



# Premier Asset Management Group Plc

Half Year Report and Unaudited Condensed Consolidated Financial  
Statements for the six month period ended 31 March 2017

For a special view

  
**Premier**  
Asset Management



Photographs © Andrew Kime

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For a special view

**Premier**  
Asset Management



# Corporate information

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## Directors

Michael Andrew Vogel, Non-executive Chairman

Michael Patrick O'Shea, Chief Executive Officer

Neil Macpherson, Finance Director

Robert Charles Lumsden Colthorpe, Senior Independent Director (appointed 7 October 2016)

Luke Anton Wiseman, Non-executive Director

William Longden Smith, Non-executive Director (appointed 7 October 2016)

Paul Davison Tobias, Non-executive Director (resigned 7 October 2016)

## Company secretary

Neil Macpherson

## Registered office

Eastgate Court

High Street

Guildford

Surrey

GU1 3DE

## Registered number

06306664

## Auditor

KPMG LLP

15 Canada Square

London

E14 5GL

## Bankers

Lloyds Bank Plc

City Office

Corporate & Institutional

PO Box 72

Bailey Drive

Gillingham Business Park

Kent

ME8 0LS

## Nominated Advisor & Joint Broker

Stifel Nicolaus Europe Ltd trading as KBW

150 Cheapside

London

EC2V 6ET

## Joint Broker

Numis Securities Limited

The London Stock Exchange Building

10 Paternoster Square

London

EC4M 7LT

# Highlights

- Assets under management (AUM) increased by 11% to £5.5 billion as at 31 March 2017 (H1 FY16: AUM increased by 11% to £4.5 billion)
- Total net inflows of £311m in the six months to 31 March 2017 (H1 FY16: £422m)
- Total net inflows of £667m for the rolling twelve months to 31 March 2017 (2016: £901m)
- Sixteen consecutive quarters of positive net flows
- Continued strong investment performance net of all fund charges\*:
  - Over five years to 31 March 2017
    - 96% of AUM above median, 80% of AUM first quartile
  - Over three years to 31 March 2017
    - 95% of AUM above median, 63% of AUM first quartile
- EBITDA\*\* up 32% to £6.36m (H1 FY16: £4.81m)
- Adjusted profit before tax up 32% to £6.25m (H1 FY16: £4.72m)
- Profit before tax of £4.16m
- Earnings per share of 3.03p
- First quarterly dividend paid on 3 March 2017 and second quarterly dividend will be paid on 2 June 2017. The Company has adopted a quarterly dividend policy, expecting to pay three smaller, interim dividends, representing approximately half of the estimated total dividend for the full financial year, followed by a larger, final interim dividend.

Notes: \*Performance figures represent 83% of Premier's total AUM as at 31 March 2017 and exclude absolute return funds, investment trusts and segregated mandates. Median and quartile ranking figures are shown relative to respective Investment Association sectors. Source: FE Analytics, data to 31 March 2017, C share class or equivalent share class, income reinvested. Data shown net of all fund charges. \*\*Profit before interest, tax, depreciation, amortisation and exceptional items.

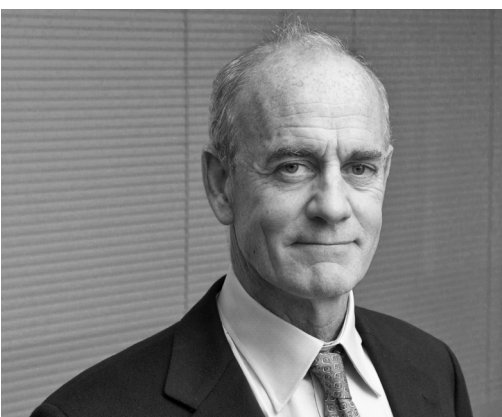
"Macro political events continued to dominate the market environment during the past six months. Inevitably, this has led to heightened caution amongst retail investors for the majority of the period under review. Whilst this has made the backdrop for fund sales more challenging, there has been some evidence of an improvement in the short term, which is encouraging. We are therefore pleased to report positive net flows across our fund range over the six month period of £311m. AUM growth was 11% over the six months ended 31 March 2017 and 22% from the AUM level twelve months ago. During the three months ended 31 March 2017 we also achieved our sixteenth consecutive quarter of positive net flows. We are pleased to note that both our three and five-year performance across our assets under management remains strong, as we continue to focus on delivering good long-term outcomes for our clients, after all fund charges.

Looking forward, the challenges resulting from the UK's decision to leave the European Union are likely to continue to dominate the investment landscape for UK based investors. At the same time, the boost to economies and asset prices that followed central government intervention through quantitative easing seems to be ending. We believe that in this environment, where interest rates are still likely to remain at historic low levels, the value of good, active management will be ever more important. We are confident that our investment teams are well placed to navigate these challenges for our clients.

We continue to believe that our strategy of offering relevant investment products, which are designed to meet the different long-term needs of UK investors, backed by good investment returns, a strong distribution capability and scalable operating platform, positions us well to produce good results for both our clients and our shareholders."

Mike O'Shea  
Chief Executive

# Chairman's & Chief Executive's review



**Mike Vogel**  
Chairman



**Mike O'Shea**  
Chief Executive

## Overview

Premier Asset Management is an investment-led business, with a focus on delivering good long-term investment outcomes for our clients through active management and after all fund charges. Whilst we know there is a focus on short-term performance, our primary objective is to deliver positive long-term investment outcomes for our clients against each of our fund's investment objectives. This includes producing strong long-term growth, income, growing income, absolute returns and good risk-adjusted performance. As always, this means supporting our fund managers and investment teams and backing their investment approaches during different, and sometimes volatile, market conditions. It also means focusing on the long-term rather than on short term market or fund price movements.

We are able to demonstrate continued strong performance for our clients after all fund charges. Over five years to 31 March 2017, 96% of our retail fund assets under management were above median and 80% were first quartile in their respective Investment Association sectors. Over three years, 95% of our retail fund assets under management were above median and 63% were first quartile.\*

Many of our funds have a clear focus on generating income for investors through regular dividends or interest distributions, and these funds have strong track records of delivering attractive income to investors. They are currently offering attractive yields relative to their peers and their respective markets. Our two absolute return funds, which aim to deliver positive returns over rolling three year periods with significantly less volatility than equity markets, continue to meet their objectives, adding six more rolling three year positive periods out of six during this period.

In the first half of the year our multi-asset funds and multi-asset investment team continued to win more awards, including Investment Week Multi-Manager/Funds of Funds Management Group of the Year, Professional Adviser Best Multi-Asset Group: Flexible Investment, Professional Adviser Best Multi-Asset Fund: Long-Term Growth and RSMR Best Multi-Asset Group.

Our distribution focus is on the UK retail intermediary market. The attraction and success of our multi-asset funds, which includes ten funds covering income, growth, balanced, absolute return, conservative growth and volatility-targeted funds, means we have developed a strong presence in the financial advisory market. We will continue to focus on multi-asset and the financial advisory market, but we are also continuing to develop sales of our equity and absolute return funds through the financial advisory and wealth management market.

Premier Asset Management awards: 30 September 2016 to 31 March 2017



# Chairman's & Chief Executive's review

## Continued

### Flows and assets under management

Through a combination of relevant investment products, good investment results from our investment team and our strong distribution capability, we are pleased to report a positive first half year following our listing on AIM in October 2016. Net inflows across our fund range over the period were £311m (H1 FY16: £422m) and our assets under management ended the period at a record high level of £5.5 billion (H1 FY16: £4.5 billion). AUM growth was 11% over the six months ended 31 March 2017 (H1 FY16: 11%) and 22% from the AUM level twelve months ago (2016: 21%).

	Q3FY16 £m	Q4FY16 £m	Q1FY17 £m	Q2FY17 £m
<b>Opening AUM</b>	<b>4,544</b>	<b>4,594</b>	<b>4,999</b>	<b>5,206</b>
Sales	566	458	519	522
Redemptions	(305)	(363)	(379)	(352)
Net flows	261	95	140	170
Closures	(130)	-	-	-
Performance	(81)	310	67	153
<b>Closing AUM</b>	<b>4,594</b>	<b>4,999</b>	<b>5,206</b>	<b>5,530</b>

### Financial results

As a result of the increased level of assets under management and continued cost discipline, the Directors are pleased to report that EBITDA for the period rose to £6.36m from £4.81m for the same period last year; a rise of 32%. Overall, we remain confident on the outlook for the business. We do note that the FCA Market Study into the asset management sector is due to be published before the end of the year and we await its findings with interest.

	Unaudited - Six months to 31 March 2017 £000	Unaudited - Six months to 31 March 2016 £000	Audited - Year to 30 September 2016 £000
<b>Reported PBT</b>	<b>4,155</b>	<b>788</b>	<b>2,531</b>
Add back:			
Interest payable	37	1,209	2,497
Amortisation of intangible assets	1,688	2,566	5,131
Exceptional items	371	152	485
<b>Adjusted PBT</b>	<b>6,251</b>	<b>4,715</b>	<b>10,644</b>
Add back:			
Depreciation	110	95	239
<b>EBITDA</b>	<b>6,361</b>	<b>4,810</b>	<b>10,883</b>

Following the Company's IPO, all borrowings have been repaid and Premier's net assets have increased to £41.8m (H1 FY16: £(5.6)m). Net cash from operations has increased to £4.4m for the period (H1 FY16: £3.5m).

### Dividend

When the Company listed on AIM, the Directors announced their intention to adopt a dividend policy that reflected the expectation of future cash flow generation and the long-term earnings potential of Premier. As part of its policy, the Company expects to pay three smaller, interim quarterly dividends, representing approximately half of the estimated total dividend for the full financial year, followed by a larger, final interim dividend.

The Company paid its first interim dividend of 1.25p per share on 3 March 2017. The next interim dividend of 1.25p was announced on 26 April 2017 and will be paid on 2 June 2017.

# Chairman's & Chief Executive's review

## Continued

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### Key risks

The key risks that the Group's business activities give rise to, and those which the Group will be exposed to in the second half of 2017, are substantially the same as those described in the 2016 annual report. The risks are credit risk, liquidity risk, market price risk and operational risk. These risks, if not managed properly, increase the possibility that the Group will not be able to meet its objectives. Each of these risks and the approach to mitigate the risks are described in detail within the 2016 annual report.

### Outlook and summary

Looking forward, the challenges resulting from the UK's decision to leave the EU are likely to continue to dominate the investment landscape for UK based investors. At the same time, the boost to economies and asset prices that followed central government intervention through quantitative easing seems to be ending. We believe that in this environment, where interest rates will likely continue at historic low levels, the value of good active management will be ever more important. We are confident that our investment teams are well placed to navigate these challenges for our clients.

The Company intends to implement a capital reduction process to cancel its share premium account in order to create distributable reserves at the Group level, which would be available to be used primarily for the purpose of paying future dividends and, should the Company determine in the future, any share repurchase programme. The Company will shortly release a further announcement setting out details of the capital reduction. The capital reduction will need the approval of shareholders and the Company will send a notice of general meeting to shareholders accordingly. In addition, the Company is currently engaging with the Takeover Panel regarding the membership of the Concert Party (as defined in the Company's Admission Document) in order to clarify whether, as a result of any future allotment of new shares pursuant to the Company's long-term incentive plan (LTIP), it would be necessary to seek a waiver from the Takeover Panel of the obligation that would otherwise arise on any member of the Concert Party to make a general offer to shareholders pursuant to Rule 9 of the City Code on Takeovers and Mergers.

We continue to believe that our strategy of offering relevant investment products, which are designed to meet the different long-term needs of UK investors, backed by good investment returns, a strong distribution capability and scalable operating platform, positions us well to produce good results for both our fund investors and our shareholders.

**Mike Vogel**  
Chairman

**Mike O'Shea**  
Chief Executive

\*Performance figures represent 83% of Premier's total AUM as at 31 March 2017 and exclude absolute return funds, investment trusts and segregated mandates. Median and quartile ranking figures are shown relative to respective Investment Association sectors. Source: FE Analytics, data to 31 March 2017. C share class or equivalent share class, income reinvested. Data shown net of all fund charges.



# Independent review report to Premier Asset Management Group PLC

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## Introduction

We have been engaged by the Company to review the condensed consolidated interim set of financial statements in the half-yearly report for the six months ended 31 March 2017 which comprises the consolidated statement of comprehensive income, the consolidated statement of financial position and the consolidated statement of cash flow and the related explanatory notes.

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

This report is made solely to the Company in accordance with the terms of our engagement. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

## Directors' responsibilities

The half-yearly 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 IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly report have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

## Our responsibility

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

## Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope

than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly report for the six months ended 31 March 2017 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the AIM Rules.

**Ravi Lamba**  
for and on behalf of KPMG LLP  
KPMG LLP  
15 Canada Square  
London  
E14 5GL

23 May 2017

# About Premier Asset Management

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Premier is a fast-growing UK retail asset management group with a focus on delivering good investment outcomes for investors through relevant products and active management across its range of multi-asset, equity and absolute return funds. Premier has a particular focus on multi-asset and income investment management, which addresses strong retail investor demand in these sectors.

## Strong investment culture and long-term investment performance

Premier does not have a prescribed house investment view or style and instead allows fund managers and investment teams to follow their own proven investment approach within an appropriate risk and governance framework, whilst sharing investment ideas and research. This investment culture has delivered strong investment performance, including income and growth performance, and has allowed the Group to attract and retain high quality investment managers and to build experienced teams to support its various investment strategies.

## A leader in the UK retail multi-asset market

Premier's first multi-asset style fund was launched in 1995 and the investment range has been developed over the years to target different investment outcomes, and includes multi-asset income, balanced, growth, absolute return and volatility targeted funds. All the funds are actively managed and offer access to different assets, fund managers, investment types and markets, and are managed by Premier's experienced and proven multi-asset investment team.

## Sizeable, well established distribution capability

Over recent years, Premier has developed its sales team to focus on the UK intermediary market. The aim of the team is to help attract and retain assets in funds through good client service. We believe the strength of the sales team is particularly important given the Company's focus on multi-asset funds that typically attract IFAs rather than wealth managers. This results in there being significantly more relationships to build and maintain given the number of IFAs in the UK. The sales team is structured into regional field-based and office-based teams, covering stand-alone and regional IFAs, national and network IFA firms, life companies and wealth managers.

## Scalable and well-invested operating platform to capitalise on growth opportunities

Premier's investment and distribution capabilities are supported by a scalable and well-resourced operating platform which has allowed the Group to benefit from economies of scale as AUM has grown. The Group has key long-standing outsourcing partners in place to provide back office and administration services and a support function which is fully-staffed for the medium term. The Directors believe that there is significant capacity in the majority of the Group's existing funds and that Premier is therefore capable of supporting significantly higher levels of AUM at proportionately lower levels of incremental fixed cost.

## Established and recognised brand amongst UK intermediaries

Premier has built a recognisable brand in the UK intermediary market through a programme of advertising in the press and online. The advertising has principally focused on Premier's multi-asset funds, but also promotes a broader range of Premier's funds. In addition to the sales team and advertising, Premier adopts a multi-channel approach, by using different routes to reach intermediaries, including digital mailings, intermediary events, PR, literature, website, videos and webinars.

## Shareholder value

We believe the business is well placed for the year ahead and for the longer term. Implementing our strategy and maintaining a disciplined approach to cost management with our scalable operating platform, will support Premier's objective of delivering strong net sales and sustainable earnings, cash flow and dividends for shareholders over time.

## Interim unaudited condensed consolidated statement of comprehensive income

### For the six months ended 31 March 2017

	Note	Unaudited Six months to 31 March 2017 £000	Unaudited Six months to 31 March 2016 £000	Audited Year to 30 September 2016 £000
<b>Revenue</b>	3	<b>21,795</b>	<b>19,100</b>	<b>39,149</b>
Administrative costs		(15,544)	(14,385)	(28,505)
Amortisation of intangible assets		(1,688)	(2,566)	(5,131)
Exceptional items	4	(371)	(152)	(485)
<b>Total operating costs</b>		<b>(17,603)</b>	<b>(17,103)</b>	<b>(34,121)</b>
<b>Operating profit</b>		<b>4,192</b>	<b>1,997</b>	<b>5,028</b>
Finance costs		(37)	(1,209)	(2,497)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>4,155</b>	<b>788</b>	<b>2,531</b>
Tax (expense)/credit	5	(1,050)	(698)	(1,546)
<b>Profit/(loss) on ordinary activities after taxation</b>		<b>3,105</b>	<b>90</b>	<b>985</b>
Other comprehensive income		-	-	-
<b>Total comprehensive income</b>		<b>3,105</b>	<b>90</b>	<b>985</b>
Basic earnings/(loss) per share	6	3.03p	6.62p	71.68p
Diluted basic earnings/(loss) per share	6	3.03p	6.62p	71.68p

All the amounts relate to continuing operations.

The notes on pages 12 to 14 form an integral part of these condensed consolidated interim financial statements.

## Interim unaudited condensed consolidated statement of financial position

At 31 March 2017

	Note	Unaudited 31 March 2017 £000	Unaudited 31 March 2016 £000	Audited 30 September 2016 £000
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets		16,013	20,266	17,701
Goodwill		15,597	15,597	15,597
Property, plant and equipment		862	864	933
Deferred tax asset		1,580	1,802	1,580
<b>Total non-current assets</b>		<b>34,052</b>	<b>38,529</b>	<b>35,811</b>
<b>Current assets</b>				
Financial assets at fair value through profit and loss		1,170	995	1,061
Trade and other receivables		60,249	51,601	36,624
Cash and cash equivalents	7	11,007	5,096	10,638
<b>Total current assets</b>		<b>72,426</b>	<b>57,692</b>	<b>48,323</b>
<b>Total assets</b>		<b>106,478</b>	<b>96,221</b>	<b>84,134</b>
<b>Equity</b>				
<b>Capital and reserves attributable to equity holders</b>				
Share capital	10	21	546	14
Share premium		44,747	25	34
Capital redemption reserve		4,532	-	4,532
Retained earnings		(7,495)	(6,173)	(9,278)
<b>Total equity</b>		<b>41,805</b>	<b>(5,602)</b>	<b>(4,698)</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables		62,289	54,045	40,138
Current tax liabilities		2,384	1,389	1,375
<b>Total current liabilities</b>		<b>64,673</b>	<b>55,434</b>	<b>41,513</b>
<b>Non-current liabilities</b>				
Borrowings	8	-	42,670	42,670
Deferred consideration		-	193	-
Provisions and other liabilities	9	-	3,526	4,649
<b>Total non-current liabilities</b>		<b>-</b>	<b>46,389</b>	<b>47,319</b>
<b>Total liabilities</b>		<b>64,673</b>	<b>101,823</b>	<b>88,832</b>
<b>Total equity and liabilities</b>		<b>106,478</b>	<b>96,221</b>	<b>84,134</b>

Company number 06306664

The financial statements were approved on behalf of the Board of Directors on 23 May 2017.

Mike O'Shea  
Chief Executive

Neil Macpherson  
Finance Director

The notes on pages 12 to 14 form an integral part of these condensed consolidated interim financial statements.

## Interim unaudited condensed consolidated statement of changes in equity

### For the six months ended 31 March 2017

	Share capital £000	Share premium £000	Capital redemption reserve £000	Retained earnings £000	Total equity £000
<b>At 1 October 2016</b>	<b>14</b>	<b>34</b>	<b>4,532</b>	<b>(9,278)</b>	<b>(4,698)</b>
Shares issued	7	44,713	-	-	44,720
Equity dividends paid	-	-	-	(1,322)	(1,322)
Profit for the financial period	-	-	-	3,105	3,105
<b>At 31 March 2017 (Unaudited half year)</b>	<b>21</b>	<b>44,747</b>	<b>4,532</b>	<b>(7,495)</b>	<b>41,805</b>
<b>At 1 October 2015</b>	<b>546</b>	<b>13</b>	<b>-</b>	<b>(6,263)</b>	<b>(5,704)</b>
Shares issued	-	12	-	-	12
Profit for the financial period	-	-	-	90	90
<b>At 31 March 2016 (Unaudited half year)</b>	<b>546</b>	<b>25</b>	<b>-</b>	<b>(6,173)</b>	<b>(5,602)</b>
<b>At 1 October 2015</b>	<b>546</b>	<b>13</b>	<b>-</b>	<b>(6,263)</b>	<b>(5,704)</b>
Shares issued	-	21	-	-	21
Capital redemption	(532)	-	4,532	(4,000)	-
Profit for the financial year	-	-	-	985	985
<b>At 30 September 2016 (Audited)</b>	<b>14</b>	<b>34</b>	<b>4,532</b>	<b>(9,278)</b>	<b>(4,698)</b>

The notes on pages 12 to 14 form an integral part of these condensed consolidated interim financial statements.

## Interim unaudited condensed consolidated statement of cash flow

### For the six months ended 31 March 2017

	Note	Unaudited Six months to 31 March 2017 £000	Unaudited Six months to 31 March 2016 £000	Audited Year to 30 September 2016 £000
<b>Cash flows from operating activities</b>				
Profit for the period		3,105	90	985
<b>Adjustments for:</b>				
Financial expense		37	1,209	2,497
Taxation	5	1,050	698	1,546
Depreciation		110	95	239
Loss/(profit) on sale of property, plant and equipment		-	1	1
Gain on sale of financial assets at fair value through profit and loss		(32)	(12)	(12)
Gain on revaluation of current asset investments		(16)	-	(46)
Amortisation		1,688	2,566	5,131
<b>Changes in working capital:</b>				
Decrease/(increase) in trade and other receivables		(23,625)	(11,313)	2,088
(Decrease)/increase in trade and other payables		22,151	10,425	(673)
(Decrease)/increase in provisions		-	-	(530)
<b>Cash generated from operations</b>		<b>4,468</b>	<b>3,759</b>	<b>11,226</b>
Interest paid		-	(40)	(42)
Tax paid		(41)	(220)	(867)
<b>Net cash from operating activities</b>		<b>4,427</b>	<b>3,499</b>	<b>10,317</b>
<b>Cash flows from investing activities</b>				
Acquisition of other intangible assets		-	(225)	(1,275)
Acquisition of assets at fair value through profit and loss		(651)	(521)	(543)
Proceeds from disposal of assets at fair value through profit and loss		590	89	89
Acquisitions of property, plant and equipment		(39)	(1)	(214)
<b>Net cash from investing activities</b>		<b>(100)</b>	<b>(658)</b>	<b>(1,943)</b>
<b>Cash flows from financing activities</b>				
Repayment of borrowings		(42,670)	(6,250)	(6,250)
Interest paid on borrowings		(4,686)	(359)	(359)
Dividends paid to shareholders		(1,322)	-	-
Proceeds from the issue of share capital		44,720	12	21
<b>Net cash from financing activities</b>		<b>(3,958)</b>	<b>(6,597)</b>	<b>(6,588)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>369</b>	<b>(3,756)</b>	<b>1,786</b>
Cash and cash equivalents at the beginning of the period		10,638	8,852	8,852
<b>Cash and cash equivalents at the end of the period</b>		<b>11,007</b>	<b>5,096</b>	<b>10,638</b>

The notes on pages 12 to 14 form an integral part of these condensed consolidated interim financial statements.

# Notes to the condensed consolidated interim financial statements

## At 31 March 2017

### 1. Basis of accounting

#### a) General information

Premier Asset Management 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 2016 Annual Report is prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and is available on the Premier Asset Management Group PLC website ([www.premierfunds.co.uk](http://www.premierfunds.co.uk)).

#### b) Basis of Accounting

These condensed and consolidated interim financial statements do not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006. Unless otherwise stated, 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 2016.

The interim report has been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ and the Listing Rules of the Financial Conduct Authority.

The Group has sufficient financial resources and contracts with a number of customers and suppliers such that the Directors believe that the Group is well placed to manage its business risks successfully despite the continued uncertain economic outlook.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the interim report.

These unaudited financial statements were approved and authorised for issue by the Board of Directors on 23 May 2017.

The comparative figures for the financial year ended 30 September 2016 are not the Company’s statutory accounts for the financial year.

The full year accounts to 30 September 2016 were approved by the Board of Directors on 8 December 2016 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 2017 and the six months ended 31 March 2016 have not been audited.

The consolidated financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

#### c) Forward looking statements

These condensed consolidated interim financial statements which 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. We undertake no obligation to update any forward looking statement whether as a result of new information, future events or otherwise. The condensed consolidated interim 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.

### 2. Accounting policies

#### 2.1 Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities measured at fair value through profit or loss. Costs are expensed as incurred.

### 3. Revenue

Revenue recognised in the statement of comprehensive income is analysed as follows:

	Unaudited Six months to 31 March 2017 £000	Unaudited Six months to 31 March 2016 £000	Audited Year to 30 September 2016 £000
Management fees	21,731	18,992	38,957
Commissions	34	41	70
Other income	30	67	122
<b>Total revenue</b>	<b>21,795</b>	<b>19,100</b>	<b>39,149</b>

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

## Notes to the condensed consolidated interim financial statements

At 31 March 2017

### 4. Exceptional items

Exceptional items are significant items of income and expense that have been presented separately by virtue of their nature to enable a better understanding of the Group's financial performance.

Recognised in arriving at operating profit from continuing operations:

	Unaudited Six months to 31 March 2017 £000	Unaudited Six months to 31 March 2016 £000	Audited Year to 30 September 2016 £000
Staff redundancy costs	40	121	121
Fund rationalisation, closures and mergers	-	17	17
Irrecoverable VAT	-	-	333
Listing on AIM	331	-	-
Capital reduction	-	14	14
<b>Total exceptional items</b>	<b>371</b>	<b>152</b>	<b>485</b>

Staff redundancy costs are in relation to the rationalisation and restructuring of various departments and functions. Fund rationalisation, closure and merger costs are in relation to funds which were merged or closed in 2016 and 2015.

Irrecoverable VAT represents input tax that was payable following the outcome of discussions with HMRC regarding the operation of an agreed partial exemption special method.

Listing on AIM represents costs associated with the admission to trading on the Alternative Investment Market.

### 5. Income taxes

Tax charged in the statement of comprehensive income

	Unaudited Six months to 31 March 2017 £000	Unaudited Six months to 31 March 2016 £000	Audited Year to 30 September 2016 £000
<b>Current income tax:</b>			
UK corporation tax	1,050	665	1,291
Current income tax charge	1,050	665	1,291
Adjustments in respect of prior periods	-	33	33
Total current income tax	1,050	698	1,324
Deferred tax:	-	-	222
<b>Tax expense / (credit) in the statement of comprehensive income</b>	<b>1,050</b>	<b>698</b>	<b>1,546</b>

### 6. Earnings per share

Reported earnings per share has been calculated as follows:

The calculation of basic earnings per share is based on profit after taxation for the period and the weighted average number of ordinary shares in issue for each period.

	Unaudited Six months to 31 March 2017 £000	Unaudited Six months to 31 March 2016 £000	Audited Year to 30 September 2016 £000
Basic:			
Profit attributable to equity holders of the Group	3,105	90	985
Weighted average number of ordinary shares in issue	102,359,460	1,365,776	1,374,851
<b>Basic earnings per share</b>	<b>3.03p</b>	<b>6.62p</b>	<b>71.68p</b>

It should be noted that as a result of the IPO in October 2016, the total number of shares in issue increased significantly and as such the pre and post IPO earnings per share figures are not comparable.

	Unaudited Six months to 31 March 2017 £000	Unaudited Six months to 31 March 2016 £000	Audited Year to 30 September 2016 £000
Diluted:			
Profit attributable to equity holders of the Group	3,105	90	985
Weighted average number of ordinary shares in issue	102,359,460	1,365,776	1,374,851
<b>Diluted earnings per share</b>	<b>3.03p</b>	<b>6.62p</b>	<b>71.68p</b>

### 7. Cash and cash equivalents

	Unaudited Six months to 31 March 2017 £000	Unaudited Six months to 31 March 2016 £000	Audited Year to 30 September 2016 £000
Cash at bank and in hand	11,007	5,096	10,638
<b>Total cash and cash equivalents</b>	<b>11,007</b>	<b>5,096</b>	<b>10,638</b>



## Notes to the condensed consolidated interim financial statements

At 31 March 2017

### 8. Borrowings

	Unaudited Six months to 31 March 2017 £000	Unaudited Six months to 31 March 2016 £000	Audited Year to 30 September 2016 £000
Preference shares of £1 each	-	42,670	42,670
<b>Total borrowings</b>	<b>-</b>	<b>42,670</b>	<b>42,670</b>

#### Preference shares

On 7 October 2016 the Company redeemed the 13,500,000 8% preference shares and 29,170,000 4% preference shares, and paid accrued interest of £2,252,429 and £2,433,449 respectively.

### 9. Provisions and other liabilities

Analysis of total provisions and other liabilities:

	Unaudited Six months to 31 March 2017 £000	Unaudited Six months to 31 March 2016 £000	Audited Year to 30 September 2016 £000
Interest on preference shares	-	3,526	4,649
<b>Total provisions and other liabilities</b>	<b>-</b>	<b>3,526</b>	<b>4,649</b>

#### Interest on preference shares

The accrued interest relates to the Preference shares (note 8).

### 10. Share capital

	Unaudited Six months to 31 March 2017	Unaudited Six months to 31 March 2016	Audited Year to 30 September 2016
<b>Authorised</b>			
Ordinary shares	105,801,310	1,375,302	1,398,513
<b>Allotted, issued and fully paid</b>			
Ordinary shares	105,801,310	1,375,302	1,398,513

On 23 September 2016, and in accordance with rule 2 of the AIM rules, the Company issued an announcement to the London Stock Exchange giving notice of its intention to apply for admission of its shares onto the Alternative Investment Market ("AIM"). In preparation for the proposed listing of its shares, the Company applied to, and received consent from, Companies House to re-register from a private company to a public company with effect from 29 September 2016.

The Company then issued on 4 October 2016 an announcement to the London Stock Exchange giving notice of its proposed admission to trading on AIM and announced its initial public offering by way of a placing of 35,875,660 new and 12,381,916 existing ordinary shares of 0.02 pence each at a price of 132 pence per share, raising gross proceeds of £63.7 million.

On 7 October 2016 the Company subdivided its ordinary share capital, with each ordinary share of 1 pence each being replaced by 50 ordinary shares of 0.02 pence each. The effect of this subdivision was to replace the 1,398,513 ordinary shares of 1 pence each with 69,925,650 new ordinary shares of 0.02 pence each.

On 7 October 2016 the Company's shares were admitted to trading on AIM and 35,875,660 ordinary shares of 0.02 pence each were allotted at a price of 132 pence per share, increasing the number of issued ordinary share capital to 105,801,310 shares. The gross proceeds of the allotment, which amounted to £47,355,871 were used on 7 October 2016 firstly, to redeem the 13,500,000 8% preference shares and pay accrued interest thereon of £2,252,429 and secondly, to redeem the 29,170,000 4% preference shares and pay accrued interest thereon of £2,433,449.

### 11. Segment reporting

The Group operates a single business segment of asset management for reporting and control purposes.

IFRS 8 Operating Segments requires disclosures to reflect the information which Group 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.







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