Premier Asset Management Group PLC
Annual Report and Financial Statements
30 September 2018

Premier
Asset Management

Contents

Annual Report and Financial Statements 30 September 2018

Strategic Report

The Group's Strategic Report is set out within the Chairman's statement on pages 2 to 3 and Chief Executive's report on pages 4 to 7.

Highlights

AUM	£6.9bn
AUM performance* above median over 3 years	64%
AUM performance* above median over 5 years	83%
Consecutive quarters of net positive fund flows	22
Net inflows	£734m
Adjusted EBITDA	£19.1m
Profit before tax	£15.9m
Underlying profit before tax	£18.9m
Total dividend	10.25p

Recent Premier Asset Management awards

Investment Week Specialist Investment Awards 2018 Winner – Specialist Management Group of the Year (under £10bn AUM)

Investment Week Specialist Investment Awards 2018 Winner – Risk Targeted Funds

Winner Investment Life & Pensions Moneyfacts Award 2018 – Best Absolute Return Fund Provider

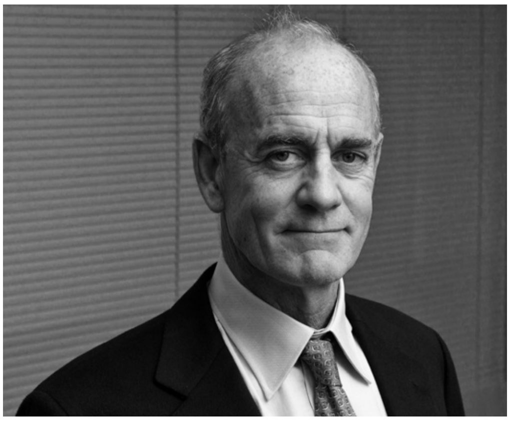
Professional Adviser 2018 awards Winner – Best Multi-Asset Fund Group of the Year

RSMR Rawards 2017 Winner – Best Multi-Asset Group

See further information regarding Alternative Performance Measures (APMs) on pages 12 to 13.

*Performance figures represent 82% of Premier's total AUM as at 30 September 2018 and exclude absolute return funds, investment trusts and segregated mandates. Median figures are shown relative to respective Investment Association sectors. Source: FE Analytics, data to 30 September 2018. Net income reinvested. Data shown net of all fund charges. C share class or, where a C share class was not available for the full time period, the pre RDR bundled or equivalent retail share class has been used for the period the C share class was not available.

Chairman's statement



Mike Vogel
Chairman

The Group continued to make good progress this year. Premier is a client focused and investment led business and we believe our strong financial results have been driven by our relevant investment products, good long term investment performance and strong distribution capabilities.

Financial results

Over the year we experienced net inflows of £734 million and have now recorded twenty two successive quarters of positive net inflows. As a result of these strong inflows and some market movement, our assets under management[1] reached a record high level of £6.9 billion as at the end of September 2018.

The increase in assets under management helped to deliver an increase in profit before tax to £15.9m, whilst underlying profit before tax[1] increased by 29% to £18.9m, with net management fees[1] increasing by £7.2m to £48.1m, and adjusted EBITDA[1] increasing by 27% to £19.1m.

The Group 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 dividend. The Board may revise the dividend policy from time to time in line with the actual results of the Group.

The Board has announced a final interim dividend of 5.30p which means the full-year dividend will be 10.25p (2017: 8.0p), equivalent to a 28% increase on last year. The full year dividend represents 70% of adjusted profit after taxation.

Business update

We believe our existing investment product range is well placed to meet the needs of UK advisers and their clients, whether they are looking for standalone managed solutions, offered by our range of multi-asset funds, or specialist funds which we expect will form part of a broader investment portfolio. Many of our funds are income focused, and are designed to help those seeking long term income from their investments.

During the year we have continued to develop our product range. This included promoting existing members of our UK equity team to manage our UK equity growth fund, and utilising existing investment capabilities from our derivatives desk and global equity team to launch a new high yielding global equity income fund. We believe that these developments will create further opportunities to attract fund flows over the coming years.

At the core of what we do is active investment management. All of our investment products are managed by our specialist investment teams on this basis, and this approach has produced good long term investment results, after all charges, over many years.

Over the course of the year, business conditions have continued to be challenging, with continued economic, political and investment uncertainty. We believe this uncertainty, including concerns over the outcome of the Brexit negotiations, has created a more volatile and difficult environment for the investment industry. So far, this belief has been borne out in a lower level of fund sales in 2018, as compared to 2017, across the UK funds industry. We clearly do not know how this challenging environment will evolve, but we believe our active investment management approach is well placed to help investors over the longer term.

[1] See further information regarding Alternative Performance Measures (APMs) on pages 12 to 13.

Chairman's statement

Continued

Board

I would like to thank my fellow Board members for their guidance over the year. Although there were no changes to the composition of the Board over the year, Luke Wiseman and I stepped down from the Audit & Risk Committee at the end of September. It was our intention that Robert Colthorpe, who currently serves as our senior independent director, would succeed Luke Wiseman as Chair of the Audit & Risk Committee and I am pleased to announce that Robert commenced in this role on 1 January 2018. The Audit & Risk Committee will now comprise of the independent non-executive directors only, currently Robert Colthorpe and William Smith.

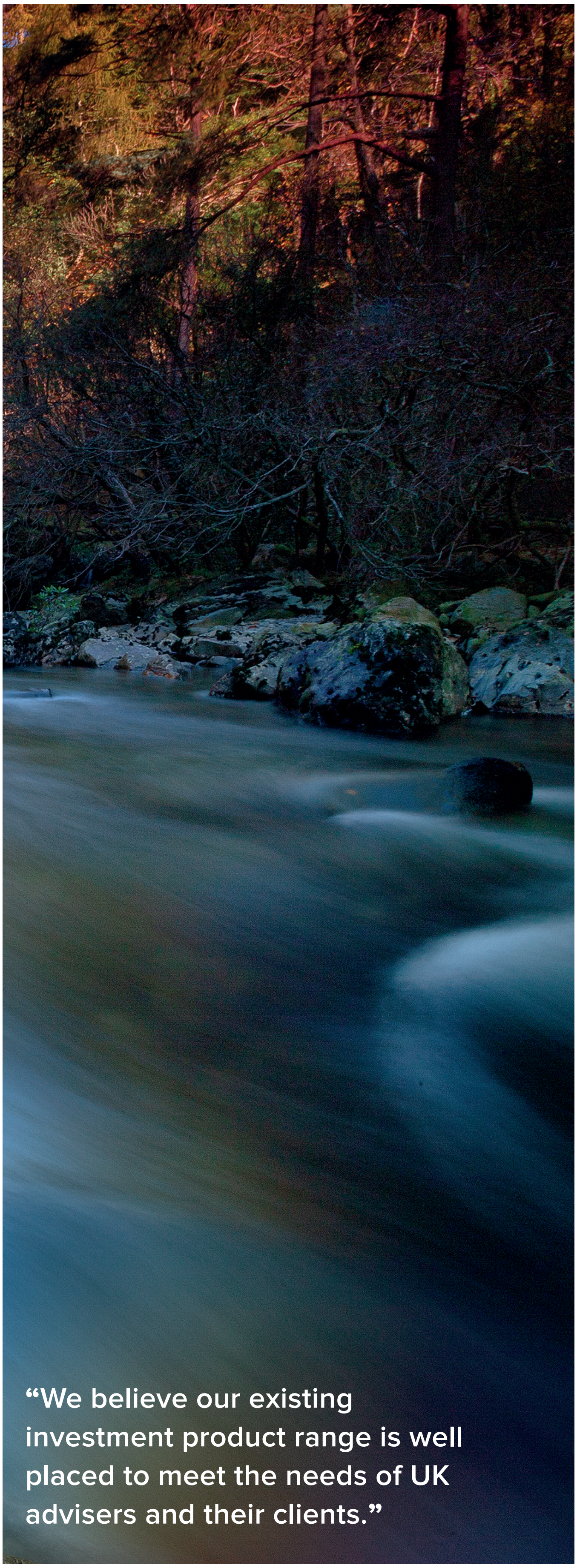
Outlook

Despite the current political and macroeconomic uncertainties impacting the investment environment, particularly as the UK enters the final stages of Brexit, the Board believes that Premier has a compelling and resilient long term strategy, built around active investment management, relevant products, strong investment performance and strong distribution capabilities that can continue to deliver value for our clients and shareholders. In closing, I would like to say thank you to everyone at Premier who has worked hard to contribute to the Company's success, and to everyone else who has supported us, including our clients and our shareholders.

Approved and signed on behalf of the Board.

Mike Vogel
Chairman

28 November 2018



Chief Executive's report

Mike O'Shea
Chief Executive

I am pleased to report another strong year for the business, in terms of continuing to deliver good long term investment performance for our clients after all fees, continued flows into Premier funds and good financial results for shareholders.

Introduction

At the core of what we do is our focus on helping our clients achieve their financial goals. We do this by retaining and hiring high quality, specialist investment professionals to actively manage our range of investment products. Each fund that we run or service that we offer is designed to meet a specific investment objective and produce good long term investment results for our clients, after all fund fees.

By doing this well, and by managing our business effectively and efficiently, we believe we can deliver value to our clients, create value for our shareholders, and also reinvest in our business and our people to create ongoing value for our clients and shareholders.

Thanks to the quality of the people who work for Premier, including their skills, experience and hard work, and the strength of our investment products and operating platform, I believe our business is well placed for the future.

Investment performance after fees

We have continued to maintain good long term investment performance, with 83%[2] of our assets under management outperforming their respective sector medians over five years. As well as producing good long term growth after all fund fees, many of our funds have a primary objective of delivering income or risk-adjusted returns for our clients. I am pleased that despite many external challenges, our fund managers have continued to deliver good income and risk-adjusted performance for our clients over time.

Awards

We are pleased to report that the quality of our multi-asset investment teams, investment products and investment performance has continued to be recognised by various awards.

Premier won Multi-Asset Group of the Year at the Investment Week Specialist Investment Awards 2017, Best Multi-Asset Fund Group of the Year at the Professional Adviser Awards 2018 and Best Multi-Asset Group 2017 in the Rayner Spencer Mills Awards.

Individual multi-asset fund awards included Premier Multi-Asset Distribution Fund winning Best Multi-Asset Fund in the rising income category at the Professional Adviser Awards 2018.

Premier Multi-Asset Global Growth Fund won Best Managed Growth Fund at the Investment Week Fund Manager of the Year Awards 2018, Best Mixed Asset Aggressive Fund at the Thomson Reuters Lipper Fund Awards 2018 and was the winner in an FTAdviser FT100 Club 2017 category.

Premier Diversified Fund was highly commended in the Managed Balanced Category in the Investment Week Fund Manager of the Year Awards 2018.

One of Premier's absolute return funds, Premier Defensive Growth Fund, won Best Multi-Asset Fund in the Positive Return category at the Professional Adviser Awards 2018.

Financial results

Over the year, we experienced strong net inflows of £734m and our assets under management hit a record high of £6.9 billion as at the end of September 2018, up 13% on the previous year.

[2] Performance figures represent 82% of Premier's total AUM as at 30 September 2018 and exclude absolute return funds, investment trusts and segregated mandates. Median ranking figures are shown relative to respective Investment Association sectors. Source: FE Analytics, data to 30 September 2018. Net income reinvested. Data shown net of all fund charges. C share class or, where a C share class was not available for the full time period, the pre RDR bundled or equivalent retail share class has been used for the period the C share class was not available.

Chief Executive's report

Continued

These strong net inflow figures were achieved despite a more subdued environment for industry retail fund sales, which according to the Investment Association, fell 34%[3] over the year to 30 September 2018 when compared with the previous year.

Relevant investment products

Premier launched its first multi-asset style fund in 1995 and we now manage £4.3 billion across our range of twelve multi-asset funds, which include ten multi-manager funds. Whilst each of the twelve funds has specific investment objectives, they can be categorised as having a primary investment focus on either income, growth, wealth preservation or risk-targeted returns.

As many advisers seek suitable outsourced investment partners for their respective centralised investment propositions, we believe the combination of our broad multi-asset product range, specialist investment expertise and experience in this area, performance track record and client support make Premier an attractive ongoing investment partner for advisers.

We are pleased we have established a strong position in the adviser market for multi-asset funds, and according to research from Bdifferent, Premier is a market leader for multi-asset and multi-strategy funds. We remain focused on continuing to develop and grow in this area.

Product development

We continue to review and refine our product range with the aim of trying to make sure we offer products that meet the ongoing demands from clients.

To complement our existing range of market-leading multi-asset funds, over the last few years we have developed two new multi-asset funds, Premier Diversified Fund and Premier Diversified Income Fund. Premier Diversified Fund has now built a strong five year track record. Premier Diversified Income Fund, launched in June 2017, has had a good first year. Both of these funds have been a core part of Premier's sales and marketing activity over the last year and have achieved encouraging positive net flows.

Premier Diversified Fund and Premier Diversified Income Fund are managed by Premier's Chief Investment Officer together with our in-house equity and fixed income teams. They invest directly into a diversified portfolio of stocks and shares using the skills of seven of Premier's specialist investment managers, covering different asset classes. The Diversified funds have a focus on producing returns with significantly less volatility than the UK equity market.

During the year, we were pleased to promote two of our UK equity investment team as co-managers of the Premier UK Growth Fund. Over their first year, the fund is ranked 11 out of 262 funds in the IA UK All Companies universe, and has significantly outperformed the fund's comparative index, the FTSE All-Share Index. Whilst this is a very short term time frame, we are pleased with this initial success and will be supporting the managers as they build their longer term track record.

In September 2018, we launched the Premier Global Optimum Income Fund. This new fund is based on our existing investment capabilities in global equities and in managing option strategies to target a yield of 6% p.a. In a continued low interest rate environment, and with more people looking for suitable income options in retirement, we believe this fund will prove an attractive option for income-seeking investors.

Regulation

This year has included some key regulatory changes and announcements. A significant amount of work went into ensuring we were ready for the new MiFID II regulations when they were implemented in January 2018. This year also saw important market study announcements by the FCA.

[3] Source: Investment Association. 12 month periods to 30.09.17 and 30.09.18.

Chief Executive's report

Continued

In April 2018, the FCA published a policy statement outlining its feedback and final rules relating to its Asset Management Market Study. The final rules and guidance cover a number of areas, including a requirement for fund managers to make an annual assessment of value, as part of their duty to act in the best interests of the investors in their funds, and a requirement for fund managers to appoint a minimum of two independent directors to their boards. These specific new rules come into effect during 2019.

We support these measures, which are designed to deliver better protection for investors, including those who are actively engaged with their investments and those who do not follow their investments closely.

We are proud of the good investment outcomes that we deliver for our clients, and we will continue to work hard to ensure we are transparent about our fund charges, as well as exploring ways to improve how we show the value we are delivering to our clients, after all fund fees.

The FCA published their investment platforms market study interim report in July 2018. This is of relevance to Premier as a significant amount of our business is held through investment platforms. The report sets out the FCA's provisional view on the way competition works in the investment platform market and how they would like the market to develop. We will monitor the FCA's next report with interest.

Brexit

Our business, along with other UK based investment companies, faces a number of challenges. Although economic and political uncertainty is a global phenomenon, the Brexit negotiations and the various potential outcomes continue to dominate economic and political discussions in the UK.

In the short term, it is possible that Brexit results in the UK economy having a period of prolonged contraction, which could also mean exchange rate volatility and further falls in the value of sterling.

As an active investment manager, our fund managers can be proactive about where they invest, and many of our funds can choose to be partly, mainly or wholly invested outside of UK listed investments.

However, Brexit could well lead to a period of very difficult economic circumstances and poor investor confidence, which could impact on future flows into Premier's funds.

The Board has considered market access rights in the context of Brexit for fund distribution and fund management. Whilst the outcome of negotiations remains uncertain, the Board notes that Premier is a UK retail funds business distributing UK funds through UK intermediaries to UK investors. The Board has concluded that as far as Premier's existing business strategy is concerned, the overall impact of changes in the rules governing distribution of funds within and to the EU post Brexit will not be a significant risk factor. Other than its potential impact on markets and investor confidence as noted above, the Board does not believe that Brexit will significantly impact on Premier's ongoing business strategy or, importantly, on our current operational platform.

The Board has also noted that Brexit could have an impact on the retention of skilled employees and on recruitment for many businesses. As at 30 September 2018, 5% of Premier's employees are from non-UK countries in the EU. The Board very much hopes that negotiations will be concluded in such a way as to enable us to retain these people and for the business to continue to benefit from their positive contribution.

In an ideal world, the Board would like the Group to have the ability to recruit from as wide a pool of talent as possible, from both within the EU and further afield. However, taking into account the overall size of Premier, the Board does not feel that a "no deal" Brexit creates significantly increased risk for the business in the area of recruitment and retention.

Finally, the Board has considered the impact of declines in the debt market and the impact of tighter credit conditions more generally and concluded that, other than their overall impact on the economy, these do not present increased risks to Premier in terms of our debtors or creditors.

Industry dynamics

Technology is changing the way most of us are leading and managing our lives, and is also impacting our industry in areas such as technology driven investment management, the way advisers and our clients buy, hold and sell funds, and how funds are marketed. We also face increasing competition from passive funds and from combined investment and advice firms that offer their own in-house investment products.

Against this backdrop, it is important that we have a robust and responsive business model, including relevant investment products backed by good investment performance records and strong distribution. We believe that we have this and can continue to do well for our clients and shareholders by delivering good performing investment products that meet the long term needs of our clients.

To our minds, the case for active management remains strong. Active managers have the ability to make ongoing proactive investment decisions about where to invest and where not to invest and to give investors access to different types of asset classes and portfolio structures, as well as avoiding specific types of investments. We also believe that active management is well placed to help clients achieve specific investment outcomes, including long term income in retirement, and to navigate the investment challenges that can arise from an increasingly uncertain global economic and political environment. Our view is that active management plays a crucial part in the efficient allocation of capital within the economy. It does this by not only influencing the way that today's companies are managed but also by providing finance for the growth of these companies and for the growth of tomorrow's companies.

Chief Executive's report

Continued

Our strategy

We believe there are clear reasons to be optimistic about the long term future for the investment industry and investment providers who can demonstrate they deliver value to clients by offering good investment solutions. We also believe we have investment products well suited for financial advisers seeking to outsource investment management for their own clients, as well as for advisers seeking relevant investment components for their own managed portfolios. We remain a highly focused business in terms of our product offering, our market and our clients. We are wholly focused on the UK market and our distribution is through UK intermediaries, including financial advisers, wealth managers, life companies, fund of funds, and platforms, which means our end clients will typically be UK based.

We will continue to evolve our business strategy and we plan to ensure we are well placed to help our clients achieve their objectives by offering relevant investment products, delivering strong investment performance, running a strong distribution capability and maintaining a scalable operating platform.

Outlook

Trading during the early part of the current financial year has been more difficult. The combination of more volatile investment markets and the ongoing uncertainty around Brexit have impacted on both the level of assets under management and the rate of fund flows. Anecdotal evidence suggests that retail investors are taking a wait-and-see approach and, as a result, fund flows have been slower in the first few weeks of the current year than they have been in recent months. Despite this, investment performance, particularly across our multi-asset range has remained resilient on a relative basis. We are confident that as the uncertainty around Brexit clears one way or another over the coming months we can resume making further progress in terms of both continued good outcomes for investors as well as in increasing assets under management from new fund flows.

Thank you

Finally, I would like to finish where I started my review of the year, by thanking my colleagues at Premier and our clients. I would like to thank my co-workers for their professionalism, hard work and enthusiasm during the year. I would also like to thank our clients for their trust in allowing us to manage their money, and their advisers for their support in using or recommending our funds. And finally, I would like to thank our shareholders for their continued support.

Approved and signed on behalf of the Board.

Mike O'Shea
Chief Executive Officer

28 November 2018

"We believe our existing investment product range is well placed to meet the needs of UK advisers and their clients."

Financial review

Neil Macpherson
Group Finance Director

Assets under management ("AUM")

AUM as at 30 September 2018 stood at £6,866m, up some £778m (+12.8%) over the year, with average AUM standing at £6,554m for the year, up £1,019m (+18.4%) on the previous financial year. The following table shows the progression of AUM over the last three financial years:

	FY18 £m	FY17 £m	FY16 £m
Opening AUM	**6,088**	**4,999**	**4,081**
Sales	2,239	2,150	1,944
Redemptions	(1,505)	(1,403)	(1,166)
Net sales	**734**	**747**	**778**
Closures	-	-	(174)
Performance	44	342	314
Closing AUM	**6,866**	**6,088**	**4,999**
Average AUM	**6,554**	**5,535**	**4,526**

Average AUM has grown year-on-year as a function of continued positive net inflows and market performance. The final quarter of the financial year ended September 2018 was the twenty-second consecutive quarter of positive net inflows.

The following table shows the split of closing AUM by product type as at the end of the last three financial years:

	FY18	FY17	FY16
Retail funds	95.3%	94.6%	93.9%
Investment trusts	2.2%	2.7%	3.0%
Segregated mandates	2.5%	2.7%	3.1%
	100.0%	100.0%	100.0%

In terms of closing AUM by asset class as at the end of the last three financial years, this is shown in the following table:

	FY18	FY17	FY16
Multi-asset, multi-manager	59%	54%	51%
UK equities	21%	24%	27%
Absolute return	9%	12%	11%
Fixed income	6%	6%	7%
Global equities	3%	3%	3%
Multi-asset	2%	1%	1%
	100%	100%	100%

Financial performance

Profit before tax for the year ended 30 September 2018 amounted to £15.9m (2017: £11.5m), representing an increase of £4.4m (+38.3%) over the previous financial year. The following table shows an analysis of the financial performance over the last three financial years.

	FY18	FY17	FY16
Net management fees	£48.1m	£40.9m	£33.3m
Other income	£0.7m	£0.1m	£0.1m
Net revenues	**£48.8m**	**£41.0m**	**£33.4m**
Adjusted administrative costs	(£29.9m)	(£26.3m)	(£22.8m)
Amortisation	(£1.7m)	(£2.5m)	(£5.1m)
Exceptional items	(£0.3m)	(£0.4m)	(£0.5m)
Share based payments	(£1.0m)	(£0.3m)	-
Operating profit	£15.9m	£11.5m	£5.0m
Finance costs	-	-	(£2.5m)
Profit before tax	**£15.9m**	**£11.5m**	**£2.5m**
Taxation	(£3.4m)	(£2.6m)	(£1.5m)
Profit after tax	**£12.5m**	**£8.9m**	**£1.0m**

Financial review

Continued

Net management fees

Net management fees generated during the year amounted to £48.1m, which represents a £7.2m (+17.6%) increase over the previous financial year and an annual compound growth rate over the last three financial years of 20.2%.

	FY18	FY17	FY16
Management fees	£52.7m	£45.9m	£39.0m
Less: Trail/renewal commission	(£4.6m)	(£5.0m)	(£5.7m)
Net management fees	£48.1m	£40.9m	£33.3m
Average AUM	£6,554m	£5,535m	£4,526m
Net management fee margin*	73.4bps	73.9bps	73.6bps

Based on the average AUM as shown above, the net management fee margin has decreased slightly during the year from 73.9bps to 73.4bps, with the change in margin being primarily due to a change in the product mix.

* This is an alternative performance measure ("APM"). See pages 12 and 13 for further details.

Other income

Other income generated during the year amounted to £0.7m compared to £0.1m in the previous financial year. This increase is mainly due to a £0.56m performance fee that was generated during the year in respect of the Acorn Income Fund and is not considered to be a recurring item. Included within Administrative Costs is an amount of £0.38m which represents the amount of the performance fee that is payable to the relevant fund managers, with £0.35m included within Variable Other Costs and £0.03m included within Variable Staff Costs.

Adjusted administrative costs

Administrative costs (excluding renewal commissions and share-based payments) during the year amounted to £29.9m, compared to £26.3m in the previous financial year, representing an increase of £3.6m (+13.7%). The largest component of administrative costs continues to be staff costs, which amounted to £16.7m compared to £14.7m in the previous financial year. The following table analyses adjusted administrative costs between both fixed and variable elements of staff costs and other costs:

	FY18	FY17	FY16
Fixed staff costs	£9.4m	£8.6m	£7.7m
Variable staff costs	£7.3m	£6.1m	£5.4m
Total staff costs	**£16.7m**	**£14.7m**	**£13.1m**
Fixed other costs	£9.3m	£8.0m	£6.5m
Variable other costs	£3.9m	£3.6m	£3.2m
Total	**£29.9m**	**£26.3m**	**£22.8m**

Share based payments are excluded from administration costs on the basis that they are disclosed separately in the financial performance table shown above.

The total administrative costs shown in the consolidated statement of comprehensive income on page 32 includes renewal commissions and share-based payments, which for the purposes of this review are analysed separately. A reconciliation of the above totals and those shown in the Consolidated Statement of Comprehensive Income is shown below:

	FY18	FY17	FY16
Consolidated statement of comprehensive income	£35.5m	£31.6m	£28.5m
Less: Renewal commission	(£4.6m)	(£5.0m)	(£5.7m)
Less: Share based payments	(£1.0m)	(£0.3m)	-
Total	**£29.9m**	**£26.3m**	**£22.8m**

Staff costs consist of two elements, the first being fixed, which includes salaries and associated national insurance, employers' pension contributions and other indirect costs of employment, which rose by 9.3% to £9.4m; this compares with a 7% increase in average headcount as shown in note 6(a) on page 41. The second element of staff costs is in respect of variable items such as general discretionary bonuses, sales bonuses and fund based bonuses in respect of the fund management teams, together with the associated employers national insurance. Variable staff costs increased by £1.2m (+19.7%), which compares with the 18.4% increase in average AUM as mentioned above, together with a 27% increase in adjusted EBITDA (see below).

Fixed other costs have increased by £1.3m (+16.3%) with the main components being office costs, advertising & marketing, consultancy (including audit, taxation, legal and regulatory fees) and other items, including irrecoverable VAT.

Variable other costs, which includes the cost of the fund administrators, have increased by £0.3m (+8.3%).

Share based payments

Included within the Consolidated Statement of Comprehensive Income is a charge of £1.0m (2017: £0.3m) in respect of awards that have been made over shares held within the Employee Benefit Trust ("EBT"). Such awards, which are considered to be the deferred element of the overall annual bonus plan, are an integral part of the long term incentive and retention package for executive directors and senior employees. It aims to reward good performance and ensure that the interests of such employees are aligned with the interests of shareholders. As at 30 September 2018 the EBT held 3,242,830 ordinary shares, representing 3.07% of the issued ordinary share capital. As at 30 September 2018 the total awards issued amounted to 2,885,000 ordinary shares. The fair value of the awards is amortised over the relevant three year vesting period. The increase in charge is in respect of a full year's cost relating to the 2017 awards, together with a part year charge for those awards made in 2018.

Financial review

Continued

Exceptional items

Exceptional costs incurred during the year amounted to £248,000. These costs relate firstly to FSCS levies, which have increased significantly over previous years due to increased compensation paid by the FSCS, and secondly, to PremierConnect development costs relating to external consultants who have been engaged in the testing of the PremierConnect platform during the year.

Underlying profit before and after tax*, and underlying earnings per share*

Underlying profit before tax increased to £18.9m from £14.7m in the previous financial year, representing an increase of £4.2m (+28.6%). The following table reconciles retained profit and underlying profit before tax for the last three financial years:

	FY18	FY17	FY16
Retained profit	**£12.5m**	**£8.9m**	**£1.0m**
Taxation	£3.4m	£2.6m	£1.5m
Profit before tax	**£15.9m**	**£11.5m**	**£2.5m**
Amortisation of intangible assets	£1.7m	£2.5m	£5.1m
Exceptional items	£0.3m	£0.4m	£0.5m
Share based payments	£1.0m	£0.3m	-
Net interest payable	-	-	£2.5m
Underlying profit before tax*	**£18.9m**	**£14.7m**	**£10.6m**
Taxation	(£3.4m)	(£2.6m)	(£1.5m)
Underlying profit after tax*	**£15.5m**	**£12.1m**	**£9.1m**

In arriving at underlying profit before and after tax, the Board believes that making adjustments for amortisation of intangible assets, exceptional items, share based payments and net interest payable, provides for consistent period on period comparisons and makes it easier for users of the accounts to identify trends.

Underlying profit after tax increased to £15.5m from £12.1m in the previous financial year, representing an increase of £3.4m (+28.1%).

The underlying earnings per share, which is based on the underlying profit after tax, is a non-GAAP measure, which the Board believes provide a useful representation of the Group's trading performance.

	FY18	FY17	FY16
Underlying profit after tax*	£15.50m	£12.10m	£9.10m
Weighted average number of ordinary shares	105,060,401	104,085,100	68,742,550
Adjusted diluted earnings per share*	**14.75p**	**11.63p**	**13.24p**

The Group's basic and diluted earnings per share, which is based on profit after tax, for FY18 were 12.09p and 11.92p respectively, compared with 8.53p for FY17 on a basic and diluted basis.

It should be noted that the figures for FY16 represent a period which was prior to the Company's shares being admitted to trading on the Alternative Investment Market of the London Stock Exchange, which took effect on 7 October 2016. As part of the listing process, the Company subdivided its ordinary share capital, with each ordinary share of 1p nominal value being replaced with 50 ordinary shares with a nominal value of 0.02p; in addition, and as part of the listing process, the Company issued 35,875,660 ordinary shares with a nominal value of 0.02p each. The weighted average number of ordinary shares for FY16 have, for comparative purposes, been adjusted to reflect the sub-division of shares as if it had taken place prior to 30 September 2016.

* This is an alternative performance measure ("APM"). See pages 12 and 13 for further details.

Adjusted EBITDA*

Adjusted EBITDA increased to £19.1m from £15.0m in the previous financial year, representing an increase of £4.1m (+27.3%). The following table reconciles retained profit and Adjusted EBITDA for the last three financial years:

	FY18	FY17	FY16
Retained profit	**£12.5m**	**£8.9m**	**£1.0m**
Taxation	£3.4m	£2.6m	£1.5m
Profit before tax	**£15.9m**	**£11.5m**	**£2.5m**
Amortisation of intangible assets	£1.7m	£2.5m	£5.1m
Exceptional items	£0.3m	£0.4m	£0.5m
Share based payments	£1.0m	£0.3m	-
Net interest payable	-	-	£2.5m
Depreciation	£0.2m	£0.3m	£0.3m
Adjusted EBITDA*	**£19.1m**	**£15.0m**	**£10.9m**
Adjusted EBITDA margin*	**39.1%**	**36.6%**	**32.6%**

* This is an alternative performance measure ("APM"). See pages 12 and 13 for further details.

Balance sheet and cash management

The Group is cash generative and as at 30 September 2018 the cash balances of the Group amounted to £20.8m (2017: £16.4m), representing an increase of £4.3m (+26.3%) over the year. The split between Group and Trading account cash balances over the last three financial years is shown in the table below:

	FY18	FY17	FY16
Company cash	£19.4m	£15.8m	£9.4m
Trading account cash	£1.4m	£0.6m	£1.2m
	£20.8m	**£16.4m**	**£10.6m**

The above Trading account cash balances relate to the designated bank accounts that are used for the settlement of trades in the open-ended funds as operated by Premier Portfolio Managers Ltd. As at 30 September 2018, the projected trading account balance, after accounting for all outstanding trades, was a surplus cash balance of £1.2m (2017: £1.2m).

Financial review

Continued

Shareholders' equity

Total shareholders' equity as at 30 September 2018 stood unchanged at £45.3m (2017: £45.3m). The EBT is consolidated into the group financial statements. As such, those shares that are held in the EBT and which have awards attaching to them, are accounted for as own shares held by an EBT, and are therefore shown as a deduction in the Consolidated Statement of Changes in Equity, amounting to £4.0m. During the year retained earnings increased by £4.0m; this consisting of a retained profit for the financial year of £12.5m less dividends paid during the year of £9.5m plus, a £1.0m movement in reserves associated with the share based payments.

Going concern

The Directors have assessed the prospects of the Group over a period of three years after the balance sheet date, rather than the 12 months required by the Going Concern provision.

The Directors confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities, as they fall due, up to 30 September 2021. The Directors' assessment has been made with reference to the Group's current position and strategy, the Board's appetite for risk, the Group's financial forecasts, and the Group's principal risks and how these risks are managed, as detailed in the Strategic Report. The Directors have also reviewed and examined the financial stress testing inherent in the Internal Capital Adequacy Assessment Process ("ICAAP").

The three-year period is consistent with the Group's current strategic forecast and ICAAP. The forecast considers the Group's profitability, cash flows, dividend payments and other key variables. Sensitivity analysis is also performed on certain of the key assumptions in the forecast, both individually and combined, in addition to scenario analysis that is performed as part of the ICAAP process, which is formally approved by the Board.

Alternative Performance Measures ("APMs")

The Group uses the following APMs which should be read together with the Group's financial statements:

Underlying profit before tax

Definition: Profit before taxation, amortisation of intangible assets, exceptional items, share based payments and net interest.

Reason for use: This measure of profitability presents users of the accounts with a clear view of what the Group considers to be the results of its underlying operations after excluding the effects of taxation, financing (interest payable), capital investment (depreciation and amortisation), non-recurring exceptional items and share based payments, thereby enabling consistent period on period comparisons and making it easier for users of the accounts to identify trends.

Underlying profit after tax

Definition: Profit after taxation but before amortisation of intangible assets, exceptional items, share based payments and net interest.

Reason for use: This measure of profitability presents users of the accounts with a clear view of what the Group considers to be the results of its underlying operations after excluding the effects of financing (interest payable), capital investment (depreciation and amortisation), non-recurring exceptional items and share based payments, thereby enabling consistent period on period comparisons and making it easier for users of the accounts to identify trends.

Underlying earnings per share

Definition: Underlying profit after tax divided by the weighted average number of shares in issue during the period.

Reason for use: This measure of profitability presents users of the accounts with a clear view of what the Group considers to be the results of its underlying operations per share after excluding the effects of financing (interest payable), capital investment (depreciation and amortisation), non-recurring exceptional items and share based payments, thereby enabling consistent period on period comparisons and making it easier for users of the accounts to identify trends.

Assets Under Management ("AUM")

Definition: AUM is the total value of assets that are managed by the Group on behalf of clients.

Reason for use: AUM is a financial industry measure of size of an investment management firm that allows comparison with other firms within the sector. AUM is also the base value that is used for calculating management fee income and directly related variable costs.

Adjusted EBITDA

Definition: Earnings before interest, taxation, depreciation, amortisation of intangible assets, exceptional items and share based payments.

Reason for use: To provide a measure of profitability which is aligned with the requirements of shareholders and potential shareholders and which excludes the effects of taxation, financing (net interest payable), capital investment (depreciation and amortisation), non-recurring exceptional items and share based payments, enabling comparison with the Group's competitors who may use different accounting policies and finance methods.

Adjusted EBITDA margin

Definition: Adjusted EBITDA divided by Net Revenue.

Reason for use: To provide a measure of profitability which is aligned with the requirements of shareholders and potential shareholders and which excludes the effects of taxation, financing (net interest payable), capital investment (depreciation and amortisation), non-recurring exceptional items and share based payments, enabling comparison with the Group's competitors who may use different accounting policies and finance methods.

Financial review

Continued

Net revenue

Definition: Turnover of £53.4m (2017: £46.0m) less trail/renewal commission expense of £4.6m (2017: £5.0m), which is included within administrative costs in the Consolidated Statement of Comprehensive Income on page 32.

Reason for use: Asset managers and analysts typically use this performance measure to smooth out the effect of fee related trail/renewal commission that is included within administrative costs.

Net management fees

Definition: Management fee income of £52.7m (2017: £45.9m) less trail/renewal commission expense of £4.6m (2017: £5.0m), which is included within administrative costs in the Consolidated Statement of Comprehensive Income on page 32.

Reason for use: Asset managers and analysts typically use this performance measure to smooth out the effect of fee related trail/renewal commission that is included within administrative costs.

Net management fee margin

Definition: Net management fees divided by average AUM.

Reason for use: Asset managers and analysts typically use this performance measure to smooth out the effect of fee related trail/renewal commission that is included within administrative costs and provides a measure of the revenue earning capability of AUM. The use of basis points (bps) is a commonly used term within the finance sector with one basis point being equivalent to one hundredth of a percent.

Neil Macpherson
Group Finance Director

28 November 2018

Corporate information

Directors

Michael Andrew Vogel, Non-Executive Chairman
Michael Patrick O'Shea, Chief Executive Officer
Neil Macpherson, Group Finance Director
Robert Charles Lumsden Colthorpe, Senior Independent Director
Luke Anton Wiseman, Non-Executive Director
William Longden Smith, Non-Executive Director

Company Secretary and Registered Office

Neil Macpherson
Premier Asset Management Group PLC
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

Metro Bank
One Southampton Row
London WC1B 5HA

Registrar

Link Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Nominated Adviser and Joint Broker

Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London EC4M 7LT

Joint Broker

Liberum Capital Limited
Ropemaker Place
25 Ropemaker Street
London EC2Y 9LY

Directors' report

The Directors present their Report and audited financial statements for Premier Asset Management Group PLC for the year ended 30 September 2018.

The Company is incorporated in England and Wales under registered number 06306664 and its registered office is at Eastgate Court, High Street, Guildford, Surrey GU1 3DE.

Principal activities

The principal activity of the Company is that of a holding company. The principal activities of the subsidiary undertakings are that of managers of investment funds and discretionary portfolio managers. The Company and its subsidiaries are hereafter referred to as the 'Group'.

Results and dividends

The Group's profit after taxation for the year was £12,523,000 (2017: £8,876,000) as set out in the Consolidated Statement of Comprehensive Income on page 32. The Directors have declared four interim dividends in respect of the financial year ended 30 September 2018 amounting to 10.25p per share (2017: 8.00p). The first interim dividend of 1.65p per share was paid on 2 March 2018; the second interim dividend of 1.65p per share was paid on 1 June 2018; the third interim dividend of 1.65p per share was paid on 31 August 2018; the fourth interim dividend of 5.30p per share will be paid on 4 January 2019 to shareholders on the register on 6 December 2018.

Directors' interests

The current Directors are shown on page 14. Further details of Directors remuneration are provided in the Remuneration Committee report on pages 26 to 27 and in note 6(b) on page 42. The Directors' beneficial interests in the Company's ordinary share capital are as follows:

	Ordinary 0.02p shares as at 30 September 2018	Ordinary 0.02p shares as at 30 September 2017
Executive directors		
Michael O'Shea[(1), (2), (5)]	3,229,369	3,712,633
Neil Macpherson[(5)]	623,512	623,512
Non-executive directors		
Michael Vogel[(3)]	18,543,403	18,543,403
Robert Colthorpe	8,500	-
William Smith	10,000	-
Luke Wiseman[(4)]	1,029,937	1,029,937

Notes:

(1) Including interest of his spouse

(2) Including via Eastgate Court Nominees Ltd in its capacity as a limited partner in Queripel Partners LP as at 30 September 2017

(3) Including via The Elcot Fund Limited of which Mr Vogel is a controller

(4) As a limited partner in Queripel Partners LP as at 30 September 2017

(5) Including via a self-invested personal pension plan

Details of the Directors' options to subscribe for shares in the Company are detailed in the Remuneration Committee Report on pages 26 to 27.

Substantial interests

As at 23 November 2018, the Company had received notification of the following substantial interests in the Company's ordinary share capital:

	Ordinary 0.02p shares	%
The Elcot Fund	15,423,400	14.58
Blackrock Investment Mgt (UK)	14,930,364	14.11
Canaccord Genuity Wealth Mgt	6,664,450	6.30
Merian Global Investors	5,642,500	5.33
Franklin Templeton Investments	3,638,100	3.44
M&G Investment Mgt	3,437,725	3.25
Premier Asset Management Group EBT	3,242,830	3.07
Mr Michael Patrick O'Shea	3,229,369	3.05

Financial instruments and risk

The financial instruments and their associated risks are set out in note 14 on pages 45 to 46.

Events since the balance sheet date

The Directors are not aware of any conditions that existed at the reporting date or events since that would affect the disclosures in these financial statements.

Auditor

A resolution to reappoint KPMG LLP as auditor will be put to the members at the forthcoming Annual General Meeting.

Directors' statement as to the disclosure of information to the auditor

The Directors who were members of the Board at the time of approving the Directors' report are listed on page 14. Having made enquiries of fellow Directors and of the Group's auditor, each of these Directors confirms that:

- to the best of each Director's knowledge and belief, there is no information (that is, information needed by the Group's auditors in connection with preparing their report) of which the Group's auditor is unaware; and
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Group's auditor is aware of that information.

Directors' report
Continued

Annual General Meeting ("AGM")

The AGM will be held at Eastgate Court, High Street, Guildford, Surrey GU1 3DE at 10am on Thursday 8 February 2018. Full details of the resolutions and explanations of each resolution are given in the Notice of Annual General Meeting on page 53 and the explanatory notes to the Notice of Annual General Meeting on pages 54 and 55.

Approved and signed on behalf of the Board.

Neil Macpherson
Group Finance Director

28 November 2018

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report, Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent company financial statements for each financial year. As required by the AIM Rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs as adopted by the EU) and applicable law and have elected to prepare the parent company financial statements on the same basis.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of their profit or loss for that period. In preparing each of the Group and parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and parent transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine are necessary to enable the preparation of the financial statements such that they are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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

Corporate governance report

Working within a highly regulated environment, the board of Premier Asset Management Group PLC (the Board) recognises the importance of good corporate governance and that best practice be adopted and applied wherever possible to help manage risk within the business. When Premier became an AIM-listed firm in 2016, the Board adopted the corporate governance guidelines issued by the Quoted Companies Alliance (the QCA) and, where appropriate, also adopted certain principles of the UK Corporate Governance Code issued by the Financial Reporting Council (FRC). We felt these standards were most appropriate for the Company given our growing size and stage of development.

A recent rule change requires each AIM company, such as Premier Asset Management Group PLC (the Company), to make available details of a recognised corporate governance code that it applies in its dealings and how it complies with that code. Reflecting this rule change, the QCA also updated their Corporate Governance Code (the Code) earlier this year. The new Code is constructed around ten broad principles that the QCA has identified as focussing on the pursuit of medium to long-term value for shareholders without stifling the entrepreneurial spirit of growing companies, such as ourselves.

Premier has adopted this new Code and we have set out in the report below how we apply the ten principles, using the disclosures indicated by the Code. The Board believes that the Premier Asset Management group of companies (the Group) complies with the principles of the Code in full and, going forward, we will continue to monitor how the Code is interpreted in practice to ensure we can continue to make this statement.

Adherence to the Code sits alongside our existing regulatory obligations, which include analysing and managing risk within our business with the support of our risk and compliance departments. The ten principles have also been adopted within our internal reporting which feeds in to the Board's overall oversight of governance. In addition, several of Premier's Group companies and their products are already subject to significant regulation imposed by authorities such as the Financial Conduct Authority (FCA) and the Guernsey Financial Services Commission.

In addition, the Board continues to develop and set standards and values within the business to assist our staff in dealing with our stakeholders and shareholders and to enable them to continue to deliver good investment outcomes for investors in Premier funds.

On 1st January 2018 Luke Wiseman stepped down as chair of the Audit & Risk committee and was replaced by Robert Colthorpe, our Senior Independent Director. Luke and I both stepped down from the Audit & Risk committee on 30 September 2018, and have therefore moved to a position where this committee is comprised only of fully independent directors.

Mike Vogel
Chairman

28 November 2018

Principle 1 – Establish a strategy and business model which promote long-term value for shareholders

The Group's investment-led strategy is to offer relevant products that are designed to meet the different long-term needs of investors, and to produce good long-term investment outcomes for investors through active management.

The Group aims to maintain and develop a scalable business platform to support our strategy, covering investment, distribution and operations.

The Group's investment products currently include open-ended UCITS and non-UCITS funds, closed-ended investment companies, a portfolio management service and segregated accounts. These products offer investors access to a range of asset classes including multi-asset, equities, fixed income and alternatives. These products have different primary objectives, including income, capital growth and absolute returns.

The Group aims to hire talented and experienced investment professionals to manage our products. The Group also aims to provide a supportive and collaborative working environment that gives our investment teams the appropriate freedom to manage portfolios to produce good long-term investment results. We support this with a strong business platform and an effective risk and compliance framework.

The Group currently maintains an extensive distribution and client service capability exclusively focused on UK professional investors, including financial advisers and wealth managers.

The Group's operations function includes investment administration, risk monitoring and portfolio analytics, legal and compliance, information technology and finance. We maintain key outsourcing partners to allow flexibility and scalability of our operation platform to help support business growth.

The five key pillars of the Group's strategy to deliver shareholder value in the medium to long term are as follows:

1. To offer relevant investment products
2. To deliver strong investment outcomes
3. To maintain a strong and focused distribution capability
4. To maintain a strong and scalable operating platform
5. To follow a disciplined approach to financial management

The Board believes these pillars are underpinned by a clear set of values within Premier designed to establish a responsible way of working, including ethical values and behaviours, aimed at protecting the Group from unnecessary risk.

There are a number of potential challenges and risks relating to the Group and its business, including but not limited to the following: fluctuations in capital markets; adverse economic, political and market factors, including the UK's termination of its membership of the European Union; the loss or inability to recruit key personnel; failure to maintain attractive investment performance; compliance breaches of investment mandates

Corporate governance report

Continued

or operational errors; asset classes managed by the group becoming less attractive to investors; competitive pressures; regulatory compliance and system security breaches.

The Board believes the Group's strategy and business model, including its investment product range and strong focus on risk and compliance management, is well suited to help manage these challenges and risks as effectively as possible.

Principle 2 – Seek to understand and meet shareholder needs and expectations

The Group aims to develop a good understanding of the needs and expectations of all elements of the shareholder base.

The Executive Directors of the Group together with the Company's brokers meet with existing and potential shareholders to discuss business strategy, plans and progress, at various points during the year but in particular following the announcement of the Group's half year and full year results. These meetings give the Executive Directors and the Company's brokers the opportunity to understand the needs and expectations of different shareholders and to receive feedback on how they view the Company's progress. They also give the Company the opportunity to manage shareholders' expectations and to set out the management team's views on the period ahead. The Group uses these meetings and other contact with existing shareholders to seek to understand the motivations behind shareholder voting decisions. The Board receives regular updates and feedback from the Executive Directors and the Company's brokers about these meetings.

The Group maintains a website for existing and potential shareholders, which includes a business overview, share price information, information about the Board members and corporate advisers, regulatory announcements, reports and results information, shareholder documents, company information disclosures and contact information.

Shareholders are welcome at the Company's Annual General Meeting (AGM), where the Directors give an update on the performance of the Group over the previous financial year and shareholders are able to ask questions and meet the Directors. Details of the AGM are included in our Report & Accounts, our stock exchange announcements and on our website.

Shareholders or potential shareholders are invited to contact Premier if they have any questions. Contact details are available on the home page of the Group's website at www.premierfunds.co.uk/corporate and on our regulatory announcements.

Principle 3 – Take into account wider stakeholder and social responsibilities and their implications for long-term success

Social responsibilities

The Group is committed to taking a responsible approach to investing which includes complying with the principles for business of our regulator, the FCA, and treating customers fairly.

The stewardship of clients' assets in the Group's investment products encompasses more than the exercise of votes in investee companies at general meetings. In order to meet the objective of delivering good long-term investment outcomes for our clients, Premier will monitor different aspects of an investee company as well as financial performance. Furthermore, we will engage with investee companies and their advisers when necessary in order to encourage good standards of governance and creation of shareholder value.

Although the Group retains ultimate responsibility for their votes in investee companies at general meetings, the Group retains the services of a specialist third party company, ISS, who have decades of specialist corporate governance expertise and provide relevant research, vote recommendations and rationale.

In terms of social responsibilities, the Group complies with relevant regulations, including the Modern Slavery Act and details of how we adhere to this Act are available on Premier's website.

The Group also manages the Premier Ethical Fund, which looks to produce long-term capital growth by investing in the shares of UK companies whose business is based on ethical, or socially responsible principles, both in the UK and overseas. The fund actively invests in companies which benefit the community or the environment whilst avoiding those with any significant involvement in gambling, the arms trade or other activities considered to have an adverse overall effect on health, the environment or human dignity. The fund has an independent Committee of Reference, which meets regularly to discuss research on topical issues relating to the fund's ethical criteria.

The Group operates various recycling facilities in its offices, which aim to reduce and recycle waste materials. The Group encourages its employees to participate in charitable events with a matching facility for fund raising. Employees are also asked to nominate local charities or those with a personal connection as beneficiaries of the Company's charitable donation program.

Engagement with stakeholders

Premier has a small group of key outsourcing partners, who we engage with on a regular basis to ensure all parties understand the others' needs, interests and expectations. This engagement includes reporting and meetings whereby we can solicit, consider and act on feedback. These controls are all designed to meet our operational and regulatory requirements and to enhance the services we receive to help support business growth.

Through our membership of the Investment Association, we engage on wider regulatory matters to ensure the Group is aware of pending legislative changes and able to implement them effectively. We also deal directly with the FCA on issues affecting the Group.

The Board meets with senior executives and heads of department on a regular basis, including the Chief Operating Officer and Chief Risk Officer. Through the regular reporting structures, the Board is kept updated with information on key customer and supplier relationships. The Head of Compliance & Legal reports to the regulated firms' boards on all regulatory

Corporate governance report

Continued

matters as well as having direct access to both the Chairman and Senior Independent Director if required. The Company's Nominated Adviser updates the Board on stock exchange regulatory matters. The external auditor also regularly attends meetings of the Audit & Risk Committee.

Principle 4 – Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Group's governance and risk appetite frameworks allow it to understand and articulate its risk appetite and to manage its tolerance to risk. This allows the Group to assess the impact of new or changing strategies, projects or emerging risks. The Group's control process is set out in a Systems and Controls document which details the individual committees that govern operations. The Board is the body with ultimate responsibility for the risk management of the business. The Board meets at least four times per annum and consists of two Executive Directors and four Non-Executive Directors, one of whom acts as Non-Executive Chairman. An ICAAP is in place for the Group and is reviewed regularly by the Board and Premier's external auditor. Premier's Pillar 3 Disclosure document is also available on the Company's website.

The Risk team has responsibility for the operational risk monitoring system and processes (in addition to market, credit and liquidity risks). The Risk team is overseen by the Chief Risk Officer who reports to the Chief Operating Officer. The identification of operational risks and incidents are embedded within the various business units and logged centrally within the Premier operational risk monitoring system, SONAR. This is a bespoke system that includes processes for monitoring the remedial actions undertaken to reduce the risk of operational incidents re-occurring and helps to identify future areas of risk, including those relating to our service providers and end-customers.

The chair of the Audit & Risk Committee meets regularly with the Chief Operating Officer, Group Finance Director, Chief Risk Officer, Chief Investment Officer and Head of Compliance & Legal to identify risks in the business and the effectiveness of their management within the control environment.

Principle 5 – Maintain the board as a well-functioning, balanced team led by the chair

Composition

The Board comprises of two executive directors, Mike O'Shea and Neil Macpherson, and four Non-Executive Directors, including Mike Vogel as non-executive Chairman and Robert Colthorpe as Senior Independent Director. The Directors are listed below, as well as their biographies:

- Michael Andrew Vogel – Non-Executive Chairman
  Mike joined Premier in 2007 as Chairman of the Board. He is also the Chairman and Chief Executive Officer of Elcot Capital Partners and a director of Think Digital Group Ltd. Prior to this, Mike was the Chief Executive Officer of Framlington Group and before that Chief Executive Officer of Prolific Financial Management.
- Michael Patrick O'Shea – Chief Executive Officer
  Mike started his investment career as a private client portfolio manager. He joined Premier in 1986 to develop the asset management business of the Company and was one of the founding directors of Premier Fund Managers Ltd in 1988. Mike became Chief Executive Officer in May 2005. Mike is also on the main board of the Investment Association.
- Neil Macpherson – Group Finance Director
  Neil joined Premier in June 1991 as Group Financial Controller and since September 2000 has also been Company Secretary and Group Finance Director. Prior to his appointment, Neil worked for KPMG for six years.
- Robert Charles Lumsden Colthorpe – Senior Independent Director
  Robert is a highly experienced corporate financier with over 25 years' track record of advising a wide range of clients, mainly in the financial services sector. He has worked at major merchant and investment banks (Morgan Grenfell, Deutsche Bank, Société Générale and ABN Amro) and boutique advisory firms (Hawkpoint and Europa Partners). He qualified as a Chartered Accountant with Arthur Andersen. Robert joined the Board in October 2016.
- William Longden Smith – Non-Executive Director
  Will is a founding partner and Chief Investment Officer at Westbeck Capital Management LLP, an energy focused hedge fund based in London. He is also currently a non-executive director of George Hattersley (1985) Limited, a textile manufacturer based in Yorkshire. Will was lead fund manager of City Natural Resources High Yield Trust, an Investment Trust, and co-manager of a number of other closed end funds. Will started his career in the securities industry at Pinchin Denny in 1977, and traded equities at Phillips and Drew-UBS from 1986 to 1998. Will joined the Board in October 2016.
- Luke Anton Wiseman – Non-Executive Director
  Luke is an experienced investment professional who has held a number of board positions on both public and private companies. He is currently an executive at Elcot Capital Management and a director of Think Digital Group Ltd and the Aerosol Partners Group. He has previously worked as a portfolio manager and analyst at Carlson Capital and Steel Partners. Luke joined the Board in September 2014.

Directors do not have specific time commitments. Executive Directors are full time employees and Non-Executive Directors are required to spend sufficient time to fully discharge their roles.

Independence

In assessing the independence of Non-Executive Directors at the date of this report, the Board took account of their experience, character and judgment, and their dependence on, or relationships with the Group. In light of this, Robert Colthorpe and William Smith are deemed by the Board to be independent and are free from any associations or relationships with the Group or its investment funds, with the exception of the fees that they receive as Directors.

Corporate governance report

Continued

Roles and responsibilities

The Board members have a collective responsibility and legal obligation to promote the interests of the Company and are collectively responsible for defining corporate governance arrangements. To assist with this, the Board receive copies of all minutes and relevant management information from subsidiary companies, as well as reports and feedback from other parts of the business on suppliers, shareholders and investors in the Group's funds. This is all provided in a timely manner to facilitate proper assessment of the matters requiring a decision or insight.

The role of the Non-Executive Directors is to challenge constructively, and contribute to, the development of strategy; to scrutinise the performance of management in meeting agreed goals and objectives, monitor their performance; and, through the various committees set out below, to satisfy themselves that financial information is accurate and that financial controls and systems of risk management are robust and defensible. A procedure has been established for Non-Executive Directors to have access to independent professional advice at the Company's expense where they judge it necessary to discharge their responsibilities as Directors.

Committees

The Board is supported by the Audit & Risk, Remuneration and Nomination committees, each of which has the necessary skills and knowledge, and access to the resources, information and advice that it deems necessary, in order to enable it to discharge its duties and responsibilities effectively. These duties are set out in the Terms of Reference of each committee, copies of which are available on the Group's website.

Conflicts of interest

Each new Director on appointment is required to declare any potential conflict situations. Directors are reminded at each Board meeting of their obligations to notify any changes in their statement of conflicts and also to declare any benefits received from third parties in their capacity as a Director of the Company. The register of conflicts is formally reviewed annually and the Board has concluded that the process has operated effectively during the period.

The Board is satisfied that there is the necessary mix of skill and qualities among the Directors to meet the Group's strategy and requirements.

Principle 6 – Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

All new Directors are given a full induction to the Company and its business plans as well as participating in training on issues relevant to their roles. The Directors receive regular updates on business progress as well as on issues relevant to the Group and the asset management sector from all of the departmental heads including Investment, Sales, Marketing, Compliance & Legal, Operations, Risk, Finance and HR. The Directors also receive briefings on existing and new regulatory issues as they emerge as well as specific training on any issues considered relevant during the year. The Directors may also attend external training or courses that are relevant to their ongoing development. Regular compliance, cyber-crime, health and safety and money laundering training is required of all Executive Directors.

All of the Non-Executive Directors are able, at the Company's expense, to seek independent professional advice where they deem it necessary to do so in order to fulfil their obligations as directors. For example, Premier's external advisers have assisted with the review of this disclosure document.

Neil Macpherson and Robert Colthorpe are chartered accountants, therefore continuing professional development is kept up to date via the institute.

Principle 7 – Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

On the Company's listing in 2016, the Chairman reviewed the composition of the Board in conjunction with the Company's advisers and determined that, absent any significant change in conditions, it contained the right balance of skills and experience to carry the business through the first three years of its time as a listed entity. The Board agreed with this conclusion and determined that it would undertake a review of its composition prior to the third anniversary of the listing and bi-annually thereafter. The results of this process will be reported to the Board in due course.

The Nomination Committee is tasked with monitoring and planning for succession within the business and this is a standing agenda item.

The Board meets formally at least four times a year and as required to deal with issues that arise outside the schedule of regular meetings. The Directors receive regular written reports from all of the departmental heads including the Chief Executive Officer, the Group Finance Director, the Chief Operating Officer, the Chief Risk Officer, the Chief Investment Officer and the Head of Compliance & Legal, Sales, Marketing and HR. These cover the financial performance of the Group, investment performance, sales performance, operational performance and compliance and risk issues as well as commenting on current trading conditions and industry developments. In addition, the Board receives regular updates from the Chair of the Audit & Risk Committee who also sits on the Group's Risk Committee.

In addition, the Board receives presentations on an ad hoc basis from members of the sales, marketing, operations and investment teams on specific issues of interest or concern as they arise.

Principle 8 – Promote a corporate culture that is based on ethical values and behaviours

We understand the importance of our people in everything that we do. We aim to attract and retain high calibre, talented individuals who have diverse skills, experience and backgrounds. We encourage and support the continuing

Corporate governance report

Continued

development of their skills with appropriate training and development. It is our policy to ensure that employment by, and progression within, the Group is based on merit.

The Board seeks to create a working environment which is positive and productive for our employees and our clients, including an effective management team and good staff communication. We support staff with a range of benefits including company pension, ill health protection, life cover and private medical insurance. Staff are provided quarterly updates from the CEO, which act as a forum for discussion and feedback.

The Board has adopted a remuneration strategy that it believes will attract and retain the appropriate people to meet the Group's long term objectives. This includes aiming to provide remuneration that is competitive within our market, and which offers an appropriate balance between fixed and variable components as well as short term and longer term remuneration. The Board also seeks to operate a remuneration strategy that is aligned with the interests of our clients and shareholders as well as with sound risk management.

The Group's approach is to treat job applicants and our staff in a consistent and fair way, regardless of gender, sexual orientation, religion or belief, age, race, ethnic origin, marital or civil partnership status, pregnancy, maternity or disability. This equal opportunities policy applies to recruitment and selection as well as terms and conditions of employment, including remuneration and personal development.

Principle 9 – Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

The Board believes the current governance structure is appropriate for a company of our size and complexity and in line with our plans for growth.

Board Governance

All Directors of the Company receive appropriate and timely information to ensure that they are properly briefed in advance of Board meetings and have unlimited access to the advice and services of the Company Secretary and other senior management should further information be required. The Company Secretary is responsible for advising the Chairman and the Board on governance matters.

The Board has established guidelines requiring specific matters to be decided by it, including material acquisitions and disposals, investments and capital projects. Matters that are reserved for the Board are forwarded to the Board for consideration with a recommendation from the executive management or appropriate committee. The Board meets formally at least four times a year but meetings can be convened when necessary to address issues that arise outside of the regular schedule.

The papers circulated prior to Board meetings include the following:

- a report from the Chief Executive Officer covering performance and forecasts, an update on strategy and details of any matters referred for Board approval;
- a report from the Group Finance Director covering financial results, comparison of forecasts with published consensus. This report also covers financing and tax matters;
- reports from senior management responsible for key functions such as risk, compliance, legal, operations, investment strategy and performance, sales, marketing and human resources;
- capital expenditure approval requests and investment proposals; and
- papers on issues scheduled for Board consideration.

As mentioned above, the Executive Directors of the Company, together with the Company's brokers meet with existing and potential shareholders to discuss our business strategy, plan and progress.

A full set of Board papers is circulated on a quarterly basis. In other months, the Directors receive a summary report providing an update on performance and flagging any issues for consideration by the Board. In addition, all Board Committees will receive the papers required in order to fulfil their duties in accordance with their Terms of Reference.

Board Committees

The Board is supported by the Audit & Risk, Remuneration and Nomination committees, each of which has access to the resources, information and advice that it deems necessary, at the cost of the Company, in order to enable each committee to discharge its duties. These duties are set out in the Terms of Reference of each committee, copies of which are available on the Group's website. The Executive Directors are not members of any of the Board committees, however they may be invited to attend meetings. The minutes of committee meetings are produced as soon as possible after the meetings and are circulated to all committee members for comment. Once approved, the minutes of each meeting are circulated to all other members of the Board unless it would be inappropriate to do so in the opinion of the committee Chairman.

Audit & Risk Committee

The Audit & Risk Committee is chaired by Robert Colthorpe, who took over as chair on 1 January 2018, and its other member is William Smith. Luke Wiseman and Mike Vogel stood down as members of the Audit & Risk Committee on 30 September 2018. The Audit & Risk Committee meets formally at least twice a year.

This committee monitors the integrity of the financial statements of the Company and the Group, including its annual and half-yearly reports, interim management statements, preliminary results announcements and any other formal announcements relating to its financial performance, reviewing significant financial reporting issues and judgements that they contain.

This committee reviews and challenges where necessary, the consistency of, and any changes to, the accounting policies both on a year on year basis, and across the Company and the Group. It considers the clarity of the disclosures in the Company's financial reports, in addition to the context in which statements are made, and all material information presented with the financial statements, such as the business, strategic and financial reviews together with the corporate governance statements.

Corporate governance report
Continued

The committee keeps under review the adequacy and effectiveness of the Company's internal financial controls and internal control and risk management systems, and monitors and reviews the effectiveness of the Company's internal financial controls in the context of the Company's overall risk management system and, specifically, considers and keeps under review whether the Company requires an internal audit function.

The external auditor of the Company will attend the meetings on a regular basis and will have unrestricted access to the committee and its chairman. The purpose of the Audit & Risk Committee is to assist the Board in discharging its corporate governance responsibilities in relation to the Company's external auditors and to provide assurance regarding the reliability and appropriateness of the disclosure of the financial statements.

During the financial year ended 30 September 2018, the committee met six times.

Remuneration Committee

The Remuneration Committee is chaired by Mike Vogel and its other members are Robert Colthorpe, William Smith and Luke Wiseman. The Remuneration Committee meets as required and at least once each year. Other senior management and external advisers may be invited to attend meetings as the Remuneration Committee considers appropriate.

The Remuneration Committee considers all material elements of remuneration policy, remuneration and incentives of Executive Directors and senior employees with reference to independent remuneration research and professional advice and will make recommendations to the Board on the framework for executive remuneration and its costs.

The Board is then responsible for implementing its recommendations and agreeing the remuneration packages of individual Directors. Non-Executive Directors' fees will be determined by the Board.

During the financial year ended 30 September 2018, the committee met two times.

Nomination Committee

The Nomination Committee is chaired by Mike Vogel and its other members are Robert Colthorpe, William Smith and Luke Wiseman.

The Nomination Committee is responsible for, amongst other matters, evaluating the balance of skills, experience, independence and knowledge on the Board, the size, structure and composition of the Board, retirements and appointments of additional and replacement directors and will make appropriate recommendations to the Board on such matters.

The Nomination Committee also considers succession planning, taking into account the skills and expertise that will be needed on the Board in the future. During the financial year ended 30 September 2018, the committee met once.

The following table sets out the Board and Committee meetings attendance during the last financial year:

1 October 2017-30 September 2018	Board	Audit & Risk Committee	Remuneration Committee	Nomination Committee	AGM (February 2018)
Number of meetings	10	6	2	1	1
Mike Vogel	8	6	2	1	1
Mike O'Shea	10	n/a	n/a	n/a	1
Neil Macpherson	10	n/a	n/a	n/a	1
Robert Colthorpe	10	5	2	1	1
William Smith	9	5	2	1	0
Luke Wiseman	10	5	2	1	1

Principle 10 – Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

As mentioned above, the Executive Directors of the Group, together with the Company's brokers meet with existing and potential shareholders to discuss our business strategy, plan and progress. This enables a healthy dialogue to exist, to enable all interested parties to come to informed decisions about the Company.

In the Annual Report and Financial Statements on the Company's website www.premierfunds.co.uk/corporate there are the most recent reports from the Audit & Risk Committee and Remuneration Committee. The outcomes of all Company votes since our listing are also on our website and can be found here: www.premierfunds.co.uk/corporate.

Neil Macpherson
Group Finance Director

28 November 2018

Audit & Risk committee report

Audit & Risk Committee

The Audit & Risk Committee meets at least twice a year and was chaired by Luke Wiseman up until 1 January 2018, whereupon Robert Colthorpe was appointed as Chairman. On 30 September 2018, both Mike Vogel and Luke Wiseman stood down as members of the committee. The resulting membership of the committee as at 30 September 2018, in addition to the Chairman, included William Smith, both of whom are considered as independent non-executive directors of the Company.

Duties and terms of reference

The committee monitors the integrity of the financial statements of the Company, including its annual and half-yearly reports, interim management statements, preliminary results' announcements and any other formal announcement relating to its financial performance, reviewing significant financial reporting issues and judgements that they contain.

The committee reviews and challenges where necessary, the consistency of, and any changes to, the accounting policies both on a year on year basis, and across the Company and the Group. It considers the clarity of the disclosures in the Company's financial reports, in addition to the context in which statements are made, and all material information presented with the financial statements, such as the business, strategic and financial reviews together with the corporate governance statements.

The committee keeps under review the adequacy and effectiveness of the Company's internal financial controls and internal control and risk management systems, and monitors and reviews the effectiveness of the Company's internal financial controls in the context of the Company's overall risk management system and, specifically, considers and keeps under review whether the Company requires an internal audit function.

The committee considers and makes recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting, in relation to the appointment, re-appointment and removal of the Company's external auditor. The committee also oversees the relationship with the external auditor including, but not limited to recommendations on their remuneration, including fees for audit or non-audit services and that the level of fees is appropriate to enable an effective and high quality audit to be conducted. The committee considers the terms of engagement of the external auditor, including the engagement letters issued at the start of each audit and the scope of the audit, assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services. The committee meets the external auditor at least once a year, without management being present, to discuss their remit and any issues arising from the audit.

The auditor is given the opportunity to meet with the Committee without the executive management present, in order to raise any concerns or discuss any matters relating to the audit work together with the cooperation of management in providing all such information as the auditor requires as part of their audit process.

Activities during the year

During the financial year ended 30 September 2018 the committee met six times and discussed amongst other things, the following matters:

- Review and approve the audited financial statements for the year ended 30 September 2017
- Review the appropriateness of the accounting policies used in preparing the Group's financial statements
- Consideration of the external auditor's report and key highlights memorandum for the year ended 30 September 2017, and discuss and assess the outcomes of the key risk assessments and audit findings
- Consideration and approval of the auditor's CASS audit reports to the Financial Conduct Authority for the year ended 30 September 2017 and discuss the findings
- Review and approve the unaudited interim financial statements for the six month period ended 31 March 2018
- Consideration of the external auditor's report on their review of the unaudited interim financial statements for the six month period ended 31 March 2018
- Discuss with the external auditor the audit plan for the financial year ended 30 September 2018, with management override of controls being identified as a significant risk area, and revenue recognition and investment in subsidiaries being identified as key audit matters
- Consider and discuss the minutes of meetings of the Risk Sub-Committee
- Review and approve the Group's ICAAP documentation

Significant accounting matters

During the year, the Audit & Risk committee considered key accounting issues, matters and judgements in relation to the Group's financial statements and disclosures relating to:

1. Revenue recognition

The committee believes that due to the strong segregation of duties between management and the Group's outsourced providers, who produce the revenue calculations, together with the formulaic nature of the revenue stream and lack of accounting judgements required in calculating revenue, and internal controls over the recognitions and calculation of revenue, revenue recognition does not involve significant judgement. However, based on the significance of the balance to the financial statements as a whole, the committee believes it represents a significant accounting matter.

Audit & Risk committee report

Continued

Internal audit function

The committee believes that the Group has a robust system of internal controls that are reviewed regularly by the Group's Compliance department using a detailed compliance monitoring programme. The committee regularly considers whether there is a need for an internal audit function and reports its findings to the Board. The committee and Board do not believe that there is currently a need for an internal audit function over and above the existing compliance function however, this position will continue to be reviewed.

External auditor

KPMG LLP have provided audit services to the Group since their appointment in May 2011 and have continued to do so following the initial public offering in October 2016 to date. The committee has considered the need for the rotation of the external audit firm, is satisfied with the performance of the auditor, and does not consider it necessary to put the external audit out to tender. As such, the committee considers it appropriate to recommend to the Board and shareholders that KPMG LLP be reappointed as auditor at the forthcoming AGM.

Robert Colthorpe
Chairman, Audit & Risk Committee

28 November 2018

Remuneration committee report

Remuneration committee

The Remuneration committee meets at least once a year and has been chaired throughout the year by Mike Vogel; its membership as at 30 September 2018, in addition to the Chairman comprises Robert Colthorpe, William Smith and Luke Wiseman, all of whom are non-executive directors of the Company. The committee, following consultation with the Chief Executive Officer, determines the specific remuneration packages for each of the Executive directors and certain senior managers, including base salary, annual bonus, long-term incentives, benefits and terms of employment. The committee is also responsible for approving the scope for the annual base salary review for all staff across the Group and reviews all awards made under the various share incentive schemes. The committee ensures that the Company's remuneration policy complies with the FCA Remuneration Code and any associated reporting obligations.

The Company recognises the importance of recruiting and retaining suitable directors, senior managers, fund managers and staff to the effectiveness and efficiency of the business. To achieve this, the Remuneration committee is tasked with providing a competitive package of incentives and rewards, with the aim of aligning personal reward with increased shareholder value over both the short and longer term. Remuneration in general includes basic salary, discretionary bonus, pension contributions, and certain other benefits including private health insurance and death in service, together with equity incentive schemes such as the Employee Benefit Trust ("EBT") and the Long Term Incentive Plan ("LTIP"), both of which are described in more detail below.

The Group has in place discretionary bonus schemes for various fund management teams, with all such schemes being based on a fixed percentage of the net income generated by the respective teams, and subject to certain performance criteria. A proportion of the bonus earned in each financial year is paid typically three months after the year-end, and after the signing of the financial statements, with the balance of the bonus being deferred for a period of up to three years, with the deferred bonus for each individual being invested into one or more of the funds that are managed by the respective team. The Group also has a general discretionary bonus scheme in place for all staff, including the executive directors, but excluding those fund managers and sales staff who are remunerated through alternative bonus schemes. The general bonus scheme is based on a fixed percentage of adjusted EBITDA before general bonus expense and associated employers national insurance. The non-deferred element of the discretionary bonus scheme is paid typically three months after the year-end, and after the signing of the financial statements, with the balance of the bonus being deferred for a period of up to three years, with the deferred bonus for each individual being invested into one or more of the funds managed by the Group, or is held through share awards granted from the EBT or LTIP.

Emoluments by individual director

The emoluments of the directors who served during the year are as follows:

	Salary and payment in lieu of pension £000	Bonus £000	Benefits £000	2018 Total £000	2017 Total £000
Executive directors					
Michael O'Shea	302	500	8	810	680
Neil Macpherson	185	175	28	388	338
Non-executive directors					
Michael Vogel	75	-	-	75	75
Robert Colthorpe	43	-	-	43	40
William Smith	35	-	-	35	35
Luke Wiseman	48	-	-	48	50
	688	**675**	**36**	**1,399**	**1,218**

Employee Benefit Trust ("EBT")

On 25 July 2016, the Company established the EBT, with an independent Guernsey based trustee. The EBT was established for the benefit of the employees, former employees and their dependents of the Group. The EBT may be used in conjunction with the LTIP where the Remuneration committee decides in its discretion that it is appropriate to do so. The Company may provide funds to the Trustee by way of loan or gift to enable the Trustee to subscribe or purchase existing shares in the market in order to satisfy awards made under the LTIP.

In 2017, the Company granted awards under the EBT over 1,216,668 ordinary shares, the awards being made as part of the bonus provision for the previous financial year ended 30 September 2016. During 2018, a further 1,693,333 awards over ordinary shares were made in respect of the financial year ended 30 September 2017. The following table shows the awards that have been made in respect of the Executive directors:

	Awards over 0.02p ordinary shares	Exercise price per share (p)	Vesting period (yrs.)	Vesting date
Executive directors				
Michael O'Shea	166,667	-	3	7 March 2020
	300,000	-	3	10 July 2021
Neil Macpherson	100,000	-	3	7 March 2020
	115,000	-	3	10 July 2021

The awards made under the EBT have a three-year vesting period, with vesting being conditional on the relevant employee being employed by the Group at the vesting date.

As at 30 September 2018, the EBT held a total of 3,242,830 ordinary shares, equating to 3.07% of the issued ordinary share capital of the Company.

Remuneration committee report

Continued

Long Term Incentive Plan ("LTIP")

The Company adopted the LTIP on 3 October 2016. Awards under the LTIP will take the form of non-tax advantaged nil or nominal cost options ("Options") to acquire fully paid ordinary shares. Awards may also take the form of a conditional right to receive ordinary shares (being awards which automatically deliver ordinary shares on vesting rather than providing for an option period) where the Remuneration committee considers this to be appropriate having regard to tax, legal, regulatory or other considerations. Employees and Executive directors of the Group are eligible to participate in the LTIP, at the Remuneration committee's discretion. It is intended that participation will initially be limited to senior employees and Executive directors. As at 30 September 2018, no awards had been made under the LTIP.

Service contracts

Details of the service contracts and letters of appointment in respect of the Executive and Non-executive directors are as follows:

	Date of service agreement/ letter of appointment	Notice period (months)
Executive directors		
Michael O'Shea	3 October 2016	12
Neil Macpherson	3 October 2016	6
Non-executive directors		
Michael Vogel	3 October 2016	3
Robert Colthorpe	3 October 2016	1
William Smith	3 October 2016	1
Luke Wiseman	3 October 2016	1

Mike Vogel
Chairman, Remuneration Committee

28 November 2018

Nomination committee report

Nomination Committee

The Nomination Committee meets at least once a year and has been chaired throughout the year by Mike Vogel. The membership of the committee, in addition to the Chairman comprises Robert Colthorpe, William Smith and Luke Wiseman, all of whom are non-executive directors of the Company.

Duties and terms of reference

The principal duties of the Nomination Committee are as follows:

- regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Company's Board and make recommendations to the Board with regard to any changes;
- give full consideration to succession planning for Directors and other senior Executives in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;
- be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- before appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment;
- review the results of the Board performance evaluation process that relate to the composition of the Board;
- review annually the time required from Non-Executive Directors; and
- work and liaise as necessary with other Board committees.

Activities during the year

During the financial year ended 30 September 2018, the Committee met once and discussed, amongst other things, the following matters:

- reviewed and updated where necessary, the terms of reference of the committee;
- reviewed the size and composition of the Board, Audit & Risk committee and the Remuneration committee, including the appointment of Robert Colthorpe as Chairman of the Audit & Risk committee, replacing Luke Wiseman, together with the planned stepping down of Mike Vogel and Luke Wiseman from the Audit & Risk committee, which took effect on 30 September 2018;
- considered and accepted the senior management performance evaluation reviews; and
- considered succession planning for directors and senior managers

Mike Vogel
Chairman, Nomination Committee

28 November 2018

Independent auditor's report to the members of Premier Asset Management Group PLC

Registered No: 06306664

1. Our opinion is unmodified

We have audited the financial statements of Premier Asset Management Group PLC ("the Group") for the year ended 30 September 2018 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flow, the company statement of financial position, the company statement of changes in equity, the company statement of cash flow and the related notes, including the accounting policies in notes 2 and 27.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 September 2018 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS as adopted by the EU);
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including FRC Ethical Standard as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview		
Materiality: financial statements as a whole		£795k (2017:£594k) 5% (2017: 5%) of profit before tax
Risks of material misstatement		**vs 2017**
Recurring risks	Revenue recognition	◄►
	New: Investments in subsidiaries	◄►

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

	The risk	Our response
Revenue Recognition-Management Fees (£52.7 million; 2017: £45.9 million) *Refer to page 24 (Audit and Risk Committee Report), note 2.5 (j) on page 39 (accounting policy) and note 3 on page 41 (financial disclosures).*	**Calculation error:** The calculation of management fee revenue for the Group, mostly being the product of assets under management and fee rates, is not judgmental or complex. However, due to its materiality in the context of the financial statements as a whole, it is considered to be the area which had the greatest effect on our audit strategy and allocation of resources in planning and completing our audit of the Group.	**Our procedures included:** • **Control design:** We performed walkthroughs of the revenue process at the Group to obtain an understanding of the control environment and evaluated the design and implementation of the Group's controls to reconcile the management fee revenue calculated by the third party fund accountants to their own internal calculations. • **Recalculation:** For management fee revenue earned from managing the Premier Funds, we recalculated management fees based on underlying agreements and valuation reports. • **Outsourcing controls:** To address the accuracy and completeness of assets under management data inputs obtained from the third party fund accountants, we obtained an understanding of the control environment and evaluated the operating effectiveness of controls in operation by inspecting the internal controls reports prepared by the service organisation and attested to by independent service auditors. Our evaluation considered the scope of the internal controls report and the competency of the independent service auditors. • **Test of details:** For fee rate data we agreed the amounts used in our recalculation to fund prospectuses or other applicable legal documents.

Independent auditor's report to the members of Premier Asset Management Group PLC

Continued

	The risk	Our response
Recoverability of parent company's investments in subsidiaries (£43.7 million; 2017: £43.7 million) *Refer to note 28 on page 52 (accounting policy) and note 28 on page 52 (financial disclosures).*	**Low risk, high value** The investment in subsidiaries are the parent company's largest assets and represent the most significant driver of the parent company's net asset value and results. The quantum of investments held inherently makes these subsidiary investments a key audit matter. We therefore identified carrying amount of the investment in subsidiaries as the risk, with a risk being that of recoverability of the parent company's investments in subsidiaries.	**Our procedures included:** • **Our sector experience:** We evaluated whether there were any indicators of impairment that would trigger an impairment review. Where indicators were identified, we assessed management's value in use model for that subsidiary. • **Sensitivity analysis:** We performed our own sensitivity analysis over that value in use model which included assessing the effect of reasonably possible changes in growth and discount rates to evaluate the impact on valuation. • **Historical comparisons:** We considered the Group's ability to forecast key assumptions by comparing historical forecasts to actual results.

In our audit report for the year ended 30 September 2017, we also had a key audit matter in respect of the classification of AIM listing costs. As this just affected the year ended 30 September 2017, this is not a key audit matter in the current year.

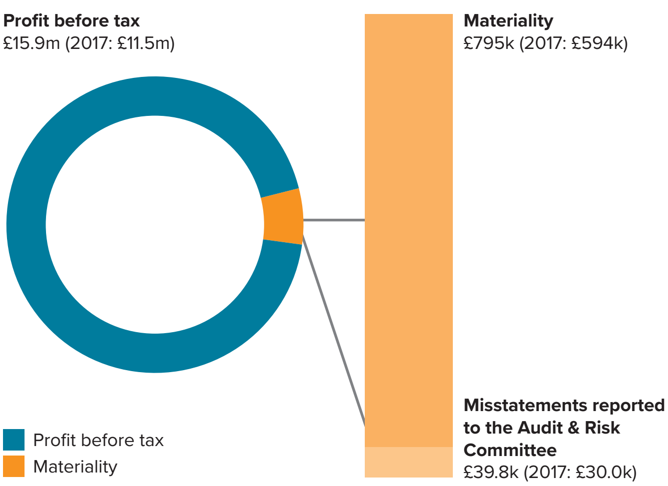
3. Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £795k (2017: £594k), determined with reference to a benchmark of profit before tax of £15,916k (2017: £11,493k), of which it represents 5% (2017: 5%).

Materiality for the parent company financial statements as a whole was set at £780k (2017: £564k), based on component materiality, determined with reference to a benchmark of total assets of £56,598k (2017: £53,222k), of which it represents 1% (2017: 1%).

We agreed to report to the Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding £39.8k (2017: £30.0k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

All of the Group's seven (2017:seven) components, including the parent company were subject to full scope audits for group purposes, all of which were performed by the group audit team. These audits accounted for 100% (2017: 100%) of total group revenue, 100% (2017: 100%) of group profit before taxation and 100% (2017: 100%) of total group assets and were performed to individual component materiality levels which ranged from £30k to £722k (2017: £21k to £564k), having regard to the mix of size and risk profile of the group across these components.



4. We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

5. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Premier Asset Management Group PLC

Continued

6. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

7. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 15, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

8. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Ravi Lamba (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
E14 5GL

28 November 2018

Consolidated statement of comprehensive income

For the year ended 30 September 2018

	Note	Year to 30 September 2018 £000	Year to 30 September 2017 £000
Revenue	3	**53,396**	**46,046**
Administrative costs		(35,548)	(31,558)
Amortisation of intangible assets		(1,686)	(2,536)
Exceptional items	4	(248)	(415)
Total operating costs		**(37,482)**	**(34,509)**
Operating profit	5	**15,914**	**11,537**
Finance income/(costs)	7	2	(44)
Profit on ordinary activities before taxation		**15,916**	**11,493**
Tax expense	8	(3,393)	(2,617)
Profit on ordinary activities after taxation		**12,523**	**8,876**
Other comprehensive income		-	-
Total comprehensive income		**12,523**	**8,876**
Basic earnings per share	9	12.09p	8.53p
Diluted basic earnings per share	9	11.92p	8.53p

All the amounts relate to continuing operations.

The notes on pages 36 to 48 form an integral part of these financial statements.

Consolidated statement of financial position

As at 30 September 2018

	Note	2018 £000	2017 £000
Assets			
Non-current assets			
Intangible assets	10	13,479	15,165
Goodwill	10	15,597	15,597
Property, plant and equipment	11	999	911
Deferred tax asset	8	543	1,097
Total non-current assets		**30,618**	**32,770**
Current assets			
Financial assets at fair value through profit and loss	14	910	1,354
Trade and other receivables	13	53,710	47,932
Cash and cash equivalents	15	20,774	16,449
Total current assets		**75,394**	**65,735**
Total assets		**106,012**	**98,505**
Equity			
Capital and reserves attributable to equity holders			
Share capital	18	50	21
Capital redemption reserve	19	4,532	4,532
Own shares held by an EBT	21	(4,047)	-
Retained earnings		44,733	40,728
Total equity		**45,268**	**45,281**
Liabilities			
Current liabilities			
Trade and other payables	16	57,941	51,079
Current tax liabilities		2,803	2,145
Total current liabilities		**60,744**	**53,224**
Total liabilities		**60,744**	**53,224**
Total equity and liabilities		**106,012**	**98,505**

Company number 06306664

The financial statements were approved on behalf of the Board of Directors on 28 November 2018.

Mike O'Shea
Chief Executive Officer

Neil Macpherson
Group Finance Director

The notes on pages 36 to 48 form an integral part of these financial statements.

Consolidated statement of changes in equity

For the year ended 30 September 2018

	Share capital £000	Share premium £000	Own shares held by an EBT £000	Capital redemption reserve £000	Retained earnings £000	Total equity £000
At 1 October 2016	**14**	**34**	**-**	**4,532**	**(9,278)**	**(4,698)**
Shares issued	7	44,713	-	-	-	44,720
Cancellation of share premium	-	(44,747)	-	-	44,747	-
Equity dividends paid (note22)	-	-	-	-	(3,939)	(3,939)
Share based payment expense	-	-	-	-	322	322
Profit for the financial year	-	-	-	-	8,876	8,876
At 30 September 2017	**21**	**-**	**-**	**4,532**	**40,728**	**45,281**
Deferred share issued	29	-	-	-	(29)	-
Purchase of own shares held by an EBT	-	-	(4,047)	-	-	(4,047)
Equity dividends paid (note22)	-	-	-	-	(9,522)	(9,522)
Share based payment expense	-	-	-	-	1,033	1,033
Profit for the financial year	-	-	-	-	12,523	12,523
At 30 September 2018	**50**	**-**	**(4,047)**	**4,532**	**44,733**	**45,268**

The notes on pages 36 to 48 form an integral part of these financial statements.

Consolidated statement of cash flow

For the year ended 30 September 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Profit for the year		12,523	8,876
Adjustments for:			
Financial (income)/expense	7	(2)	44
Taxation	8	3,393	2,617
Depreciation	11	237	225
Share based payments		1,033	322
Gain on sale of financial assets at fair value through profit and loss		-	(16)
Gain on revaluation of financial assets at fair value through profit and loss		(25)	(51)
Amortisation	10	1,686	2,536
Changes in working capital:			
Increase in trade and other receivables		(5,778)	(11,308)
Increase in trade and other payables		6,862	10,934
Cash generated from operations		**19,929**	**14,179**
Tax paid		(2,181)	(1,364)
Net cash from operating activities		**17,748**	**12,815**
Cash flows from investing activities			
Acquisition of assets at fair value through profit and loss		(262)	(856)
Proceeds from disposal of assets at fair value through profit and loss		733	630
Acquisitions of property, plant and equipment	11	(325)	(203)
Net cash from investing activities		**146**	**(429)**
Cash flows from financing activities			
Repayment of borrowings		-	(42,670)
Interest paid on borrowings		-	(4,686)
Dividends paid to shareholders		(9,522)	(3,939)
Purchase of own shares held by an EBT	21	(4,047)	-
Proceeds from the issue of share capital		-	44,720
Net cash from financing activities		**(13,569)**	**(6,575)**
Net increase in cash and cash equivalents		**4,325**	**5,811**
Cash and cash equivalents at the beginning of the period		16,449	10,638
Cash and cash equivalents at the end of the period		**20,774**	**16,449**

The notes on pages 36 to 48 form an integral part of these financial statements.

Notes to the consolidated financial statements

At 30 September 2018

1. Authorisation of financial statements and statement of compliance with IFRS

The consolidated financial statements of Premier Asset Management Group PLC (the "Company") and its subsidiaries (the "Group") for the year ended 30 September 2018 were authorised for issue by the Board of Directors on 28 November 2018 and the statement of financial position was signed on the Board's behalf by Mike O'Shea and Neil Macpherson. The Company is incorporated and domiciled in England and Wales.

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The consolidated financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The principal accounting policies adopted by the Group are set out in note 2.

2. Accounting policies

2.1 Basis of preparation

The consolidated Group financial statements for the year ended 30 September 2018 have been prepared in accordance with IFRS. The consolidated financial statements have been prepared on a going concern basis, which has been explained in greater detail in the Financial Review on page 9, 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.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary undertakings as at 30 September 2018. Profits and losses on intra-group transactions are eliminated in full. On acquisition of a subsidiary, all of the subsidiary's identifiable assets and liabilities which exist at the date of acquisition are recorded at their fair values reflecting their condition at that date.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

(i) power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) exposure, or rights, to variable returns from its involvement with the investee; and

(iii) the ability to use its power over the investee to affect its returns.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3 New standards, amendments and interpretations

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

(i) IFRS 9 'Financial instruments' (effective for a period beginning on or after 1 January 2018)

(ii) IFRS 15 'Revenue from contracts with customers' (effective for a period beginning on or after 1 January 2018)
IFRS 15 specifies the requirements that an entity must apply in order to measure and recognise revenue and its related cash flows. The core principle of the standard is that an entity should recognise revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring promised goods or services to a customer. The Group does not anticipate that the implementation of the standard will have a material impact on its results, though some minor changes to disclosures around the payments of rebates and commissions may be required.

(iii) IFRS 16 'Leases' (effective for a period beginning on or after 1 January 2019)
IFRS 16 provides a single accounting model for leases, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. It will supersede the current guidance found in IAS 17 Leases. The Group has not yet quantified the impact that the adoption of IFRS 16 may have on the Group's total assets and liabilities as a result of the requirement to capitalise both the right to use leased assets and the contractual payments to be made under lease obligations, the amounts of which will be driven by the Group's outstanding lease commitments at the date of adoption.

There are no other IFRSs or IFRIC interpretations that are not yet effective and would be expected to have a material impact on the Group.

2.4 Judgements and key sources of estimation uncertainty

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenue and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The Group has not had to make any judgements or estimates in preparing the financial statements, that require disclosure under the relevant accounting standard.

Notes to the consolidated financial statements

At 30 September 2018

2. Accounting policies (continued)

2.5 Significant accounting policies

(a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. All contingent consideration is measured at fair value with the changes in fair value in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. Goodwill is monitored at the Group level.

Goodwill is not amortised but is tested annually for impairment or more frequently if events or changes in circumstances indicate potential impairment. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

In respect of goodwill, the recoverable amount is estimated at each annual balance sheet date. The recoverable amount is the higher of fair value less costs to sell and value in use. Impairment losses represent the amount by which the carrying amount exceeds the recoverable amount; they are recognised in profit and loss in amortisation. Impairment losses recognised in respect of the cash generating unit are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit and then to reduce the value of any other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed.

(b) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment, other than land, on a straight-line basis over its expected useful life as follows:

- Short leasehold property – the term of the lease
- Plant and equipment – 5 years
- Computer equipment – 3 years
- Motor vehicles – 3 years
- Fixtures and fittings – 15%

The carrying amounts of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying amount may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the income statement in the period of derecognition.

(c) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently at amortised cost. A bad debt provision is made when there is objective evidence that the Group will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote. Other receivables mainly comprise of refundable rent deposits and amounts the Group is due to receive from third parties in the normal course of business.

(d) Provisions and other liabilities

A provision is recognised when the Group has a legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material provisions are discounted. The increase in the provision due to passage of time is recognised as a finance cost.

Where the Group, as lessee, is contractually required to restore a leased property to an agreed condition prior to the release by a lessor, provision is made for such costs as they are identified.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when recovery is virtually certain.

(e) Income taxes

Current and deferred tax are recognised in income or expense, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on tax rates and laws that are enacted or substantively enacted by the statement of financial position date.

Notes to the consolidated financial statements

At 30 September 2018

2. Accounting policies (continued)

2.5 Significant accounting policies (continued)

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

(i) where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;

(ii) in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and

(iii) deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

(f) Foreign currencies

The Group's consolidated financial statements are presented in pounds sterling. The functional currency of the Group's entities is pounds sterling. Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the statement of financial position date. All differences are taken to the profit and loss account.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The Group does not apply hedge accounting of foreign exchange risks in its company financial statements.

(g) Financial instruments

(i) Financial assets

Initial recognition and measurement - Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit and loss, loans and receivables or available for sale financial assets, as appropriate. Management determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus directly attributable transaction costs.

Subsequent measurement - The subsequent measurement of financial assets depends on their classification as follows:

- Financial assets at fair value through profit or loss
  Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. The Group has designated financial assets in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in finance revenue or finance expense in the income statement.
- Loans and receivables
  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance revenue in the income statement. The losses arising from impairment are recognised in the income statement in other operating expenses. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. Loans and receivables comprise mainly cash and cash equivalents and trade and other receivables.
- Available for sale financial assets
  Available for sale financial investments include equity securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated at fair value through profit or loss. After initial measurement, available for sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the unrealised gains and losses reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or determined to be impaired, at which time the cumulative loss is recognised in the income statement in other operating expenses and removed from the unrealised gains and losses reserve. The Company evaluates its available for sale financial assets and whether the ability and intent to sell them in the near term is still appropriate. When the Company is unable to trade these financial assets due to inactive markets and management's intent significantly changes to do so in the foreseeable future, the Company may elect to reclassify these financial instruments in rare circumstances. Reclassification to loans and receivables is permitted when the financial asset meets the definition of loans and receivables and when the Company has the intent and ability to hold these assets for the foreseeable future or until maturity. The Company has not designated any financial assets upon initial recognition as available for sale.

Notes to the consolidated financial statements

At 30 September 2018

2. Accounting policies (continued)

2.5 Significant accounting policies (continued)

Derecognition of financial assets - A financial asset is derecognised when (i) the rights to receive cash flows from the asset have expired or (ii) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets - The Group assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced, with the amount of the loss recognised in administration costs.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss in recognised in the profit and loss account, to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date.

(ii) Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. Generally, an obligation to deliver cash or other financial asset to another party at a fixed date in the future would require presentation of a financial instrument as a liability.

No significant restrictions exist to transfer cash or assets within the Group or pay out dividends, except for regulatory capital restrictions within the regulated companies.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The fair value of preference shares is not materially different to their carrying value. The dividends on these preference shares are recognised in the income statement as interest expense.

(iii) Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the EIR, with interest expense recognised on an effective yield basis.

The EIR used to recognise interest expense is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Group derecognises financial liabilities when the Group's obligations are discharged, cancelled or expired.

(iv) Fair values

The fair value of financial instruments that are traded in active markets at the reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and highly liquid short-term deposits that are readily convertible to known amounts of cash within three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows and are presented in current liabilities.

(i) Exceptional items

The Group presents as exceptional items those items of income and expense, which are not incurred in the normal course of the Group's operations, and because of the nature of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year. This aids to facilitate comparison with prior periods and assists in assessing trends in financial performance.

(j) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding value added tax.

The Group's primary source of income is fee income from investment management activities. These fees are generally based on an agreed percentage, as per the management contract, of the assets under management and are recognised as the service is provided.

Commission includes fees based on a set percentage of certain flows into our funds and are recognised on receipt.

Other income also included within revenue includes performance fees which are accounted for as and when relevant performance criteria are met and the fees become receivable. This policy is in line with IAS 18.

Notes to the consolidated financial statements

At 30 September 2018

2. Accounting policies (continued)

2.5 Significant accounting policies (continued)

(k) Pensions

The Group operates defined contribution plans. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense as the service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(l) Leases

All leases are classified as operating leases. Rents payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term.

(m) Intangible assets

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement in amortisation when the asset is derecognised.

Investment management contracts purchased by the Group are capitalised as intangible fixed assets and are amortised on a straight line basis over periods ranging from 7 to 20 years depending on the nature of the assets purchased.

(n) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(o) Borrowings

Borrowings are recognised initially at fair value, net of attributable transaction costs. Subsequent to initial recognition, borrowings are carried at amortised cost, with any difference between the proceeds (net of transaction costs) and the redemption value being recognised in the statement of comprehensive income over the period of the borrowings using the EIR.

All other borrowing costs are recognised in profit and loss in the period in which they are incurred.

(p) Related party transactions

All companies forming part of the consolidated Group are considered to be related parties as these companies are owned either directly or indirectly by Premier Asset Management Group PLC. Key management, being the members of the Executive Committee, are also identified as a related party.

The adoption of IFRS 10 Consolidated Financial Statements has not resulted in the consolidation of additional funds where the Group is now deemed to have a controlling interest under the definition of this standard. The Group did not hold a material investment in any of the funds managed by the Group and has therefore determined that no controlling interest was held.

(q) Earnings per share

Basic earnings per share is calculated by dividing the total comprehensive income for the year by the weighted average number of ordinary shares in issue during the year, excluding the average number of ordinary shares purchased by the Group as own shares held by an EBT.

(r) Employee benefit trust ('EBT')

The Company provides finance to the EBT to purchase the Company's shares on the open market in order to meet its obligation to provide shares when an employee exercises awards made under the Group's share based payment scheme. Administration costs connected with the EBT are charged to the Consolidated Statement of Comprehensive Income. The cost of shares purchased and held by the EBT is deducted from equity. The assets held by the EBT are consolidated into the Group's financial statements.

(s) Share based payments

The Group makes equity-settled share based payment transactions in respect of services received from certain employees. The fair value of the services received is measured by reference to the fair value of the shares on the grant date. This cost is then recognised in the Consolidated Statement of Comprehensive Income over the vesting period, with a corresponding credit to equity.

Notes to the consolidated financial statements

At 30 September 2018

3. Revenue

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

	2018 £000	2017 £000
Management fees	52,718	45,894
Commissions	57	83
Other income	621	69
Total revenue	**53,396**	**46,046**

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

4. Exceptional items

Recognised in arriving at operating profit from continuing operations:

	2018 £000	2017 £000
Staff redundancy costs	-	40
FCA FSCS levy	138	-
PremierConnect development costs	110	-
Floating on AIM	-	331
Capital reduction	-	44
Total exceptional items	**248**	**415**

Exceptional items are those items of income and expense, which are considered not to be incurred in the normal course of business of the Group's operations, and because of the nature of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year.

Staff redundancy costs are in relation to the rationalisation and restructuring of various departments and functions. Floating on AIM represents costs associated with the admission to trading on the Alternative Investment Market. Capital reduction costs in 2017 were in respect of professional fees relating to the cancellation of the share premium account of the Company, which became effective on 27 July 2017. FCA FSCS levy costs in 2018 represents the 2018/19 contribution to the FSCS which have increased significantly over the previous year as a result of the increased levels of compensation paid by the FSCS. PremierConnect development costs relate to external consultants who have been deployed in the testing of the new PremierConnect platform during the development stage prior to launch. These costs will not be incurred once the development stage is completed.

5. Operating profit

(a) Operating profit is stated after charging:

	Note	2018 £000	2017 £000
Auditor's remuneration	5 (b)	172	572
Staff costs	6	16,107	14,260
Operating lease payments - rent	17	284	255
Amortisation of intangible assets	10	1,686	2,536
Exceptional items	4	248	415
Depreciation of property, plant and equipment	11	237	225

(b) Auditor's remuneration

The remuneration of the auditor is analysed as follows:

	2018 £000	2017 £000
Audit of Company	46	35
Audit of Subsidiaries	62	47
Total audit	**108**	**82**
Audit-related assurance services	**65**	**67**
Tax compliance services	34	28
Services related to corporate finance transactions not covered above	-	351
Other non-audit services not covered above	28	44
Total other non-audit services	**62**	**423**
Total non-audit services	**127**	**490**
Total fees	**235**	**572**

6. Staff costs and Directors' remuneration

(a) Staff costs during the year were as follows:

	2018 £000	2017 £000
Salaries, bonus and performance fee share	13,826	12,181
Social security costs	1,790	1,648
Other pension costs	491	431
Total staff costs	**16,107**	**14,260**

The average monthly number of employees of the Group during the year was made up as follows:

	2018	2017
Directors	6	6
Investment management	29	28
Sales and marketing	29	28
Finance and systems	7	6
Legal and compliance	7	8
Administration	29	24
Total employees	**107**	**100**

Notes to the consolidated financial statements

At 30 September 2018

6. Staff costs and Directors' remuneration (continued)

(b) Directors' remuneration

The remuneration of the Directors during the year was as follows:

	Salary and payment in lieu of pension £000	Bonus £000	Benefits £000	2018 £000	2017 £000
Executive Directors					
Michael Patrick O'Shea	302	500	8	810	680
Neil Macpherson	185	175	28	388	338
Non-executive Directors					
Michael Andrew Vogel	75	-	-	75	75
Luke Anton Wiseman	43	-	-	43	50
William Longden Smith	35	-	-	35	35
Robert Colthorpe	48	-	-	48	40
Total Directors' remuneration	**688**	**675**	**36**	**1,399**	**1,218**

Details of awards made under the EBT to the Directors as part of their annual bonus package and which are not included in the above table can be seen in the Remuneration Committee Report on page 26.

The number of Directors accruing benefits under money purchase pension schemes at the year end was nil (2017: nil).

7. Finance (income) / costs

	2018 £000	2017 £000
Interest receivable	**(2)**	**-**
Other loans (including the debt component of preference shares)	-	44
Total interest expense	**-**	**44**
Net finance (income)/costs	**(2)**	**44**

8. Income taxes

(a) Tax charged in the statement of comprehensive income

	2018 £000	2017 £000
Current income tax:		
UK corporation tax	2,684	2,106
Current income tax charge	2,684	2,106
Adjustments in respect of prior periods	155	29
Total current income tax	2,839	2,135
Deferred tax:		
Origination and reversal of temporary differences	684	482
Adjustments in respect of prior periods	(130)	-
Total deferred tax	554	482
Tax expense in the statement of comprehensive income	**3,393**	**2,617**

(b) Reconciliation of the total tax charge

The tax expense in the statement of comprehensive income for the year is higher than the standard rate of corporation tax in the UK of 19% (2017: 19.5%). The differences are reconciled below:

	2018 £000	2017 £000
Profit on ordinary activities before taxation	15,916	11,493
Tax calculated at UK standard rate of corporation tax of 19% (2017: 19.5%)	3,024	2,241
Deferred tax not recognised	196	63
Expenses not deductible for tax purposes	12	103
Dividends on preference shares included in finance costs	-	7
Amortisation not deductible	255	258
Income not subject to UK tax	(69)	(19)
Change in tax rate	(80)	(71)
Fixed asset differences	30	6
Adjustments in respect of prior periods	25	29
Tax expense in the statement of comprehensive income	**3,393**	**2,617**

(c) Change in Corporation Tax rate

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Group's future current tax charge accordingly. The deferred tax asset at 30 September 2018 has been calculated based on these rates.

Notes to the consolidated financial statements

At 30 September 2018

8. Income taxes (continued)

(d) Deferred tax

The deferred tax included in the Group statement of financial position is as follows:

	2018 £000	2017 £000
Deferred tax asset:		
Fixed asset temporary differences	(44)	(71)
Accrued bonuses	264	225
Losses and other deductions*	323	943
Deferred tax disclosed on the statement of financial position	**543**	**1,097**

* Deferred tax assets have been recognised in respect of this item because it is probable that future taxable profits will be available against which the Group can use the benefits therefrom.

	2018 £000	2017 £000
Deferred tax in the statement of comprehensive income:		
Origination and reversal of temporary differences	684	482
Adjustments in respect of prior periods	(130)	-
Deferred tax expense/(credit)	**554**	**482**

Deferred tax assets have not been recognised in respect of the following items because it is not probable that future taxable profits will be available against which the Group can use the benefits therefrom.

	2018 £000	2017 £000
Unprovided deferred tax asset:		
Non trade loan relationship losses	1,693	1,693
Excess management expenses	249	53
Non trade intangible fixed asset losses	420	420
Deferred tax expense	**2,362**	**2,166**

9. 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 year and the weighted average number of ordinary shares in issue for each period.

	2018 £000	2017 £000
Basic:		
Profit attributable to equity holders of the Group	12,523	8,876
Issued ordinary shares at 1 October	105,801,310	1,398,513
Effect of shares issued during the year	-	102,686,587
Effect of own shares held by an EBT	(2,236,175)	-
Weighted average number of ordinary shares in issue	103,565,135	104,085,100
Basic earnings per share	**12.09p**	**8.53p**
Diluted:		
Profit attributable to equity holders of the Group	12,523	8,876
Issued ordinary shares at 1 October	105,801,310	1,398,513
Effect of shares issued during the year	-	102,686,587
Effect of own shares held by an EBT	(2,236,175)	-
Effect of share options awarded	1,495,266	-
Weighted average number of ordinary shares in issue	105,060,401	104,085,100
Diluted earnings per share	**11.92p**	**8.53p**

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.

Own shares held by an EBT represents the Company's own shares purchased and held by the Employee Benefit Trust (EBT), shown at cost. In the year ending 30 September 2018 the EBT purchased 1,643,000 (2017: nil) of the Company's own shares.

Notes to the consolidated financial statements

At 30 September 2018

10. Goodwill and other intangible assets

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

	Goodwill £000	Other £000	Total £000
Cost:			
At 1 October 2017	22,576	56,231	78,807
At 30 September 2018	**22,576**	**56,231**	**78,807**
Amortisation and impairment:			
At 1 October 2017	6,979	41,066	48,045
Amortisation during the year	-	1,686	1,686
At 30 September 2018	**6,979**	**42,752**	**49,731**
Carrying amount:			
At 30 September 2018	**15,597**	**13,479**	**29,076**
At 30 September 2017	**15,597**	**15,165**	**30,762**

Impairment tests for goodwill

Goodwill is monitored by management at the operating segment level, which reflects the entire Group. Therefore, goodwill is assessed as part of one CGU in relation to asset management. No further allocation of goodwill has been made. The recoverable amount of the Group has been determined based on value-in-use calculations. These calculations are for the three-year period following the year end and are based on the next year's annual budget and subsequent two year forecasts. Budgeted increases in the level of assets under management, revenues and associated costs have been taken into account. Management forecasts revenues and associated costs based on the current structure of the business, adjusting for inflationary increases and these do not reflect any future restructurings or cost saving measures. To arrive at the net present value, the cash flows have been discounted using a discount factor of 12.0%. The compound annual growth rate for the net cash flows over the forecast period is 28.2% (2017: 17.7%). The overall value in use was greater than the carrying amount of the CGU and so no impairment charge has been recognised. The key estimates made in calculating the value in use were the net cash flows and the discount rate. In determining the net cash flows assumptions were made on the level of future fund inflows, fund redemptions and market growth.

Investment management contracts purchased by the Group are capitalised as intangible fixed assets and are amortised over periods ranging from 7 to 20 years depending on the nature of the assets purchased. These finite life intangible assets were assessed for indicators of impairment, both internal and external factors, of which no indicators were noted. The largest of the intangible assets was in relation to a business combination in 2007 with a carrying value of £13,199,256 and a remaining amortisation period of 10 years.

Sensitivity analysis

Management have performed a sensitivity analysis as of 30 September 2018 and any reasonable changes in key assumptions in the determination of the recoverable amount would not result in an impairment in goodwill.

11. Property, plant and equipment

	Land and buildings £000	Plant and equipment £000	Total £000
Cost or fair value:			
At 1 October 2017	1,057	547	1,604
Additions	243	82	325
At 30 September 2018	**1,300**	**629**	**1,929**
Depreciation:			
At 1 October 2017	398	295	693
Depreciation during the year	118	119	237
At 30 September 2018	**516**	**414**	**930**
Carrying amount:			
At 30 September 2018	**784**	**215**	**999**
At 30 September 2017	**659**	**252**	**911**

12. Group entities

At 30 September 2018 the Company held (directly and indirectly) 100% of the allotted share capital of the following subsidiary undertakings, all of which are incorporated in Great Britain with the exception of Premier Asset Management (Guernsey) Limited which is incorporated in Guernsey. All subsidiary undertakings are consolidated within the Group accounts.

	Class of share held	Proportion of voting rights and shares held	Nature of the business
(a) Directly held			
Premier Asset Management MidCo Limited	Ordinary	100%	Holding company
(b) Indirectly held			
Premier Asset Management Holdings Limited	Ordinary	100%	Holding company
Premier Asset Management Limited	Ordinary	100%	Holding company
Premier Investment Group Limited	Ordinary	100%	Holding company
Premier Portfolio Managers Limited	Ordinary	100%	Investment manager/ACD
PAM PLC	Ordinary	100%	Dormant
Premier Offshore Asset Management Limited	Ordinary	100%	Dormant
Premier Asset Management (Guernsey) Limited	Ordinary	100%	Investment manager
Eastgate Court Nominees Limited	Ordinary	100%	Nominee company
Premier Fund Managers Limited	Ordinary	100%	Investment manager
Premier Investment Administration Limited	Ordinary	100%	Dormant
Premier Discretionary Asset Management PLC	Ordinary	100%	Dormant

Notes to the consolidated financial statements

At 30 September 2018

	Class of share held	Proportion of voting rights and shares held	Nature of the business
Premier Fund Services Limited	Ordinary	100%	Dormant
PremierConnect Nominees Limited	Ordinary	100%	Dormant
Eastgate Investment Services Limited	Ordinary	100%	Dormant

13. Trade and other receivables

	2018 £000	2017 £000
Due from trustees/investors for open end fund redemptions/sales	46,405	42,170
Other trade debtors	160	113
Accrued income	4,605	4,221
Prepayments	2,310	1,326
Other receivables	230	102
Total trade and other receivables	**53,710**	**47,932**

Trade and other receivables are all current and any fair value difference is not material. Trade and other receivables are considered past due once they have passed their contracted due date.

The ageing profile of trade receivables that are due but not impaired is:

	2018 £000	2017 £000
Days		
0 to 30	46,485	42,226
31 to 60	40	57
61 to 90	40	-
Over 90	-	-
Total trade receivables	**46,565**	**42,283**

These amounts have not been impaired as there has not been any significant changes in credit quality and the amounts are still considered recoverable.

14. Financial instruments

(a) Financial assets at fair value through profit and loss

The financial instruments carried at fair value are analysed by valuation method. The different levels have been defined as follows:

(i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
(ii) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
(iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair value of financial assets is as follows:

	2018 £000	2017 £000
Other investments		
Quoted – level 1	910	1,354
Total	**910**	**1,354**

Quoted investments – Level 1

The Group holds shares and units in a number of funds for which quoted prices in an active market are available. The fair value measurement is based on Level 1 in the fair value hierarchy.

Financial instruments measured at amortised cost, but fair value is disclosed

The following financial instruments are not measured at fair value in the balance sheet, but information about the fair value is disclosed.

Trade debtors and trade creditors
The trade debtors and trade creditors largely have a maturity of less than one year. The fair value of trade creditors and trade debtors are not materially different to their carrying value.

Borrowings and overdraft
The fair value of the bank borrowings and overdrafts are not materially different from the carrying value due to the variable interest rate and the short duration.

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk.

The Group monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyses exposure by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

Market risks

The Group is exposed to market risk through interest rates, availability of credit, liquidity and foreign exchange fluctuations.

(a) Interest rate risk

The Group is exposed to interest rate risk as the Group borrows at floating interest rates.

A 1% increase in interest rates on the Group's debt balances at 30 September 2018, would increase the annual net interest payable in the statement of comprehensive income and reduce equity by £nil (2017: £nil). The sensitivity has been calculated by applying the interest rate change to the variable rate borrowings.

Notes to the consolidated financial statements

At 30 September 2018

14. Financial instruments (continued)

(b) Foreign exchange risk

The Group undertakes transactions denominated in US Dollars and Euros; consequently, exposures to exchange rate fluctuations arise.

At 30 September 2018, if the US Dollar and Euro had strengthened by 10% against the Pound with all other variables held constant, this would have had an £126,000 (2017: £124,000) impact on the statement of comprehensive income and equity.

The Group does not have any cash holdings in a currency other than GBP.

(c) Credit risk

The Group credit risk is primarily focused on trade receivables due from trustees/investors for open end fund cancellations/sales. The risk is that a counterparty fails to settle on a trade and thereby creates an illiquid asset. However, in such cases the Group has the ability to arrange with the trustees of the relevant fund to cancel the trade and to liquidate the units issued, thereby settling the trade. A possible exposure will arise in such an instance whereby the price achieved on a cancellation of a trade is less than the original price at which the units were issued.

The credit risk on liquid assets is limited because the counterparties are banks with relatively high credit ratings.

The Group has no significant concentration of credit risk as exposure is spread over a large number of counterparties and customers.

(d) Liquidity risk

The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Group's reputation.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 3 months £000	Between 3 months and 1 year £000	Between 1 and 5 years £000	Over 5 years £000
As at 30 September 2018				
Trade and other payables	55,763	218	1,764	196
	55,763	**218**	**1,764**	**196**
As at 30 September 2017				
Trade and other payables	49,416	293	1,174	196
	49,416	**293**	**1,174**	**196**

Capital Management

Working capital

The Group manages the level of its working capital on an ongoing basis. The Group uses detailed financial information provided by its forecasting model and by regular review of its consolidated management information.

Regulatory capital requirements

In accordance with the Capital Requirements Directive (CRD), the Group is required to maintain a minimum level of capital as prescribed in the UK by the Financial Conduct Authority (FCA). The Group is required to conduct an Internal Capital Adequacy Assessment Process (ICAAP), referred to as Pillar 2 capital requirements. The objective of this process is to ensure that firms have adequate capital to enable them to manage risks not deemed to be adequately covered under Pillar 1 minimum requirements. This is a forward looking exercise which includes stress testing on major risks, considering how the firm would cope with a significant market downturn, for example, and an assessment of the Group's ability to mitigate the risks. Each of the regulated companies in the Group maintained surpluses of regulatory capital throughout the year.

The primary objective of the Group's capital management is to maintain a strong capital base in order to maintain investor, creditor and market confidence and to provide a suitable base to sustain the future development of the business, while ensuring compliance with regulatory capital requirements.

During the period the Group and its subsidiary entities complied with all regulatory capital requirements.

Offsetting financial assets and financial liabilities

There are no financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements.

15. Cash and cash equivalents

	2018 £000	2017 £000
Cash at bank and in hand	20,744	16,449
Total cash and cash equivalents	**20,744**	**16,449**

16. Trade and other payables

	2018 £000	2017 £000
Due to trustees/investors for open end fund creations/redemptions	46,333	41,375
Other trade payables	1,256	1,145
Other tax and social security payable	1,325	1,048
Accruals	8,097	6,830
Pension contributions	24	26
Other payables	906	655
Total trade and other payables	**57,941**	**51,079**

Notes to the consolidated financial statements

At 30 September 2018

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

17. Obligations under leases

Operating lease agreements where the Group is lessee.

The Group has entered into commercial leases on certain properties. These leases have an average duration of between 5 and 10 years. The costs associated with the development of PremierConnect will be treated as an operating lease with a duration of 5 years.

Future minimum rentals payable under non-cancellable operating leases are as follows:

	2018 £000	Restated* 2017 £000
Between zero and one year	857	306
Between one and two years	1,001	666
Between two and five years	2,694	1,653
Over five years	409	630
Total lease obligations	**4,961**	**3,255**

* The restatement of the 2017 disclosure is now in line with required disclosure of IAS 17; previously the amounts disclosed did not reflect all future payments but just the following year's payments.

18. Share capital

	2018	2017
Authorised		
Ordinary shares of 0.02p each	105,801,310	105,801,310
Deferred shares	1	-
Allotted, issued and fully paid		
Ordinary shares of 0.02p each	105,801,310	105,801,310
Deferred shares	1	-

On 8 February 2018, following the approval of a special resolution, one redeemable deferred share with a nominal value of £28,839.74 was issued and allotted to Eastgate Court Nominees Limited. The deferred share carries no voting rights and no right to receive a dividend.

19. Capital redemption reserve

	2018 £000	2017 £000
Redemption of preference shares	4,000	4,000
Cancellation of deferred shares	532	532
Total capital redemption reserve	**4,532**	**4,532**

On the redemption of the preference shares a transfer was made from retained earnings to the capital redemption reserve equivalent to the nominal value of the preference shares redeemed. On 19 October 2015 £4,000,000 of the 8% Preference shares, plus £359,452 of accrued interest, was redeemed.

20. Shared based payments

All share options awarded to employees through the EBT under the Group's equity-settled share based payments are valued by reference to the fair value of the share options on the grant date. The share options in issue under the equity-settled share based payment scheme have been valued at prices ranging from £1.40 to £2.70 per share. The charge to the Consolidated Statement of Comprehensive Income for the year to 30 September 2018 in respect of these was £1,033,458 (2017: £322,778).

All share options have an exercise price of £nil, the fair value of share options outstanding at the end of the period are:

Award date	Fair value £000	Number of options
7 March 2017	1,703	1,216,667
11 April 2018	1,720	735,000
10 July 2018	2,614	968,333
Awards via the EBT	**6,037**	**2,920,000**

Premier Asset Management Group PLC established an EBT on 25 July 2016 to purchase ordinary shares in the Company to satisfy awards of share options to certain employees. All administrative expenses connected with the EBT are charged to the Consolidated Statement of Comprehensive Income. The EBT has waived the rights to dividends. Shares purchased and held by the EBT are deducted from equity and classified as own shares held by an EBT. The following table shows the number of shares held by the EBT that have not yet vested.

	2018 Number of shares	2017 Number of shares
At 1 October	1,599,830	1,160,550
Acquired in the year	1,643,000	439,280
At 30 September	**3,242,830**	**1,599,830**

The 439,280 shares acquired by the EBT in the prior period were acquired in lieu of cash consideration.

21. Own shares held by an EBT

	2018 £000	2017 £000
Own shares held by an EBT	4,047	-
Total own shares held by an EBT	**4,047**	**-**

The reserve for the Company's own shares held by an EBT comprises of the Company's shares held by the Group. At 30 September 2018, the Group held 3,242,830 (2017: 1,599,830).

Notes to the consolidated financial statements

At 30 September 2018

22. Dividends paid

	2018 £000	2017 £000
Declared and paid during the year:		
Equity dividends on ordinary shares:		
First interim: 1.65 (2017: 1.25) pence per share	1,689	1,323
Second interim: 1.65 (2017: 1.25) pence per share	1,712	1,308
Third interim: 1.65 (2017: 1.25) pence per share	1,692	1,308
Final dividend for 2017	4,429	-
Dividends paid	**9,522**	**3,939**

23. Related party transactions

All companies forming part of the consolidated Group are considered to be related parties as these companies are owned either directly or indirectly by Premier Asset Management Group PLC.

The Group manages, through its subsidiaries, a number of open ended investment companies and investment trusts. The subsidiary companies receive management fees from these entities for managing assets and in some instances receive performance fees. The Group acts as manager and/or authorised corporate director for 28 (2017: 27) funds as at 30 September 2018.

(a) Asset management vehicles

The Group provides investment management services for a number of collective investment schemes where Group companies are investment managers/advisors of underlying funds and which meet the criteria of related parties (note 2.5(p)). In return the Group receives management fees for the provision of these services.

	2018 £000	2017 £000
Management fees	52,353	44,968
Amounts outstanding at the year end	4,526	4,102
Investment in funds held by the Group	910	1,354

(b) Key management compensation

The key management personnel compensation that is represented by the Executive Committee, for employee and Director services during the year is shown below:

	2018 £000	2017 £000
Salaries and bonuses	3,998	3,281
Share-based payments	517	186
Benefits in kind	40	33
Short-term employee benefits	**4,555**	**3,500**

24. 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.

25. Post balance sheet events

The Directors are not aware of any conditions that existed at the reporting date or events since, that would affect the disclosures in these financial statements.

26. Contingent liabilities

There were no contingent liabilities as at 30 September 2018 (2017: nil).

Company statement of financial position

As at 30 September 2018

	Note	2018 £000	2017 £000
Assets			
Non-current assets			
Investment in subsidiaries	28	43,732	43,732
Total non-current assets		**43,732**	**43,732**
Current assets			
Trade and other receivables	29	12,865	9,144
Cash and cash equivalents		1	346
Total current assets		**12,866**	**9,490**
Total assets		**56,598**	**53,222**
Equity			
Capital and reserves attributable to equity holders			
Share capital	18	50	21
Capital redemption reserve	19	4,532	4,532
Retained earnings		48,070	48,642
Total equity		**52,652**	**53,195**
Liabilities			
Current liabilities			
Trade and other payables	30	3,946	27
Total current liabilities		**3,946**	**27**
Total liabilities		**3,946**	**27**
Total equity and liabilities		**56,598**	**53,222**

Company number 06306664

The financial statements were approved on behalf of the Board of Directors on 28 November 2018.

Mike O'Shea
Chief Executive Officer

Neil Macpherson
Group Finance Director

The notes on page 52 form an integral part of these financial statements.

Company statement of changes in equity

For the year ended 30 September 2018

	Share capital £000	Share premium £000	Capital redemption reserve £000	Retained earnings £000	Total equity £000
At 1 October 2016	**14**	**34**	**4,532**	**2,625**	**7,205**
Shares issued	7	44,713	-	-	44,720
Cancellation of share premium	-	(44,747)	-	44,747	-
Equity dividends paid (note 31)	-	-	-	(3,939)	(3,939)
Share based payment expense	-	-	-	322	322
Profit for the financial year	-	-	-	4,887	4,887
At 30 September 2017	**21**	**-**	**4,532**	**48,642**	**53,195**
Shares issued	-	-	-	-	-
Deferred share issued	29	-	-	(29)	-
Equity dividends paid (note 31)	-	-	-	(9,552)	(9,552)
Share based payment expense	-	-	-	1,033	1,033
Profit for the financial year	-	-	-	7,976	7,976
At 30 September 2018	**50**	**-**	**4,532**	**48,070**	**52,652**

The notes on page 52 form an integral part of these financial statements.

Company statement of cash flow

For the year ended 30 September 2018

	2018 £000	2017 £000
Cash flows from operating activities		
Profit for the year	7,976	4,887
Adjustments for:		
Financial expense	-	38
Share based payments	1,033	322
Changes in working capital:		
(Increase)/Decrease in trade and other receivables	(3,721)	1,832
Increase/(Decrease) in trade and other payables	3,919	(224)
Net cash flows used in operating activities	**9,207**	**6,855**
Cash flows from financing activities		
Repayment of borrowings	-	(42,670)
Interest paid on borrowings	-	(4,686)
Dividends paid to shareholders	(9,552)	(3,939)
Issue of ordinary shares	-	44,720
Net cash flow from financing activities	**(9,552)**	**(6,575)**
Net (decrease)/increase in cash and cash equivalents	**(345)**	**280**
Cash and cash equivalents at the beginning of the period	346	66
Cash and cash equivalents at the end of the period	**1**	**346**

The notes on page 52 form an integral part of these financial statements.

Notes to the Company financial statements

At 30 September 2018

27. Significant accounting policies

The separate financial statements of the Company are presented as required by the Companies Act 2006. The principal accounting policies adopted are the same as those set out in the Group's financial statements disclosures. In addition, note 28 sets out the accounting policy in respect of investments in subsidiary undertakings.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The Company's net profit for the year amounted to £7,975,476 (2017: profit £4,886,860).

28. Investments in subsidiaries

Investments held by the Company in subsidiary undertakings are held at cost less any provision for impairment.

	2018 £000	2017 £000
Cost:		
At 1 October	43,732	43,732
Additions	-	-
At 30 September	**43,732**	**43,732**
Amortisation and impairment:		
At 1 October	-	-
Amortisation during the year	-	-
At 30 September	-	-
Carrying amount:		
At 30 September	**43,732**	**43,732**

At 30 September 2018 the Company held (directly and indirectly) 100% of the allotted share capital of the following subsidiary undertakings, all of which are incorporated in Great Britain with the exception of Premier Asset Management (Guernsey) Limited which is incorporated in Guernsey and the registered office is PO Box 255, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL. The registered office for all other subsidiary undertakings is Eastgate Court, High Street, Guildford, GU1 3DE.

	Class of share held	Proportion of voting rights and shares held	Nature of the business
(a) Directly held			
Premier Asset Management MidCo Limited	Ordinary	100%	Holding company
(b) Indirectly held			
Premier Asset Management Holdings Limited	Ordinary	100%	Holding company
Premier Asset Management Limited	Ordinary	100%	Holding company
Premier Investment Group Limited	Ordinary	100%	Holding company
Premier Portfolio Managers Limited	Ordinary	100%	Investment manager/ACD
PAM Plc	Ordinary	100%	Dormant
Premier Offshore Asset Management Limited	Ordinary	100%	Dormant
Premier Asset Management (Guernsey) Limited	Ordinary	100%	Investment manager
Eastgate Court Nominees Limited	Ordinary	100%	Nominee company
Eastgate Investment Services Limited	Ordinary	100%	Dormant
Premier Fund Managers Limited	Ordinary	100%	Investment manager
Premier Investment Administration Limited	Ordinary	100%	Dormant
Premier Discretionary Asset Management Plc	Ordinary	100%	Dormant
Premier Fund Services Limited	Ordinary	100%	Dormant
PremierConnect Nominees Ltd	Ordinary	100%	Dormant

29. Trade and other receivables

	2018 £000	2017 £000
Amounts owed by Group undertakings	8,642	9,138
Prepayments and accrued income	4,223	6
Total trade and other receivables	**12,865**	**9,144**

Trade and other receivables are all current and any fair value difference is not material. Trade and receivables are considered past due once they have passed their contracted due date.

30. Trade and other payables

	2018 £000	2017 £000
Amounts owed to Group undertakings	3,943	-
Other payables	3	27
Total trade and other payables	**3,946**	**27**

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

The Directors consider that the carrying amount of trade payables approximates to their fair value.

31. Dividends paid

	2018 £000	2017 £000
Declared and paid during the year:		
Equity dividends on ordinary shares:		
First interim: 1.65 (2017: 1.25) pence per share	1,689	1,323
Second interim: 1.65 (2017: 1.25) pence per share	1,712	1,308
Third interim: 1.65 (2017: 1.25) pence per share	1,692	1,308
Final dividend for 2017	4,429	-
Dividends paid	**9,522**	**3,939**

Notice of Annual General Meeting

Premier Asset Management Group plc (the "Company")

Incorporated in England and Wales with company number 06306664

Notice is hereby given that the Annual General Meeting (the "AGM" or the "Meeting") of the Company will be held at the Company's registered office at Eastgate Court, High Street, Guildford, Surrey GU1 3DE on 6 February 2019 at 10:00 a.m. for the following purposes:

Ordinary business

1. To receive the Company's accounts and reports of the directors and the auditor for the financial year ended 30 September 2018.
2. To reappoint Robert Colthorpe who retires by rotation and who, being eligible, offers himself for reappointment as a director.
3. To reappoint William Smith who retires by rotation and who, being eligible, offers himself for reappointment as a director.
4. To reappoint KPMG LLP as auditor to hold office from the conclusion of the meeting to the conclusion of the next meeting at which the accounts are laid before the Company and to authorise the directors to fix their remuneration.

Special business

To consider and, if thought fit, pass the following resolutions, of which resolutions 5 and 8 will be proposed as ordinary resolutions and resolutions 6 and 7 will be proposed as special resolutions.

5. That the directors of the Company be and they are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the "2006 Act") to exercise all the powers of the Company to allot shares and grant rights to subscribe for, or convert any security into, shares up to an aggregate nominal amount (within the meaning of sections 551(3) and (6) of the 2006 Act) of £7,053.42.
6. That, subject to the passing of resolution 5, the directors of the Company be and they are hereby empowered pursuant to section 570 of the 2006 Act to allot equity securities (as defined in section 560 of the 2006 Act) of the Company for cash pursuant to the authority conferred by resolution 5 as if section 561 of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities for cash:

   (a) in connection with or pursuant to an offer or invitation in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment (and holders of any other class of equity securities entitled to participate therein or if the directors consider it necessary, as permitted by the rights of those securities) but subject to such exclusions or other arrangements as the directors may deem necessary or appropriate to deal with fractional entitlements, treasury shares, record dates, or legal, regulatory or practical problems which may arise under the laws of, or the requirements of, any regulatory body or stock exchange in any territory or otherwise howsoever; and

   (b) in the case of the authority granted under resolution 5, and otherwise than pursuant to paragraph (a) of this resolution, for cash up to an aggregate nominal amount of £1,058.01, being approximately 5% of the Company's issued ordinary share capital as at the date of this Notice.

   The power conferred by resolutions 5 and 6 shall expire at the conclusion of the next AGM, save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry.
7. That the Company be generally and unconditionally authorised for the purposes of section 701 of the 2006 Act to make one or more market purchases (within the meaning of section 693(4) of the 2006 Act) of fully paid ordinary shares of 0.02p each in the capital of the Company provided that:

   (a) the maximum aggregate number of ordinary shares authorised to be purchased is 10,580,131 (representing approximately 10 per cent of the Company's issued ordinary share capital);

   (b) the minimum price (exclusive of expenses) which may be paid for each ordinary share shall be the nominal value;

   (c) the maximum price (exclusive of expenses) which may be paid for each ordinary share shall not be more than 5 per cent above the average of the middle market quotations for an ordinary share, as derived from the AIM section of the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is purchased;

   (d) unless previously renewed, varied or revoked, this authority shall expire at the conclusion of the Company's next Annual General Meeting; and

   (e) the Company may make a contract or contracts to purchase ordinary shares under this authority prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of ordinary shares in pursuance of any such contract or contracts.
8. That the Directors' Remuneration Report for the year ended 30 September 2018, as set out on pages 26 to 27 of the Annual Report and Financial Statements, be approved by the Shareholders. The vote is advisory and the Directors' entitlement to remuneration is not conditional on it being passed.

BY ORDER OF THE BOARD

Neil Macpherson
Company Secretary
28 November 2018

Registered Office:
Eastgate Court
High Street
Guildford
Surrey
GU1 3DE

Notes - Notice of Annual General Meeting

Notice of Meeting Notes:

1. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of trading on 4 February 2019. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.

2. Shareholders, or their proxies, intending to attend the Meeting in person are requested, if possible, to arrive at the Meeting venue at least 20 minutes prior to the commencement of the Meeting at 10:00 a.m. (UK time) on 6 February 2019 so that their shareholding may be checked against the Company's Register of Members and attendances recorded.

3. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company.

4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).

5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

6. You can vote either:

   - by logging on to www.signalshares.com and following the instructions;
   - by requesting a hard copy form of proxy directly from the registrars, Link Asset Services (previously called Capita),by calling 0371 664 0300. Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9:00 a.m. and 5:30 p.m. Monday to Friday excluding public holidays in England and Wales; or
   - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

   In order for a proxy appointment to be valid a form of proxy must be completed. In each case the form of proxy must be received by Link Asset Services at 34 Beckenham Road, Beckenham, Kent, BR3 4ZF by 10:00 a.m. on 4 February 2019.

7. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.

8. The return of a completed form of proxy, electronic filing or any CREST Proxy Instruction (as described in note 11 below) will not prevent a shareholder from attending the Meeting and voting in person if he/she wishes to do so.

9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com/en). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

10. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 10:00 a.m. on 4 February 2019. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Notes - Notice of Annual General Meeting

Continued

12. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.
13. As at 6 December 2018 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consists of 105,801,310 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 6 December 2018 are 105,801,310.
14. Under Section 527 of the Companies Act 2006, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's financial statements (including the Auditor's Report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with Section 437 of the Companies Act 2006 (in each case) that the shareholders propose to raise at the relevant meeting. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting for the relevant financial year includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.
15. Any shareholder attending the Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.
16. The following documents are available for inspection during normal business hours at the registered office of the Company on any business day from the date of this Notice until the time of the Meeting and may also be inspected at the Meeting venue, as specified in this Notice, from 9:00 a.m. on the day of the Meeting until the conclusion of the Meeting:
    - copies of the directors' letters of appointment or service contracts.
17. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated.

A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website at **www.premierfunds.co.uk/corporate**.

Explanatory notes to the Notice of Annual General Meeting

The notes on these pages give an explanation of the proposed resolutions.

Resolutions 1 to 5 and 8 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed other than on a show of hands, more than half of the votes cast must be in favour of the resolution. Resolutions 6 and 7 are proposed as special resolutions. This means that for each of those resolutions to be passed other than on a show of hands, at least three-quarters of the votes cast must be in favour of the resolution.

Resolutions 2 and 3: Reappointment of directors

In accordance with the Company's Articles of Association at every AGM a certain number of directors must retire by rotation. Mr Colthorpe and Mr Smith have been the longest in office and in accordance with the Company's Articles of Association are therefore the first to retire by rotation. These resolutions reappoint them following their retirement.

Resolution 5: Authority to allot shares

This resolution proposes that the directors' authority to allot shares be renewed. The authority previously given to the directors by resolutions of the shareholders dated 8 February 2018 at the Company's last AGM will expire at this year's AGM. Under the Companies Act 2006, the directors of the Company may only allot shares or grant rights to subscribe for or convert into shares if authorised to do so.

Resolution 5 will allow the directors to allot new shares or grant rights up to an aggregate nominal value of £7,053.42 which is equal to approximately one third of the total issued ordinary share capital of the Company as at the date of this Notice.

If passed, the authority given by this resolution will expire at the conclusion of the Company's next AGM. The directors have no present intention to allot new shares or grant rights, however, the directors may consider doing so if they believe it would be appropriate in respect of business opportunities that may arise consistent with the Company's strategic objectives.

Resolution 6: Disapplication of pre-emption rights

Under the Companies Act 2006, if the directors wish to allot shares for cash (other than in connection with an employee share scheme) they must first offer them to existing shareholders in proportion to their holdings ("a pre-emption offer"). There may be occasions, however, when the directors will need the flexibility to finance business opportunities by the issue of ordinary shares without a pre-emption offer to existing shareholders.

This resolution seeks to renew the directors' power to allot equity securities otherwise than in relation to pre-emption offers. The power granted by shareholder resolution dated 8 February 2018 at the Company's last AGM is due to expire at this year's AGM. Apart from pre-emption offers, the power is limited to the allotment of equity securities for cash up to an aggregate nominal value of £1,058.01 which is equal to approximately 5% of the issued ordinary share capital of the Company as at the date of the Notice. If given, this power will expire at the conclusion of the next AGM.

Resolution 7: Authority to purchase Company shares

This resolution gives the Company general authority to repurchase up to 10,580,131 of its own shares in the market which is equal to approximately 10% of the Company's issued share capital as at the date of the Notice, at or between the maximum and minimum prices specified in the resolution giving the authority.

Current legislation allows companies to hold shares acquired by way of market purchase in treasury, rather than having to cancel them. The directors may use the authority to purchase shares and hold them in treasury (and subsequently sell or transfer them out of treasury as permitted in accordance with legislation) rather than cancel them, subject to institutional guidelines applicable at the time. Shares will only be purchased if to do so would result in an increase in earnings per share and is in the best interests of shareholders generally.

Resolution 8: Approval of the Directors' Remuneration Report

The Company is not required to obtain shareholder approval of the Directors' Remuneration Report nor to seek approval of the remuneration paid to the Board. However, the Board believes that it would be good practice to seek shareholders' views on Board pay by way of an advisory shareholder vote on the Directors' Remuneration Report. Shareholders can find the report on pages 26 to 27 of the Annual Report.

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premierfunds.co.uk