

15 September 2009

Brooks Macdonald Group plc
Final Results for the year ended 30 June 2009

Brooks Macdonald Group plc (the "Group"), an AIM listed integrated wealth management group, today announces its final results for the year ended 30 June 2009.

Highlights

	Year to 30.06.09	Year to 30.06.08	% Change
Revenue	GBP21.8m	GBP16.8m	Up 30%
Pre-tax profits	GBP3.18m	GBP2.03m	Up 57%
Basic earnings per share	22.56p	12.41p	Up 82%
Proposed dividend	5.5p	3.5p	Up 57%

- Funds under management rose by 17.3% during the year to GBP1,386 million (30.6.08 GBP1,181 million) evidencing the strong investment performance, service levels and marketing expertise of the Group when compared to the APCIMS Balanced Index that fell 13.8 per cent over the year and the FTSE100 that was down 22.5 per cent
- Further strengthening of regional presence with opening of offices in Tunbridge Wells and Edinburgh
- Post year-end acquisition of Lawrence House Fund Managers

Commenting on the results, Chris Macdonald, CEO, said:

"The ability of the Group to achieve such a strong set of results during a period of unprecedented market uncertainty is testament to the Group's resilient business model, the hard work of all our staff and a focus on delivering what our clients want. We have continued to grow funds under management largely through organic development: the recent further regional expansion achieved with the opening of our first office in Scotland and the acquisition of Lawrence House Fund Managers in Kent will augment this growth next year."

"The Group has a strong balance sheet, team, client bank, distribution and investment model and thus we can continue to look forward with confidence."

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Chairman's statement

I am pleased to report another successful year for Brooks Macdonald, achieved despite turbulent market conditions.

On a turnover 30 per cent higher at GBP21.8 million, we report a pre-tax profit of GBP3.18 million compared with GBP2.03 million in the previous financial year, an increase of 57 per cent. Earnings per share were 22.56p, an increase of 82 per cent.

Funds under management at 30 June 2009 stood at GBP1,386 million, compared with GBP1,181 million a year earlier, an increase of 17 per cent. We are particularly pleased to have grown our funds under management during a period when markets globally have been so challenged.

The Board has decided to recommend a dividend of 5.5p per share, compared with 3.5p for the previous financial year which will be payable on 23 October 2009 to shareholders on the register at close of business on 25 September 2009. The ex-dividend date is 23 September 2009.

In April we opened an office in Tunbridge Wells which has got off to a good start and which will be expanded by the acquisition of Lawrence House, the Kent fund manager which we recently announced. We have also announced the opening of an office in Edinburgh which together with the recruitment of a senior team further expands our regional presence.

Staff retention has always been a hallmark of Brooks Macdonald. With the increase in the number of our staff, the board believes that it is appropriate to increase the amount of share capital over which options can be granted from 10 to 15 per cent. Shareholders will be asked to approve this increase at the AGM on 16 October.

The continued expansion of our business in a period of economic uncertainty and market volatility reflects a robust investment process, our emphasis on client service and the strength of our relationships with intermediaries and other introducers. It also reflects the professionalism and dedication of our staff to whom I record my thanks.

Christopher Knight

Chairman

Chief Executive's review

This has been a strong year of growth for the group in spite of poor market conditions. In the first half of the financial year equity markets in particular faced sharp declines and whilst the economic position has improved (from a very low base) in the second half, sentiment still remains fragile. Against this backdrop it is therefore particularly pleasing to be able to report robust growth in the business.

Funds under management rose from £1,181 million in June 2008 to £1,386 million, a rise of 17.4 per cent. It is a measure of investment performance, service levels and marketing success that this increase compares favourably to the APCIMS Balanced Index that fell 13.84 per cent over the year and the FTSE100 that was down 22.5 per cent. Our strategy is based on multiple avenues of growth and I believe this puts the Group in a strong position going forward. We have since the year-end announced the purchase of Lawrence House Fund Managers, the first acquisition undertaken by the group. Clearly the price has to be right for both sides but equally important are synergies and 'fit' and I am confident that Lawrence House will add to the group in all regards.

Our regional presence has also increased over the year. Our offices in Winchester and Manchester have both had strong inflows of funds and clients and our most recent office outside London, in Tunbridge Wells, has got off to a very solid start. In addition we have opened an office in Edinburgh this month, which is another very exciting opportunity for the group.

In London, our main office, growth remains strong and the five fund management teams have all shown growth in funds under management and the number of clients. In addition Financial Consulting and our central services have all recruited over the financial year. This is imperative as a key component of our growth is ensuring that we deliver service and performance in equal measure to our clients. Financial Consulting continues to be an important part of our wealth management proposition for private clients as well as our employee benefit service to corporate clients.

We continue to invest in improving our service delivery to clients. We have a highly skilled development team, who are constantly challenged with improving processes and systems. Over the last year they have established several third party data feeds and technological improvements to information systems. In addition we have recruited a Service Development Manager to head all project work.

Investment performance in relative terms has been strong. Credit needs to be paid to our asset allocation committee and indeed the individual fund management teams who have avoided the major financial 'landmines' that have been exposed over the last year.

Our two principal services in Asset Management are discretionary fund management for high net worth clients and our discretionary Managed Portfolio Service, a fund of funds service for smaller clients. The latter is still a relatively new service but has grown considerably and has been a significant factor, together with our four Strategic Alliances, towards our strong profits and funds under management growth.

We continue to work closely with the top end of the IFA market and professional introducers. We have expanded our new business development team in all our offices as this is a sector to which we remain firmly committed. The recently announced Retail Distribution Review is encouraging and indeed supportive of this strategy as well as our own Financial Consultancy company.

In spite of recent, in our opinion poor, changes to pension legislation, our growth in SIPPs continues unabated. Indeed since the changes announced by the Chancellor in April, over 50 per cent of our new business has continued to be the management of SIPPs.

None of the above would have been possible without the energy, commitment and drive of all members of staff. We are in a privileged position of having a very strong team at all levels, to whom I extend my thanks. Staff numbers have grown to 140 and I am pleased to state that in spite of considerable growth the firm remains a vibrant, open and fun place to work.

The group has had a strong year in both absolute and relative terms. We have a strong balance sheet, team, client bank, distribution and investment model and thus we can continue to look forward with confidence.

Chris Macdonald

Chief Executive

Brooks Macdonald Group plc

**Consolidated Income Statement
for the year ended 30 June 2009**

	Note	2009 GBP	2008 GBP
Revenue		21,752,209	16,786,350
Administrative costs		<u>(18,765,646)</u>	<u>(15,074,405)</u>
Operating profit		2,986,563	1,711,945
Finance income		198,860	315,530
Profit before taxation		<u>3,185,423</u>	<u>2,027,475</u>
Taxation		(930,858)	(808,384)
Profit for the year		<u>2,254,565</u>	<u>1,219,091</u>
Earnings per share			
Basic	2	22.56p	12.41p
Diluted		22.26p	12.08p

Brooks Macdonald Group plc
Consolidated Balance Sheet as at 30 June 2009

	2009 GBP	2008 GBP
Assets		
Non-current assets		
Property, plant and equipment	1,471,160	876,941
Intangible assets	406,849	605,271
Deferred tax assets	144,784	20,980
Total non-current assets	<u>2,022,793</u>	<u>1,503,192</u>
Current assets		
Trade and other receivables	3,507,191	2,840,270
Financial assets	-	-
Cash and cash equivalents	8,347,287	5,923,712
Total current assets	<u>11,854,478</u>	<u>8,763,982</u>
Total assets	13,877,271	10,267,174
Current liabilities		
Trade and other payables	(4,828,172)	(4,037,849)
Current tax liabilities	(767,326)	(310,482)
Total current liabilities	<u>(5,595,498)</u>	<u>(4,348,331)</u>
Non-current liabilities		
Non-current provisions	(188,710)	(53,607)
Other non-current liabilities	(14,063)	(20,313)
Total non-current liabilities	<u>(202,773)</u>	<u>(73,920)</u>
Net assets	<u>8,079,000</u>	<u>5,844,923</u>
Financed by:		
Equity		
Share capital	100,162	99,850
Share premium account	1,621,303	1,571,031
Other reserves	1,073,260	813,903
Retained earnings	5,284,275	3,360,139
Total equity	<u>8,079,000</u>	<u>5,844,923</u>

Brooks Macdonald Group plc
Consolidated Cash Flow Statement
for the year ended 30 June 2009

	2009 GBP	2008 GBP
Cash inflow from operating activities		
Cash generated from operations	3,918,440	2,642,457
Taxation paid	<u>(509,035)</u>	<u>(836,285)</u>
Net cash generated from operating activities	<u>3,409,405</u>	<u>1,806,172</u>
Cash flow from investing activities		
Purchase of property, plant and equipment	(923,814)	(605,519)
Purchase of intangible assets	(20,907)	(534,636)
Interest received	198,860	315,530
Purchase of Gilt	(738,393)	-
Sale of Gilt	<u>797,317</u>	<u>-</u>
Net cash used in investing activities	<u>(686,937)</u>	<u>(824,625)</u>
Cash flows from financing activities		
Proceeds of issue of shares	50,584	206,840
Dividend paid to shareholders	<u>(349,477)</u>	<u>(220,795)</u>
Net cash used in financial activities	<u>(298,893)</u>	<u>(13,955)</u>
Net increase in cash and cash equivalents	2,423,575	967,592
Cash and cash equivalents at start of year	5,923,712	4,956,120
Cash and cash equivalents at end of year	<u>8,347,287</u>	<u>5,923,712</u>

Note 1 Basis of accounting and preparation

The financial statements have been prepared on the historical cost basis and in accordance with IFRS as adopted by the European Union. The group has adopted all new and revised standards and interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee that are relevant to the group's operations and effective for annual reporting periods beginning 1 July 2008. There have been no new standards adopted in the year that have had an effect on the entity.

Note 2 Earnings per share

Basic earnings per share are calculated by dividing the Group profits after tax of GBP2.254m by 9.99m, the weighted average number of ordinary shares in issues over the year ended 30 June 2009. The resultant earnings per share for the year are 22.56p.

Note 3 Statutory accounts

The financial information set out above does not constitute a full financial statement of the Group's affairs for the years ended 30 June 2009 or 2008 but it is derived from those accounts. The Group's auditors have reported on the full accounts of each year and have accompanied them with an unqualified report.

The statutory accounts will be delivered to the Registrar of Companies following the company's annual general meeting to be held at the Group's head office on 16 October 2009.