

**BROADER
BRIGHTER
STRONGER**

Premier Miton Group plc
Interim Report 2020

Premier Miton
INVESTORS

WHAT WE STAND FOR

DELIVERING STRONG
CUSTOMER OUTCOMES
THROUGH CLEAR,
STRAIGHTFORWARD
PRODUCTS;
POWERED BY BRIGHT,
INDEPENDENT MINDS.



www.premiermiton.com

Premier Miton recognises that we are part of a larger investment community and a broader society. We believe in acting responsibly and leading by example by championing the high standards of investment and behaviour.

2020 INTERIM HIGHLIGHTS

Product and performance

61.4%

of funds and investment trusts are first or second quartile since launch/tenure¹

The LF Miton European Opportunities Fund remains

BEST PERFORMING

fund in its sector since launch

£(389)m

net outflows across the product range for the period

8

funds at the period end each with greater than

£300m AuM

Assets under Management ('AuM')

£9,145m

closing AuM versus £6,793m at 31 March 2019

+49%

average AuM at £9,928m versus £6,643m for the comparative period

46

products managed at 31 March 2020

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Results and profitability

Adjusted profit before tax and amortisation

£12.2m

Adjusted earnings per share (basic)

7.29p

£29.3m

of total cash at 31 March 2020

¹ See footnote 2 on page 9

COMPANY OVERVIEW

WHAT WE DO

Passionate about markets

We aim to deliver durable returns over the long term. We believe in looking forward. Against a backdrop of constant change and development, we recognise that our clients' requirements will continue to evolve. It's not enough to offer the investment solutions for today: we will continue to adapt in order to ensure we offer investment products that meet our clients' changing needs.

Dedicated to clients

We are dedicated to managing our clients' money. Our success is defined by our clients' success, but we never forget we are managing other people's money. Our work is founded on serving clients by helping them meet their investment objectives and preferences through well managed and relevant investment products backed by really good client service. Ultimately, our product is performance, which might be delivering a sustainable long-term income, long-term growth, wealth preservation, managing risk or beating a specific market benchmark, but our priority will always be our clients.

Our bright minds don't think alike

Our investment teams pursue an enlightened, collaborative approach that prioritises communication and discussion over bureaucracy and box-ticking. We don't have a 'house' view. This means our clients' investments are managed by talented investment managers who are given the relevant freedom to think independently, because we believe this approach produces better investment outcomes for clients. Our flexible approach encourages us to look further, dig deeper for good investment ideas and to think smarter.

We care

Investment can make a huge difference to individual lives. In the long term, a successful investment strategy can help people to secure their futures and realise their ambitions. We want to play an important role in making this happen. Similarly, because investing can also have a substantial impact on the wider society, this means we have a responsibility – not only to perform well, but also to behave well.

AS AT 31 MARCH 2020:

Equity funds

£4,050m

Multi-asset funds

£4,092m

Investment trusts

£531m

Fixed income funds

£383m

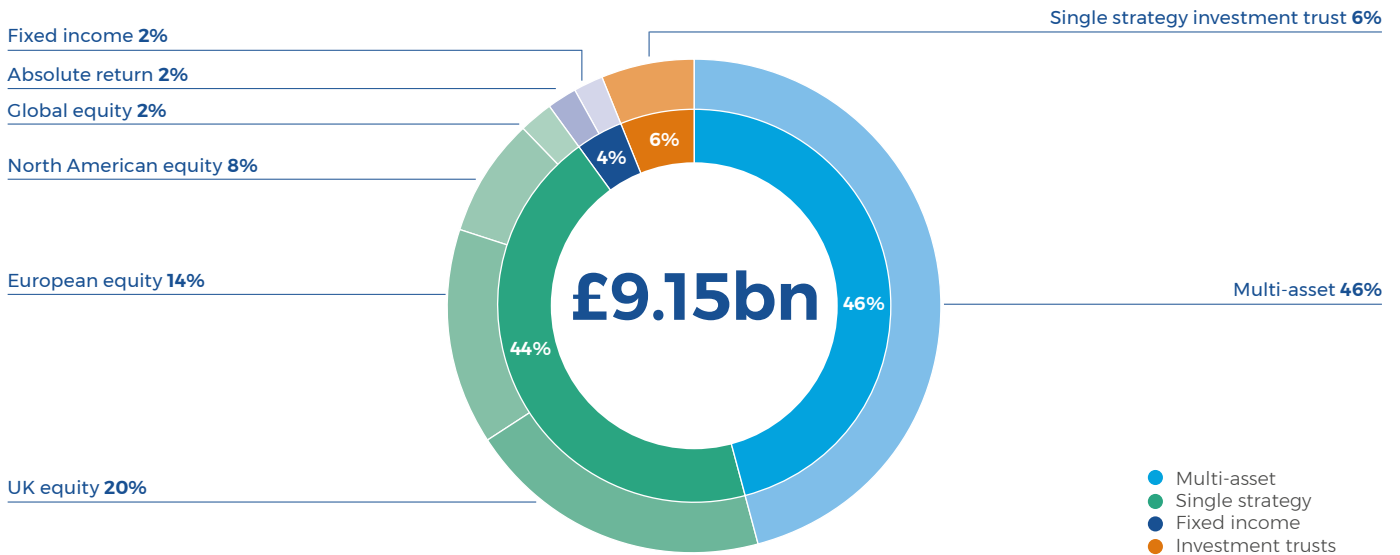
Segregated mandates

£89m

TOTAL

£9

COMBINATION OF DIFFERENT INVESTMENT EXPERTISE



15bn

CHAIRMAN'S STATEMENT

DELIVERING THE RIGHT OUTCOMES FOR OUR CLIENTS

Our merger has brought together the capabilities, expertise and knowledge of two highly regarded companies to create a new organisation that is even better placed to deliver the right outcomes for our clients.

Mike Vogel
Chairman

This has been a period of positive corporate change for our business, coupled with significant global events. On 4 September 2019 the respective Boards of Premier Asset Management Group plc ('Premier') and Miton Group plc ('Miton') announced a recommended all-share merger via a court-sanctioned scheme of arrangement (the 'merger').

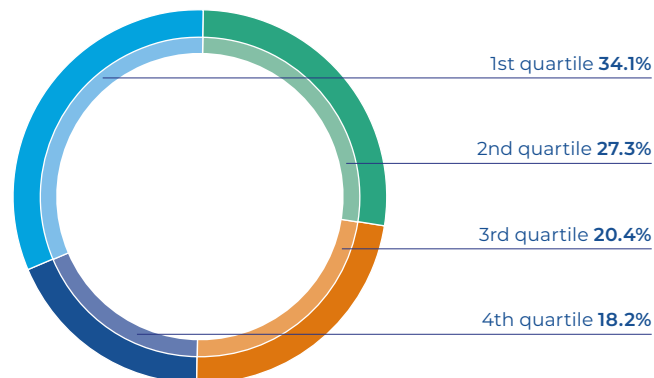
The merger became effective on 15 November 2019 with the enlarged business being named Premier Miton Group plc (the 'Group').

The bringing together of the two businesses has created a more diversified client-focused UK asset manager with stronger active management investment capabilities, enhanced intermediary distribution relationships and greater financial strength. This makes us even better positioned to serve our clients and grow as the enlarged Group has a greater footprint in the UK adviser and wealth management markets.



Mike Vogel
Chairman

Performance since fund manager tenure (Number of funds)



Gross inflows for the period

£1,296m

2019 HY: £866m

Net outflows for the period

£(389)m

2019 HY: Net inflows £67m

Average AuM

£9,928m

2019 HY: £6,643m

At the end of the half year Assets under Management ('AuM') stood at £9.15 billion, following an unprecedented market environment in the second quarter.

The falls and volatility in markets are challenging for any business in the asset management sector and we have taken appropriate steps to ensure the Group maintains a strong financial position whilst working to balance the requirements of all stakeholders.

The Board has declared interim dividends of 1.75p and 0.75p during the period, with an expectation to now adopt a dividend policy that targets an ordinary dividend pay-out of approximately 50 to 65% of profit after tax, adjusted for exceptional costs, share-based payments and amortisation.

Further to the merger there were a number of executive management and directorate changes. I am delighted to chair the enlarged Group. Mike O'Shea continues as the Chief Executive Officer with Piers Harrison, previously Chief Operating Officer of Miton Group plc, appointed as Chief Financial Officer.

Two Miton directors, David Barron, previously Chief Executive Officer of Miton, and Katrina Hart became Non-Executive Directors of the new Group. Neil Macpherson, Finance Director of Premier resigned as a Director and Luke Wiseman, Non-Executive Director of Premier also resigned from the Board. Robert Colthorpe and William Smith continue as Non-Executive Directors.

We now have the added challenge of COVID-19. The situation is changing rapidly but we have a clear response focused on several key areas: the health and wellbeing of our staff; playing an active role in trying to reduce the transmission of the virus in our wider community; and continuing to provide a full investment management service to our clients.

Despite these challenges, we have created a financially stronger and broader business which makes us better positioned to serve our clients through genuinely active management, both today and in the future.

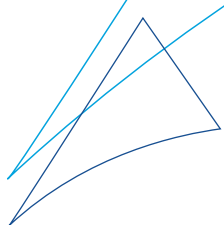
On 14 May 2020, we announced the appointment of a new Non-Executive Director, Alison Fleming and the stepping down of Katrina Hart from her role as Non-Executive Director on the same date. I would like to thank Katrina for her valued contribution to the Group and her stewardship of the Miton group over the last nine years.

Lastly, I would also like to thank my past and present Directors, as well as our staff across our whole business for their hard work and commitment. We look forward to a bright future for Premier Miton.

Mike Vogel
Chairman
21 May 2020

MERGER UPDATE

WE ARE AHEAD OF TARGET WITH THE INTEGRATION OF OUR TWO HIGHLY REGARDED COMPANIES



Investment can make a huge difference to individual lives. In the long term, a successful investment strategy can help people to secure their futures and realise their ambitions.

Mike O'Shea
Chief Executive Officer

On 15 November 2019 we commenced the start of a new journey with the amalgamation of two complementary businesses and I am pleased to report that there has been good progress made on the post-merger integration. This is testament to the dedication of our teams across our newly enlarged business as we continue to deliver our goal of business continuity, despite the challenging circumstances that the COVID-19 pandemic has presented across the globe.

Our aim is to create a Group that is purposefully balanced to meet and beat the expectations of our clients, with a broader product range and greater financial strength.

Following the merger, the Group launched its brand name, Premier Miton Investors. This new personality of our business provides a framework of how we operate and was incorporated in all marketing materials, documentation, websites and advertising.

An Integration Committee, comprised of key senior individuals selected from both sides of the business, was established on day one to drive and supervise the integration process. This committee continues to manage the merger process as well as communications with our customers, clients and staff.



Mike O'Shea
Chief Executive Officer



The potential to deliver compelling value creation was underpinned by expected recurring synergies of approximately £7 million per annum to be achieved three years after completion of the merger.

The elements of these cost synergies, which were expected to originate from both Premier and Miton, included:

1) Rationalisation of central and head office functions – circa 20% of total synergies

Progress in the period:

- Completed. Central and head office functions have been amalgamated.
- Additional capacity for staff has been facilitated at the head office in London without any additional cost.
- Rationalisation of existing office space across the Group is under way.

2) Harmonisation of operating models from alignment of third-party service providers, IT systems as well as consolidated operating functions – circa 45% of total synergies

Progress in the period:

- On track for completion by 31 December 2020.
- From 24 April 2020 all fund management moved to a single entity, Premier Fund Managers Limited. This represents a key milestone in the process of creating a unified product range, one investment team, one fund management company, and one consistent range of fund names.
- As a result, the Group's high-quality investment teams covering multi-asset, bond, equity and absolute return funds are able to come together as a single team allowing for the sharing of ideas, learning and collaboration.

3) Other areas of overlap including the elimination of duplication in staff roles, whilst retaining the best of both franchises – circa 35% of total synergies

Progress in the period:

- Duplicated staff roles have been removed.
- The Group moved swiftly to provide clarity to all staff with clear reporting lines and responsibilities implemented across the enlarged Group.
- Other areas of overlap are on track to be completed by 31 December 2021.

Non-recurring integration costs of £10 million were expected over the three-year period. At 31 March 2020 £3 million of exceptional costs had been incurred, see note 5 for further details.

There has been a lot of work undertaken to get us to this point, including managing the legal change of companies, amalgamation of systems such as Bloomberg, establishing a centralised dealing desk and much more besides.

Our overriding objective has been to allow the best ideas and best practices from both businesses to flourish to ensure we are in the strongest position to deliver the best outcomes for our clients.

Any merger will naturally create change which can be unsettling. However, I have been impressed with the enthusiasm, skill and good humour of the entire Premier Miton team in ensuring that our progress to date has been achieved with the minimum of disruption to our clients. I would like to say thank you to every member of the Premier Miton team for their efforts and energy in adapting to this challenge whilst at the same time dealing with the threat and restrictions that COVID-19 has placed upon society.

By continuing with clear implementation plans, straightforward communication and the passion of our staff, I am confident that we will continue to deliver on our merger plans. This will leave the business extremely well placed to capitalise on the broad range of investment capabilities, collegiate investment culture and scalable operating platform for the benefit of our clients and stakeholders.

PRODUCT OVERVIEW

| Strategy | AuM 31 Mar 2019 £m | AuM 30 Sept 2019 £m | AuM 14 Nov 2019 £m | AuM 31 Mar 2020 £m | Fund manager(s) | Year of launch/ tenure | Quartile |
|--|-----------------------------|------------------------------|-----------------------------|-----------------------------|--------------------------------|------------------------------|----------|
| Equity funds | | | | | | | |
| LF Miton UK Multi Cap Income Fund | | | 1,067 | 756 | Gervais Williams/Martin Turner | 2011 | 1 |
| LF Miton UK Smaller Companies Fund | | | 71 | 35 | Gervais Williams/Martin Turner | 2012 | 4 |
| LF Miton US Opportunities Fund | | | 650 | 576 | Nick Ford/Hugh Grieves | 2013 | 2 |
| LF Miton US Smaller Companies Fund | | | 136 | 125 | Nick Ford/Hugh Grieves | 2018 | 1 |
| LF Miton UK Value Opportunities Fund | | | 417 | 326 | Andrew Jackson | 2016 | 1 |
| LF Miton European Opportunities Fund | | | 811 | 1,052 | Carlos Moreno/Thomas Brown | 2015 | 1 |
| LF Miton Global Infrastructure Income Fund | | | 35 | 30 | Jim Wright | 2017 | 2 |
| LF Miton Worldwide Opportunities Fund | | | 56 | 43 | Nick Greenwood | 2003 | 3 |
| FP Miton Income Fund | | | 165 | 123 | Eric Moore | 2011 | 2 |
| Premier Income Fund | 347 | 302 | 294 | 197 | Chris White | 2010 | 3 |
| Premier Monthly Income Fund | 208 | 190 | 192 | 130 | Chris White | 2010 | 2 |
| Premier Optimum Income Fund | 105 | 96 | 97 | 63 | Chris White/Geoff Kirk | 2017 | 4 |
| Premier Ethical Fund | 158 | 146 | 150 | 121 | Jon Hudson/Benji Dawes | 2019 | 1 |
| Premier UK Growth Fund | 118 | 121 | 125 | 105 | Jon Hudson/Benji Dawes | 2017 | 1 |
| Premier Pan European Property Share Fund | 272 | 262 | 280 | 218 | Alex Ross | 2005 | n/a |
| Premier Global Alpha Growth Fund | 111 | 107 | 107 | 82 | Duncan Goodwin | 2020 | 2 |
| Premier Global Infrastructure Income Fund | 69 | 66 | 65 | 50 | James Smith/Claire Long | 2012 | 3 |
| Premier Global Optimum Income Fund | 21 | 22 | 22 | 18 | Duncan Goodwin/Geoff Kirk | 2020 | 1 |
| | 1,409 | 1,312 | 4,740 | 4,050 | | | |
| Fixed income funds | | | | | | | |
| Premier Corporate Bond Monthly Income Fund | 48 | 48 | 47 | 44 | Chun Lee | 2016 | 4 |
| Premier UK Money Market Fund ¹ | 263 | 215 | 226 | 192 | Chun Lee/Hoy Wan | 2019 | 4 |
| Premier Defensive Growth Fund | 374 | 313 | 258 | 147 | Robin Willis/Daniel Hughes | 2019 | n/a |
| | 685 | 576 | 531 | 383 | | | |
| Investment trusts | | | | | | | |
| The Diverse Income Trust plc | | | 355 | 293 | Gervais Williams/Martin Turner | 2011 | 2 |
| Miton Global Opportunities plc | | | 76 | 58 | Nick Greenwood | 2003 | 4 |
| Miton UK MicroCap Trust plc | | | 68 | 57 | Gervais Williams/Martin Turner | 2015 | 3 |
| Acorn Income Fund Limited | 98 | 96 | 98 | 76 | Moon/Mackersie/Lee/Willis | 1999 | 1 |
| Premier Global Infrastructure Trust plc | 52 | 54 | 55 | 47 | James Smith/Claire Long | 2012 | 3 |
| | 150 | 150 | 652 | 531 | | | |
| Segregated mandates | | | | | | | |
| MI Select Managers UK Equity Fund | | | .6 | .0 | | | |
| Sentinel Universal Portfolio | 86 | 95 | 99 | 89 | Multi-asset team | 2013 | 2 |
| Sentinel Defensive Portfolio | 73 | | | | | | |
| | 159 | 95 | 100 | 89 | | | |

“Broadly an even balance of strategies by AuM across the product range: 54% being active, high conviction single strategy funds; and 46% outcome based multi-asset funds, as at 31 March 2020”

| Strategy | AuM 31 Mar 2019 £m | AuM 30 Sept 2019 £m | AuM 14 Nov 2019 £m | AuM 31 Mar 2020 £m | Fund manager(s) | Year of launch/ tenure | Quartile |
|--|-----------------------------|------------------------------|-----------------------------|-----------------------------|---------------------------|------------------------------|----------|
| Multi-asset funds | | | | | | | |
| LF Miton Cautious Multi Asset Fund | | | 473 | 400 | David Jane/Anthony Rayner | 2014 | 2 |
| LF Miton Defensive Multi Asset Fund | | | 58 | 52 | David Jane/Anthony Rayner | 2014 | 1 |
| LF Miton Balanced Multi Asset Fund | | | 2 | 1 | David Jane/Anthony Rayner | 2018 | 4 |
| MI Miton Cautious Monthly Income Fund ¹ | | | 262 | 202 | David Jane/Anthony Rayner | 2011 | 3 |
| Premier Multi-Asset Absolute Return Fund | 250 | 207 | 191 | 162 | Multi-asset team | 2009 | n/a |
| Premier Multi-Asset Conservative Growth Fund | 130 | 131 | 130 | 111 | Multi-asset team | 2010 | 4 |
| Premier Multi-Asset Monthly Income Fund | 722 | 737 | 731 | 579 | Multi-asset team | 2009 | 1 |
| Premier Multi-Asset Distribution Fund | 1,460 | 1,517 | 1,513 | 1,184 | Multi-asset team | 1999 | 4 |
| Premier Multi-Asset Growth & Income Fund | 899 | 885 | 863 | 658 | Multi-asset team | 2010 | 1 |
| Premier Multi-Asset Global Growth Fund | 205 | 202 | 200 | 150 | Multi-asset team | 2012 | 1 |
| Premier Liberation No. IV Fund | 151 | 154 | 152 | 120 | Multi-asset team | 2012 | 1 |
| Premier Liberation No. V Fund | 174 | 179 | 178 | 141 | Multi-asset team | 2012 | 1 |
| Premier Liberation No. VI Fund | 102 | 103 | 101 | 74 | Multi-asset team | 2012 | 3 |
| Premier Liberation No. VII Fund | 40 | 41 | 40 | 30 | Multi-asset team | 2012 | 3 |
| Premier Diversified Growth Fund | 173 | 180 | 184 | 154 | Neil Birrell | 2013 | 1 |
| Premier Diversified Income Fund | 32 | 33 | 34 | 27 | Neil Birrell | 2017 | 2 |
| Premier Diversified Balanced Growth Fund | 15 | 16 | 16 | 14 | Neil Birrell | 2019 | 3 |
| Premier Diversified Cautious Growth Fund | 15 | 17 | 17 | 15 | Neil Birrell | 2019 | 2 |
| Premier Diversified Dynamic Growth Fund | 18 | 19 | 19 | 15 | Neil Birrell | 2019 | 2 |
| Premier Managed Index Balanced Fund | | | | 1 | Wayne Nutland | 2019 | 2 |
| Premier Portfolio Management Service | 4 | 2 | 4 | 2 | PPMS Investment Committee | | |
| Total AuM | 4,390 | 4,423 | 5,168 | 4,092 | | | |
| | 6,793 | 6,556 | 11,191 | 9,145 | | | |

¹ Denotes a unit trust

² The quartile performance rankings are based on Investment Association sector classifications, with data sourced from FE Analytics in GBP using the main representative post-RDR share class, net income reinvested, mid-to-mid basis for OEIC funds and bid-to-bid for unit trusts (FP Miton Income Fund, MI Miton Cautious Monthly Income Fund and Premier UK Money Market Fund). All data is as at 31 March 2020 and the performance period relates to when the fund launched or the assumed tenure of the fund manager(s). Performance for investment trusts is calculated on Net Asset Value ('NAV'), ranked against the relevant Morningstar category for each investment trust, and is sourced from Morningstar Direct. Performance for Miton Global Opportunities plc and Acorn Income Fund is quoted over ten years

FINANCIAL REVIEW

DELIVERING A STRONGER PLATFORM FOR GROWTH

Adjusted profit before tax
and amortisation

£12.2m

2019 HY: £9.3m

Assets under Management ('AuM')

AuM ended the period at £9,145 million (2019 FY: £6,556 million), an increase of 39% on the opening position for the period. The increase was driven by the merger with Miton Group plc which completed on 14 November 2019 adding £4,701 million in AuM at that date.

The Group saw net outflows for the period of £389 million (2019 HY: £67 million net inflows). Within this total, the equity funds had net inflows of £116 million with the main contributor being the LF Miton European Opportunities Fund. The fixed income funds saw outflows of £180 million along with £325 million of outflows across a range of multi-asset funds in the period.



Piers Harrison
Chief Financial Officer

AuM and flows by asset class and fund type

| | Opening AuM 1 October 2019 £m | Merger 14 November 2019 £m | Half year net flows ¹ £m | Market/investment performance ¹ £m | Closing AuM 31 March 2020 £m |
|---------------------------|-------------------------------------|----------------------------------|---|---|------------------------------------|
| Equity funds ¹ | 1,312 | 3,406 | 116 | (784) | 4,050 |
| Multi-asset funds | 4,423 | 795 | (325) | (801) | 4,092 |
| Fixed income funds | 576 | – | (180) | (13) | 383 |
| Investment trusts | 150 | 500 | – | (119) | 531 |
| Segregated mandates | 95 | – | – | (6) | 89 |
| Total | 6,556 | 4,701 | (389) | (1,723) | 9,145 |

¹ Includes the former Miton Group plc fund range with effect from close of business 14 November 2019

The market turbulence from the COVID-19 pandemic has created volatility in the Group's revenue base arising from the falls in underlying market valuations and the resulting AuM managed by the Group.

By 31 March 2020, the world's principal global equity indices had fallen within an approximate range of 15% to 30% from the position at 31 December 2019. Comparatively, the Group's AuM saw an aggregate reduction of 20.9% to £9,145 million including net outflows of £167 million for the three months to 31 March 2020.

Net management fees

Net management fees for the period were £33.5 million, an increase of 40% over the comparative period reflecting

the enlarged AuM being managed by the Group as a result of the merger.

Net management fee margin reduced to 67.4bps (2019 HY: 72.4bps) reflecting the post merger contribution of the Miton product range which is reported after the deduction of associated Authorised Corporate Director ('ACD') and fund accounting fees. The audited 2019 net management fee margin for the stand alone Miton group was 60.6bps.

On 11 December 2019 the Group launched the Premier Managed Index Balanced Fund. At the period end the Group managed 46 products (30 September 2019: 29 products). See pages 8 and 9 for further detail.

Net management fees and margins

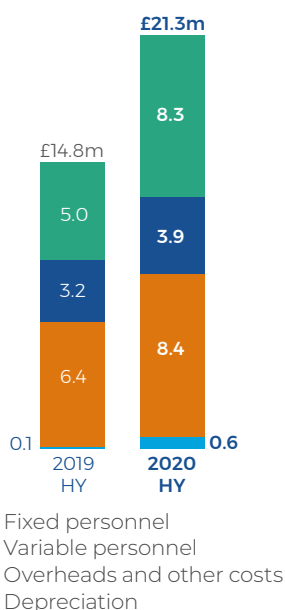
| | Unaudited six months to 31 March 2020 | Unaudited six months to 31 March 2019 | Audited year to 30 September 2019 |
|--|---|---|---|
| Average AuM ¹ (£m) | 9,928 | 6,643 | 6,695 |
| Net management fees ² (£m) | 33.5 | 24.0 | 48.4 |
| Other income (£m) | (0.1) | - | 0.2 |
| Net revenues (£m) | 33.4 | 24.0 | 48.6 |
| Net management fee margin ³ (bps) | 67.4 | 72.4 | 72.3 |

1 Average AuM is calculated on a daily basis

2 Being gross management fee income less trail/renewal commission expenses and the cost of fund accounting and external ACDs for the former Miton fund range

3 Net management fee margin represents net management fees divided by the average AuM

Administration expenses



Administration expenses

Administration expenses (excluding share-based payments) for the period were £21.3 million (2019 HY: £14.8 million), representing an increase of 43%. The increase included £5.2 million of Miton related costs since the merger completed.

The residual increase of £1.3 million was driven by:

- £0.4 million of additional staff costs associated with annual base salary rises coupled with employer's national insurance due on the first tranche of options that vested in the period.
- Increased regulatory costs of £0.25 million due to the inclusion of the FSCS levy costs which were presented as exceptional in the comparative period. See note 5 for further detail.
- Increased depreciation of £0.15 million reflecting the charge associated with the development costs of the Connect platform. Connect is a no-cost multi-asset portal enabling advisers to hold and manage their clients' investments in a range of Premier Miton Funds.

The largest component of administration expenses for both businesses, before the merger and as an enlarged Group, were staff costs. These amounted to £12.2 million during the period, representing 57% of total administration costs (2019 HY: 55%).

IFRS 16 'Leases'

The Group has commenced accounting for IFRS 16 from 1 October 2019 and now recognises a right-of-use ('ROU') asset and a corresponding lease liability in the balance sheet.

The nature of the expense has also changed with the recognition of a depreciation charge to unwind the ROU and an interest expense on the lease liabilities rather than a lease rental expense as in previous years.

Lease rental payments are now reflected in the cash flow statement under financing activities as and when they are paid. The Group has applied the modified retrospective approach, meaning any cumulative effect at 1 October 2019 is reflected in the retained earnings with no restatement of the comparatives.

FINANCIAL REVIEW CONTINUED

Adjusted profit and profit before tax

| | Unaudited six months to 31 March 2020 £m | Unaudited six months to 31 March 2019 £m | Audited 12 months to 30 September 2019 £m |
|-----------------------------------|---|---|--|
| Net revenue | 33.4 | 24.0 | 48.6 |
| Administrative expenses | (21.3) | (14.8) | (29.6) |
| Adjusted profit before tax | 12.2 | 9.3 | 19.0 |
| Amortisation | (2.1) | (0.8) | (1.5) |
| Share-based payments | (1.6) | (1.0) | (2.6) |
| Exceptional costs | (3.1) | (0.3) | (1.2) |
| Profit before tax | 5.3 | 7.2 | 13.7 |

Amortisation

The amortisation of intangible assets in the period increased to £2.1 million (2019 HY: £0.8 million). The increase reflects a charge of £1.3 million arising from the intangible assets recognised as a result of the merger. See note 8 for further detail.

Share-based payments

The share-based payments charge increased to £1.6 million (2019 HY: £1.0 million) reflecting a full six month charge for the awards issued in the previous financial year.

As at 31 March 2020 the Group's Employee Benefit Trusts ('EBTs') held 9,921,565 ordinary shares representing 6.3% of the issued ordinary share capital (2019 HY: 3,242,830).

At the period end the outstanding awards totalled 7,324,487 compared to 3,020,000 as at 31 March 2019.

The increase in outstanding awards reflects not only the awards issued in the period but also the outstanding awards in the former Miton schemes which were converted at the merger exchange ratio of 0.30186 on 14 November 2019. See note 12 for further detail.

Exceptional costs

Exceptional costs incurred in the period amounted to £3.1 million (2019 HY: £0.3 million). As detailed in the Scheme Document released on 17 September 2019, the Group anticipated annualised synergies being achieved in year three after the merger of £7 million.

The exceptional costs to achieve these synergies were estimated at £10 million. During the period exceptional merger related costs totalled £3.0 million. See note 5 for further detail.

COVID-19

From 16 March 2020 all employees transitioned to remote working using the Group's business continuity arrangements. No material expenditure was required for the transition to remote working. All systems are continuing to operate as planned.

While the full implications of COVID-19 on the financial performance for the year remain difficult to determine at this stage, the Group has seen a recovery in AuM since the period end.

AuM at 30 April 2020 was £9.9 billion with net positive inflows of £19 million for the month of April.

We note that there are a number of measures available to the Board to reduce the cost base of the Group and to align expenditure with a more volatile revenue base.

Cuts to certain discretionary expenditure have already been implemented and, in addition, the senior management team have elected to take a reduction in salary for a period of six months.

The Group's COVID-19 Response Committee closely monitors government advice. Our primary aims are to protect the health and safety of our staff, minimising the spread of the virus and continuing to provide investment management services to our clients.

The Directors continue to adopt the going concern basis of accounting in preparing the interim unaudited Condensed Consolidated Financial Statements as outlined in note 1.

Dividend

Dividends totalling £10.6 million were paid in the period (2019 HY: £7.2 million). See note 3 for further detail.

During the period the Board adopted a dividend policy that targets an ordinary dividend pay-out of approximately 50 to 65% of profit after tax, adjusted for exceptional costs, share-based payments and amortisation.

Due to the risks and global impact from COVID-19, and the uncertainties as to the duration and impact of the pandemic, the Board took the prudent decision to reduce the quantum of the second interim dividend to 0.75p per share payable on 29 May 2020.

For future dividends, the Group will distribute on a twice-yearly basis, moving away from the payment of quarterly interim dividends. Dividends going forward will be aligned with the Group's reporting calendar.

Balance sheet and cash management

At 31 March 2020 the cash balances of the Group totalled £29.3 million (2019 HY: £15.3 million). The Group has no debt.

In April the Group settled the variable remuneration relating to the Miton financial year ended 31 December 2019, the Group's remuneration cycles will now be aligned in accordance with the year ended 30 September 2020.

Piers Harrison
Chief Financial Officer
21 May 2020

INDEPENDENT REVIEW REPORT TO PREMIER MITON GROUP PLC

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly report for the six months ended 31 March 2020 which comprises the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow and the related explanatory notes.

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 report for the six months ended 31 March 2020 is not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and the AIM Rules.

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. We read the other information contained in the half-yearly report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) 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.

Directors' responsibilities

The half-yearly report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly report in accordance with the AIM Rules.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The Directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 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 report based on our review.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement. 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.

Alison Allen

for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London E14 5GL
21 May 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 March 2020

| | Notes | Unaudited six months to 31 March 2020 £000 | Unaudited six months to 31 March 2019 £000 | Audited year to 30 September 2019 £000 |
|--|----------|--|--|--|
| Revenue | 4 | 38,514 | 26,154 | 52,821 |
| Fees and commission expenses | | (5,117) | (2,133) | (4,235) |
| Net revenue | | 33,397 | 24,021 | 48,586 |
| Administration expenses | | (21,251) | (14,761) | (29,617) |
| Share-based payment expense | 12 | (1,636) | (1,006) | (2,551) |
| Amortisation of intangible assets | 8 | (2,055) | (761) | (1,522) |
| Exceptional items | 5 | (3,127) | (270) | (1,178) |
| Operating profit | | 5,328 | 7,223 | 13,718 |
| Finance revenue | | 17 | – | – |
| Profit for the period before taxation | | 5,345 | 7,223 | 13,718 |
| Taxation | 6 | (2,140) | (1,790) | (2,696) |
| Profit for the period after taxation attributable to equity holders of the parent | | 3,205 | 5,433 | 11,022 |
| | | pence | pence | pence |
| Basic earnings per share | 7(a) | 2.35 | 5.30 | 10.82 |
| Diluted basic earnings per share | 7(a) | 2.27 | 5.15 | 10.44 |

No other comprehensive income was recognised during 2020 or 2019. Therefore, the profit for the period is also the total comprehensive income.

All of the amounts relate to continuing operations.

The notes on pages 18 to 24 form an integral part of these unaudited Condensed Consolidated Interim Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 March 2020

| | Notes | Share capital £000 | Merger reserve £000 | Employee Benefit Trust £000 | Capital redemption reserve £000 | Retained earnings £000 | Total £000 |
|---|--------------|-----------------------|---------------------------|--------------------------------------|--|------------------------------|----------------|
| At 1 October 2019 | | 50 | – | (6,944) | 4,532 | 47,688 | 45,326 |
| Profit for the period | | – | – | – | – | 3,205 | 3,205 |
| Issue of share capital on merger | 8, 11 | 10 | 94,312 | – | – | – | 94,322 |
| Purchase of own shares held by an EBT | 12(a) | – | – | (2,669) | – | – | (2,669) |
| Own shares held by an EBT acquired on merger | 8 | – | – | (5,178) | – | – | (5,178) |
| Exercise of options | | – | – | 142 | – | (15) | 127 |
| Share-based payment expense | 12 | – | – | – | – | 1,636 | 1,636 |
| Deferred tax direct to equity | | – | – | – | – | (4) | (4) |
| Equity dividends paid | 3 | – | – | – | – | (10,589) | (10,589) |
| At 31 March 2020 (Unaudited half year) | | 60 | 94,312 | (14,649) | 4,532 | 41,921 | 126,176 |
| At 1 October 2018 | | 50 | – | (4,047) | 4,532 | 44,733 | 45,268 |
| Profit for the period | | – | – | – | – | 5,433 | 5,433 |
| Share-based payment expense | 12 | – | – | – | – | 1,006 | 1,006 |
| Equity dividends paid | 3 | – | – | – | – | (7,179) | (7,179) |
| At 31 March 2019 (Unaudited half year) | | 50 | – | (4,047) | 4,532 | 43,993 | 44,528 |
| At 1 October 2018 | | 50 | – | (4,047) | 4,532 | 44,733 | 45,268 |
| Profit for the year | | – | – | – | – | 11,022 | 11,022 |
| Purchase of own shares held by an EBT | | – | – | (2,897) | – | – | (2,897) |
| Share-based payment expense | | – | – | – | – | 2,551 | 2,551 |
| Equity dividends paid | | – | – | – | – | (10,618) | (10,618) |
| At 30 September 2019 (Audited) | | 50 | – | (6,944) | 4,532 | 47,688 | 45,326 |

The notes on pages 18 to 24 form an integral part of these unaudited Condensed Consolidated Interim Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2020

| | Notes | Unaudited 31 March 2020 £000 | Unaudited 31 March 2019 £000 | Audited 30 September 2019 £000 |
|--|-------|---------------------------------------|---------------------------------------|---|
| Non-current assets | | | | |
| Goodwill | 8 | 71,478 | 15,597 | 15,597 |
| Intangible assets | 8 | 34,057 | 12,718 | 11,957 |
| Other investments | | 100 | – | – |
| Property and equipment | | 2,683 | 1,069 | 874 |
| Right-of-use assets | | 2,777 | – | – |
| Deferred tax asset | | 793 | 317 | 1,111 |
| Trade and other receivables | | 152 | – | – |
| | | 112,040 | 29,701 | 29,539 |
| Current assets | | | | |
| Financial assets at fair value through profit and loss | | 1,618 | 4,905 | 827 |
| Trade and other receivables | | 66,969 | 63,922 | 49,038 |
| Cash and cash equivalents | 9 | 29,259 | 15,339 | 20,689 |
| | | 97,846 | 84,166 | 70,554 |
| Total assets | | 209,886 | 113,867 | 100,093 |
| Current liabilities | | | | |
| Trade and other payables | | (75,945) | (69,339) | (54,767) |
| Lease liabilities | | (784) | – | – |
| | | (76,729) | (69,339) | (54,767) |
| Non-current liabilities | | | | |
| Provisions | 10 | (389) | – | – |
| Deferred tax liability | 8 | (4,104) | – | – |
| Lease liabilities | | (2,488) | – | – |
| Total liabilities | | (83,710) | (69,339) | (54,767) |
| Net assets | | 126,176 | 44,528 | 45,326 |
| Equity | | | | |
| Share capital | 11 | 60 | 50 | 50 |
| Merger reserve | 8 | 94,312 | – | – |
| Own shares held by an Employee Benefit Trust | 12 | (14,649) | (4,047) | (6,944) |
| Capital redemption reserve | | 4,532 | 4,532 | 4,532 |
| Retained earnings | | 41,921 | 43,993 | 47,688 |
| Total equity shareholders' funds | | 126,176 | 44,528 | 45,326 |

Mike O'Shea
Chief Executive Officer
21 May 2020

Piers Harrison
Chief Financial Officer
21 May 2020

The notes on pages 18 to 24 form an integral part of these unaudited Condensed Consolidated Interim Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 31 March 2020

| | Notes | Unaudited six months to 31 March 2020 £000 | Unaudited six months to 31 March 2019 £000 | Audited year to 30 September 2019 £000 |
|--|-------|--|--|--|
| Cash flows from operating activities: | | | | |
| Profit after taxation | | 3,205 | 5,433 | 11,022 |
| Adjustments to reconcile profit to net cash flow from operating activities: | | | | |
| – Tax on continuing operations | 6 | 2,140 | 1,790 | 2,696 |
| – Finance revenue | | (17) | – | – |
| – Interest payable on leases | | 34 | – | – |
| – Depreciation – fixed assets | | 301 | 119 | 224 |
| – Depreciation – leases | | 327 | – | – |
| – Gain on sale of financial asset at fair value through profit and loss | | (13) | – | (19) |
| – Loss/(gain) on revaluation of financial assets at fair value through profit and loss | | 241 | 7 | (7) |
| – Loss on disposal of property, plant and equipment | | – | – | 327 |
| – Increase in employee benefit liability | | 1,182 | – | – |
| – Purchase of plan assets (held for employee benefit liability) | | (1,182) | – | – |
| – Amortisation of intangible assets | 8 | 2,055 | 761 | 1,522 |
| – Share-based payment expense | 12 | 1,636 | 1,006 | 2,551 |
| – (Increase)/decrease in trade and other receivables | | (13,866) | (10,212) | 4,671 |
| – Increase/(decrease) in trade and other payables | | 1,419 | 7,084 | (5,058) |
| Cash generated from operations | | (2,538) | 5,988 | 17,929 |
| Income tax paid | | (1,791) | (54) | (4,182) |
| Net cash flow from operating activities | | (4,329) | 5,934 | 13,747 |
| Cash flows from investing activities: | | | | |
| Interest received | | 17 | – | – |
| Acquisition of assets at fair value through profit and loss | | (11,308) | (4,218) | (4,229) |
| Proceeds from disposal of assets at fair value through profit and loss | | 10,290 | 217 | 4,338 |
| Purchase of property and equipment | | (120) | (189) | (426) |
| Cash acquired on merger | 8 | 27,296 | – | – |
| Net cash flow from investing activities | | 26,175 | (4,190) | (317) |
| Cash flows from financing activities: | | | | |
| Lease payments | | (145) | – | – |
| Exercise of options | | 127 | – | – |
| Purchase of own shares held by an EBT | 12(a) | (2,669) | – | (2,897) |
| Equity dividends paid | 3 | (10,589) | (7,179) | (10,618) |
| Net cash flow from financing activities | | (13,276) | (7,179) | (13,515) |
| Increase/(decrease) in cash and cash equivalents | | 8,570 | (5,435) | (85) |
| Opening cash and cash equivalents | | 20,689 | 20,774 | 20,774 |
| Closing cash and cash equivalents | 9 | 29,259 | 15,339 | 20,689 |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 31 March 2020

1. Basis of accounting

These interim unaudited Condensed Consolidated Financial Statements do not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006. They have been prepared on the basis of the accounting policies as set out in the Group's Annual Report for the year ended 30 September 2019, with the exception of IFRS 16, as discussed below.

The interim unaudited Condensed Consolidated Financial Statements to 31 March 2020 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and the Listing Rules of the Financial Conduct Authority.

Premier Miton Group plc (the 'Group') is the Parent Company of a group of companies which provide a range of investment management services in the United Kingdom and Channel Islands.

The Group's 2019 Annual Report is prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union, and is available on the Premier Miton Group plc website (www.premiermiton.com).

The Group has considerable financial resources and ongoing investment management contracts. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the interim unaudited Condensed Consolidated Financial Statements. This assessment has been made after considering the impact of COVID-19 on the business. The Directors note that the Group has no external borrowings and maintains significant levels of cash reserves. The Group has conducted financial modelling at materially lower levels of AuM with the business remaining cash generative.

These interim unaudited Condensed Consolidated Financial Statements were approved and authorised for issue by the Board acting through a duly appointed committee of the Board of Directors on 21 May 2020.

The full-year accounts to 30 September 2019 were approved by the Board of Directors on 27 November 2019 and have been delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. The figures for the six months ended 31 March 2020 and the six months ended 31 March 2019 have not been audited.

The interim unaudited Condensed Consolidated Financial Statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except where otherwise indicated.

Forward looking statements

These interim unaudited Condensed Consolidated Financial Statements are made by the Directors in good faith based on information available to them at the time of their approval of the accounts. Forward looking statements should be treated with caution due to the inherent uncertainties, including economic, regulatory and business risk factors underlying any such statement. The Directors undertake no obligation to update any forward looking statement whether as a result of new information, future events or otherwise. The interim unaudited Condensed Consolidated Financial Statements have been prepared to provide information to the Group's shareholders and should not be relied upon by any other party or for any other purpose.

IFRS 16 'Leases'

The Directors have applied the IFRS 16 modified retrospective approach with the cumulative effect of adopting IFRS 16 being recognised as an adjustment to the opening balance of retained earnings as at 1 October 2019, with no restatement of comparative information. The adoption of IFRS 16 in the six months ended 31 March 2020 resulted in an increase in depreciation of £326,730 and finance costs of £33,695. Other administration expenses decreased by £184,425.

2. Segmental reporting

The Group has only one business operating segment, asset management for reporting and control purposes.

IFRS 8 'Operating Segments' requires disclosures to reflect the information upon which the Group's management uses for evaluating performance and the allocation of resources. The Group is managed as a single asset management business and as such, there are no additional operating segments to disclose. Under IFRS 8, the Group is also required to make disclosures by geographical segments. As Group operations are solely in the UK and Channel Islands, there are no additional geographical segments to disclose.

3. Dividend

The final interim dividend for the year ended 30 September 2019 of 5.4p per share was paid on 10 January 2020 leading to a distribution of £7,997,698. On 28 February 2020 the first interim dividend for 2020 of 1.75p per share was paid leading to a distribution of £2,591,136.

The total distribution of £10,588,834 is reflected in the Consolidated Statement of Changes in Equity (2019 HY: £7,179,094).

4. Revenue

Revenue recognised in the Consolidated Statement of Comprehensive Income is analysed as follows:

| | Unaudited six months to 31 March 2020 £000 | Unaudited six months to 31 March 2019 £000 | Audited year to 30 September 2019 £000 |
|----------------------|--|--|--|
| Management fees | 38,591 | 26,110 | 52,624 |
| Commissions | 3 | 9 | 16 |
| Other income | (80) | 35 | 181 |
| Total revenue | 38,514 | 26,154 | 52,821 |

All revenue is derived from the United Kingdom and Channel Islands.

5. Exceptional items

Recognised in arriving at operating profit from continuing operations:

| | Unaudited six months to 31 March 2020 £000 | Unaudited six months to 31 March 2019 £000 | Audited year to 30 September 2019 £000 |
|---------------------------------------|--|--|--|
| Fund development costs | 51 | – | – |
| Staff redundancy costs | – | 44 | 44 |
| FCA FSCS levy | – | – | 397 |
| Connect development costs | 94 | 226 | 410 |
| Office refurbishment write-off | – | – | 327 |
| Merger related costs | 2,091 | – | – |
| Merger employment restructuring costs | 891 | – | – |
| Total exceptional items | 3,127 | 270 | 1,178 |

Exceptional items are those items of income or expenditure that are considered significant in size and/or nature to merit separate disclosure and which are non-recurring.

Merger related costs in the period totalling £2,091,208 represented legal and professional fees associated with the merger with Miton Group plc of £1,599,536 and merger integration costs of £491,672.

Employment restructuring costs arising as a result of the merger totalled £891,103 of which £883,336 related to redundancy costs and £7,767 of associated legal costs.

FCA FSCS levy costs in the current period totalling £396,213 have been presented within administration expenses, of this cost, £92,830 was in respect to the Miton activities. In 2019, the comparative costs were presented as exceptional as a result of rising significantly due to the increased levels of compensation paid by the FSCS and the inclusion of an amount invoiced in 2019 by the FCA but which related to the previous year.

Connect development costs relate to external consultants who have been deployed in the testing of the new Connect platform during the development stage prior to launch.

6. Taxation

| | Unaudited six months to 31 March 2020 £000 | Unaudited six months to 31 March 2019 £000 | Audited year to 30 September 2019 £000 |
|---|--|--|--|
| Corporation tax charge | 1,760 | 1,564 | 3,263 |
| Deferred tax charge/(credit) | 380 | 226 | (567) |
| Tax charge reported in the Consolidated Statement of Comprehensive Income | 2,140 | 1,790 | 2,696 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the six months ended 31 March 2020

7. Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary equity shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the period.

The weighted average of issued ordinary share capital of the Company is reduced by the weighted average number of shares held by the Group's Employee Benefit Trusts ('EBT'). Dividend waivers are in place over shares held in the Group's EBTs.

In calculating diluted earnings per share, IAS 33 'Earnings Per Share' requires that the profit is divided by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares during the period.

(a) Reported earnings per share

Reported basic and diluted earnings per share has been calculated as follows:

| | Unaudited six months to 31 March 2020 | Unaudited six months to 31 March 2019 | Audited year to 30 September 2019 |
|---|--|--|--|
| Profit attributable to ordinary equity shareholders of the Parent Company for basic earnings (£000) | 3,205 | 5,433 | 11,022 |
| | No.000 | No.000 | No.000 |
| Issued ordinary shares at 1 October | 105,801 | 105,801 | 105,801 |
| Effect of own shares held by an EBT | (8,517) | (3,243) | (3,891) |
| Effect of shares issued | 39,297 | – | – |
| Weighted average shares in issue | 136,581 | 102,558 | 101,910 |
| Effect of movement in share options | 4,610 | 2,920 | 3,675 |
| Weighted average shares in issue – diluted | 141,191 | 105,478 | 105,585 |
| Basic earnings per share (pence) | 2.35 | 5.30 | 10.82 |
| Diluted earnings per share (pence) | 2.27 | 5.15 | 10.44 |

(b) Adjusted earnings per share

Adjusted earnings per share is based on adjusted profit after tax, where adjusted profit is stated after charging interest but before share-based payments, amortisation and exceptional items.

Adjusted profit for calculating adjusted earnings per share:

| | Unaudited six months to 31 March 2020 £000 | Unaudited six months to 31 March 2019 £000 | Audited year to 30 September 2019 £000 |
|--|--|--|--|
| Profit before taxation | 5,345 | 7,223 | 13,718 |
| Add back: | | | |
| Share-based payment expense | 1,636 | 1,006 | 2,551 |
| Amortisation of intangible assets | 2,055 | 761 | 1,522 |
| Exceptional items | 3,127 | 270 | 1,178 |
| Adjusted profit before tax | 12,163 | 9,260 | 18,969 |
| Taxation: | | | |
| Tax in the Consolidated Statement of Comprehensive Income | (2,140) | (1,790) | (2,696) |
| Tax effect of adjustments | (71) | (69) | (886) |
| Adjusted profit after tax for the calculation of adjusted earnings per share | 9,952 | 7,401 | 15,387 |

7. Earnings per share (continued)

(b) Adjusted earnings per share (continued)

Adjusted earnings per share was as follows using the number of shares calculated at note 7(a):

| | Unaudited six months to 31 March 2020 pence | Unaudited six months to 31 March 2019 pence | Audited year to 30 September 2019 pence |
|-------------------------------------|---|---|---|
| Adjusted earnings per share | 7.29 | 7.22 | 15.10 |
| Diluted adjusted earnings per share | 7.05 | 7.02 | 14.57 |

8. Goodwill and other intangible assets

Cost amortisation and net book value of intangible assets are as follows:

| | Unaudited six months to 31 March 2020 £000 | Unaudited six months to 31 March 2019 £000 | Audited year to 30 September 2019 £000 |
|--|--|--|--|
| Goodwill | | | |
| Cost: | | | |
| At 1 October | 22,576 | 22,576 | 22,576 |
| Additions | 55,881 | – | – |
| At 31 March/30 September | 78,457 | 22,576 | 22,576 |
| Amortisation and impairment: | | | |
| At 1 October | 6,979 | 6,979 | 6,979 |
| Amortisation during the year | – | – | – |
| At 31 March/30 September | 6,979 | 6,979 | 6,979 |
| Carrying amount: | | | |
| At 31 March/30 September | 71,478 | 15,597 | 15,597 |
| Other intangible assets | | | |
| Cost: | | | |
| At 1 October | 56,231 | 56,231 | 56,231 |
| Additions | 24,155 | – | – |
| At 31 March/30 September | 80,386 | 56,231 | 56,231 |
| Accumulated amortisation and impairment: | | | |
| At 1 October | 44,274 | 42,752 | 42,752 |
| Amortisation during the year | 2,055 | 761 | 1,522 |
| At 31 March/30 September | 46,329 | 43,513 | 44,274 |
| Carrying amount: | | | |
| At 31 March/30 September | 34,057 | 12,718 | 11,957 |

As a result of the all-share merger with Miton Group plc, which was effected by way of a scheme of arrangement, the shareholders of Miton Group plc received 0.30186 of a share in Premier Miton Group plc on 15 November 2019 satisfied through newly issued shares.

The additions to goodwill and intangible assets in the period relate solely to the acquisition of Miton Group plc.

The acquired business contributed net revenues of £10,699,074 and a net profit after taxation of £3,406,754 to the Group for the period from 15 November 2019 to 31 March 2020. The contribution to the Group's net profit is after charging £984,925 of exceptional restructuring costs incurred since acquisition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the six months ended 31 March 2020

8. Goodwill and other intangible assets (continued)

At the acquisition date the consideration and net assets acquired from Miton Group plc were as follows:

| 14 November 2019 | £000 |
|--|---------------|
| Fair value of equity consideration | 94,322 |
| Net assets acquired: | |
| Intangible assets | 24,155 |
| Deferred tax liability on intangible assets acquired | (4,104) |
| Investments | 100 |
| Cash and cash equivalents | 27,296 |
| Property, plant and equipment | 491 |
| Trade and other receivables | 5,740 |
| Loan to the Employee Benefit Trust | 5,178 |
| Trade and other payables | (19,741) |
| Provisions | (389) |
| Right-of-use assets (net) | (285) |
| Net assets acquired | 38,441 |
| Goodwill | 55,881 |

The fair value of the equity consideration has been calculated by reference to the number of shares issued and the share price at the completion date. Intangible assets acquired in the business combination related to the investment management agreements between

Miton and the funds to which Miton was the investment manager and the value arising from the underlying client relationships.

Goodwill arising on the acquisition of Miton is mainly attributable to the skills and technical talent of Miton's workforce, expected cash flows from new customers and significant synergies which are expected to be realised from integrating the company.

The Group has determined that it has a single cash generating unit ('CGU') for the purpose of assessing the carrying value of goodwill. Impairment testing is performed at least annually whereby the recoverable amount of the goodwill is analysed via the value in use method and compared to the respective carrying value. In response to the market volatility arising from COVID-19, an impairment assessment was completed during the period using materially lower levels of AuM. Due to the cash generative nature of the business, no impairment was identified at these lower levels of AuM.

9. Cash and cash equivalents

| | Unaudited 31 March 2020 £000 | Unaudited 31 March 2019 £000 | Audited 30 September 2019 £000 |
|---|---------------------------------------|---------------------------------------|---|
| Cash at bank and in hand | 28,909 | 15,174 | 20,638 |
| Cash held in the Employee Benefit Trust | 350 | 165 | 51 |
| | 29,259 | 15,339 | 20,689 |

10. Provisions

| | £000 |
|---|------------|
| At 1 October 2019 | – |
| Arising on merger | 389 |
| At 31 March 2020 (Unaudited) | 389 |
| Current | – |
| Non-current | 389 |
| | 389 |
| At 1 October 2018 and 31 March 2019 (Unaudited) | – |
| At 1 October 2018 and 30 September 2019 (Audited) | – |

Provisions primarily relate to dilapidations for the offices at 6th Floor, Paternoster House, London, and the Group's disaster recovery office in Reading. The lease on Paternoster House runs to 28 November 2023 and the provision for dilapidations on this office has been disclosed as non-current.

11. Share capital

| Allotted, called up and fully paid: Number of shares | Ordinary shares 0.02 pence each Number | Deferred shares Number | |
|---|--|------------------------------|---------------|
| At 1 October 2019 | 105,801,310 | 1 | |
| Issued on merger | 52,111,725 | – | |
| At 31 March 2020 (Unaudited) | 157,913,035 | 1 | |
| At 1 October 2018 and 31 March 2019 (Unaudited) | 105,801,310 | 1 | |
| At 1 October 2018 and 30 September 2019 (Audited) | 105,801,310 | 1 | |
| Allotted, called up and fully paid: Value of shares | Ordinary shares 0.02 pence each £000 | Deferred shares £000 | Total £000 |
| At 1 October 2019 | 21 | 29 | 50 |
| Issued on merger | 10 | – | 10 |
| At 31 March 2020 (Unaudited) | 31 | 29 | 60 |
| At 1 October 2018 and 31 March 2019 (Unaudited) | 21 | 29 | 50 |
| At 1 October 2018 and 30 September 2019 (Audited) | 21 | 29 | 50 |

On 14 November 2019 the Company completed an all-share merger with Miton Group plc. The Company issued 52,111,725 new ordinary shares on 15 November 2019 ranked pari passu in all respects with the Company's existing shares in issue.

12. Share-based payment

The total expense recognised for share-based payments in respect of employee services received during the period to 31 March 2020 was £1,636,455 (2019 HY: £1,006,289).

During the period 2,075,000 (2019 HY: 135,000) nil cost contingent share rights over ordinary shares of 0.02p in the Company were granted to nine employees (2019 HY: two). Of the total award, 150,000 (2019: nil) nil cost contingent share rights were awarded to an Executive Director. The awards will be satisfied from the Group's EBTs in accordance with the provisions of the Premier Asset Management Group plc 2016 Long-term Incentive Plan.

The share-based payment expense is calculated in accordance with the fair value of the contingent share rights on the date of grant. The price per right at the date of grant was £1.35 resulting in a fair value of £2,801,250 to be expensed over the vesting periods of three to five years.

The key features of the awards include: a three to five-year vesting term, automatic vesting at the relevant anniversary date with the delivery of the shares to the participant within 30 days of the relevant vesting date.

During the period five participants forfeited nil cost contingent share rights over 146,460 ordinary 0.02p shares in the Company.

On 9 March 2020 1,184,476 nil cost contingent share rights over ordinary shares of 0.02p in the Company were exercised, the cost of the shares held by the EBTs was reduced by £15,087 being the original purchase price of the shares used to satisfy the exercises.

After the period end on 15 April 2020, 2,055,000 nil cost contingent share rights over ordinary shares of 0.02p in the Company were granted to 38 employees, of the total 400,000 were awarded to an Executive Director.

(a) Employee Benefit Trusts

Premier Miton Group plc established an EBT on 25 July 2016 to purchase ordinary shares in the Company to satisfy share awards to certain employees.

Prior to the merger, Miton Group plc had an established EBT. At merger, the EBT held 15,574,517 shares in Miton Group plc, on completion of the all-share merger these shares were converted at the merger exchange ratio of 0.30186 resulting in the EBT holding 4,701,323 ordinary 0.02p shares in Premier Miton Group plc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the six months ended 31 March 2020

12. Share-based payment (continued)

(a) Employee Benefit Trusts (continued)

During the period 1,894,043 (2019 HY: nil) shares were acquired and held by the Group's EBTs at a cost of £2,668,525 (2019 HY: £nil).

At 31 March 2020 9,921,565 (2019 HY: 3,242,830) shares are held by the Group's EBTs, of which 7,324,487 (2019 HY: 3,020,000) shares relate to outstanding awards.

At 31 March 2020, the cost of the shares held by the EBTs of £14,648,840 (2019 HY: £4,047,277) has been disclosed as own shares held by an EBT in the Consolidated Statement of Changes in Equity and the Consolidated Statement of Financial Position.

(b) Legacy Miton schemes

(i) Management Equity Incentive ('MEI')

The MEI was established on 14 April 2011. Awardees have the right to purchase Company shares at a pre-agreed subscription price.

On 14 November 2019 the outstanding MEI awards totalled 7,000,000, on completion of the all-share merger these awards were converted at the merger exchange ratio of 0.30186 resulting in 2,113,020 awards over ordinary 0.02p shares in the Company.

Following the merger, the awards continue to be subject to the terms of the Miton Management Equity Incentive Plan.

During the period, one participant elected to exercise an award over 120,744 ordinary 0.02p shares in the Company. On completion of the merger, MEI participants became entitled to receive a contingent award over additional shares if certain conditions were met. Accordingly, upon exercise of the above award the Trustees released 11,411 additional shares in the Company.

During the period three participants forfeited awards over 90,558 ordinary 0.02p shares in the Company.

At 31 March 2020 there were 1,901,718 outstanding MEI awards of which 1,343,277 had vested.

(ii) Management Incentive Plan ('MIP')

The MIP was a legacy scheme created in 2011.

On 14 November 2019 the vested outstanding MIP award of 200,000 was converted at the merger exchange ratio of 0.30186 resulting in 60,372 awards over ordinary 0.02p shares in the Company, this remained outstanding as at 31 March 2020.

Following the merger, the award continues to be subject to the terms of the Miton Management Incentive Plan.

(c) Share Incentive Plan ('SIP')

On 16 January 2020 the Group established the SIP scheme. This is an HMRC-approved scheme. Participants' contributions are matched by the Company up to a maximum contribution of £1,800 per year. The contributions are used to acquire ordinary 0.02p shares in the Company.

The former Miton group had a SIP scheme in place for its employees which was launched in October 2014. On the effective date of the merger this scheme ceased.

13. Subsequent events post balance sheet

As at 21 May 2020 the impact of the emerging coronavirus ('COVID-19') is being kept under review by the Group. A COVID-19 Response Committee has been appointed and is charged with managing the response to this evolving risk and to implement all government advice in order to safely continue to meet the needs of clients and stakeholders.

With effect from 16 March 2020 all employees transitioned to remote working, the Group continues to provide a full investment management service to our clients and all systems are operating as planned.

The full impact of COVID-19 on the financial performance of the Group for 2020 cannot be quantified at this stage. Should the recent volatility in financial markets due to the pandemic continue then the key impact to the Group will be a decline in revenue resulting from having lower AuM. As at 30 April 2020 the Group's AuM was £9.9 billion.

Premier Miton Group plc continues to carefully manage its cost base and communicate regularly with employees, shareholders, clients, IFAs and intermediaries and other suppliers as events unfold. COVID-19 will be monitored in the context of the Group's risk and control framework.

Management currently assesses these events to represent non-adjusting subsequent events as at the interim reporting date of 31 March 2020.

SHAREHOLDER INFORMATION

FINANCIAL CALENDAR

| | |
|---|---|
| 2020 full year results announced | November 2020 |
| Annual General Meeting | February 2021 |
| 2021 half year results announced | May 2021 |
| Closing mid-market share price on 31 March 2020 | 84.0p |
| Stock code | PMI |
| Listing details | The Company's ordinary shares are quoted on the Alternative Investment Market ('AIM') of the London Stock Exchange. |

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Mike O'Shea
Chief Executive Officer
Piers Harrison
Chief Financial Officer
David Barron
Non-Executive Director
Robert Colthorpe
Non-Executive Director
Senior Independent Director
Alison Fleming
Non-Executive Director
William Smith
Non-Executive Director

Company Registration Number:

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Company Secretary and Registered Office

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