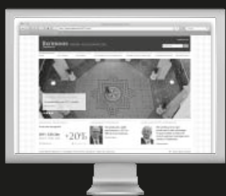
Rathbone Brothers Plc
Interim statement 2012

Rathbones
Established 1742



Report and accounts online

We aim to provide easy and transparent access to shareholder information. As well as the printed annual report and accounts, we have developed an online version which presents a flexible way of accessing the information you need. This interim statement is available to view as a PDF on the 2011 report and accounts microsite, as well as from the investor relations section of Rathbones' website.

www.rathbones.com/ra2011
www.rathbones.com/investor-relations

Financial highlights

Funds under management[1]	**30 June 2012: £16.65bn** 30 June 2011: £16.36bn 31 December 2011: £15.85bn	+5.0%
Operating income	**Half year 2012: £77.7m** Half year 2011: £73.5m Full year 2011: £144.5m	+5.7%
Underlying[2] **profit before tax**	**Half year 2012: £23.2m** Half year 2011: £24.2m Full year 2011: £46.2m	-4.1%
Profit before tax	**Half year 2012: £19.9m** Half year 2011: £20.6m Full year 2011: £39.2m	-3.4%
Underlying[2] **earnings per share**	**Half year 2012: 40.60p** Half year 2011: 40.58p Full year 2011: 78.79p	0.0%
Basic earnings per share	**Half year 2012: 34.83p** Half year 2011: 34.28p Full year 2011: 66.72p	+1.6%
Dividends per share	**Half year 2012: 17.00p** Half year 2011: 17.00p Full year 2011: 46.00p	0.0%

1 % change from 31 December 2011
2 Underlying profit before tax and underlying earnings per share exclude amortisation of client relationships, head office relocation costs and, in 2011, gains on disposal of financial securities

Rathbone Brothers Plc is a leading provider of high-quality, personalised investment and wealth management services for private clients, charities and trustees. This includes discretionary investment management, unit trusts, tax planning, trust and company management, pension advice and banking services.

As at 30 June 2012, Rathbones managed £16.65 billion of client funds of which £15.50 billion are managed by Rathbone Investment Management.

Interim management report

Mark Nicholls
Chairman

Andy Pomfret
Chief Executive

Results and financial highlights

Profit before tax for the first half of 2012 was £19.9 million, down 3.4% on the £20.6 million reported in the same period last year. Earnings per share increased 1.6% to 34.83p (2011: 34.28p) reflecting lower corporate tax rates. Underlying profit before tax (stated before amortisation of client relationships and head office relocation costs) was £23.2 million, down 4.1% on the £24.2 million in 2011.

Total net organic and acquired growth in the funds managed by our investment management business was £497 million in the first half of 2012 (2011: £616 million), representing an annualised growth rate of 6.7% (2011: 8.4%). Our net organic growth of £270 million represents an annualised rate of 3.7% (2011: 6.9%) which demonstrates resilience in the difficult markets we are currently operating in. Acquired growth of £227 million reflects the impact of 12 investment professionals joining us over the last twelve months, and includes £79 million of funds from our acquisition of R M Walkden & Co. Limited which was completed in April 2012.

Rathbone Unit Trust Management attracted £32 million of net inflows in the first half of 2012 (2011: net inflows of £38 million).

Our interim dividend has been maintained at 17.0p per share and will be paid on 3 October 2012.

Financial markets

The first half of 2012 proved challenging for investment markets as continuing eurozone worries weighed heavily on sentiment and global markets were volatile. We did see some early signs of growth in the USA and Asian economies remained reasonably resilient, but there are no signs of a broader recovery. This environment made asset allocation and investment selection difficult in the period.

The FTSE 100 Index remained broadly within a 5600 to 6000 range until the end of April after which adverse sentiment took hold. After a brief rally at the end of June, the FTSE 100 Index ended the half at 5571, flat over the period. The FTSE APCIMS Balanced Index was 2940 at 30 June 2012, 1.6% higher than it was at 31 December 2011. Over the first half, Rathbones' funds under management increased 5.0% to £16.65 billion.

As we have a banking licence, the great majority of cash in client portfolios is held with us as a deposit. We place this cash in money markets so do have exposure to a number of banks in Europe, although counterparties must be 'A' rated or higher by Fitch and are regularly reviewed by the banking committee. At the end of the first half of 2012 we had no direct exposure to banks in Spain or Italy and UK treasury bills represented 9% (2011: nil) of total treasury assets which totalled £0.9 billion at 30 June 2012 (2011: £0.8 billion). As interest rates remained stubbornly low and monetary stimulus policies continued to be pursued by US and European governments, our net interest margins continued to decline.

Business review

This is the first interim statement following our relocation to a new head office in London. The move to these premises was completed in February and the 12% of additional space strongly supports our future growth aspirations. First half results include one-off costs of £0.3 million in respect of the move.

The first half of 2012 has been a busy period for our marketing team and we are continuing to invest in this area to build the business. We won the Investors Chronicle/FT Wealth Manager Award for Alternative Investments in May and have recently launched a new advertising campaign targeted at clients who are looking for a service more tailored to their needs. We ran financial awareness training in schools and trustee training this year, the latter attracting more than double the number of participants compared to one year ago. This activity provides timely support to the business as we enhance service to clients, build our investment capability and partner with professional intermediaries.

At 30 June 2012, Rathbones managed £318 million on behalf of some 1,300 clients that had been introduced under the brand name 'Cavanagh Asset Management'. In the first half, Close Brothers Asset Management, which acquired Cavanagh Group plc in April 2012, gave us notice of their intent to terminate the agreement to provide discretionary investment management services to Cavanagh Financial Management Limited. This arrangement will therefore come to an end on 23 November 2012. We have had a productive and constructive relationship with Cavanagh over the last four years, and will work with Close financial advisers as they advise clients on suitable options.

Net fee income of £47.6 million (2011: £43.7 million) was 8.9% higher than the first half of 2011 reflecting the continued growth in the business and the full impact of new charges which were introduced in the second quarter of 2011. The average FTSE 100 Index based on our key quarterly billing dates was 5647, down 5.5% from an average of 5976 in the corresponding period last year. Net commission income of £19.9 million was marginally down on last year (2011: £20.0 million) with volumes tailing off in the second quarter as markets stagnated.

Net interest income of £5.1 million in the first half was down 1.9% on £5.2 million in 2011. Lower yields on treasury assets offset an increase in average liquidity to £1,061 million (2011: £887 million). Fees from advisory services, now reported with other income, marginally increased to £4.0 million (2011: £3.9 million).

Underlying operating expenses (which exclude amortisation of client relationships and head office relocation costs) were £54.5 million, up 10.5% on the £49.3 million last year. Full time equivalent headcount increased 5.5% to 785 from 744 in June 2011 primarily as a result of new investment/revenue generating teams. Other direct expenses of £8.3 million (2011: £7.7 million) increased largely as a result of higher property related costs in London and Liverpool and £1.0 million of higher pension service costs arising as a direct result of lower long term bond yields.

There were no exceptional FSCS charges in the half year (2011: nil) but we have noted guidance published by the FSCS which indicates that there is a risk of a further cross subsidy in this levy year to the Fund Management Class arising following a number of recent high profile business failures. We continue to believe that a compensation model which involves cross-subsidisation across sectors of the financial services industry with very different risk profiles is unwise and unfair and we welcome the FSA's upcoming consultation on this topic.

Our balance sheet at 30 June 2012 has changed little from the end of 2011. Total equity increased 2.7% from £190.7 million at 31 December 2011 to £195.8 million at 30 June 2012. We reported a net pension deficit of £5.4 million at 30 June 2012 which is lower than the deficit of £7.3 million at 31 December 2011 due largely to discount rate assumption changes.

Related party transactions and balances for the half year ended 30 June 2012 are set out in note 16 to the condensed consolidated interim financial statements.

Legal proceedings

On 25 July 2012, we issued proceedings to confirm insurance cover against the insurers on the excess layer of our civil liability (professional indemnity) policy. We have done this to protect the Company's interests as we are aware that a claim relating to the management of a Jersey trust has been filed against a former director of Rathbone Trust Company Jersey Limited. Rathbone Trust Company Jersey Limited was owned by us from March 2000 until October 2008. Although we believe this underlying claim will be unsuccessful, we have sought to confirm the insurance position over the last few months. Based on information currently available, the primary layer insurer has confirmed cover subject to policy terms and conditions (and this includes their share of the excess layer) but the remaining excess insurers have to date refused to confirm cover.

Legal expenses of £0.6 million have been incurred to 30 June 2012, including advice from Leading Counsel, and are expected to continue. The Board considers that it is unlikely that a material liability to Rathbones will arise from this claim and accordingly no provision has been made.

Regulation

Regulation continues to be an area of significant change for our industry. We have held initial meetings with our new supervisory teams who will represent the PRA and FCA when the new 'twin peaks' regulatory structure comes into force in 2013. Both meetings have been positive and we look forward to developing both relationships further.

Preparations for the RDR compliance deadline are well advanced. Whilst Rathbone Investment Management is an independent discretionary investment manager (as we invest client portfolios across the whole of the market), our advice will be 'restricted' in RDR terms as it does not cover pensions and life assurance. In contrast, Rathbones Pension and Advisory Services is a general financial adviser and as it provides advice across the whole of the RDR range of assets, it is classified as 'independent' under RDR. Our fee scales are RDR ready and we have operated to RDR disclosure levels for many years. System changes have also now been completed to comply with adviser charging requirements. Trail commission was £1.1 million in the first half of 2012 (2011: £1.3 million) and this is expected to reduce to zero during 2013. Our Unit Trust business launched institutional unit classes in March.

The interpretation of parts of RDR rules continues to be discussed in the industry but we remain supportive of its principles of transparency and confident that our business model is compliant.

We will not be impacted by bank ring-fencing proposals in HM Treasury's white paper on banking reform should the threshold of £25 billion of mandated deposits be adopted.

Risk

Risk management continues to be an important part of our agenda and following the appointment of Kathryn Matthews as non-executive chairman of the Group risk committee, we have worked hard to strengthen our risk team and improve our risk reporting framework.

The principal risks that face Rathbones in 2012 are described on pages 23 to 26 of our 2011 annual report and accounts and little has changed in the first half of 2012. We continue to regard the key risks to Rathbones as threats to our reputation, regulatory intervention in our sector and the counterparty risk inherent in being a bank.

Board and management changes

At our AGM in May, Richard Lanyon stood down from the Board and his managerial responsibilities as head of investment management. We sincerely thank Richard for his hard work and valuable contribution to Rathbones as a Board director. His insight into the business and willingness to tackle any challenge presented to him are widely valued. He remains a highly respected member of our investment management team as he returns to managing his client portfolios.

In March 2012, Paul Chavasse was appointed as head of investment management and Andrew Butcher joined Rathbones as chief operating officer from Charles Stanley.

Looking ahead

In spite of challenging investment conditions, our first half performance has been resilient and we are continuing to invest in people and systems to improve both our efficiency and respond to regulatory change. Whilst investment markets are expected to remain uncertain, Rathbones is as well placed as ever to develop future growth opportunities.

Mark Nicholls
Chairman

Andy Pomfret
Chief Executive

25 July 2012

Statement of directors' responsibilities in respect of the interim statement

The directors confirm that:

- the condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union;
- the Interim management report includes a fair view of the information required by the Disclosure and Transparency Rules of the UK Financial Services Authority (DTR) 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- the Interim management report includes a fair view of the information required by DTR 4.2.8R (disclosures of related parties' transactions and changes therein).

By Order of the Board

Andy Pomfret
Chief Executive

25 July 2012

Consolidated interim statement of comprehensive income

for the six months ended 30 June 2012

	Note	**Unaudited Six months to 30 June 2012 £'000**	Unaudited Six months to 30 June 2011 £'000	Audited Year to 31 December 11 £'000
Interest and similar income		**5,705**	5,774	11,259
Interest expense and similar charges		**(645)**	(593)	(1,238)
Net interest income		**5,060**	5,181	10,021
Fee and commission income		**76,935**	72,490	141,484
Fee and commission expense		**(5,438)**	(4,983)	(10,029)
Net fee and commission income		**71,497**	67,507	131,455
Dividend income		**28**	26	98
Net trading income		**306**	259	480
Gains on disposal of financial securities		**-**	-	1,095
Other operating income		**839**	565	1,303
Operating income		**77,730**	73,538	144,452
Amortisation of acquired client relationships	10	**(3,007)**	(2,515)	(5,134)
Head office relocation costs	4	**(301)**	(1,170)	(3,028)
Other operating expenses		**(54,496)**	(49,302)	(97,138)
Operating expenses		**(57,804)**	(52,987)	(105,300)
Profit before tax		**19,926**	20,551	39,152
Taxation	5	**(4,865)**	(5,803)	(10,446)
Profit for the period attributable to equity holders of the Company		**15,061**	14,748	28,706
Other comprehensive income:				
Net actuarial (loss)/gain on retirement benefit obligations		**(746)**	3,057	(6,383)
Net gain/(loss) from changes in fair value of available for sale investment securities		**640**	686	(134)
Deferred tax relating to components of other comprehensive income:				
- revaluation of available for sale investment securities		**(124)**	(111)	94
- actuarial (loss)/gain on retirement benefit obligations		**56**	(883)	1,477
Other comprehensive income net of tax		**(174)**	2,749	(4,946)
Total comprehensive income for the period net of tax attributable to equity holders of the Company		**14,887**	17,497	23,760
Dividends paid and proposed for the period per ordinary share	6	**17.0p**	17.0p	46.0p
Dividends paid and proposed for the period		**7,448**	7,394	20,001
Earnings per share for the period attributable to equity holders of the Company:	7			
- basic		**34.83p**	34.28p	66.72p
- diluted		**34.51p**	33.76p	65.90p

The accompanying notes form an integral part of the condensed consolidated interim financial statements.

Consolidated interim statement of changes in equity

for the six months ended 30 June 2012

	Note	Share capital £'000	Share premium £'000	Merger reserve £'000	Available for sale reserve £'000	Treasury shares £'000	Retained earnings £'000	Total equity £'000
At 1 January 2011		2,169	32,488	31,835	2,219	(2,899)	119,562	185,374
Profit for the period							14,748	14,748
Net actuarial gain on retirement benefit obligations							3,057	3,057
Revaluation of available for sale investment securities					686			686
Deferred tax relating to components of other comprehensive income					(111)		(883)	(994)
Other comprehensive income net of tax		-	-	-	575	-	2,174	2,749
Dividends paid							(12,123)	(12,123)
Issue of share capital	13	6	1,002					1,008
Share-based payments:								
- value of employee services							1,360	1,360
- cost of treasury shares acquired						(2,307)		(2,307)
- cost of treasury shares vesting						872	(872)	-
- tax on share-based payments							220	220
At 30 June 2011 (unaudited)		2,175	33,490	31,835	2,794	(4,334)	125,069	191,029
Profit for the period							13,958	13,958
Net actuarial loss on retirement benefit obligations							(9,440)	(9,440)
Revaluation of available for sale investment securities					(820)			(820)
Deferred tax relating to components of other comprehensive income					205		2,360	2,565
Other comprehensive income net of tax		-	-	-	(615)	-	(7,080)	(7,695)
Dividends paid							(7,368)	(7,368)
Issue of share capital	13	3	726					729
Share-based payments:								
- value of employee services							629	629
- cost of treasury shares acquired						(648)		(648)
- cost of treasury shares vesting						253	(253)	-
- tax on share-based payments							19	19
At 31 December 2011 (audited)		**2,178**	**34,216**	**31,835**	**2,179**	**(4,729)**	**124,974**	**190,653**
Profit for the period							**15,061**	**15,061**
Net actuarial loss on retirement benefit obligations							**(746)**	**(746)**
Revaluation of available for sale investment securities					**640**			**640**
Deferred tax relating to components of other comprehensive income					**(124)**		**56**	**(68)**
Other comprehensive income net of tax		**-**	**-**	**-**	**516**	**-**	**(690)**	**(174)**
Dividends paid							**(12,640)**	**(12,640)**
Issue of share capital	13	**16**	**3,180**					**3,196**
Share-based payments:								
- value of employee services							**1,015**	**1,015**
- cost of treasury shares acquired						**(1,321)**		**(1,321)**
- cost of treasury shares vesting						**242**	**(242)**	**-**
- tax on share-based payments							**48**	**48**
At 30 June 2012 (unaudited)		**2,194**	**37,396**	**31,835**	**2,695**	**(5,808)**	**127,526**	**195,838**

The accompanying notes form an integral part of the condensed consolidated interim financial statements.

Consolidated interim balance sheet
as at 30 June 2012

	Note	**Unaudited 30 June 2012 £'000**	Unaudited 30 June 2011 £'000	Audited 31 December 2011 £'000
Assets				
Cash		**5**	3	4
Settlement balances		**41,857**	30,376	13,443
Loans and advances to banks		**126,864**	69,590	65,008
Loans and advances to customers		**55,923**	45,473	47,787
Investment securities:				
- available for sale		**55,421**	18,882	68,563
- held to maturity		**784,027**	766,416	843,983
Prepayments, accrued income and other assets		**39,917**	36,891	38,413
Property, plant and equipment	9	**12,741**	5,806	10,660
Deferred tax asset		**2,083**	681	3,134
Intangible assets	10	**95,312**	91,743	92,844
Surplus on retirement benefit schemes	12	**-**	533	-
Total assets		**1,214,150**	1,066,394	1,183,839
Liabilities				
Deposits by banks		**-**	4,068	513
Settlement balances		**30,754**	53,598	22,196
Due to customers		**930,246**	772,109	908,656
Accruals, deferred income and other liabilities		**38,652**	31,155	40,915
Current tax liabilities		**3,835**	4,822	3,557
Provisions for liabilities and charges	11	**9,390**	8,745	10,009
Retirement benefit obligations	12	**5,435**	868	7,340
Total liabilities		**1,018,312**	875,365	993,186
Equity				
Share capital	13	**2,194**	2,175	2,178
Share premium	13	**37,396**	33,490	34,216
Merger reserve		**31,835**	31,835	31,835
Available for sale reserve		**2,695**	2,794	2,179
Treasury shares		**(5,808)**	(4,334)	(4,729)
Retained earnings		**127,526**	125,069	124,974
Total equity		**195,838**	191,029	190,653
Total liabilities and equity		**1,214,150**	1,066,394	1,183,839

The condensed consolidated interim financial statements were approved by the Board of directors and authorised for issue on 25 July 2012 and were signed on their behalf by:

Andy Pomfret
Chief Executive

Paul Stockton
Finance Director

Company registered number: 01000403

The accompanying notes form an integral part of the condensed consolidated interim financial statements.

Consolidated interim statement of cash flows
for the six months ended 30 June 2012

	Note	Unaudited Six months to 30 June 2012 £'000	Unaudited Six months to 30 June 2011 £'000	Audited Year to 31 December 2011 £'000
Cash flows from operating activities				
Profit before tax		**19,926**	20,551	39,152
Net interest income		**(5,060)**	(5,181)	(10,021)
Net impairment charges/(recoveries) on impaired loans and advances		**2**	18	(1)
Net (release)/charge for provisions	11	**(325)**	1,564	2,465
Profit on disposal of property, plant and equipment		**(12)**	(4)	(17)
Depreciation and amortisation		**5,035**	4,448	8,997
Defined benefit pension scheme charges		**1,502**	721	1,484
Share-based payment charges		**1,620**	1,672	2,604
Interest paid		**(666)**	(658)	(1,282)
Interest received		**7,499**	5,498	10,359
		29,521	28,629	53,740
Changes in operating assets and liabilities:				
- net increase in loans and advances to banks and customers		**(8,385)**	(5,480)	(8,523)
- net (increase)/decrease in settlement balance debtors		**(28,414)**	(12,207)	4,726
- net increase in prepayments, accrued income and other assets		**(3,047)**	(234)	(1,133)
- net increase in amounts due to customers and deposits by banks		**21,079**	10,848	143,841
- net increase/(decrease) in settlement balance creditors		**8,558**	29,886	(1,516)
- net (decrease)/increase in accruals, deferred income, provisions and other liabilities		**(6,480)**	(5,678)	3,725
Cash generated from operations		**12,832**	45,764	194,860
Defined benefit pension contributions paid		**(4,156)**	(3,972)	(7,170)
Tax paid		**(3,573)**	(4,570)	(10,345)
Net cash inflow from operating activities		**5,103**	37,222	177,345
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash acquired		**(519)**	-	-
Purchase of property, equipment and intangible assets		**(5,993)**	(2,844)	(12,976)
Proceeds from sale of property, plant and equipment		**43**	10	41
Purchase of investment securities		**(916,244)**	(777,426)	(1,565,418)
Proceeds from sale and redemption of investment securities		**975,983**	762,095	1,472,520
Net cash generated from/(used in) investing activities		**53,270**	(18,165)	(105,833)
Cash flows from financing activities				
Purchase of shares for share-based schemes		**-**	(1,948)	(2,259)
Issue of ordinary shares	15	**1,875**	649	1,041
Dividends paid		**(12,640)**	(12,123)	(19,491)
Net cash used in financing activities		**(10,765)**	(13,422)	(20,709)
Net increase in cash and cash equivalents		**47,608**	5,635	50,803
Cash and cash equivalents at the beginning of the period		**129,872**	79,069	79,069
Cash and cash equivalents at the end of the period	15	**177,480**	84,704	129,872

The accompanying notes form an integral part of the condensed consolidated interim financial statements.

Notes to the consolidated interim financial statements

1 Basis of preparation

Rathbone Brothers 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 individuals, trustees, charities, pension funds and the professional advisers of these clients. The Group also provides financial planning, private banking, offshore fund management and trust administration services. The Group's primary activities are set out in its annual report and accounts for the year ended 31 December 2011.

These condensed consolidated interim financial statements are presented in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU. The condensed consolidated interim financial statements have been prepared on a going concern basis, using the accounting policies, methods of computation and presentation set out in the Group's financial statements for the year ended 31 December 2011 except as disclosed below. The condensed consolidated interim financial statements should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2011, which are prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS).

The information in this announcement does not comprise statutory financial statements within the meaning of section 434 of the Companies Act 2006. The Group's financial statements for the year ended 31 December 2011 have been reported on by its 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. They also did not contain a statement under section 498 of the Companies Act 2006.

Developments in reporting standards and interpretations

Standards affecting the financial statements

In the current period, there have been no new or revised standards and interpretations that have been adopted and have affected the amounts reported in these financial statements.

Standards not affecting the reported results or the financial position

The following new and revised standards and interpretations have been adopted in the current year. Their adoption has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions and arrangements:

- Amendments to IFRS 7 'Financial Instruments: Disclosures'

New standards and interpretations

A number of new standards and amendments to standards and interpretations are effective for annual and interim periods beginning after 1 January 2012, and therefore have not been applied in preparing these condensed consolidated interim financial statements. None of these is expected to have a significant effect on the condensed consolidated interim financial statements and the consolidated financial statements of the Group, except for amendments to IAS 19 'Employee Benefits', which is expected to become mandatory for the Group's consolidated financial statements for the year ending 31 December 2013. The amendments to IAS 19, if applied for the year ended 31 December 2012, would reduce profit after tax by approximately £217,000, of which £109,000 would have been recognised in the six months ended 30 June 2012, and increase actuarial gains in other comprehensive income by the same amount. There would be no effect on total equity. The Group does not plan to adopt this standard early.

2 Segmental information

For management purposes, the Group is currently organised into two operating divisions: Investment Management and Unit Trusts. The information presented in this note follows the presentation for internal reporting to the group executive committee.

The presentation of income has been amended to show interest income separately from other income, which is now presented with fees from advisory services. This follows a change in presentation in the information provided to the group executive committee and facilitates easier analysis of the Group's basis point return on funds under management, which excludes other income. Comparatives have been re-presented accordingly.

Six months ended 30 June 2012 (unaudited)	Investment Management £'000	Unit Trusts £'000	Total £'000
Net fee income	43,609	3,982	47,591
Net commission income	19,851	-	19,851
Net interest income	5,060	-	5,060
Fees from advisory services and other income	4,831	397	5,228
Underlying operating income	73,351	4,379	77,730
Staff costs - fixed	(18,210)	(1,460)	(19,670)
Staff costs - variable	(8,715)	(501)	(9,216)
Total staff costs	(26,925)	(1,961)	(28,886)
Other direct expenses	(7,293)	(991)	(8,284)
Allocation of indirect expenses	(16,183)	(1,143)	(17,326)
Underlying operating expenses	(50,401)	(4,095)	(54,496)
Underlying profit before tax	22,950	284	23,234
Amortisation of client relationships (note 10)	(3,007)	-	(3,007)
Segment profit before tax	19,943	284	20,227
Head office relocation costs (unallocated) (note 4)			(301)
Profit before tax			19,926
Taxation			(4,865)
Profit for the period attributable to equity holders of the Company			15,061
Segment total assets	1,184,437	19,481	1,203,918
Unallocated assets			10,232
Total assets			1,214,150

2 Segmental information continued

Six months ended 30 June 2011 (unaudited) (re-presented)	Investment Management £'000	Unit Trusts £'000	Total £'000
Net fee income	39,893	3,757	43,650
Net commission income	20,006	-	20,006
Net interest income	5,181	-	5,181
Fees from advisory services and other income	4,370	331	4,701
Underlying operating income	69,450	4,088	73,538
Staff costs - fixed	(16,066)	(1,227)	(17,293)
Staff costs - variable	(8,923)	(549)	(9,472)
Total staff costs	(24,989)	(1,776)	(26,765)
Other direct expenses	(6,737)	(977)	(7,714)
Allocation of indirect expenses	(13,894)	(929)	(14,823)
Underlying operating expenses	(45,620)	(3,682)	(49,302)
Underlying profit before tax	23,830	406	24,236
Amortisation of client relationships	(2,515)	-	(2,515)
Segment profit before tax	21,315	406	21,721
Head office relocation costs (unallocated) (note 4)			(1,170)
Profit before tax			20,551
Taxation			(5,803)
Profit for the period attributable to equity holders of the Company			14,748
Segment total assets	1,017,398	16,935	1,034,333
Unallocated assets			32,061
Total assets			1,066,394

Year ended 31 December 2011 (audited) (re-presented)	Investment Management £'000	Unit Trusts £'000	Total £'000
Net fee income	80,086	7,562	87,648
Net commission income	36,170	-	36,170
Net interest income	10,021	-	10,021
Fees from advisory services and other income	8,832	686	9,518
Underlying operating income	135,109	8,248	143,357
Staff costs - fixed	(31,649)	(2,503)	(34,152)
Staff costs - variable	(15,770)	(1,071)	(16,841)
Total staff costs	(47,419)	(3,574)	(50,993)
Other direct expenses	(13,284)	(1,828)	(15,112)
Allocation of indirect expenses	(29,013)	(2,020)	(31,033)
Underlying operating expenses	(89,716)	(7,422)	(97,138)
Underlying profit before tax	45,393	826	46,219
Gains on disposal of financial securities	1,095	-	1,095
Amortisation of client relationships	(5,134)	-	(5,134)
Segment profit before tax	41,354	826	42,180
Head office relocation costs (unallocated) (note 4)			(3,028)
Profit before tax			39,152
Taxation			(10,446)
Profit for the year attributable to equity holders of the Company			28,706
Segment total assets	1,154,085	16,428	1,170,513
Unallocated assets			13,326
Total assets			1,183,839

2 Segmental information continued

Included within Investment Management underlying operating income is £869,000 (30 June 2011: £756,000; 31 December 2011: £1,547,000) of fees and commissions receivable from Unit Trusts. Intersegment sales are charged at prevailing market prices.

Centrally incurred indirect expenses are allocated to operating segments on the basis of the cost drivers that generate the expenditure.

Geographic analysis

The following table presents underlying operating income analysed by the geographical location of the Group entity providing the service:

Underlying operating income by geographical market	**Unaudited Six months to 30 June 2012 £'000**	Unaudited Six months to 30 June 2011 £'000	Audited Year to 31 December 2011 £'000
United Kingdom	**75,441**	71,366	139,128
Jersey	**2,289**	2,172	4,229
	77,730	73,538	143,357

The Group's non-current assets are all substantially located in the United Kingdom.

Major clients

The Group is not reliant on any one client or group of connected clients for generation of revenues. At 30 June 2012, the Group provided investment management services to approximately 39,000 clients.

3 Business combinations

On 5 April 2012, the Group acquired the entire share capital of R M Walkden & Co. Limited; an investment management company, which also offers tax advisory services. At 30 June 2012 the acquisition had added £78,704,000 to the Group's funds under management. In addition to cash consideration of £1,117,000, which was paid on 5 April 2012, deferred contingent consideration totalling up to £1,834,000 is payable based on the value of funds under management retained by the Group at 30 September 2012. At 30 June 2012, a provision of £1,834,000 has been recognised for the deferred contingent consideration.

The acquired business' net assets at the acquisition date were as follows:

	Carrying amounts £'000	**Fair value adjustments £'000**	**Recognised values £'000**
Loans and advances to banks	**598**	**-**	**598**
Loans and advances to customers	**213**	**-**	**213**
Prepayments, accrued income and other assets	**38**	**-**	**38**
Property, plant and equipment	**8**	**-**	**8**
Intangible assets	**-**	**2,182**	**2,182**
Accruals, deferred income and other liabilities	**(73)**	**-**	**(73)**
Current tax liabilities	**(15)**	**-**	**(15)**
Total net assets acquired	**769**	**2,182**	**2,951**
Total consideration			**2,951**

Included within the condensed consolidated statement of comprehensive income for the six months ended 30 June 2012 is a loss before tax of £304,000 relating to the acquired business. If the business had been acquired on 1 January 2012, the loss before tax included in the consolidated results would have been £326,000.

The fair value of acquired receivables is equal to the contractual amounts receivable, all of which are expected to be collected.

Acquisition related costs totalling £123,000 for legal and professional advice and stamp duty have been recognised in other operating expenses in the period (six months ended 30 June 2011 and year ended 31 December 2011: £nil).

4 Operating expenses

Rathbones completed the move of its head office premises to 1 Curzon Street, London W1J 5FB, on 27 February 2012. Charges of £301,000 relating to the move have been recognised in the six months ended 30 June 2012 (six months ended 30 June 2011: £1,170,000; year ended 31 December 2011: £3,028,000); no further exceptional costs will be incurred in relation to the head office relocation.

5 Taxation

The current tax expense for the six months ended 30 June 2012 was calculated based on the estimated average annual effective tax rate. The overall effective tax rate for this period was 24.4% (30 June 2011: 28.2%; 31 December 2011: 26.7%).

	Unaudited Six months to 30 June 2012 £'000	Unaudited Six months to 30 June 2011 £'000	Audited Year to 31 December 2011 £'000
United Kingdom taxation	**3,802**	4,745	9,229
Overseas taxation	**32**	39	67
Deferred taxation	**1,031**	1,019	1,150
	4,865	5,803	10,446

The UK Government has proposed that the UK corporation tax rate be reduced to 22.0% over the three years from 2012. At 30 June 2012 only an element of this reduction, taking the UK tax rate to 24.0% from April 2012, had been substantively enacted. The underlying UK corporation tax rate for the year ending 31 December 2012 is 24.5% (2011: 26.5%). A further reduction in the UK tax rate to 23.0% was substantively enacted on 4 July 2012; the effect of this would be to reduce the Group's deferred tax asset by £89,000.

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.

6 Dividends

An interim dividend of 17.0p per share is payable on 3 October 2012 to shareholders on the register at the close of business on 14 September 2012 (30 June 2011: 17.0p). In accordance with International Accounting Standards, the interim dividend has not been included as a liability in this interim statement. A final dividend for 2011 of 29.0p per share was paid on 17 May 2012.

7 Earnings per share

Earnings used to calculate earnings per share on the bases reported in these condensed consilidated interim financial statements were:

	Unaudited Six months to 30 June 2012		Unaudited Six months to 30 June 2011		Audited Year to 31 December 2011	
	Pre-tax £'000	**Post-tax £'000**	Pre-tax £'000	Post-tax £'000	Pre-tax £'000	Post-tax £'000
Underlying profit attributable to shareholders	**23,234**	**17,558**	24,236	17,457	46,219	33,901
Gains on disposal of financial securities	**-**	**-**	-	-	1,095	805
Amortisation of client relationships (note 10)	**(3,007)**	**(2,270)**	(2,515)	(1,849)	(5,134)	(3,774)
Head office relocation costs (note 4)	**(301)**	**(227)**	(1,170)	(860)	(3,028)	(2,226)
Profit attributable to shareholders	**19,926**	**15,061**	20,551	14,748	39,152	28,706

Basic earnings per share has been calculated by dividing earnings by the weighted average number of shares in issue throughout the period, excluding treasury shares, of 43,244,354 (30 June 2011: 43,022,073; 31 December 2011: 43,027,127).

7 Earnings per share continued

Diluted earnings per share is the basic earnings per share, adjusted for the effect of contingently issuable shares under the Long Term Incentive Plan, employee share options remaining capable of exercise and any dilutive shares to be issued under the Share Incentive Plan, weighted for the relevant period (see table below):

	Unaudited 30 June 2012	Unaudited 30 June 2011	Audited 31 December 2011
Weighted average number of ordinary shares in issue during the period – basic	**43,244,354**	43,022,073	43,027,127
Effect of ordinary share options/Save As You Earn	**129,866**	220,308	201,651
Effect of dilutive shares issuable under the Share Incentive Plan	**11,266**	186,857	98,654
Effect of contingently issuable ordinary shares under the Long Term Incentive Plan	**260,452**	252,337	235,027
Diluted ordinary shares	**43,645,938**	43,681,575	43,562,459

	Unaudited Six months to 30 June 2012	Unaudited Six months to 30 June 2011	Audited Year to 31 December 2011
Underlying earnings per share for the period attributable to equity holders of the Company:			
- basic	**40.60p**	40.58p	78.79p
- diluted	**40.23p**	39.96p	77.82p

8 Loans and advances to customers

Included within loans and advances to customers are vendor loan notes ('Notes') with a nominal value of £5,000,000 issued by the acquirer of the Group's Jersey trust operations in 2008. The Notes are repayable on the occurrence of certain events, principally the refinancing of the operations disposed of.

The carrying value of the Notes has been calculated as £3,262,000 (30 June 2011: £3,419,000; 31 December 2011: £3,268,000) using a discounted cash flow model based on the estimated repayment date, using a discount rate equal to the initial effective interest rate of the loan.

9 Property, plant and equipment

During the six months ended 30 June 2012, the Group acquired assets with a cost of £3,400,000 (six months ended 30 June 2011: £863,000; year ended 31 December 2011: £6,925,000), including assets acquired through business combinations of £8,000 (six months ended 30 June 2011: £nil; year ended 31 December 2011: £nil).

Leasehold improvements include additions totalling £2,192,000 (six months ended 30 June 2011: £nil; year ended 31 December 2011: £4,815,000) in relation to the relocation of our London head office from New Bond Street to 1 Curzon Street, London W1J 5FB.

Assets with a net book value of £31,000 were disposed of in the six months ended 30 June 2012 (six months ended 30 June 2011: £6,000; year ended 31 December 2011: £24,000) resulting in a gain on disposal of £12,000 (30 June 2011: £4,000; 31 December 2011: £17,000).

10 Intangible assets

	Goodwill £'000	Client relationships £'000	Software development costs £'000	Purchased software £'000	Total £'000
Cost					
At 1 January 2012	**47,241**	**54,333**	**2,860**	**14,191**	**118,625**
Internally developed in the period	**-**	**-**	**171**	**-**	**171**
Purchased in the period	**-**	**3,131**	**-**	**730**	**3,861**
Acquired through business combinations	**-**	**2,183**	**-**	**-**	**2,183**
Disposals	**-**	**(947)**	**-**	**(805)**	**(1,752)**
At 30 June 2012	**47,241**	**58,700**	**3,031**	**14,116**	**123,088**
Amortisation					
At 1 January 2012	**-**	**12,787**	**2,137**	**10,857**	**25,781**
Charge in the period	**-**	**3,007**	**200**	**540**	**3,747**
Disposals	**-**	**(947)**	**-**	**(805)**	**(1,752)**
At 30 June 2012	**-**	**14,847**	**2,337**	**10,592**	**27,776**
Carrying value at 30 June 2012	**47,241**	**43,853**	**694**	**3,524**	**95,312**
Carrying value at 30 June 2011	47,241	41,198	700	2,604	91,743
Carrying value at 31 December 2011	47,241	41,546	723	3,334	92,844

11 Provisions for liabilities and charges

	Deferred, contingent costs to acquire client relationship intangibles £'000	Client compensation £'000	Property related and other £'000	Total £'000
At 1 January 2011	5,092	622	476	6,190
Charged to profit or loss	-	370	1,230	1,600
Unused amount credited to profit or loss	-	(10)	(26)	(36)
Net charge to profit or loss	-	360	1,204	1,564
Other movements	2,985	-	-	2,985
Utilised/paid during the period	(1,745)	(167)	(82)	(1,994)
At 30 June 2011	6,332	815	1,598	8,745
Charged to profit or loss	-	875	406	1,281
Unused amount credited to profit or loss	-	-	(380)	(380)
Net charge to profit or loss	-	875	26	901
Other movements	2,707	-	-	2,707
Utilised/paid during the period	(2,243)	(24)	(77)	(2,344)
At 1 January 2012	**6,796**	**1,666**	**1,547**	**10,009**
Charged to profit or loss	**-**	**-**	**651**	**651**
Unused amount credited to profit or loss	**-**	**(555)**	**(421)**	**(976)**
Net (credit)/charge to profit or loss	**-**	**(555)**	**230**	**(325)**
Other movements	**4,965**	**-**	**-**	**4,965**
Utilised/paid during the period	**(3,533)**	**(766)**	**(960)**	**(5,259)**
At 30 June 2012	**8,228**	**345**	**817**	**9,390**

Other movements in provisions relate to deferred payments to investment managers and third parties for the introduction of client relationships, which have been capitalised in the period, and other assets acquired through business combinations.

Deferred, contingent costs to acquire client relationship intangibles at 30 June 2012 includes £1,834,000 (30 June 2011: £nil; 31 December 2011: £nil) in relation to deferred contingent consideration for the purchase of R M Walkden & Co. Limited (note 3).

11 Provisions for liabilities and charges continued

The non-current element of provisions (expected to be paid after more than one year) totals £4,385,000 as at 30 June 2012 (30 June 2011: £4,355,000; 31 December 2011: £5,745,000).

Property related and other provisions include a provision of £387,000 (30 June 2011: £1,170,000; 31 December 2011: £1,196,000) in relation to onerous lease and dilapidation costs following the decision to relocate the London head office (note 4).

12 Long term employee benefits

The Group operates two defined benefit pension schemes providing benefits based on pensionable salary for executive directors and staff employed by the Company. For the purposes of calculating the pension benefit obligations, the following assumptions have been used:

	Unaudited 30 June 2012 % p.a.	Unaudited 30 June 2011 % p.a.	Audited 31 December 2011 % p.a.
Rate of increase in salaries	**3.90**	4.95	4.10
Rate of increase of pensions in payment:			
- Laurence Keen Scheme	**3.30**	3.70	3.40
- Rathbones 1987 Scheme	**2.90**	3.50	3.10
Rate of increase of deferred pensions	**2.90**	3.70	3.10
Discount rate	**4.50**	5.50	4.70
Inflation*	**2.90**	3.70	3.10

* Inflation assumptions are based on the Retail Prices Index

The assumed life expectations of members retiring, aged 65 were:

	Unaudited 30 June 2012 Males	**Unaudited 30 June 2012 Females**	Unaudited 30 June 2011 Males	Unaudited 30 June 2011 Females	Audited 31 December 2011 Males	Audited 31 December 2011 Females
Retiring today	**24.0**	**26.0**	22.2	24.3	23.8	25.9
Retiring in 20 years	**26.3**	**28.0**	23.7	25.5	26.1	27.9

The amount included in the condensed interim balance sheet arising from the Group's obligations in respect of the schemes is as follows:

	Unaudited Rathbone 1987 Scheme 30 June 2012 £'000	**Unaudited Laurence Keen Scheme 30 June 2012 £'000**	Unaudited Rathbone 1987 Scheme 30 June 2011 £'000	Unaudited Laurence Keen Scheme 30 June 2011 £'000	Audited Rathbone 1987 Scheme 31 December 2011 £'000	Audited Laurence Keen Scheme 31 December 2011 £'000
Present value of defined benefit obligations	**(109,013)**	**(13,876)**	(89,882)	(12,073)	(103,113)	(13,421)
Fair value of scheme assets	**103,824**	**13,630**	89,014	12,606	96,292	12,902
Total (deficit)/surplus	**(5,189)**	**(246)**	(868)	533	(6,821)	(519)

The Group made special contributions into its pension schemes of £2,269,000 during the period (30 June 2011: £2,128,000; 31 December 2011: £3,506,000).

13 Share capital

The following movements in share capital occurred during the period:

	Number of shares	Exercise price pence	Share capital £'000	Share premium £'000	Total £'000
At 1 January 2011	43,376,790		2,169	32,488	34,657
Shares issued:					
- to Share Incentive Plan	82,194	890.0	4	727	731
- to Save As You Earn scheme	971	696.0	-	7	7
- on exercise of options	35,833	415.0 - 852.0	2	268	270
At 30 June 2011	43,495,788		2,175	33,490	35,665
Shares issued:					
- to Share Incentive Plan	65,035	1,117.0	3	724	727
- to Save As You Earn scheme	317	696.0	-	2	2
- on exercise of options	-	-	-	-	-
At 31 December 2011	**43,561,140**		**2,178**	**34,216**	**36,394**
Shares issued:					
- to Share Incentive Plan	**136,852**	**1,150.0 - 1,351.0**	**7**	**1,711**	**1,718**
- to Save As You Earn scheme	**1,160**	**696.0**	**-**	**8**	**8**
- on exercise of options	**181,158**	**415.0 - 1,172.0**	**9**	**1,461**	**1,470**
At 30 June 2012	**43,880,310**		**2,194**	**37,396**	**39,590**

At 30 June 2012, the Group held 542,509 treasury shares (30 June 2011: 450,293; 31 December 2011: 475,454).

14 Contingent liabilities and commitments

(a) Indemnities are provided in the normal course of business to a number of directors and employees who provide tax and trust advisory services in connection with them acting as trustees/directors of client companies and providing other services.

A claim relating to the management of a Jersey trust has been filed against a former employee (and director) of Rathbone Trust Company Jersey Limited. Rathbone Trust Company Jersey Limited was a subsidiary of the Company from March 2000 until October 2008. Although we believe this claim will be unsuccessful, a possible obligation may exist which is contingent on whether the claim (or any parts of it) are upheld.

Management have sought to confirm the position of the Company's civil liability (professional indemnity) insurers in relation to the claim. Based on information currently available, the Company's primary layer insurer has confirmed cover subject to policy terms and conditions (including their share of the excess layer) but the remaining excess insurers have to date refused to confirm cover.

Due to the complexity of the claim, the number of parties involved and the impact of insurance cover available to the trustees, it is not practicable to estimate reliably the value of any possible obligation for the Company.

The Board considers that it is unlikely that a material liability to Rathbones will arise from this claim, and accordingly no provision has been made.

(b) Capital expenditure authorised and contracted for at 30 June 2012 but not provided in the condensed consolidated interim financial statements amounted to £704,000 (30 June 2011: £934,000 and 31 December 2011: £2,223,000).

(c) The contractual amounts of the Group's commitments to extend credit to its clients are as follows:

	Unaudited 30 June 2012 £'000	Unaudited 30 June 2011 £'000	Audited 31 December 2011 £'000
Guarantees	**578**	583	578
Undrawn commitments to lend of 1 year or less	**4,320**	4,617	6,925
	4,898	5,200	7,503

The fair value of the guarantees is £nil (30 June 2011 and 31 December 2011: £nil).

14 Contingent liabilities and commitments continued

(d) In addition to Financial Services Compensation Scheme levies accrued in the period, further levy charges may be incurred in future years, although the ultimate cost remains uncertain.

15 Consolidated interim statement of cash flows

For the purposes of the consolidated interim statement of cash flows, cash and cash equivalents comprise the following balances with less than three months until maturity from the date of acquisition:

	Unaudited 30 June 2012 £'000	Unaudited 30 June 2011 £'000	Audited 31 December 2011 £'000
Cash	**5**	3	4
Loans and advances to banks	**125,864**	69,590	64,258
Available for sale investment securities	**51,611**	15,111	65,610
	177,480	84,704	129,872

Available for sale investment securities are amounts invested in money market funds which are realisable on demand.

Cash flows arising from issue of ordinary shares comprise:

	Unaudited Six months to 30 June 2012 £'000	Unaudited Six months to 30 June 2011 £'000	Audited Year to 31 December 2011 £'000
Share capital issued (note 13)	**16**	6	9
Share premium on shares issued (note 13)	**3,180**	1,002	1,728
Shares issued in relation to share-based schemes for which no cash consideration was received	**(1,321)**	(359)	(696)
	1,875	649	1,041

16 Related party transactions

The key management personnel of the Group are defined as the Company's directors and other members of senior management who are responsible for planning, directing and controlling the activities of the Group.

Dividends totalling £224,000 were paid in the period (six months ended 30 June 2011: £246,000; year ended 31 December 2011: £399,000) in respect of ordinary shares held by key management personnel.

At 30 June 2012, key management personnel and their close family members had gross outstanding deposits of £1,193,000 (30 June 2011: £924,000; 31 December 2011: £1,040,000) and gross outstanding loans of £1,456,000 (30 June 2011: £365,000; 31 December 2011: £1,685,000) which were made on normal business terms. A number of the Company's directors and their close family members make use of the services provided by companies within the Group. Charges for such services are made at various staff rates.

The Group managed 18 unit trusts and OEICs during the first half of 2012 (six months ended 30 June 2011: 17 unit trusts and OEICs; year ended 31 December 2011: 18 unit trusts and OEICs). Total annual management charges of £7,947,000 (six months ended 30 June 2011: £7,297,000; year ended 31 December 2011: £14,451,000) were earned, calculated on the bases published in the individual fund prospectuses, which also state the terms and conditions of the management contract with the Group. Annual management fees owed to the Group as at 30 June 2012 totalled £1,149,000 (six months ended 30 June 2011: £1,159,000; year ended 31 December 2011: £1,208,000).

All amounts outstanding with related parties are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

17 Events after the consolidated interim balance sheet date

There have been no material events occurring between the consolidated interim balance sheet date and the date of signing this interim statement.

Independent review report to Rathbone Brothers 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 30 June 2012 which comprises the consolidated interim statement of comprehensive income, consolidated interim statement of changes in equity, consolidated interim balance sheet, consolidated interim statement of cash flows and the related explanatory 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.

This report is made solely to the Company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Services Authority ("the UK FSA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

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 DTR of the UK FSA.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half yearly financial report based on our review.

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 UK. 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 set of financial statements in the half yearly financial report for the six months ended 30 June 2012 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FSA.

I Cummings (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants
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25 July 2012

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