14 February 2017

THE BRUNNER INVESTMENT TRUST PLC

Final Results for the year ended 30 November 2016.

The following comprises extracts from the Company's Annual Financial Report for the year ended 30 November 2016. The full annual financial report is being made available to be viewed on or downloaded from the company's website at www.brunner.co.uk. Copies will be posted to shareholders shortly.

## MANAGEMENT REPORT

### Chairman's Statement

**Performance**
This is my first year as Chairman of Brunner and it is pleasing to note that the Net Asset Value (NAV) per ordinary share of the company increased by 20.2% on a total return basis, outperforming the benchmark index of 50% All-Share Index and 50% FTSE World Ex UK Index which generated a total return of 18% over the period.

This outperformance was generated by a combination of good stock selection in overseas markets and a move early in our financial year to increase the weighting of the overseas portfolio.

**Earnings per Share**
Good dividend growth from our existing portfolio plus the benefit from translating dividends in overseas currencies back into sterling after the large depreciation in sterling, has benefited the company's earnings. As a result the company's earnings per share rose by 16.3% this year, from 14.1p to 16.4p.

**Dividends for the Year**
It is proposed that a fourth and final dividend of 5.9p per share will be paid on 24 March 2017 to shareholders on the Register of Members at close of business on 24 February 2017, bringing the total payment for 2016 to 15.8p, an increase of 3.3% on last year. Revenue reserves remain strong at 23.3p per share, after the payment of the third quarterly dividend and the proposed final dividend.

The board has not increased dividends this year in line with the very strong earnings growth as it wishes to spread that earnings growth over a number of future years' dividends and also to allow the portfolio manager as much freedom as possible to seek out the companies with the best dividend and earnings opportunities wherever they are based geographically.

However, the board intends to maintain a dividend which grows over time above the inflation rate, subject to performance and to maintaining adequate dividend cover over the longer term.

If the dividend is approved, this will mean the company will have a 45 year record of increasing dividends.

**Investment policy and benchmark**
For the majority of its history, Brunner has been managed as two separate portfolios, UK equities and overseas equities. Lucy Macdonald, who has managed the overseas portfolio since 2005 became sole manager in June 2016 and the two portfolios were combined to become one global equity portfolio. The investment manager's review starting on page 17 of the annual financial report sets out how the portfolio has been managed to ensure greater consistency since she became sole manager and how the portfolio is focussing on her best global equity ideas.

In the half year report published in July last year I said that the board was considering proposing a revision to the benchmark to incorporate a higher proportion in overseas equities. Our portfolio manager has been steadily investing an increasing proportion of the portfolio in overseas equities throughout the year. This is to diversify the income stream and to avoid dependence for the dividend on a small number of large UK companies. It allows the manager to take advantage of attractive income opportunities in overseas markets.

The board and manager believe that this will produce a more robust and diversified stream of earnings in the future and the Board is proposing that this is reflected in a change in the current benchmark from 50% FTSE All-Share Index and 50% FTSE World Ex UK Index to 70% FTSE World Ex UK Index and 30% FTSE All-Share Index.

This change to the benchmark is being proposed for shareholder approval as part of a restated Investment Policy at the Annual General Meeting on 21 March and, if approved, will take effect from that date.

**Debentures**
Even though our net asset value, when calculated on a fair value of debt, takes account of the high cost of the company's existing debentures, the board believes that they are an added complication for a trust which aims to appeal to a broad spectrum of private investors. As the board has noted in previous annual reports, we continue to look at whether there are any viable early redemption options. One of our debentures matures in January 2018 and the directors have decided that they will redeem this for cash at that time and accordingly we have built up the cash reserves to finance this.

The board continues to actively consider whether it would be beneficial to shareholders to repay the 2023 debenture early and monitors carefully how the cost of doing so varies with changes in market yields. There is detail on the debentures in Note 11 on page 67 of the annual financial report and we consider our position further in our Viability Statement on page 13 of the annual financial report.

**Buyback of Shares**
The discount has traded at an average of 15.5% (with debt at fair value on a cum income basis) during the period and it has been wider than the sector average (7.9%).

The board does not consider this a satisfactory situation and has used its buyback powers when it appeared beneficial to shareholders to do so. There is a difficult balance to be struck here as the consolidation of many retail advisory firms has resulted in their desire for an increased level of liquidity in the shares they recommend to their clients, so a buyback programme that materially reduces the size of the company's market capitalisation is likely to have disappointing long term consequences. We will be seeking shareholder approval to renew the share buyback facility for the coming year in order to be able to continue to use this mechanism when in the interests of shareholders.

**Marketing**
The presence of advertising and other media coverage can help make Brunner a 'front of mind' investment choice for those considering their long term investment needs, such as saving for retirement. Accordingly, Brunner operates a targeted and coordinated marketing programme, that aims to raise awareness of its investment remit to potential investors as well as communicating the latest developments to existing shareholders. The board is encouraged by the steady buying we see from retail shareholders and it is encouraging to note that Allianz Global Investors won the 'Best Investor Education' award voted for by private investors of Shares Magazine. A successful marketing strategy stands to benefit all of the company's shareholders. Expenses of running the marketing programme are kept to a reasonable level and are monitored closely by the board to ensure that value for money is being delivered.

**Outlook**
The US economy is making good progress and there is a slow and steady economic recovery in Europe. Despite the unsettled political outlook the companies we invest in are producing good earnings and dividend growth. Overall the backdrop for equity markets leaves us cautiously optimistic going into 2017, with positive support from earnings and a pro-growth US administration contending with relatively high valuations, higher US interest rates and political uncertainty. Against this background, we believe that your company's balanced portfolio risk profile which has navigated the volatile markets in 2016, will continue to benefit investors.

**Annual General Meeting**
The Annual General Meeting will be held at Trinity House, Trinity Square, Tower Hill, London EC3N 4DH, on 21 March 2017, and we, the board, look forward to meeting those shareholders who are able to attend.

Carolan Dobson
Chairman
14 February 2017

## Risk Policy

The board operates a risk management policy to ensure that the level of risk taken in pursuit of the board's objectives and in implementing its strategy are understood. The principal risks identified by the board are set out in the table below, together with the actions taken to mitigate these risks. The process by which the directors monitor risk is described in the Audit Committee Report on page 43 of the annual financial report.

**Risk Appetite**
The directors' approach to risk is to identify where there are risks and to note mitigation actions taken and then to look at the probability of the event and consider the extent to which the resulting residual risk is acceptable, which is defined as the board's risk appetite. As a result of this exercise the risks are rated as 'red' or 'high' when the risk is of concern and sufficient mitigation measures are not possible or not yet in place; 'amber' or 'moderate' when the risk is of concern but sufficient measures are defined and have been or are being implemented; and 'green' or 'acceptable' when the risk is acceptable and no further measures are needed. The nature of the company's business means that a certain amount of risk must be taken for the objectives to be met and it is not surprising that portfolio risk types earn amber ratings.

**Principal Risks**
A more detailed version of the table below, in the form of a risk matrix, is reviewed and updated by the audit committee at least twice yearly. The principal risks are broadly unchanged from the previous year, although they have been added to by the inclusion of the new category of emerging risks this year.

| Principal Risks identified | Controls and mitigation | Risk Appetite* |
|---|---|---|
| **Portfolio Risk**<br>• Significant market movements may adversely impact the investments held by the company increasing the risk of loss or challenges to the investment strategy.<br>• Reduction of dividends across the market affecting the portfolio yield and the ability to pay in line with dividend policy.<br>• Exposure to significant exchange rate volatility could affect the performance of the investment portfolio | • The board meets with the portfolio managers and considers asset allocation, stock selection and levels of gearing on a regular basis and has set investment restrictions and guidelines that are monitored and reported on by AllianzGI.<br>• The board monitors yields and can modify investment parameters and consider a change to dividend policy.<br>• The board receives reports from the manager on the stress testing of the portfolio at least twice each year and contact is made with the chairman and board if necessary between board meetings.<br>• Currency movements are monitored closely and are reported to the board. | Amber |
| **Business Risk**<br>• An inappropriate investment strategy e.g. asset allocation or the level of gearing may lead to underperformance against the company's benchmark index and peer group companies, resulting in the company's shares trading on a wider discount.<br>• Risk that there are insufficient liquid funds to pay back debentures on maturity. | • The board manages these risks by diversification of investments through its investment restrictions and guidelines which are monitored and on which the board receives reports at every meeting. The board monitors the implementation and results of the investment process with the investment managers, who attend all board meetings, and reviews data which shows risk factors and how they affect the portfolio. The manager employs the company's gearing tactically within a | Green |

| | | |
|---|---|---|
| | strategic range set by the board. The board also meets annually specifically to discuss strategy, including investment strategy.<br>• The board has identified sufficient available funds for the repayment of debenture holders. | |
| **Operational Risk**<br>• Risk of inadequate procedures for the identification, evaluation and management of risks at outsourced providers including Allianz Global Investors (AllianzGI), and AllianzGI's outsourced providers, Bank of New York (BNYM) and Northern Trust (NT). | • AllianzGI carries out regular monitoring of outsourced administration functions, this includes Compliance visits and risk reviews where necessary. Results of these reviews are received by the board.<br>• Agreed Service Level Agreements (SLAs) and Key Performance Indicators (KPIs) are in place and the board receives reports against these. | Green |

**Emerging Risks**: The board also considers the impact from emerging risks that are not yet know or fully identifiable, such as economic, regulatory and political risks arising from the implementation of the UK's exit from the European Union or the US election. The board maintains close relations with its advisers (auditors, lawyers and manager) and will make preparations for mitigation of these risks as and when they are known or can be anticipated.

**Risk Appetite**:
Green Risk is acceptable, no additional measures needed
Amber Risk is of concern, but sufficient measures are defined and being implemented
Red Risk is of concern, sufficient mitigation measures not possible or not yet in place

* The board identifies risks, considers controls and mitigation, and then evaluates whether its risk appetite is satisfied. This column shows whether the residual risks, measured against the board's risk appetite, are satisfactory. This check enables the board to conclude that its assessment of risk is in line with its risk appetite.

In addition to the principal risks above, the board has identified more general risks, for example relating to compliance with accounting, tax, legal and regulatory requirements and to the provision of services from third parties. As in all companies, the board is alert to the risks of financial crime and threat of cyber attacks and monitors reports provided by third party service providers on how these threats are being handled. After ensuring that there are appropriate measures in place, the board considers these risks are effectively mitigated.

**Directors' Responsibility Statement**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors, at the date of the approval of this Report, each confirm to the best of their knowledge that:

- the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit of the company;

- the Strategic Report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that they face; and

- the annual financial report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's performance, business model and strategy.

This responsibility statement was approved by the board of directors on 14 February 2017 and signed on its behalf by:

Carolan Dobson
Chairman

**PORTFOLIO ANALYSIS as at 30 November 2016**

| | % of Invested Funds |
|---|---|
| United Kingdom | 34.96 |
| North America | 32.66 |
| Continental Europe | 20.38 |
| Pacific Basin | 6.80 |
| Japan | 3.69 |
| Latin America | 1.51 |
| **Total** | **100.0** |

**THIRTY LARGEST EQUITY INVESTMENTS as at 30 November 2016**

| | Valuation (£) | % of Invested Funds | Principal Activities |
|---|---|---|---|
| Microsoft | **11,407,089** | **3.36** | **Software & Computer Services** |
| United Health | **10,381,661** | **3.06** | **Health Care Equipment & Services** |
| Royal Dutch Shell ‘B’ Shares | **10,325,102** | **3.04** | **Oil & Gas Producers** |
| AbbVie | **8,169,605** | **2.41** | **Pharmaceuticals & Biotechnology** |
| Accenture | **8,051,368** | **2.37** | **Support Services** |
| BP | **8,033,892** | **2.37** | **Oil & Gas Producers** |
| Muenchener Rueckver | **7,181,665** | **2.12** | **Non-Life Insurance** |
| HSBC | **6,982,800** | **2.06** | **Banks** |
| Nielsen | **6,799,917** | **2.00** | **Media** |
| Walgreens Boots Alliance | **6,655,177** | **1.96** | **Food & Drug Retailers** |
| Roche Holdings | **6,403,909** | **1.89** | **Pharmaceuticals & Biotechnology** |
| Covestro | **6,165,054** | **1.82** | **Chemicals** |
| GlaxoSmithKline | **6,124,402** | **1.80** | **Pharmaceuticals & Biotechnology** |
| Estee Lauder ‘A’ Shares | **5,986,941** | **1.76** | **Personal Goods** |
| EOG Resources | **5,909,134** | **1.74** | **Oil & Gas Producers** |
| Visa | **5,662,758** | **1.67** | **Financial Services** |
| Microchip Technology | **5,357,116** | **1.58** | **Technology Hardware & Equipment** |
| Lloyds Banking Group | **5,312,466** | **1.56** | **Banks** |
| UBM | **5,268,271** | **1.55** | **Media** |
| Priceline Group | **5,211,218** | **1.53** | **Travel & Leisure** |
| Taiwan Semiconductor (ADS) | **5,152,687** | **1.52** | **Technology Hardware & Equipment** |
| Better Capital | **5,145,000** | **1.52** | **Equity Investment Instruments** |
| Amphenol | **5,017,637** | **1.48** | **Electronic & Electrical Equipment** |
| Fresenius | **4,988,891** | **1.47** | **Health Care Equipment & Services** |
| Rio Tinto | **4,945,649** | **1.46** | **Mining** |
| SMC | **4,906,721** | **1.44** | **Industrial Engineering** |
| ICAP | **4,893,345** | **1.44** | **Financial Services** |
| Apple | **4,675,226** | **1.38** | **Technology Hardware & Equipment** |
| Prudential | **4,641,000** | **1.37** | **Life Insurance** |
| Centrica | **4,440,197** | **1.31** | **Gas, Water & Multiutilities** |
| | **190,195,898** | **56.04** | **% of Total Invested Funds** |

**INCOME STATEMENT**

**for the year ended 30 November 2016**

| | 2016 | | |
|---|---|---|---|
| | **Revenue £** | **Capital £** | **Total Return £ (Note C)** |
| Net gains on investments at fair value | - | 49,145,436 | 49,145,436 |
| Net gains on foreign currencies | - | 224,450 | 224,450 |
| Income | 9,995,903 | - | 9,995,903 |
| Investment management fee | (459,187) | (1,071,436) | (1,530,623) |
| Administration expenses | (637,646) | (4,959) | (642,605) |
| **Net profit before finance costs and taxation** | **8,899,070** | **48,293,491** | **57,192,561** |
| Finance costs: interest payable and similar charges | (1,336,654) | (3,066,358) | (4,403,012) |
| **Net profit on ordinary activities before taxation** | **7,562,416** | **45,227,133** | **52,789,549** |
| Taxation | (511,474) | - | (511,474) |
| **Net profit on ordinary activities attributable to ordinary shareholders** | **7,050,942** | **45,227,133** | **52,278,075** |
| **Net Earnings per ordinary share** (basic and diluted) (Note B) | 16.40p | 105.20p | 121.60p |

**BALANCE SHEET**

**as at 30 November 2016**

| | **2016 £** |
|---|---|
| Investments held at fair value through profit or loss | 339,322,416 |
| **Net current assets** | 28,079,711 |
| **Total assets less current liabilities** | **367,402,127** |
| Creditors – amounts falling due after more than one year | (49,068,102) |
| **Total net assets** | **318,334,025** |
| **Capital and reserves** | |
| Called up share capital | 10,714,414 |
| Capital redemption reserve | 5,285,586 |
| Capital reserve | 288,392,980 |
| Revenue reserve | 13,941,045 |
| **Equity shareholders' funds** | **318,334,025** |
| **Net asset value per ordinary share** | 742.8p |

The net asset value is based on 42,857,658 ordinary shares in issue.

**INCOME STATEMENT**

**for the year ended 30 November 2015**

| | Revenue £ | 2015 Capital £ | Total Return £ (Note C) |
|---|---|---|---|
| Net gains on investments at fair value | - | 362,014 | 362,014 |
| Net losses on foreign currencies | - | (10,799) | (10,799) |
| Income | 8,735,318 | - | 8,735,318 |
| Investment management fee | (447,212) | (1,043,494) | (1,490,706) |
| Administration expenses | (525,631) | (1,284) | (526,915) |
| **Net profit (loss) before finance costs and taxation** | **7,762,475** | **(693,563)** | **7,068,912** |
| Finance costs: interest payable and similar charges | (1,340,142) | (3,074,497) | (4,414,639) |
| **Net profit (loss) on ordinary activities before taxation** | **6,422,333** | **(3,768,060)** | **2,654,273** |
| Taxation | (357,378) | - | (357,378) |
| **Net profit (loss) on ordinary activities attributable to ordinary shareholders** | **6,064,955** | **(3,768,060)** | **2,296,895** |
| **Net earnings (loss) per ordinary share** (basic and diluted) (Note B) | 14.09p | (8.75p) | 5.34p |

**BALANCE SHEET**

**as at 30 November 2015**

| | 2015 £ |
|---|---|
| Investments held at fair value through profit or loss | 290,746,116 |
| **Net current assets** | 32,225,025 |
| **Total assets less current liabilities** | **322,971,141** |
| Creditors – amounts falling due after more than one year | (49,341,078) |
| **Total net assets** | **273,630,063** |
| **Capital and reserves** | |
| Called up share capital | 10,753,104 |
| Capital redemption reserve | 5,246,896 |
| Capital reserve | 244,074,684 |
| Revenue reserve | 13,555,379 |
| **Equity shareholders' funds** | **273,630,063** |
| **Net asset value per ordinary share** | 636.2p |

The net asset value is based on 43,012,418 ordinary shares in issue.

## RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

## For the year ended 30 November 2016

| | Called up Share Capital £ | Capital Redemption Reserve £ | Capital Reserve £ | Revenue Reserve £ | Total £ |
|---|---|---|---|---|---|
| Net assets at 1 December 2014 | 10,772,354 | 5,227,646 | 248,284,533 | 14,078,497 | 278,363,030 |
| Revenue profit | - | - | - | 6,064,955 | 6,064,955 |
| Shares repurchased during the year | (19,250) | 19,250 | (441,789) | - | (441,789) |
| Dividends on ordinary shares | - | - | - | (6,588,073) | (6,588,073) |
| Capital loss | - | - | (3,768,060) | - | (3,768,060) |
| **Net assets at 30 November 2015** | **10,753,104** | **5,246,896** | **244,074,684** | **13,555,379** | **273,630,063** |
| | | | | | |
| Net assets at 1 December 2015 | 10,753,104 | 5,246,896 | 244,074,684 | 13,555,379 | 273,630,063 |
| Revenue profit | - | - | - | 7,050,942 | 7,050,942 |
| Shares repurchased during the year | (38,690) | 38,690 | (908,837) | - | (908,837) |
| Dividends on ordinary shares | - | - | - | (6,665,276) | (6,665,276) |
| Capital profit | - | - | 45,227,133 | - | 45,227,133 |
| **Net assets at 30 November 2016** | **10,714,414** | **5,285,586** | **288,392,980** | **13,941,045** | **318,334,025** |

## CASH FLOW STATEMENT

### For the year ended 30 November 2016

| | 2016<br>£ | 2015<br>£ |
|---|---|---|
| **Operating activities** | | |
| Net profit before finance costs and taxation* | 57,192,561 | 7,068,912 |
| Less: Net gains on investments held at fair value through profit or loss | (49,145,436) | (362,014) |
| Add: Special dividends credited to capital | 1,534,249 | - |
| Add: Stock dividends credited to capital | - | 491,348 |
| Less: Effective yield amortisation | - | (2,041) |
| Less: Scrip dividends received as income | - | (103,272) |
| Less: Overseas tax suffered | (511,474) | (357,378) |
| Less: Net (gains) losses on foreign currency | (224,450) | 10,799 |
| Purchase of fixed asset investments held at fair value through profit or loss | (62,313,384) | (40,245,200) |
| Sales of fixed asset investments held at fair value through profit or loss | 61,460,784 | 78,381,093 |
| (Increase) decrease in other receivables | (272,409) | 35,261 |
| Increase (decrease) in other payables | 112,909 | (32,236) |
| **Net cash inflow from operating activities** | **7,833,350** | **44,885,272** |
| | | |
| **Financing activities** | | |
| Interest paid | (4,653,488) | (4,650,523) |
| Dividends paid on cumulative preference stock | (22,500) | (22,500) |
| Dividends paid on ordinary shares | (6,665,276) | (6,588,073) |
| Repurchase of ordinary shares for cancellation | (904,947) | (441,789) |
| **Net cash outflow from financing activities** | **(12,246,211)** | **(11,702,885)** |
| | | |
| **(Decrease) Increase in cash and cash equivalents** | **(4,412,861)** | **33,182,387** |
| | | |
| Cash and cash equivalents at the start of the year | 32,346,463 | (825,125) |
| Effect of foreign exchange rates | 224,450 | (10,799) |
| Cash and cash equivalents at the end of the year | 28,158,052 | 32,346,463 |
| Comprised of: | | |
| Cash at bank | 28,158,052 | 32,346,463 |

* Cash inflow from dividends was £8,981,499 (2015 - £8,145,143) and cash inflow from interest was £154,481 (2015 - £21,980).

The presentation of the Cash Flow Statement has been changed in accordance to FRS102, see note A.

Notes

Note A

The financial statements have been prepared under the historical cost convention, except for the revaluation of financial instruments held at fair value through profit or loss and in accordance with applicable United Kingdom law and UK Accounting Standards (“UK GAAP”) , including Financial Reporting Standard 102 – the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (“FRS 102”) and in line with the Statement of Recommended Practice “Financial Statements of Investment Trust Companies and Venture Capital Trusts” issued by the Association of Investment Companies (“AIC SORP”) in November 2014.

As a result of the first time adoption of FRS 102 and the revised AIC SORP, presentation formats have been amended where required. There were no adjustments to the company’s Income Statement and Balance Sheet for the financial years ended 30 November 2015 and 30 November 2016. For more information, see note 20 on page 76 of the annual financial report.

The company’s Cash Flow Statement reflects the presentational requirements of FRS 102, which are different from those of FRS 1. In addition the Cash Flow Statement reconciles to cash and cash equivalents whereas under previous UK GAAP the cash flow statement reconciled to cash.

Note B

The return per ordinary share is based on a weighted average number of shares in issue of 42,990,969 (30 November 2015: 43,047,245) ordinary shares in issue.

Note C

The total column of this statement is the profit and loss account of the company.

The supplementary revenue return and capital return columns are both prepared under the guidance published by the Association of Investment Companies.

All revenue and capital items in the Income Statement derive from continuing operations. No operations were acquired or discontinued in the year.

The net profit for the year disclosed above represents the company’s total comprehensive income.

Included in the cost of investments are transaction costs and stamp duty on purchases of £229,538 (2015: £172,661) and transaction costs on sales of £51,108 (2015: £51,304).

Note D

Valuation – As the company’s business is investing in financial assets with a view to profiting from their total return in the form of increases in fair value, financial assets are designated as held at fair value through profit or loss in accordance with FRS 102 Section 11: ‘Basic Financial Instruments’ and Section 12: ‘Other Financial Instruments’. The company manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy, and information about the investments is provided on this basis to the board.

Note E

**Dividends on Ordinary Shares**

| | **2016** **£** | **2015** **£** |
|---|---|---|
| Dividends paid on ordinary shares: | | |
| Third Interim: 3.20p paid 16 December 2015 (2015: 3.20p) | 1,376,398 | 1,378,861 |
| Final: 5.70p paid 29 March 2016 (2015: 5.70p) | 2,451,708 | 2,456,096 |
| First Interim: 3.30p paid 30 June 2016 (2015: 3.20p) | 1,418,585 | 1,376,718 |
| Second Interim: 3.30p paid 19 September 2016 (2015: 3.20p) | 1,418,585 | 1,376,398 |
| | 6,665,276 | 6,588,073 |

Dividends payable at the year end are not recognised as a liability under FRS 102 Section 32 'Events After the end of the Reporting Period' (see Annual Financial Report - Statement of Accounting Policies). Details of these dividends are set out below.

| | **2016** **£** | **2015** **£** |
|---|---|---|
| Third interim: 3.30p payable 14 December 2016 (2015: 3.20p) | 1,417,603 | 1,376,398 |
| Final proposed dividend: 5.90p payable 24 March 2017 (2016: 5.70p) | 2,528,602 | 2,451,708 |
| | 3,946,205 | 3,828,106 |

The proposed final dividend accrued is based on the number of shares in issue at the year end. However, the dividend payable will be based on the numbers of shares in issue on the record date and will reflect any changes in the share capital between the year end and the record date.

All dividends disclosed in the tables above have been paid or are payable from the revenue reserves.

Note F

The financial information for the year ended 30 November 2016 has been extracted from the statutory accounts for that year. The auditor's report on those accounts was unqualified and did not contain a statement under either section 498(2) or (3) of the Companies Act 2006. The annual financial report has not yet been delivered to the registrar of companies.

The financial information for the year ended 30 November 2015 has been extracted from the statutory accounts for that year which have been delivered to the registrar of companies. The auditor's report on those accounts was unqualified and did not contain a statement under either section 498(2) or section 498(3) of the Companies Act 2006.

The full annual financial report will shortly be available to be viewed on or downloaded from the company's website at www.brunner.co.uk. Neither the contents of the company's website nor the contents of any website accessible from hyperlinks on the company's website (or any other website) is incorporated into, or forms part of this announcement.