BROOKS MACDONALD
Group plc

Half Yearly Financial Report

For the six months ended 31 December 2015

Contents

Group overview

Brooks Macdonald Group plc is an AIM listed, integrated wealth management group, which has developed under stable management since formation in 1991 and now has around 500 staff throughout the UK and Channel Islands ('the Group'). The Group's shares are listed on AIM, with management and staff retaining considerable ownership of the business.

The Group consists of a number of companies, reporting through four operating divisions:

Investment management

The largest division of the Group, this includes Brooks Macdonald Asset Management Limited, which provides bespoke and managed portfolio services via fee-based, discretionary investment management. This service is provided to private high net worth individuals, charities and trusts. It also provides in-house custody, nominee and dealing services and has offices in London, Edinburgh, Hampshire, Leamington Spa, Manchester, Taunton, Tunbridge Wells and York.

Financial planning

Brooks Macdonald Financial Consulting Limited provides a financial advisory and employee benefits consultancy based in London and York, offering fee-based, independent advice to high net worth individuals, families and businesses.

Funds and Property management

Based in Hale and London the Funds and Property management division comprises two parts:

Brooks Macdonald Funds Limited acts as investment manager to our regulated OEICs as well as managing specialist funds in the property and structured return sectors and includes Levitas Investment Management Services Limited and our investment in North Row Capital LLP.

Braemar Estates (Residential) Limited is an estate management company which manages property assets on behalf of Brooks Macdonald Funds and a wide range of other clients.

International

The International division of the Group is based in Jersey and Guernsey and offers services similar to investment management and financial planning in an offshore environment through Brooks Macdonald Asset Management (International) Limited, DPZ Capital Limited and Brooks Macdonald Retirement Services (International) Limited.

+6%

Underlying pre-tax profit†

Half year 2015: £7.135 million

Half year 2014: £6.719 million

+3%

Underlying basic earnings per share†

Half year 2015: 42.59p

Half year 2014: 41.25p

+22%

Pre-tax profit

Half year 2015: £5.482 million

Half year 2014: £4.483 million

+20%

Interim dividend per share

Half year 2015: 12.0p

Half year 2014: 10.0p

+12%

Discretionary funds under management

31 December 2015: £7.82 billion

31 December 2014: £6.95 billion

† Excludes acquisition costs, finance costs and changes in fair value of deferred consideration and amortisation of intangible assets

Chairman's statement

"In uncertain markets, we have achieved strong risk adjusted returns for our clients and have progressed a number of significant projects across the Group which will help drive future growth."

Christopher Knight Chairman

Introduction

In the six months to the end of December 2015 the Group continued to make good progress, with positive growth in discretionary funds under management driving increases in profit and earnings per share. These increases were achieved despite the impact of the planned movement of advisory clients to discretionary mandates in Brooks Macdonald International, which reduced fee revenues by more than anticipated.

In uncertain markets, we have achieved strong risk adjusted returns for our clients and have progressed a number of significant projects across the Group which will help drive future growth.

Results

Revenues have risen to £38.70m (2014: £37.50m) and underlying pre-tax profit has increased by 6% to £7.13m (2014: £6.72m), with underlying earnings per share up 3% to 42.59p (2014: 41.25p).

Statutory profit before tax was £5.48m compared to £4.48m in the same period last year.

Reconciliation of underlying profit before tax to profit before tax

	2015 £m	2014 £m
Underlying profit before tax	**7.13**	6.72
Amortisation of client relationships and software	**(1.36)**	(1.35)
Finance costs on deferred consideration	**(0.29)**	(0.47)
Changes in fair value of deferred consideration	**-**	(0.30)
Acquisition costs	**-**	(0.12)
Profit before tax	**5.48**	4.48

Cash resources at the period end amounted to £15.43m (2014: £11.77m). The Group had no borrowings as at 31 December 2015 (2014: £nil).

Chairman's statement

continued

Dividend

The Board has declared an interim dividend of 12p (2014: 10p). This represents an increase of 20% compared to the previous year, reaffirming the Group's progressive dividend policy while continuing the planned move towards a more balanced split between interim and final. The interim dividend will be paid on 26 April 2016 to shareholders on the register as at 29 March 2016.

Funds under Management (FUM)

I am pleased to report that the Group saw continued growth in its three core investment businesses: Asset Management, International and Funds. This growth, which was ahead of our expectations, comprised of £394m of organic new business and £15m of portfolio performance over the period.

As previously announced, the Group's discretionary funds under management rose to £7.82bn as at 31 December 2015 (as at 30 June 2015: £7.41bn), representing a rise of 5.52% compared to the WMA index, which declined 0.75% over the same six month period.

Analysis of discretionary fund flows over the period

	Six months to 31 December 2015 £m	Year to 30 June 2015 £m	Six months to 31 December 2014 £m
Opening discretionary FUM	**7,413**	6,550	6,550
Net new discretionary business	**394**	645	238
Investment growth	**15**	218	165
Total FUM growth	**409**	863	403
Closing FUM	**7,822**	7,413	6,953
Organic growth (net of markets) %	**5.31%**	9.8%	3.7%
Total growth %	**5.52%**	13.2%	6.2%

Chairman's statement
continued

Business review

Asset Management continues to grow its professional connections and now works with over 900 introducing firms who refer new business to the Group. Internationally, Brooks Macdonald continues to gain positive traction in South Africa from a distribution perspective, managing the assets won out of its offices in the Channel Islands.

Brooks Macdonald's Funds business continues to gain traction and increase its FUM, with particular momentum within its Multi-Asset Fund (MAF) range. However the business incurred a loss for the half year, principally as a result of costs and charges incurred in two specialist funds which have not achieved critical mass.

Braemar Estates, the Group's property management business, saw a small decline in the value of property assets under administration over the period to £1.13bn (June 2015: £1.14bn).

Brooks Macdonald International achieved lower profits due to the planned conversion of advisory accounts to discretionary accounts. Advisory accounts deliver higher short term revenues, while discretionary accounts are charged in arrears but at higher overall rates. This led to reduced revenues on these accounts during the period. However, over the medium term, this focus on discretionary accounts should enhance fee income, in line with the strategic focus of the Group as a whole.

Financial Consulting continues to be a significant introducer of Investment Management work across the Group. The consultancy division had a satisfactory period, albeit the employee benefits market remains challenging and behind our expectations.

The Group continues to pursue an organic growth strategy, through investing in infrastructure and the long term development of the business. The Group continues to make good progress with its information technology upgrade and implementation plan, and has added to the scope of the upgrade to include enhancements and to reflect the latest regulatory thinking. The project remains on course to be completed by the end of 2016. It also includes investment in growing the Group's fund management capabilities (trainees, research and investment managers), while expanding Brooks Macdonald's new business teams both on and offshore. The purpose for this is to ensure that the Group stays at the forefront of the industry, delivering consistently strong investment performance and high service levels to its clients and professional intermediary partners.

Outlook and Summary

The Group remains focussed on delivering strong performance at all levels of the business following good progress in the first half. We have continued to see strong organic growth in the early weeks of the second half, albeit volatility in markets since the New Year has inevitably impacted the Group's funds under management.

Our second half will benefit from the year on year growth of FUM but will be impacted by the continuing planned conversion of advisory to discretionary assets by Brooks Macdonald International. Overall subject to the absolute level of the market, we expect to make further progress for the year as a whole.

Christopher Knight
Chairman

16 March 2016

Condensed Consolidated Statement of Comprehensive Income

for the six months ended 31 December 2015

	Note	**Six months ended 31 Dec 2015 (unaudited) £'000**	Six months ended 31 Dec 2014 (unaudited) £'000	Year ended 30 Jun 2015 (audited) £'000
Revenue		**38,698**	37,503	77,686
Administrative costs	5	**(32,287)**	(32,398)	(65,371)
Realised gain on investment	6	**20**	-	540
Other gains and losses	7	**(572)**	(166)	(754)
Operating profit		**5,859**	4,939	12,101
Finance income		**22**	60	86
Finance costs	8	**(292)**	(471)	(763)
Share of results of joint venture	15	**(107)**	(45)	(4)
Profit before tax		**5,482**	4,483	11,420
Taxation	9	**(1,109)**	(921)	(2,269)
Profit for the period attributable to equity holders of the Company		**4,373**	3,562	9,151
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Revaluation of available for sale financial assets		**-**	(401)	-
Revaluation reserve recycled to profit and loss		**-**	-	68
Total comprehensive income for the period		**4,373**	3,161	9,219
Earnings per share				
Basic	10	**32.44p**	26.63p	68.30p
Diluted	10	**32.28p**	26.51p	68.14p

The accompanying notes on pages 10 to 27 form an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Financial Position

as at 31 December 2015

	Note	**31 Dec 2015 (unaudited) £'000**	31 Dec 2014 (unaudited) £'000	30 Jun 2015 (audited) £'000
Assets				
Non-current assets				
Intangible assets	12	**65,495**	65,565	65,258
Property, plant and equipment	13	**3,558**	2,658	3,539
Available for sale financial assets	14	**1,358**	2,031	1,532
Investment in joint venture	15	**221**	566	628
Deferred tax assets		**710**	524	709
Total non-current assets		**71,342**	71,344	71,666
Current assets				
Trade and other receivables		**21,866**	20,054	21,402
Financial assets at fair value through profit or loss	16	**5**	328	3
Cash and cash equivalents		**15,425**	11,768	19,274
Total current assets		**37,296**	32,150	40,679
Total assets		**108,638**	103,494	112,345
Liabilities				
Non-current liabilities				
Deferred consideration	17	**(7,890)**	(11,770)	(9,442)
Deferred tax liabilities		**(4,151)**	(5,011)	(4,694)
Other non-current liabilities		**(29)**	(42)	(95)
Total non-current liabilities		**(12,070)**	(16,823)	(14,231)
Current liabilities				
Trade and other payables		**(14,348)**	(13,769)	(16,894)
Current tax liabilities		**(1,487)**	(702)	(1,463)
Deferred tax liabilities		**(157)**	-	(119)
Provisions	18	**(5,109)**	(4,024)	(5,474)
Total current liabilities		**(21,101)**	(18,495)	(23,950)
Net assets		**75,467**	68,176	74,164
Equity				
Share capital		**137**	136	136
Share premium account		**35,623**	35,163	35,600
Other reserves		**5,049**	4,092	5,101
Retained earnings		**34,658**	28,785	33,327
Total equity		**75,467**	68,176	74,164

The condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 16 March 2016, signed on their behalf by:

C A J Macdonald
Chief Executive

S J Jackson
Finance Director

Company registration number: 4402058

The accompanying notes on pages 10 to 27 form an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Changes in Equity

for the period 1 July 2014 to 31 December 2015

	Share capital £'000	Share premium account £'000	Other reserves £'000	Retained earnings £'000	Total £'000
Balance at 1 July 2014	135	35,147	4,720	27,456	67,458
Comprehensive income					
Profit for the period	-	-	-	3,562	3,562
Revaluation of available for sale financial asset	-	-	(401)	-	(401)
Total comprehensive income	-	-	(401)	3,562	3,161
Transactions with owners					
Issue of ordinary shares	1	16	-	-	17
Share-based payments	-	-	685	-	685
Share-based payments transfer	-	-	(1,045)	1,045	-
Purchase of own shares by employee benefit trust	-	-	-	(743)	(743)
Deferred tax on share options	-	-	133	-	133
Dividends paid (note 11)	-	-	-	(2,535)	(2,535)
Total transactions with owners	1	16	(227)	(2,233)	(2,443)
Balance at 31 December 2014	136	35,163	4,092	28,785	68,176
Comprehensive income					
Profit for the period	-	-	-	5,589	5,589
Other comprehensive income:					
Revaluation of available for sale financial asset	-	-	469	-	469
Total comprehensive income	-	-	469	5,589	6,058
Transactions with owners					
Issue of ordinary shares	-	437	-	-	437
Share-based payments	-	-	632	-	632
Share-based payments transfer	-	-	(291)	291	-
Deferred tax on share options	-	-	199	-	199
Dividends paid (note 11)	-	-	-	(1,338)	(1,338)
Total transactions with owners	-	437	540	(1,047)	(70)
Balance at 30 June 2015	136	35,600	5,101	33,327	74,164

Condensed Consolidated Statement of Changes in Equity

for the period 1 July 2014 to 31 December 2015 | *continued*

	Share capital £'000	Share premium account £'000	Other reserves £'000	Retained earnings £'000	Total £'000
Balance at 30 June 2015	**136**	**35,600**	**5,101**	**33,327**	**74,164**
Comprehensive income					
Profit for the period	**-**	**-**	**-**	**4,373**	**4,373**
Total comprehensive income	**-**	**-**	**-**	**4,373**	**4,373**
Transactions with owners					
Issue of ordinary shares	**1**	**23**	**-**	**-**	**24**
Share-based payments	**-**	**-**	**375**	**-**	**375**
Share-based payments transfer	**-**	**-**	**(575)**	**575**	**-**
Purchase of own shares by employee benefit trust	**-**	**-**	**-**	**(859)**	**(859)**
Deferred tax on share options	**-**	**-**	**148**	**-**	**148**
Dividends paid (note 11)	**-**	**-**	**-**	**(2,758)**	**(2,758)**
Total transactions with owners	**1**	**23**	**(52)**	**(3,042)**	**(3,070)**
Balance at 31 December 2015	**137**	**35,623**	**5,049**	**34,658**	**75,467**

The accompanying notes on pages 10 to 27 form an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Cash Flows

for the six months ended 31 December 2015

	Note	**Six months ended 31 Dec 2015 (unaudited) £'000**	Six months ended 31 Dec 2014 (unaudited) £'000	Year ended 30 Jun 2015 (audited) £'000
Cash flow from operating activities				
Cash generated from operations	19	**5,203**	7,241	20,094
Taxation paid		**(1,443)**	(983)	(1,756)
Net cash generated from operating activities		**3,760**	6,258	18,338
Cash flows from investing activities				
Purchase of property, plant and equipment	13	**(568)**	(204)	(1,558)
Purchase of intangible assets	12	**(1,598)**	(823)	(1,879)
Purchase of available for sale financial assets		**-**	(250)	(250)
Acquisition of subsidiary companies, net of cash acquired		**-**	(687)	37
Deferred consideration paid	17	**(1,772)**	(7,001)	(9,218)
Interest received		**22**	60	86
Purchase of financial assets at fair value through profit or loss		**-**	-	(40)
Proceeds of sale of financial assets at fair value through profit or loss		**-**	-	263
Investment in joint venture	15	**(100)**	(380)	(400)
Net cash used in investing activities		**(4,016)**	(9,285)	(12,959)
Cash flows from financing activities				
Proceeds of issue of shares		**24**	17	454
Purchase of own shares by employee benefit trust		**(859)**	(743)	(742)
Dividends paid to shareholders	11	**(2,758)**	(2,535)	(3,873)
Net cash used in financing activities		**(3,593)**	(3,261)	(4,161)
Net (decrease)/ increase cash and cash equivalents		**(3,849)**	(6,288)	1,218
Cash and cash equivalents at beginning of period		**19,274**	18,056	18,056
Cash and cash equivalents at end of period		**15,425**	11,768	19,274

The accompanying notes on pages 10 to 27 form an integral part of these condensed consolidated financial statements.

Notes to the condensed consolidated financial statements

for the six months ended 31 December 2015

1. General information

Brooks Macdonald Group plc (‘the Company’) is the parent company of a group of companies (‘the Group’), which offers a range of investment management services and related professional advice to private high net worth individuals, charities and trusts. The Group also provides financial planning as well as offshore fund management and administration services and acts as fund manager to regulated OEICs, providing specialist funds in the property and structured return sectors and managing property assets on behalf of these funds and other clients. The Group’s primary activities are set out in its Annual Report and Accounts for the year ended 30 June 2015.

The Group has offices in London, Edinburgh, Guernsey, Hale, Hampshire, Jersey, Leamington Spa, Manchester, Taunton, Tunbridge Wells and York. The Company is a public limited company, incorporated and domiciled in the United Kingdom under the Companies Act 2006 and listed on AIM. The address of its registered office is 72 Welbeck Street, London, W1G 0AY.

The consolidated interim financial information was approved for issue on 16 March 2016. It has been independently reviewed but is not audited.

2. Accounting policies

a) Basis of preparation

The Group's condensed consolidated half yearly financial statements are prepared and presented in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. They have been prepared on a going concern basis with reference to the accounting policies and methods of computation and presentation set out in the Group’s consolidated financial statements for the year ended 30 June 2015, except as stated below. The half yearly financial statements should be read in conjunction with the Group’s audited financial statements for the year ended 30 June 2015, which have been prepared in accordance with IFRS as adopted by the European Union.

The information in this announcement does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The Group’s accounts for the year ended 30 June 2015 have been reported on by the Group's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not draw attention to any matters by way of emphasis. It contained no statement under section 498(2) or (3) of the Companies Act 2006.

b) Changes in accounting policies

The Group's accounting policies that have been applied in preparing these financial statements are consistent with those disclosed in the Annual Report and Accounts for the year ended 30 June 2015, except as described below.

New accounting standards, amendments and interpretations adopted in the period

In the six months ended 31 December 2015, the Group did not adopt any new standards or amendments issued by the IASB or interpretations issued by the IFRS Interpretations Committee (IFRS IC) that have had a material impact on the condensed consolidated financial statements.

Other new standards, amendments and interpretations listed in the table below were newly adopted by the Group but have not had a material impact on the amounts reported in these financial statements. They may however impact the accounting for future transactions and arrangements.

Notes to the condensed consolidated financial statements

for the six months ended 31 December 2015 | *continued*

2. Accounting policies *continued*

b) Changes in accounting policies *continued*

Standard, amendment or interpretation	Effective date
Contributions to defined benefit plans (amendments to IAS 19)	1 February 2015
Annual improvements (2010-2012 cycle)	1 February 2015
Annual improvements (2011-2013 cycle)	1 January 2015

New accounting standards, amendments and interpretations not yet adopted

A number of new standards, amendments and interpretations, which have not been applied in preparing these financial statements, have been issued and are effective for annual and interim periods beginning after 1 July 2015:

Standard, amendment or interpretation	Effective date
Disclosure initiative (amendments to IAS 1)	1 January 2016
Accounting for acquisitions of interests in joint operations (amendments to IFRS 11)	1 January 2016
Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	1 January 2016†
Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38)	1 January 2016
Annual improvements (2012-2014 cycle)	1 July 2016
Recognition of deferred tax assets for unrealised losses (amendments to IAS 12)	1 January 2017†
Disclosure initiative (amendments to IAS 7)	1 January 2017†
Revenue from contracts with customers (IFRS 15)	1 January 2018†
Financial instruments (IFRS 9)	1 January 2018†
Leases (IFRS 16)	1 January 2019

† Not yet endorsed for use in the EU

The impact of these changes is currently being reviewed and there is no intention to early adopt.

Only IFRS 16 Leases is expected to have a significant impact on the Group's future consolidated financial statements. This new standard will require the recognition a right-of-use asset and associated lease liability for the office premises that are leased by the Group. The asset would be depreciated over the lease term and the liability would accrue interest, resulting in a front-loaded expense profile. This accounting treatment contrasts with the current treatment for operating leases, where no asset or liability is recognised and the lease payments are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the term of the lease.

Notes to the condensed consolidated financial statements

for the six months ended 31 December 2015 | *continued*

3. Financial risk factors

The Group's activities expose it to a variety of financial and non-financial risks. The principal risks faced by the Group are described on pages 58 and 59 of the Annual Report and Accounts for the year ended 30 June 2015. These key risks include: loss of clients or reputational damage as a result of poor performance or service; regulatory breaches; loss of key staff; potential service issues with IT infrastructure; operational risk due to inadequate processes and controls; and financial risks such as liquidity risk, market risk and credit risk. These remain our principal risks for the second half of the financial year. There have been no significant changes affecting the fair value or classification of financial assets during the period.

4. Segmental information

For management purposes the Group's activities are organised into four operating divisions: Investment management, Financial planning, Funds and Property management and International. The Group's other activity, offering nominee and custody services to clients, is included within Investment management. These divisions are the basis on which the Group reports its primary segmental information. In accordance with IFRS 8 'Operating Segments', disclosures are required to reflect the information which the Board uses internally for evaluating the performance of its operating segments and allocating resources to those segments. The information presented in this note follows the presentation for internal reporting to the Group Board of Directors.

Revenues and expenses are allocated to the business segment that originated the transaction. Revenues and expenses that are not directly originated by a particular business segment are reported as unallocated. Sales between segments are carried out at arm's length. Centrally incurred expenses are allocated to business segments on an appropriate pro-rata basis. Segment assets and liabilities comprise operating assets and liabilities, being the majority of the balance sheet.

Six months ended 31 Dec 2015 (unaudited)	**Investment management £'000**	**Financial planning £'000**	**Funds and Property management £'000**	**International £'000**	**Total £'000**
Total segment revenues	**27,908**	**2,103**	**3,146**	**5,747**	**38,904**
Inter segment revenues	**(110)**	**(64)**	**(32)**	**-**	**(206)**
External revenues	**27,798**	**2,039**	**3,114**	**5,747**	**38,698**
Segment result	**8,504**	**(13)**	**(1,061)**	**245**	**7,675**
Unallocated items					**(2,193)**
Profit before tax					**5,482**
Taxation					**(1,109)**
Profit for the period					**4,373**

Notes to the condensed consolidated financial statements

for the six months ended 31 December 2015 | *continued*

4. Segmental information *continued*

Six months ended 31 Dec 2014 (unaudited)	**Investment management £'000**	**Financial planning £'000**	**Funds and Property management £'000**	**International £'000**	**Total £'000**
Total segment revenues	25,948	1,967	2,812	6,897	37,624
Inter segment revenues	(54)	(46)	(21)	-	(121)
External revenues	25,894	1,921	2,791	6,897	37,503
Segment result	6,601	(50)	(457)	609	6,703
Unallocated items					(2,220)
Profit before tax					4,483
Taxation					(921)
Profit for the period					3,562

Year ended 30 Jun 2015 (audited)	**Investment management £'000**	**Financial planning £'000**	**Funds and Property management £'000**	**International £'000**	**Total £'000**
Total segment revenues	54,464	4,191	6,044	13,200	77,899
Inter segment revenues	(101)	(69)	(43)	-	(213)
External revenues	54,363	4,122	6,001	13,200	77,686
Segment result	15,774	(68)	(564)	1,315	16,457
Unallocated items					(5,037)
Profit before tax					11,420
Taxation					(2,269)
Profit for the year					9,151

Notes to the condensed consolidated financial statements

for the six months ended 31 December 2015 | *continued*

4. Segmental information *continued*

a) Geographic analysis

The Group's operations are located in the United Kingdom and the Channel Islands. The following table presents external revenue analysed by the geographical location of the Group entity providing the service.

	Six months ended 31 Dec 2015 (unaudited) £'000	Six months ended 31 Dec 2014 (unaudited) £'000	Year ended 30 Jun 2015 (audited) £'000
United Kingdom	**32,951**	30,606	64,486
Channel Islands	**5,747**	6,897	13,200
Total revenue	**38,698**	37,503	77,686

b) Major clients

The Group is not reliant on any one client or group of connected clients for the generation of revenues.

5. Administrative costs

The following items are included within administrative expenses in the Condensed Consolidated Statement of Comprehensive Income.

Acquisition costs

Directly attributable business acquisition costs of £nil were incurred in the six months ended 31 December 2015 (six months ended 31 December 2014: £120,000; year ended 30 June 2015: £120,000).

Financial Services Compensation Scheme levies

A charge of £nil was incurred in respect of Financial Services Compensation Scheme ('FSCS') levies in the six months ended 31 December 2015 (six months ended 31 December 2014: £nil; year ended 30 June 2015: £510,000).

6. Realised gain on investment

During the six months ended 31 December 2015, the Group realised an additional gain of £20,000 (six months ended 31 December 2014: £nil; year ended 30 June 2015: £540,000) on the final disposal of its investment in Sancus Holdings Limited through the voluntary winding up of the company.

Notes to the condensed consolidated financial statements

for the six months ended 31 December 2015 | *continued*

7. Other gains and losses

Other gains and losses represent the net changes in the fair value of the Group's financial instruments recognised in the Consolidated Statement of Comprehensive Income.

	Six months ended 31 Dec 2015 (unaudited) £'000	Six months ended 31 Dec 2014 (unaudited) £'000	Year ended 30 Jun 2015 (audited) £'000
Impairment of available for sale financial assets (note 14)	**(174)**	-	(718)
Unrealised gain / (loss) from changes in fair value of financial assets at fair value through profit or loss (note 16)	**2**	(150)	(252)
Impairment of investment in joint venture (note 15)	**(400)**	-	-
(Loss) / gain from changes in fair value of deferred consideration (note 17)	**-**	(16)	216
Other gains and losses	**(572)**	(166)	(754)

8. Finance costs

	Six months ended 31 Dec 2015 (unaudited) £'000	Six months ended 31 Dec 2014 (unaudited) £'000	Year ended 30 Jun 2015 (audited) £'000
Bank interest payable	**-**	2	3
Finance cost of deferred consideration	**292**	469	760
Total finance costs	**292**	471	763

Notes to the condensed consolidated financial statements

for the six months ended 31 December 2015 | *continued*

9. Taxation

The current tax expense for the six months ended 31 December 2015 was calculated based on the estimated average annual effective tax rate. The overall effective tax rate for this period was 20.23% (six months ended 31 December 2014: 20.54%; year ended 30 June 2015: 19.87%).

	Six months ended 31 Dec 2015 (unaudited) £'000	Six months ended 31 Dec 2014 (unaudited) £'000	Year ended 30 Jun 2015 (audited) £'000
Current tax			
United Kingdom taxation	**1,437**	1,001	2,776
Under / (over) provision in prior years	**196**	(196)	(231)
Total current taxation	**1,633**	805	2,545
Deferred tax			
Origination and reversal of temporary differences	**(190)**	116	(276)
Effect of change in tax rate on deferred tax	**(334)**	-	-
Total deferred taxation	**(524)**	116	(276)
Total income tax expense	**1,109**	921	2,269

On 1 April 2015 the standard rate of Corporation Tax in the UK was reduced from 21% to 20%. The Finance Act 2015 will further reduce the main rate of UK Corporation Tax to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020. As a result the effective rate of Corporation Tax applied to the taxable profit for the period ended 31 December 2015 is 20.00% (six months ended 31 December 2014: 20.75%; year ended 30 June 2015: 20.75%).

Deferred tax assets and liabilities are calculated at the rate that is expected to be in force when the temporary differences unwind, but limited to the extent that such rates have been substantively enacted. Consequently the tax rate used to measure the deferred tax assets and liabilities of the Group is 18.90% (six months ended 31 December 2014: 20.00%; year ended 30 June 2015: 20.00%) on the basis that they will materially unwind after 1 April 2020.

Notes to the condensed consolidated financial statements

for the six months ended 31 December 2015 | *continued*

10. Earnings per share

The directors believe that underlying earnings per share provide a truer reflection of the Group's performance. Underlying earnings per share are calculated based on 'underlying earnings', which is defined as post-tax profit attributable to equity holders of the Company ('earnings') before acquisition costs, finance costs of deferred consideration, changes in the fair value of deferred consideration and amortisation of intangible non-current assets. The tax effect of these adjustments is also considered and the tax charge is adjusted accordingly.

Earnings for the period used to calculate earnings per share as reported in these condensed consolidated financial statements were as follows:

	Six months ended 31 Dec 2015 (unaudited) £'000	Six months ended 31 Dec 2014 (unaudited) £'000	Year ended 30 Jun 2015 (audited) £'000
Earnings	**4,373**	3,562	9,151
Acquisition costs (note 5)	**-**	120	120
Finance cost of deferred consideration (note 17)	**292**	469	760
Changes in fair value of deferred consideration	**-**	302	70
Amortisation (note 12)	**1,361**	1,345	2,708
Tax impact of adjustments	**(284)**	(281)	(571)
Underlying earnings	**5,742**	5,517	12,238

Basic earnings per share is calculated by dividing earnings by the weighted average number of shares in issue throughout the period. Diluted earnings per share represents the basic earnings per share adjusted for the effect of dilutive potential shares issuable on exercise of employee share options under the Group's share-based payment schemes, weighted for the relevant period.

The weighted average number of shares in issue during the period was as follows:

	Six months ended 31 Dec 2015 (unaudited) No. of shares	Six months ended 31 Dec 2014 (unaudited) No. of shares	Year ended 30 Jun 2015 (audited) No. of shares
Weighted average number of shares in issue	**13,481,029**	13,375,142	13,399,031
Effect of dilutive potential shares issuable on exercise of employee share options	**67,712**	61,955	30,996
Diluted weighted average number of shares in issue	**13,548,741**	13,437,097	13,430,027

Notes to the condensed consolidated financial statements

for the six months ended 31 December 2015 | *continued*

10. Earnings per share *continued*

	Six months ended 31 Dec 2015 (unaudited) p	Six months ended 31 Dec 2014 (unaudited) p	Year ended 30 Jun 2015 (audited) p
Based on reported earnings:			
Basic earnings per share	**32.44**	26.63	68.30
Diluted earnings per share	**32.28**	26.51	68.14
Based on underlying earnings:			
Basic earnings per share	**42.59**	41.25	91.33
Diluted earnings per share	**42.38**	41.06	91.12

11. Dividends

	Six months ended 31 Dec 2015 (unaudited) £'000	Six months ended 31 Dec 2014 (unaudited) £'000	Year ended 30 Jun 2015 (audited) £'000
Interim dividend paid on ordinary shares	**-**	-	1,338
Final dividend paid on ordinary shares	**2,758**	2,535	2,535
Total dividends	**2,758**	2,535	3,873

An interim dividend of 12.0p (2014: 10.0p) per share was declared by the Board of Directors on 16 March 2016. It will be paid on 26 April 2016 to shareholders who are on the register at the close of business on 29 March 2016. In accordance with IAS 10, this dividend has not been included as a liability in the financial statements at 31 December 2015.

A final dividend for the year ended 30 June 2015 of 20.5p (2014: 19.0p) per share was paid on 28 October 2015.

Notes to the condensed consolidated financial statements

for the six months ended 31 December 2015 | *continued*

12. Intangible assets

	Goodwill £'000	Software £'000	Acquired client relationship contracts £'000	Contracts acquired with fund managers £'000	Total £'000
Cost					
At 1 July 2014	24,793	411	32,747	3,048	60,999
Additions	11,213	349	-	474	12,036
At 31 December 2014	36,006	760	32,747	3,522	73,035
Additions	-	1,056	-	-	1,056
At 30 June 2015	**36,006**	**1,816**	**32,747**	**3,522**	**74,091**
Additions	**-**	**1,598**	**-**	**-**	**1,598**
At 31 December 2015	**36,006**	**3,414**	**32,747**	**3,522**	**75,689**
Accumulated amortisation					
At 1 July 2014	-	269	3,771	2,085	6,125
Amortisation charge	-	53	1,084	208	1,345
At 31 December 2014	-	322	4,855	2,293	7,470
Amortisation charge	-	76	1,083	204	1,363
At 30 June 2015	**-**	**398**	**5,938**	**2,497**	**8,833**
Amortisation charge	**-**	**60**	**1,089**	**212**	**1,361**
At 31 December 2015	**-**	**458**	**7,027**	**2,709**	**10,194**
Net book value					
At 1 July 2014	24,793	142	28,976	963	54,874
At 31 December 2014	36,006	438	27,892	1,229	65,565
At 30 June 2015	36,006	1,418	26,809	1,025	65,258
At 31 December 2015	**36,006**	**2,956**	**25,720**	**813**	**65,495**

Notes to the condensed consolidated financial statements

for the six months ended 31 December 2015 | *continued*

12. Intangible assets *continued*

a) Goodwill

Goodwill acquired in a business combination is allocated at acquisition to the cash generating units ('CGUs') that are expected to benefit from that business combination. The carrying amount of goodwill in respect of these CGUs within the operating segments of the group comprises:

	31 Dec 2015 (unaudited) £'000	31 Dec 2014 (unaudited) £'000	30 Jun 2015 (audited) £'000
Funds and Property management			
Braemar Group Limited ('Braemar')	**3,550**	3,550	3,550
Levitas Investment Management Services Limited ('Levitas')	**11,213**	11,213	11,213
	14,763	14,763	14,763
International			
Brooks Macdonald Asset Management (International) Limited, Brooks Macdonald Retirement Services (International) Limited and DPZ Capital Limited (collectively 'Brooks Macdonald International')	**21,243**	21,243	21,243
Total goodwill	**36,006**	36,006	36,006

At the reporting date, there were no indicators that the carrying amount of goodwill should be impaired.

b) Computer software

Software costs are amortised over an estimated useful life of four years on a straight line basis.

c) Acquired client relationship contracts

This asset represents the fair value of future benefits accruing to the Group from client relationship contracts acquired either as part of a business combination or when separate payments are made to third parties in exchange for a book of clients. The amortisation of client relationship contracts is charged to the Condensed Consolidated Statement of Comprehensive Income on a straight line basis over their estimated useful lives (15 to 20 years).

d) Contracts acquired with fund managers

This asset represents the fair value of future benefits accruing to the Group from contracts acquired with individual fund managers when they are recruited by the group. Payments made to acquire such contracts are initially recognised at cost and amortised on a straight line basis over an estimated useful life of five years.

Notes to the condensed consolidated financial statements

for the six months ended 31 December 2015 | *continued*

13. Property, plant and equipment

During the six months ended 31 December 2015, the Group acquired assets at a cost of £568,000 (six months ended 31 December 2014: £204,000; year ended 30 June 2015: £1,558,000). The net book value of fixed assets disposed of in the period was £11,000 (six months ended 31 December 2014: £nil; year ended 30 June 2015: £nil), resulting in a gain on disposal of £nil (six months ended 31 December 2014: £nil; year ended 30 June 2015: £nil).

14. Available for sale financial assets

The Group holds investments of 1,426,793.64 class B ordinary shares, representing an interest of 10.88%, in Braemar Group PCC Limited Student Accommodation Cell ('Student Accommodation fund') and 750,000 zero dividend preference shares in GLI Finance Limited ('GLIF'), an AIM-listed company incorporated in Guernsey.

The Student Accommodation fund is promoted by Brooks Macdonald Funds Limited, a subsidiary of the Group. At 31 December 2015, the estimated fair value of the Group's investment was £608,000 (at 31 December 2014: £1,031,000; at 30 June 2015: £782,000). An impairment loss of £174,000 was recognised in the Consolidated Statement of Comprehensive Income during the six months ended 31 December 2015 (six months ended 31 December 2014: £nil; year ended 30 June 2015: £718,000), reflecting the perceived permanent diminution in value of the investment.

At 31 December 2015 the market value of the GLIF preference shares was £750,000 (at 31 December 2014: £nil; at 30 June 2015: £750,000).

At 31 December 2014, available for sale financial assets also included an investment in Sancus Holdings Limited, an unlisted company incorporated in Guernsey, with a market value of £1,000,000. Full details of this investment are provided in note 16 of the Group's 2015 Annual Report and Accounts.

	Six months ended 31 Dec 2015 (unaudited) £'000	Six months ended 31 Dec 2014 (unaudited) £'000	Year ended 30 Jun 2015 (audited) £'000
At beginning of period	**1,532**	2,182	2,182
Additions	**-**	250	250
Disposals	**-**	-	(250)
Loss from changes in fair value	**-**	(401)	-
Accumulated loss on revaluation reserve recycled	**-**	-	68
Impairment loss	**(174)**	-	(718)
At end of period	**1,358**	2,031	1,532

Notes to the condensed consolidated financial statements

for the six months ended 31 December 2015 | *continued*

15. Investment in joint venture

Brooks Macdonald Funds Limited, a subsidiary of Brooks Macdonald Group plc, holds a 60% interest in North Row Capital LLP. The Group has joint control over the partnership, with the remaining interest owned by two individual partners who developed the investment approach behind the IFSL North Row Liquid Property Fund, which was launched in February 2014. The fund offers investors liquid exposure to global real estate markets by investing predominantly in property derivatives, as well as property equity and debt, to gain exposure to the direct property markets.

During the six months ended 31 December 2015, the Group provided additional working capital totalling £100,000 to the partnership (six months ended 31 December 2014: £380,000; year ended 30 June 2015: £400,000), which is recognised as an increase in the investment in joint venture on the Consolidated Statement of Financial Position. The Group's share of the loss for the period reported by North Row Capital LLP was £107,000 (six months ended 31 December 2014: loss of £45,000; year ended 30 June 2015: loss of £4,000) which has been recognised in the Condensed Consolidated Statement of Comprehensive Income with a corresponding reduction in the investment in joint venture in the Condensed Consolidated Statement of Financial Position.

The carrying amount of the Group’s investment in North Row Capital LLP at 31 December 2015 has been reduced to its estimated recoverable amount by recognition of an impairment loss of £400,000 against the investment in joint venture (six months ended 31 December 2014: £nil; year ended 30 June 2015: £nil). The expense is included within other gains and losses on the Condensed Consolidated Statement of Comprehensive Income. The impairment arose as the forecast future cash flows from the partnership are now estimated to accumulate slower than originally anticipated and as a result it will take longer for the Group to realise a cash return on its investment in the joint venture.

16. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise equity share capital investments. The cost of the investments at 31 December 2015 was £4,000 (at 31 December 2014: £478,000; at 30 June 2015: £4,000) and their market value at 31 December 2015 was £5,000 (at 31 December 2014: £328,000; at 30 June 2015: £3,000). These investments are classified as level 1 within the fair value hierarchy, as the inputs used to determine the fair value are quoted prices in active markets for the equity shares at the measurement date.

Notes to the condensed consolidated financial statements

for the six months ended 31 December 2015 | *continued*

17. Deferred consideration

Deferred consideration, which is also included within provisions in current liabilities (note 18) to the extent that it is due to be paid within one year of the reporting date, relates to the directors' best estimate of amounts payable in the future in respect of certain client relationships and subsidiary undertakings that were acquired by the Group. Deferred consideration is measured at its fair value based on discounted expected future cash flows. The movements in the total deferred consideration balance during the period were as follows:

	Six months ended 31 Dec 2015 (unaudited) £'000	Six months ended 31 Dec 2014 (unaudited) £'000	Year ended 30 Jun 2015 (audited) £'000
At beginning of the period	**13,826**	11,236	11,236
Added on acquisitions during the period	**-**	11,264	11,264
Finance cost of deferred consideration	**292**	469	760
Fair value adjustments	**-**	16	(216)
Payments made during the period	**(1,772)**	(7,725)	(9,218)
At end of the period	**12,346**	15,260	13,826
Analysed as:			
Amounts falling due within one year	**4,456**	3,490	4,384
Amounts falling due after more than one year	**7,890**	11,770	9,442
At end of the period	**12,346**	15,260	13,826

Payments totalling £1,772,000 were made during the period (six months ended 31 December 2014: £7,725,000; year ended 30 June 2015: £9,218,000), representing £524,000 to the vendor of JPAM Limited and £1,248,000 to the vendors of Levitas Investment Management Services Limited.

Notes to the condensed consolidated financial statements

for the six months ended 31 December 2015 | *continued*

18. Provisions

	Six months ended 31 Dec 2015 (unaudited) £'000	Six months ended 31 Dec 2014 (unaudited) £'000	Year ended 30 Jun 2015 (audited) £'000
Client compensation			
At beginning of the period	**701**	503	503
Movement during the period	**(48)**	31	198
At end of the period	**653**	534	701
Deferred consideration			
At beginning of the period	**4,384**	8,293	8,293
Added on acquisitions during the period	**-**	2,304	2,304
Finance costs	**292**	120	278
Fair value adjustments	**-**	-	(216)
Transfer from non-current liabilities	**1,552**	498	2,943
Utilised during the period	**(1,772)**	(7,725)	(9,218)
At end of the period	**4,456**	3,490	4,384
Other provisions			
At beginning of the period	**389**	351	351
Utilised during the period	**(389)**	(351)	(472)
FSCS levy (note 5)	**-**	-	510
At end of the period	**-**	-	389
Total provisions at beginning of the period	**5,474**	9,147	9,147
Total provisions at end of the period	**5,109**	4,024	5,474

a) Client compensation

Client compensation provisions relate to the potential liability arising from client complaints against the Group. Complaints are assessed on a case by case basis and provisions for compensation are made where judged necessary. Complaints are on average settled within eight months (six months ended 31 December 2014: eight months; year ended 30 June 2015: eight months) from the date of notification of the complaint.

Notes to the condensed consolidated financial statements

for the six months ended 31 December 2015 | *continued*

18. Provisions *continued*

b) Deferred consideration

Deferred consideration has been included within provisions as a current liability to the extent that it is due to be paid within one year of the reporting date. Details of the total deferred consideration payable are provided in note 17.

A total provision for deferred consideration of £1,772,000 was utilised during the six months ended 31 December 2015 (six months ended 31 December 2014: £7,725,000; year ended 30 June 2015: £9,218,000). This included an amount of £524,000 paid in September 2015 to the vendors of JPAM Limited and £1,248,000 paid in October and November 2015 to the vendors of Levitas Investment Management Services Limited.

Details of these acquisitions are provided in the Annual Report and Accounts for the year ended 30 June 2015 on pages 42 and 43.

c) Other provisions

Other provisions include an amount of £nil (at 31 December 2014: £nil; at 30 June 2015: £510,000) in respect of expected levies by the Financial Services Compensation Scheme. The levy for the 2016/17 scheme year has been announced by the FSCS but does not yet meet the recognition criteria for a provision.

19. Reconciliation of operating profit to net cash inflow from operating activities

	Six months ended 31 Dec 2015 (unaudited) £'000	Six months ended 31 Dec 2014 (unaudited) £'000	Year ended 30 Jun 2015 (audited) £'000
Operating profit	**5,859**	4,939	12,101
Depreciation of property, plant and equipment	**549**	516	990
Amortisation of intangible assets	**1,361**	1,345	2,708
Other gains and losses	**572**	166	1,004
(Increase) / decrease in receivables	**(464)**	1,415	67
(Decrease) / increase in payables	**(2,546)**	(1,432)	1,693
(Decrease) / increase in provisions	**(437)**	(320)	236
Decrease in other non-current liabilities	**(66)**	(73)	(20)
Share-based payments	**375**	685	1,315
Net cash inflow from operating activities	**5,203**	7,241	20,094

Notes to the condensed consolidated financial statements

for the six months ended 31 December 2015 | *continued*

20. Related party transactions

At 31 December 2015, none of the Company's directors (at 31 December 2014: one; at 30 June 2015: one) had taken advantage of the season ticket loan facility that is available to all staff. The total amount outstanding at the reporting date was £nil (at 31 December 2014: £nil; at 30 June 2015: £5,000).

21. Share-based payment schemes

a) Long Term Incentive Scheme ('LTIS')

The Company has made annual awards under the LTIS to executive directors and other senior executives. The conditional awards, which vest three years after the grant date, are subject to the satisfaction of specified performance criteria, measured over a three year performance period. All such conditional awards are made at the discretion of the Remuneration Committee.

b) Employee Benefit Trust

The Group established an Employee Benefit Trust ('the Trust') on 3 December 2010. The Trust was established in order to acquire ordinary shares in the Company to satisfy rights to purchase shares on the exercise of options awarded under the LTIS. All finance costs and administration expenses connected with the Trust are charged to the Condensed Consolidated Statement of Comprehensive Income as they accrue. The Trust has waived its rights to dividends.

A grant of 60,671 share options with an exercise price of £nil was made under the scheme to directors and employees of the Group on 29 October 2015. In respect of the six months ended 31 December 2014, a grant of 68,408 share options with an exercise price of £nil was made under the scheme to directors and employees of the Group on 14 October 2014.

As at 31 December 2015, the Company had paid £4,972,000 to the Trust, which had acquired 363,590 ordinary shares on the open market for consideration of £4,879,000.

In November 2015, in respect of the schemes granted in October 2011 and in October 2010, employees of the Group exercised a total of 43,452 options and instructions were given to the Trust to release the same number of shares. The cost of the shares released on exercise of these options amounted to £529,000. At the reporting date, the number of shares held in the Trust was 213,547 with a market value of £4,356,359.

In November 2014, in respect of the scheme granted in October 2011 and October 2010, employees of the Group exercised a total of 86,755 options and instructions were given to the Trust to release the same number of shares. The cost of the shares released on exercise of these options amounted to £1,002,000. At 31 December 2014, the number of shares held in the Trust was 215,992 with a market value of £3,023,000.

c) Company Share Option Plan

The Company has established a Company Share Option Plan ('CSOP'), which was approved by HMRC in November 2013. The CSOP is a discretionary scheme whereby employees or directors are granted an option to purchase the Company's shares in the future at a price set on the date of the grant. The maximum award under the terms of the scheme is a total market value of £30,000 per recipient. The performance conditions attached to the scheme require an increase in the diluted earnings per share of the Company of 2% more than the increase in the RPI over the three years starting with the financial year in which the option is granted.

Notes to the condensed consolidated financial statements

for the six months ended 31 December 2015 | *continued*

21. Share-based payment schemes *continued*

c) Company Share Option Plan *continued*

A grant of 42,501 share options with an exercise price of £17.19 was made under the scheme to directors and employees of the Group on 29 October 2015. In respect of the six months ended 31 December 2014, a grant of 22,110 share options with an exercise price of £13.805 was made under the scheme to directors and employees of the Group on 14 October 2014.

d) Other share-based payment schemes

No awards have been made under the Group's other share-based payment schemes, details of which are provided on pages 54 to 57, note 29 of the Annual Report and Accounts for the year ended 30 June 2015.

During the six months ended 31 December 2015, employees exercised options over a total of 1,365 shares at a price of £10.54 in respect of the 2012 Employee Sharesave Scheme and 2,400 shares at a price of £2.905 in respect of the Enterprise Management Incentive Scheme 2007.

Statement of directors' responsibilities

The directors confirm that these condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of consolidated financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report.

The directors of Brooks Macdonald Group plc are listed on the inside back cover.

By order of the Board of Directors

S J Jackson
Finance Director

16 March 2016

Independent review report to Brooks Macdonald Group plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the Half Yearly Financial Report for the six months ended 31 December 2015, which comprise the Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Statement of Cash Flows and the related notes. We have read the other information contained in the Half Yearly Financial Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The Half Yearly Financial Report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Half Yearly Financial Report in accordance with the AIM Rules for Companies, which require that the financial information must be presented and prepared in a form consistent with that which will be adopted in the Company's annual financial statements.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this Half Yearly Financial Report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed consolidated set of financial statements in the Half Yearly Financial Report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the AIM Rules for Companies and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent review report to Brooks Macdonald Group plc

continued

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated set of financial statements in the Half Yearly Financial Report for the six months ended 31 December 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the AIM Rules for Companies.

PricewaterhouseCoopers LLP
Chartered Accountants

16 March 2016
7 More London Riverside, London, SE1 2RT

Notes:

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The maintenance and integrity of the Brooks Macdonald website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Directors and advisers

Directors

C J Knight	Chairman
C A J Macdonald	Chief Executive
C R Harris	Senior Independent Director
N I Holmes	
S J Jackson	Group Finance Director
R S Price	Non-executive Director
D Seymour-Williams	Non-executive Director
A W Shepherd	Deputy Chief Executive
R H Spencer	
S P Wombwell	

Offices

Edinburgh	10 Melville Crescent, Edinburgh, EH3 7LU
Guernsey	Yorkshire House, Le Truchot, St. Peter Port, Guernsey, GY1 1WD
Hale	Richmond House, Heath Road, Hale, Cheshire, WA14 2XP
Hampshire	The Long Barn, Dean Estate, Wickham Road, Fareham, Hampshire, PO17 5BN
Jersey	Liberation House, Castle Street, St. Helier, Jersey, JE2 3AT
London	72 Welbeck Street, London, W1G 0AY John Stow House, 18 Bevis Marks, London, EC3A 7JB
Leamington Spa	36 Hamilton Terrace, Holly Walk, Leamington Spa, Warwickshire, CV32 4LY
Manchester	1 Marsden Street, Manchester, M2 1HW
Taunton	Ground Floor, Blackbrook Gate, Blackbrook Park Avenue, Taunton, Somerset, TA1 2PX
Tunbridge Wells	2 Mount Ephraim Road, Tunbridge Wells, Kent, TN1 1EE
York	Howard House, 3 St. Mary's Court, Blossom Street, York, YO24 1AH

Company information

Company Secretary	S Broomfield
Company Registration Number	4402058
Registered Office	72 Welbeck Street, London, W1G 0AY
Website	www.brooksmacdonald.com

Independent auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

Registrars

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Solicitors

Macfarlanes LLP
20 Cursitor Street
London
EC4A 1LT

Nominated adviser and broker

Peel Hunt LLP
Moor House
120 London Wall
London
EC2Y 7RT

Principal bankers

The Royal Bank of Scotland plc
280 Bishopsgate
London
EC2M 4RB

Public relations

MHP Communications Limited
6-11 Agar Street
London
WC2N 4HN