend. The Board recognises the importance of dividends to shareholders and the benefit of providing sustainable shareholder returns.

The payout range has been adopted to provide sufficient flexibility for the Board to remunerate shareholders for their investment whilst recognising that there may be a requirement for capital retention within the Group.

 See the Financial Review starting on page 30 for additional information