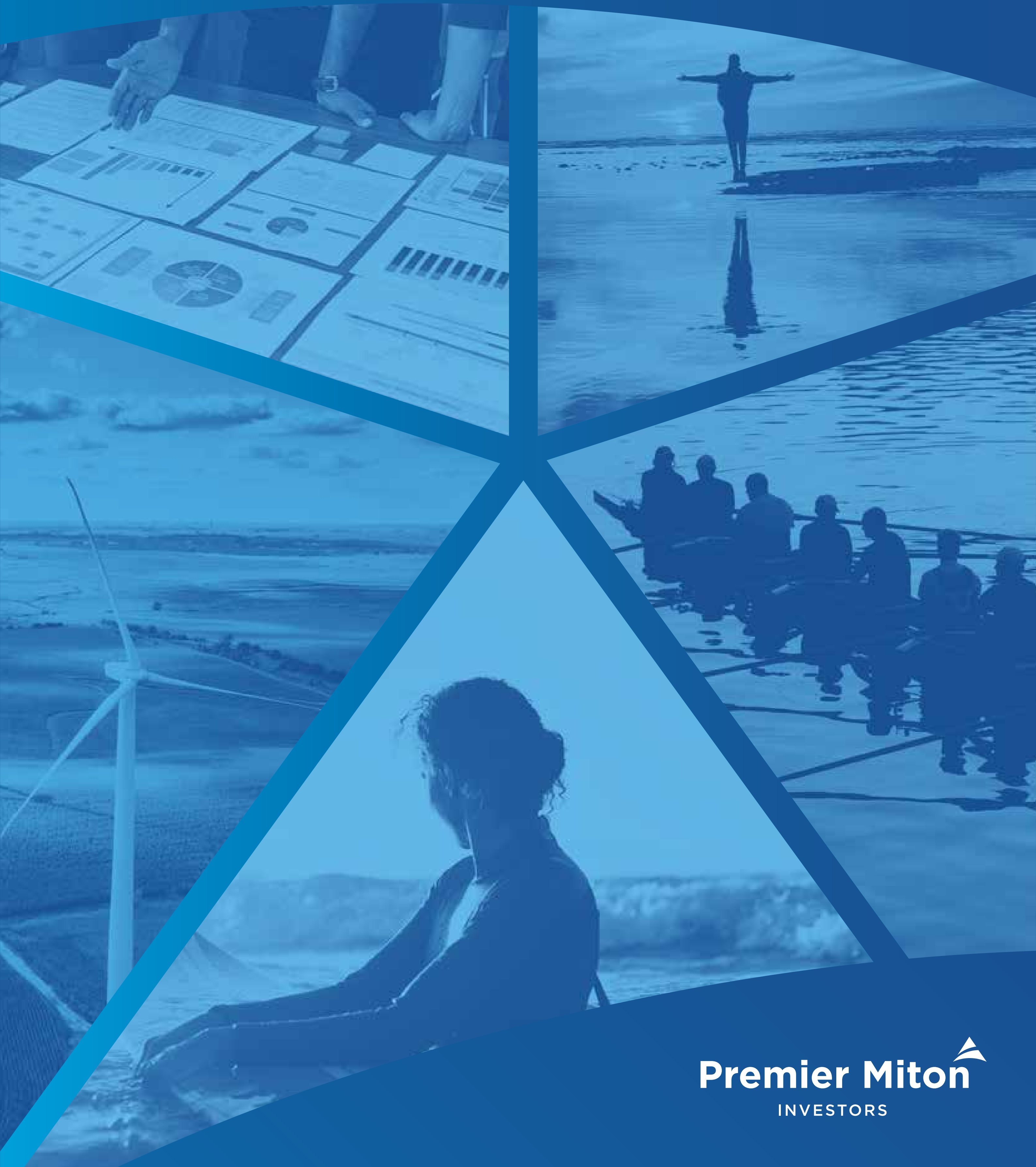


Premier Miton INVESTORS

Premier Miton Group plc

Annual Report and Accounts 2021

What we stand for

Our purpose

To actively and responsibly manage our clients' investments for a better financial future.

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

www.premiermiton.com

2021 highlights

Product and performance

83%

of funds and investment trusts are first or second quartile at 30 September 2021 since launch/tenure [1]

50

products managed at 30 September 2021

Assets under Management ('AuM')

£13,931m

closing AuM versus £10,608m at 30 September 2020

Net inflows

£830m

net inflows across the product range for the year versus £(619)m outflows for 2020

Results and profitability

Profit before tax

£17.5m

2020: £9.6m

Adjusted profit before tax [2], amortisation, share-based payments, merger related costs and exceptional items

£28.6m

2020: £22.4m

1 See footnote 5 on page 15
2 This is an Alternative Performance Measure ('APM'). See page 36 for further detail

Company overview

What we do

Premier Miton provides a broad suite of products powered by active, independent minds that are designed to meet the needs of today's investors.

The objectives of our products are clearly defined.

Our fund managers' objectives are aligned with those of our clients.

We focus on our core strengths.

Investing can also have a substantial impact on wider society, this means we have a responsibility, not only to perform well, but also to behave well.

Who we are

We are a UK based fund management group with a range of UK domiciled funds that are distributed primarily to UK investors.

The Group is passionate about delivering durable returns over the long term and is dedicated to exceptional levels of customer service.

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

Our values

Dedicated

We put **clients' interests at the heart** of everything we do. We never forget we are managing other people's money and are **dedicated to helping clients achieve** their investment objectives.

Collegiate

We work **collaboratively for the benefit of our clients**, within teams and across teams. Each and every one of us assists in **building a sense of inclusion and belonging,** ensuring a respectful working environment.

Independent

Our bright minds don't think alike. Our investment teams pursue an **enlightened, collaborative approach** but, importantly, are **not constrained by a 'house view'.** All of us **think independently** and challenge the status quo.

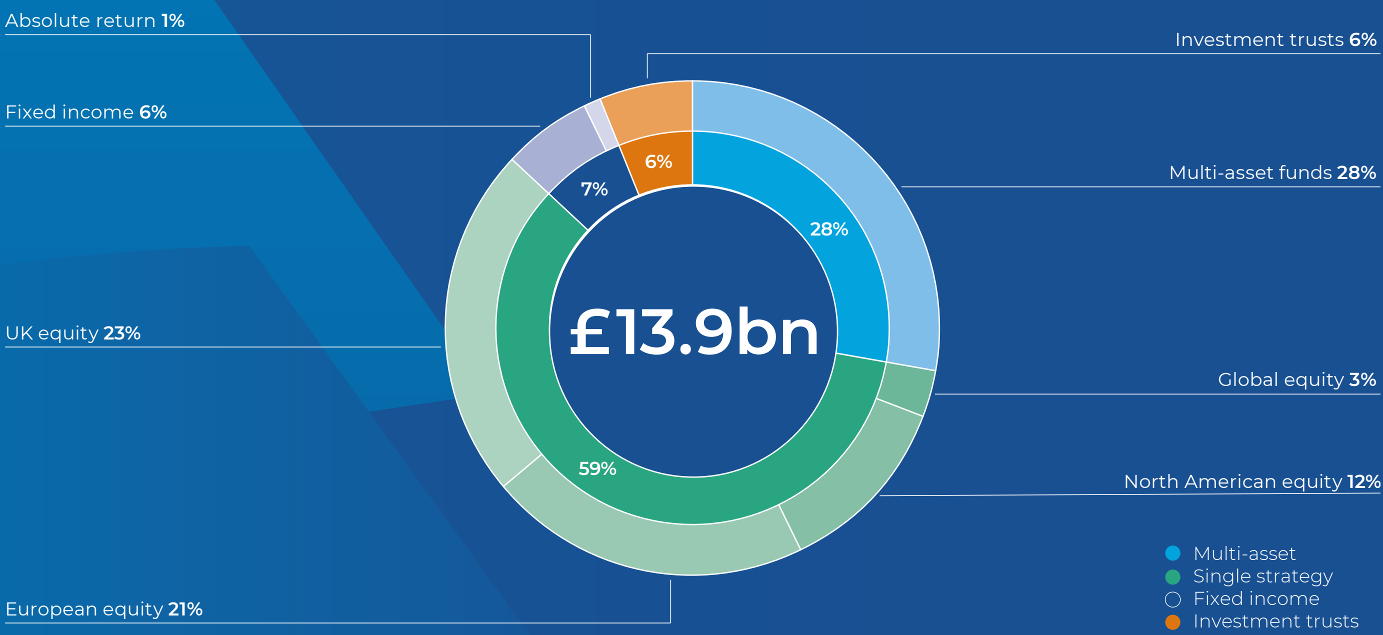
Passionate

We are passionate about active investing and **meeting the needs of clients.** To do that, our fund managers have a genuinely **active, high-conviction investment approach.** All of us are **passionate in the way we work together** – striving to achieve excellence.

Responsible

We steward our clients' assets carefully and responsibly and actively engage with the companies we invest in. We are **responsible in the way we manage our business, our people, our environmental impact and our impact on wider society.**

Diversified investment expertise



As at 30 September 2021:

Equity funds
£8.2bn

Multi-asset funds
£3.9bn

Investment trusts
£0.8bn

Fixed income funds
£1.0bn

Total:
£13.9bn

Chairman's statement

Actively and responsibly managing our clients' investments.

Premier Miton is a successful, ambitious and growing business. We achieved significant strategic milestones in the year, including completing the merger, redesigning our multi-asset offering and launching new funds.

Robert Colthorpe
Chairman

In February, I was delighted to be appointed Chairman of the Group and I am pleased to introduce my first Annual Report and Accounts.

I am happy to report that under Mike O'Shea's leadership our business achieved strong asset growth and demonstrated its clear purpose in 2021. Global markets have recovered much of the falls experienced at the start of the wretched pandemic, contributing well to our results. Many of our funds are exhibiting excellent performance metrics.

We are a leading UK based active investment management business and seek to deliver durable returns for our clients over the medium to longer term. Our purpose is to manage our clients' investments actively and responsibly for a better financial future. We know that good investing can make a huge positive difference to individual lives and understanding this connection and the responsibilities that go with it is the bedrock of our culture.

Assets under Management ('AuM')

At 30 September 2021 the Group had AuM of £13.9 billion, an increase of 31% on the prior year end. This figure reflects a return to positive inflows for the Group and continued outperformance across our fund range. AuM at the year-end is split between equity funds 59%, multi-asset funds 28%, fixed income funds 7% and investment trusts 6%. Average AuM rose by 26%, to £12.7 billion, up from £10.1 billion.

Investment performance

Investment performance remains strong with 83% of funds in the first or second quartile of their respective sectors since launch or fund manager tenure (2020: 65%). Our culture places our customers at the centre of our business model. We believe that continued good investment performance over the medium to longer term is core to our success and aligns clearly with shareholders' interests.

Results & dividend

In 2021 the business performed strongly, driven largely by the rise in AuM. Our profit before tax was £17.5 million, representing an increase of 82% on the comparative year. The Group aims to increase profitability over time by growing AuM through the provision of value-for-money funds and investments that deliver attractive returns. We seek to charge a fair fee for our services and are rigorous in managing our cost base.

We work hard in the interests of our shareholders, alongside our other stakeholders, and thank them for their continuing support. The Board does what it can reasonably and prudently do to grow shareholder value and to secure attractive returns in all ways, including through our share price performance.

Dividends matter to our shareholders and the Board is recommending an annual dividend payment for 2021 of 10.0p per share, representing an increase of 43% on 2020. If approved by the shareholders at the Annual General Meeting on 2 February 2022, the final dividend of 6.3p per share will be paid on 11 February 2022 to shareholders on the register at the close of business on 14 January 2022. The Group seeks to grow the dividend over time reflecting increasing profitability. We also recognise that retaining a healthy level of profit on the balance sheet is important for business confidence, stability, and to support initiatives which will contribute to shareholder value growth.

The Directors' intention is therefore to maintain a strong capital position with enough resources to support the business to grow whilst taking a sensible long-term view. At 30 September 2021 the Group was robustly financed with no debt and cash balances of £47.7 million.

Chairman's statement
Continued

Strategic progress
The savings and investment markets in the UK are large and growing, economically valuable and competitively dynamic. We are unashamedly an active manager of our funds and believe in the ability of our investment teams to add value over time. We have plenty of scope for growth in these markets and good investment performance and client diversity are critical to our future success.

We run highly active funds with concentrated portfolios that we believe will deliver for our clients over the long term. Inevitably there will be periods when particular funds may be performing less well relative to peers. That is in the nature of the way we manage money. However, diversity in the range of the group's funds is a source of strategic strength and our portfolio of funds is valuable for our business and our shareholders. At the same time, we regularly review the portfolio to see if there are areas for change and improvement.

Following the completion in the year of the operational aspects of the merger of Premier and Miton we have a platform that is well balanced, resilient and capable of supporting significant growth in AuM, and generating improving profit margins. Our primary focus is to build greater market share for our funds and investment strategies, yet we also keep a close watch on industry developments for strategic and tactical opportunities. A number of ideas are under consideration at any one time and these are vigorously pursued by our experienced and capable leadership group where we see favourable cost/benefit outcomes.

Environmental, Social & Governance ('ESG')
Developing our positioning on ESG matters is an ongoing opportunity and one on which we need to keep stepping up our efforts, in common with the broad fund management sector. Of course, along with our industry peers we want to play our part, both as stewards of investment capital managed actively, and as a corporate entity, recognising that our primary task is to deliver attractive investment returns from our diverse range of funds.

We have several initiatives in progress, including the launch of a new sustainable equity fund and increasing the coverage of our ESG data to support the integration of ESG factors alongside financial factors across our fund range. We are increasing our oversight of decisions on key company votes, such as shareholder and climate-related resolutions.

We were delighted to be awarded a B rating for our 2020 submission to the CDP disclosure system, designed to help manage environmental impacts. We joined the CDP as an investor and partnered with them on their 2021 non-disclosure initiative, encouraging other companies to complete the CDP climate assessment.

Culture & people
A healthy, positive and client-focused culture is crucial for the long-term success of our firm. Monitoring culture and shaping it as needed will be made easier by the return of our people to office working and thus being together. We are encouraging this across the business and believe it will be beneficial for everyone involved. Clearly, this may take some time and we should have flexibility to cater for an adjustment in people's expectations and needs. Our people deserve praise for the way they have worked through this difficult time. They have demonstrated resilience and positivity; I thank them and am sure they will continue to show their professionalism and enthusiasm as we approach the year ahead.

We are proud and pleased to have a talented and capable team across the business and we seek to incentivise and reward our people fairly and appropriately, to align rewards with the outcomes we expect and need to succeed as a business. As with our clients and their investments, we know that our people have choices as to where they pursue their careers so retention strategies and succession planning are important responsibilities for the Board to consider.

Board
I would like to reiterate my deep thanks to Mike Vogel, who stood down as Chairman earlier this year, for his extensive contribution to getting the Group to where it is now. We were pleased that Sarah Mussenden and Sarah Walton joined our Board in June. They each have impressive capabilities and experience and we look forward to their guidance as we develop the business. Sarah Walton has taken on the role as Chair of the Audit & Risk Committee and her first report in the role is set out in pages 56 to 58 of this Annual Report. We expect and need our Board to be high performing and I would like to thank all our Directors for their full and thoughtful contributions during the year, especially in being so supportive of the transitions and changes which have taken place on the Board and in the committees.

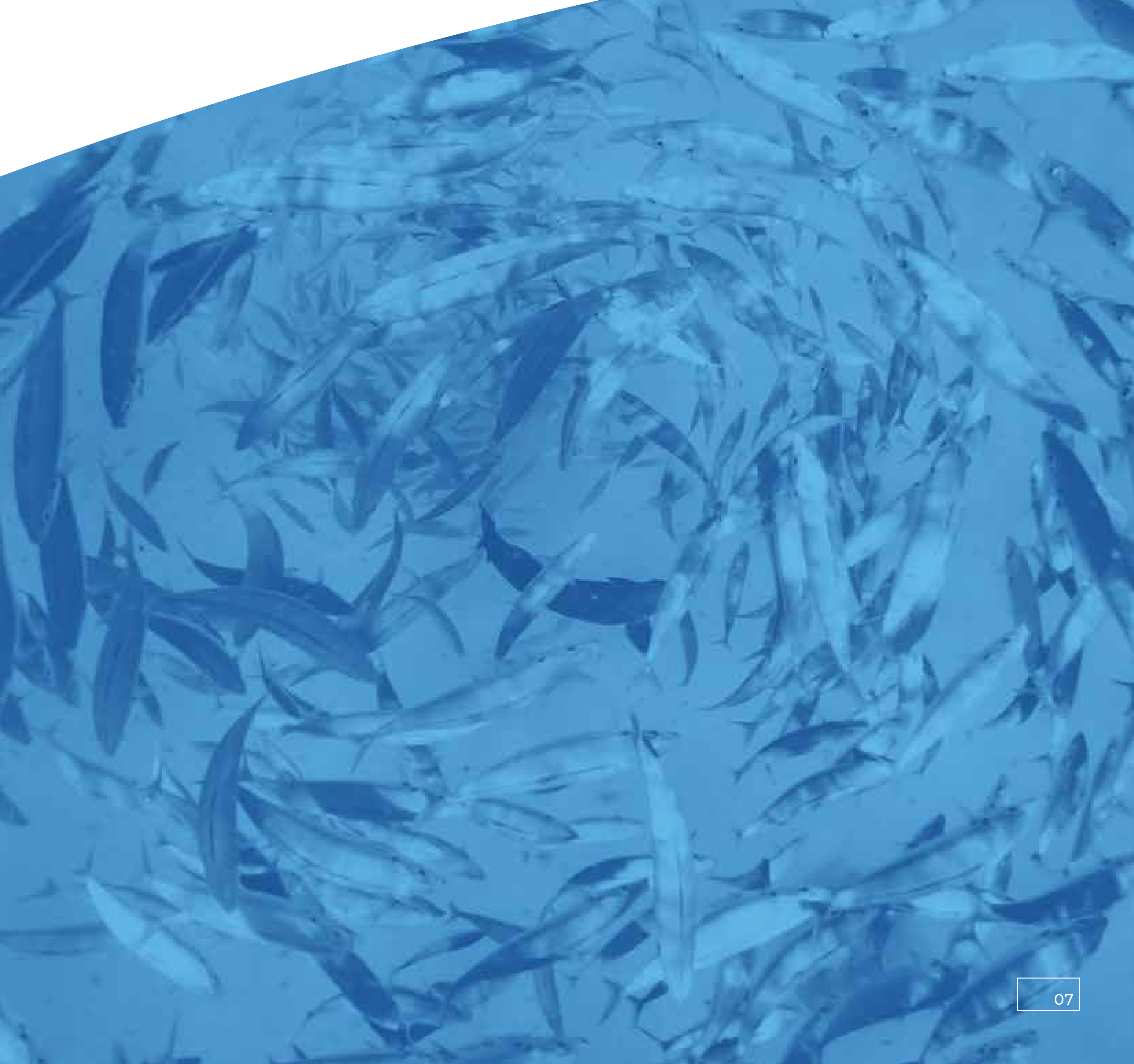
Outlook
We are an ambitious and growing business. We achieved significant strategic milestones in the year including the completion of our merger, the redesign our multi-asset offering and the launch of three new funds. With the pandemic still here, markets everywhere continue to adjust and show signs of strain with at times material volatility. There is also an uncertain political and regulatory environment affecting our industry which adds to our challenges. However, the prospects for the UK savings and investment markets are attractive and I believe we have resilient, agile and energetic people working at Premier Miton. We are well placed to navigate the future with confidence and determination for the benefit of all our stakeholders. The Board and I look forward to working with our team to steer us to ongoing success.

Robert Colthorpe
Chairman
6 December 2021

Responsible

We steward our clients' assets carefully and responsibly and actively engage with the companies we invest in.

We are **responsible in the way we manage our business, our people, our environmental impact and our impact on wider society**.



Chief Executive Officer's statement

Growing our business and delivering strong outcomes for our investors.

Our funds offer many of the characteristics that we believe investors will be seeking over the coming decade and beyond. They are run by experienced teams free to employ their own individual skills for the benefit of investors, they have high active shares, high tracking errors against underlying indices, long-term time horizons and are unconstrained from house views.

Mike O'Shea
Chief Executive Officer

I am pleased to deliver a strong set of results for the Group. We have achieved net inflows of £830 million in 2021, with all four quarters seeing positive flows. In terms of investment performance, 83% of our funds are in the first or second quartile since manager tenure. We have a diversified business and a broad range of products delivering excellent outcomes for our clients over the medium to longer term. We have a financially robust balance sheet, and we continue to increase the efficiency of our platform, as evidenced by the higher profit margin for 2021.

Business performance

At the end of September 2021 Assets under Management ('AuM') stood at £13.9 billion representing an increase of 31% on last year. Average AuM (a key metric of success and a determinant of the Group's profitability) finished the year at £12.7 billion, an increase of 26% on the previous year.

The net management fee margin (the retained revenue of the firm after deducting the costs of fund administration, external Authorised Corporate Directors ('ACD') and any enhanced fee arrangements), was 65.0bps compared with 65.9bps last year. On 27 November 2020 the Group successfully completed the on boarding of all open-ended funds onto the in-house ACD platform and consequently rebranded the names of all funds under the Premier Miton marque.

The adjusted operating margin increased from 33.5% to 33.8%. Our strategy continues to focus on delivering good outcomes for our investors and to diversify and increase the levels of AuM being managed by the Group. We aim to meet investor demand through the creation of transparent, value-for-money products that have well-defined objectives. Many are highly differentiated from other funds and have uncorrelated returns when compared with mainstream indices.

We classify our products according to four categories: equity funds, multi-asset funds, fixed income funds, and investment trusts. At the year end, equity funds accounted for 59% of the total AuM, multi-asset funds 28%, fixed income 7%, with investment trusts making up the remainder.

Investment flows

Premier Miton's range of high active share, alpha focused funds are well placed to deliver for investors in the current environment. I am pleased to report that, during the period, we experienced net flows into our products totalling £830 million (2020: £619 million outflow). This represents a strong improvement on last year and a net addition of some 7% of the Group's average AuM.

Looking at specific funds, we saw continued success from several of our single strategy funds. The Premier Miton European Opportunities Fund, launched in 2015, ended the period with AuM of just under £3 billion. Also growing strongly was the Premier Miton US Opportunities Fund demonstrating a consistent, active investment approach without investing in the big-name tech stocks. During the year it surpassed the important AuM milestone of £1 billion, ending the year with £1.3 billion of AuM. I am also pleased to note that our Premier Miton UK Value Opportunities Fund, has delivered excellent returns for investors despite traditional 'value stocks' being out of favour with the market. The fund is in the top quartile of funds in its sector over one, three five and seven years and ended the period with AuM of over £700 million.

We have been successful at launching new products and bringing on talented fund managers with scope to grow. In the last eighteen months, we have launched six new funds and have taken on two segregated mandates. At 30 September 2021 we had a total of £693 million of AuM (in aggregate) in these new strategies. This is a good result during challenging market conditions and broadens our product range for future flows over the years ahead.

Chief Executive Officer's statement
Continued

Gross fund flows
£5.0bn
2020: £2.8 billion

Net fund inflows
£0.8bn
2020: £(0.6) billion outflows

We have also made good progress on the development of our multi-asset fund range. In January 2021 we made changes to our multi-asset multi-manager fund range, driven by the aim to reduce the costs borne by investors. This team now offers nine funds covering income, risk-targeted, growth and wealth preservation – many of which now have significantly reduced ongoing charges. Our multi-manager range sits alongside our two other multi-asset investment strategies, Diversified and Macro Thematic, each with their own specialist investment teams. 17 out of our 19 multi-asset funds now have OCFs below 1%. We offer five directly invested multi asset Premier Miton Diversified funds, the first one launched in March 2013, and all of which are top quartile over one year and since launch, and over three and five years where applicable. These funds are gaining increasing sales traction through advisers and will be a core focus for our advisory business development team in the year ahead. During the year the Diversified funds collectively gathered £130 million of net inflows versus outflows of £3 million in 2020 and we intend to focus on building on this success during the coming year.

Despite the overall outflow from multi-asset funds during the year, we are encouraged that the changes we have instigated are having an effect with outflows in the second half of the year being lower (£183 million) than in the first half of the year (£627 million). The pace of outflows has clearly slowed and we believe that the combination of reduced costs on our multi-asset funds coupled with an improving relative performance profile has been behind this. We can see from industry data that there is clearly ongoing demand for multi-asset solutions from advisers and with our strong distribution presence we believe that we can return to growth for this part of our business in the future.

Our strong investment flows into existing and new strategies are not just due to excellent investment performance, but also testament to hardworking distribution teams. We have developed a cohesive team that puts clients and their advisers at the centre of what they do, with an aim of building lasting relationships over investment cycles. The sales team consists of 23 people in discretionary and advisory intermediary markets throughout the United Kingdom. The distribution team continues to use detailed sales data to enhance the overall client experience. Supporting this is an astute marketing team whose aim is to build awareness of our products with meaningful campaigns and events.

Fund range
2021 was a busy year for the Group as we continued to develop our product range. During the year we launched three new funds and completed two fund mergers designed to reduce costs for investors. The purpose of continued product development is to create a better result for our clients and to offer funds that are differentiated, high-performing and, importantly, value for money. We know that our clients have a choice of where they invest their money, so it is vital that our investment teams offer the outcomes required.

The investment performance across our equity, fixed income, multi-asset and absolute return funds has been excellent. At 30 September 2021 65% of AuM was in the first quartile and 83% performing above median within their respective IA sectors since the tenure of the fund manager. Shorter-term numbers were also good with 82% above median over one year and 79% above median over three years.

In November, Emma Mogford joined the Group from Newton Investment Managers and assumed management of three UK equity income funds. Emma has a disciplined style that we believe will do well for investors over the long term.

In January we made changes to our multi-asset multi-manager fund range, as noted above, to deliver even more value to underlying investors. This range of funds covers all outcome objectives and is led by David Hambidge and head of research, Ian Rees. Wayne Nutland, manager of the Premier Miton Managed Index Balanced Fund, also joined this team in February and adds his expertise in ETF investing. David Jane and Anthony Rayner assumed responsibility for the Premier Miton Multi-Asset Growth & Income Fund and the Premier Miton Multi-Asset Conservative Growth Fund from 1 February 2021.

Our European equities team of Carlos Moreno and Thomas Brown were joined by Russell Champion in August following the successful launch of their second fund, Premier Miton European Sustainable Leaders, on 10 May 2021. This fund has started well and has been amongst the top performers in its sector since launch. At 30 September 2021 their first fund, Premier Miton European Opportunities Fund, was £2.9 billion in size and top decile since launch returning 228.7% versus 86.3% from the sector.

In March we launched the Premier Miton Global Smaller Companies Fund. The experienced investment team of Alan Rowsell and Imogen Harris joined us in late 2020 having managed over £1 billion in global smaller companies at their previous employer. The fund has returned 12.1% since launch versus 9.7% from the sector. This is yet another example of where our actively managed funds in a dynamic asset class can make a meaningful impact in many portfolios.

Our Fixed Income team have been with the firm for a little over a year and have created a sound foundation on which to build future fund flows. They are a talented group of individuals and performance across their product range is attractive. Having reached just over £1 billion of assets under management in their first year, they have the potential to raise many times this over the years ahead.

I would also like to congratulate Gervais Williams and Martin Turner who celebrated their ten-year anniversary as managers of the £1.2 billion Premier Miton UK Multi Cap Income Fund in October 2021. The fund has delivered excellent returns to investors having grown by 249.3% (with dividends reinvested) since launch to the 30 September 2021. This compares with 111.2% for the IA UK Equity Income sector average and 106.1% for the FTSE All-Share Index.

Towards the end of the period, we added to our range of income funds with the launch of the Premier Miton European Equity Income Fund managed by Will James. The fund offers increased choice to investors looking for alternative sources of equity income during a period of low interest rates and low bond yields. We look forward to bringing this new fund to a wider audience as it builds its track record. Finally, we also completed the merger of the Premier Global Infrastructure Income Fund into the Premier Miton Global Infrastructure Fund, creating a single, larger fund that we believe will be more attractive to potential investors as well as offering economies of scale to reduce ongoing investor costs.

Over the last year we have been pleased that the quality of our investment performance and fund managers has continued to be recognised through winning various industry awards including Specialist Group of the Year Award and two fund awards at the Investment Week Fund Manager of the Year Awards 2021. Our investment trust business is also being recognised, where we were a finalist for Group of the Year Award and nominated for four individual trust awards at the Investment Week Investment Company of the Year Awards 2021 in November.

Responsible investing

During the year we expanded our range of sustainable and responsible products covering a number of global equity, European equity and UK equity funds. We have continued to make significant progress with the integration of ESG into our investment processes across the firm alongside the launch of two more dedicated ESG/sustainable funds. This is important for the Group, and we are determined to make this a key area of success for Premier Miton.

On 14 December 2021 the Premier Miton Ethical Fund will be renamed the Premier Miton Responsible UK Equity Fund. Changing the name of the fund to reference the focus on companies that act responsibly and have a positive influence on society and the environment, will help to make the investment approach of the fund clearer for investors. This fund was also nominated for 'Best Sustainable and ESG Equity Fund' in the Investment Week Sustainable & ESG Investment Awards 2021.

We have also continued to work hard to build diversity across all levels of our business. With the appointment of Sarah Walton and Sarah Mussenden to our board I am pleased that we are making a clear statement that we would like our business to have a much better gender balance over the years ahead. At the end of September our workforce was 64% male and 36% female which is a small improvement on the 72%/28% split we had at the end of the previous financial year. We clearly have more work to do. Our non-executive team is now 50% male and 50% female and I am keen to see further progress in this direction across our wider workforce as we move through 2022 and beyond.

Chief Executive Officer's statement

Continued

Investment performance of funds first or second quartile since manager tenure [1]

83%

Proposed final dividend per share

6.3p

2020: 4.5p

Elsewhere, we continue to make progress on environmental matters and it was pleasing to be awarded a B rating for our first CDP submission in recognition of how we are managing our environmental impact as a firm. We have more to do here in order to maintain our momentum and I am grateful to the members of our Environmental Committee for their hard work and guidance through the last 12 months.

COVID-19

During the year we operated a predominantly home working environment in line with government guidance. Despite the challenging circumstances we delivered continuity to our clients and continued to provide the exceptional outcomes they expect from us. In September we transitioned to a flexible hybrid working arrangement and made changes to the office layouts in both London and Guildford, as well as introducing technology to facilitate video conferencing and the booking of desk space.

We believe there are clear benefits both individually and for the business in having a combination of office and home working. It is also clear from our staff surveys that many want to retain more flexibility going forward but also maintain the ability to meet and work together, share ideas and foster creativity.

Strategy

Since the merger in 2019, we have invested significantly in our investment teams, developed key systems and processes, and built scalable operational and risk management frameworks. Our medium-term ambition is to reach £20 billion of AuM. We think that this is a credible challenge for the business but believe that we have the people, the products and the performance to achieve it. As part of this growth ambition, we are exploring opportunities in the UK institutional market alongside our successful profile in the UK wealth management and independent financial advisory space. We are confident that our focused and long-term portfolios will be attractive to institutional investors seeking differentiated alpha strategies for their clients. If we are to be successful in achieving our goals, it is important that we maintain our clear focus on delivering excellent outcomes for our investors, that we work together as a team and that we manage our business effectively for the benefit of all stakeholders.

Closing

The 2021 financial year was an active and productive period for the Group. Despite the pandemic, we completed many key initiatives to strengthen our core business and that will enhance our enterprise value into the future. These initiatives range from hiring high performing individuals and teams, seeding new investment capabilities, and increasing our diversity. Some initiatives will take time to come to fruition but we are committed to maintaining a business environment that is supportive for success – individually and collectively.

Our staff deserve to be congratulated for their hard work and diligence during the past two years. The whole board of Premier Miton Group plc are immensely proud of the way they have continued to work and persevere in such difficult and challenging circumstances. The Group's ability to launch, position and maintain its investment strategies entirely depends on our talented people. I am proud to say that we have maintained the highest levels of business continuity and investment excellence over the past 12 months and believe that we can continue to do so into the future.

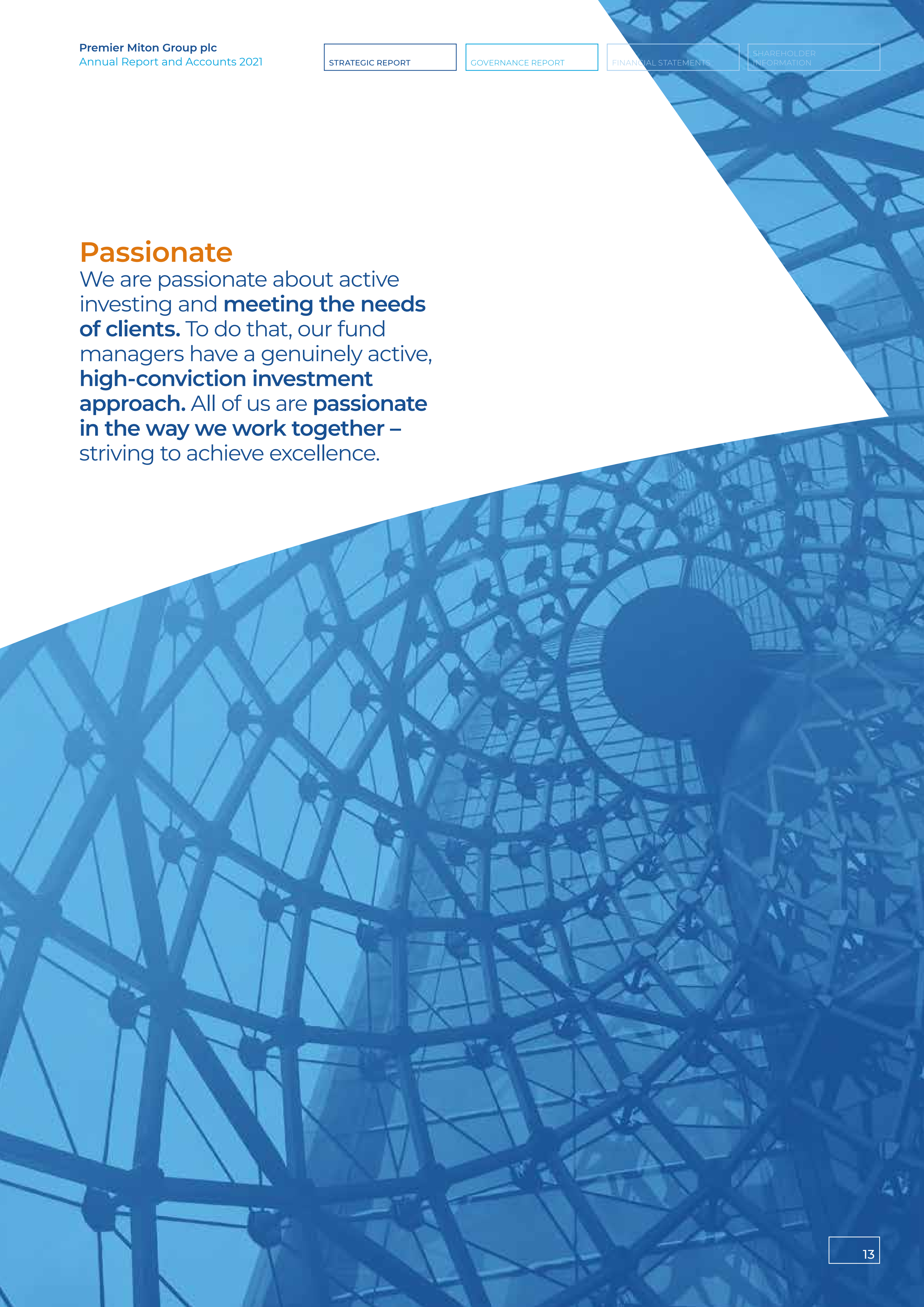
Our funds offer many of the characteristics that we believe investors will be seeking over the coming decade and beyond. They are run by experienced teams free to employ their own individual skills for the benefit of investors, they have high active shares, high tracking errors against underlying indices, long-term time horizons and are unconstrained from house views.

From a financial point of view, we have a healthy level of cash on our balance sheet, our AuM are at an all-time high and our net sales flows are positive and getting stronger. Our key strengths of investment excellence, relevant products, powerful distribution, financial position, operating platform, and acting responsibly as we move towards a more sustainable future, means we believe that Premier Miton is well positioned for the future.

Mike O'Shea
Chief Executive Officer
6 December 2021

Passionate

We are passionate about active investing and **meeting the needs of clients.** To do that, our fund managers have a genuinely active, **high-conviction investment approach.** All of us are **passionate in the way we work together –** striving to achieve excellence.



Product overview

Strategy	AuM 31 Mar 2020 £m	AuM 30 Sept 2020 £m	AuM 31 Mar 2021 £m	AuM 30 Sept 2021 £m	Fund manager(s)	Year of launch/ tenure	Quartile [5]
Equity funds							
Premier Miton UK Multi Cap Income Fund	756	837	935	1,166	G Williams/M Turner	2011	1
Premier Miton UK Smaller Companies Fund	35	66	234	141	G Williams/M Turner	2012	1
Premier Miton US Opportunities Fund	576	834	1,089	1,290	N Ford/H Grieves	2013	2
Premier Miton US Smaller Companies Fund	125	219	349	347	N Ford/H Grieves	2018	1
Premier Miton UK Value Opportunities Fund	326	347	623	724	A Jackson	2016	1
Premier Miton European Opportunities Fund	1,052	1,897	2,416	2,903	C Moreno/T Brown	2015	1
Premier Miton Global Infrastructure Income Fund	30	43	49	92	J Wright	2017	1
Premier Miton Worldwide Opportunities Fund	43	44	56	58	N Greenwood	2003	1
FP Miton Income Fund [1,2]	123						
Premier Miton Income Fund	197	184	192	186	E Mogford	2020	4
Premier Miton Monthly Income Fund	130	250	258	262	E Mogford	2020	4
Premier Miton Optimum Income Fund	63	56	62	62	E Mogford/G Kirk	2020	4
Premier Miton Ethical Fund	121	160	209	252	J Hudson/B Dawes	2019	1
Premier Miton UK Growth Fund	105	132	219	299	J Hudson/B Dawes	2017	1
Premier Miton Pan European Property Share Fund	218	176	173	178	A Ross	2005	n/a
Premier Miton Global Sustainable Growth Fund	82	101	111	116	D Goodwin	2020	1
Premier Global Infrastructure Income Fund [3]	50	43	41				
Premier Miton Global Sustainable Optimum Income Fund	18	15	17	21	D Goodwin/G Kirk	2020	1
Premier Miton Global Smaller Companies Fund			15	41	A Rowsell/I Harris	2021	2
Premier Miton European Sustainable Leaders Fund				76	C Moreno/T Brown	2021	1
Premier Miton European Equity Income Fund				9	W James	2021	1
	4,050	5,404	7,048	8,223			
Fixed income funds							
Premier Miton Corporate Bond Monthly Income Fund	44	82	136	159	L Harris/S Prior	2020	1
Premier Miton UK Money Market Fund [1]	192	185	165	201	C Lee/H Wan	2019	4
Premier Miton Financials Capital Securities Fund		64	73	79	L Harris/R James	2020	n/a
Premier Miton Strategic Monthly Income Bond Fund		55	72	77	L Harris/S Prior	2020	2
Premier Miton Defensive Growth Fund	147	100	74	78	R Willis/D Hughes	2019	n/a
	383	486	520	594			
Investment trusts							
The Diverse Income Trust plc	293	322	396	423	G Williams/M Turner	2011	1
Miton Global Opportunities plc	58	71	88	100	N Greenwood	2003	2
Miton UK MicroCap Trust plc	57	70	107	106	G Williams/M Turner	2015	2
Acorn Income Fund Limited	76	81	93	102	Lee/Willis/Unicorn AM	1999	1
Premier Miton Global Renewables Trust plc	47	55	47	53	J Smith	2012	1
	531	599	731	784			
Segregated mandates							
Sentinel Universal Portfolio	89						
Quilter Investors Corporate Bond Fund			230	263			
Quilter Investors Diversified Bond Fund			136	148			
	89		366	411			

Strategy	AuM 31 Mar 2020 £m	AuM 30 Sept 2020 £m	AuM 31 Mar 2021 £m	AuM 30 Sept 2021 £m	Fund manager(s)	Year of launch/ tenure	Quartile [5]
Multi-asset funds							
Premier Miton Cautious Multi Asset Fund	400	431	377	383	D Jane/A Rayner	2014	1
Premier Miton Defensive Multi Asset Fund	52	56	124	181	D Jane/A Rayner	2014	2
Premier Miton Balanced Multi Asset Fund	1	2	3	5	Diversified team	2021	1
Premier Miton Cautious Monthly Income Fund [1]	202	200	124	124	D Jane/A Rayner	2011	1
Premier Miton Multi-Asset Absolute Return Fund	162	146	138	137	Multi-manager team	2009	n/a
Premier Miton Multi-Asset Conservative Growth Fund [4]	111	112	88				
Premier Miton Multi-Asset Monthly Income Fund	579	560	552	542	Multi-manager team	2009	1
Premier Miton Multi-Asset Distribution Fund	1,184	1,165	1,052	1,015	Multi-manager team	1999	3
Premier Miton Multi-Asset Growth & Income Fund	658	657	618	570	D Jane/A Rayner	2021	4
Premier Miton Multi-Asset Global Growth Fund	150	156	127	130	Multi-manager team	2012	1
Premier Miton Liberation No. IV Fund	120	121	111	106	Multi-manager team	2012	n/a
Premier Miton Liberation No. V Fund	141	144	138	127	Multi-manager team	2012	n/a
Premier Miton Liberation No. VI Fund	74	71	70	67	Multi-manager team	2012	n/a
Premier Miton Liberation No. VII Fund	30	31	32	32	Multi-manager team	2012	n/a
Premier Miton Diversified Growth Fund	154	185	245	330	Diversified team	2013	1
Premier Miton Diversified Income Fund	27	29	34	40	Diversified team	2017	1
Premier Miton Diversified Balanced Growth Fund	14	16	29	42	Diversified team	2019	2
Premier Miton Diversified Cautious Growth Fund	15	16	33	42	Diversified team	2019	1
Premier Miton Diversified Dynamic Growth Fund	15	18	39	44	Diversified team	2019	1
Premier Miton Managed Index Balanced Fund	1	1	1	1	Wayne Nutland	2019	3
Premier Portfolio Management Service	2	2	2	1	PPMS Investment Committee		
	4,092	4,119	3,937	3,919			
Total AuM	9,145	10,608	12,602	13,931			

AuM is presented after the removal of AuM invested in other funds managed by the Group

1 Denotes a unit trust
2 FP Miton Income Fund merged into the Premier Monthly Income Fund by way of a scheme of arrangement in accordance with FCA regulations on 25 September 2020
3 Premier Global Infrastructure Income Fund merged into the Premier Miton Global Infrastructure Income Fund on 24 September 2021
4 Premier Miton Multi-Asset Conservative Growth Fund merged into the Premier Miton Defensive Multi Asset Fund on 18 June 2021
5 The quartile performance rankings are based on Investment Association sector classifications where applicable, with data sourced from FE Analytics using the main representative post-RDR share class, based on a total return, UK sterling, mid-to-mid basis for OEIC funds and bid-to-bid for unit trusts (Premier Miton Cautious Monthly Income Fund and Premier UK Money Market Fund). All data is as at 30 September 2021 and the performance period relates to when the fund launched or the assumed tenure of the fund manager(s). Performance for investment trusts is calculated on Net Asset Value ('NAV'), ranked against the relevant Association of Investment Companies (AIC) sector for each trust, apart from Acorn Income Fund Limited and Premier Miton Global Renewables Trust plc which are ranked according to their relevant Morningstar category, sourced from Morningstar Direct. Performance for Miton Global Opportunities plc and Acorn Income Fund is quoted over ten years

Market review

Delivering market reflections: Neil Birrell.

Another eventful year with plenty of opportunities to add value for our investors

Neil Birrell
CIO and Fund Manager

We produce a review and outlook of economies and financial markets for investors in our funds each month and looking back through those it is hard to believe that we have been through yet another extraordinary year.

The review at the start of November 2020 was titled 'Heading towards a winter of discontent', it discussed rising COVID-19 numbers, the return to national lockdowns in some countries, reducing economic activity, how central banks were continuing with their ultra-loose monetary policy and, in markets, why bonds and the FAANGs had remained in favour with investors. Looking back from where we are now, the short term outlook at that time was not looking good.

However, less than four weeks later, the next edition bore the title 'Maybe spring is arriving early'. How quickly things can change! Pfizer / BioNTech had announced that their COVID-19 vaccine was showing high efficacy and this was rapidly backed up by similar announcements from other vaccine producers. The outlook had changed dramatically in the space of a few days and inevitably, asset prices moved quickly. Bonds yields jumped, gold fell and equity markets moved higher, this time not driven by the FAANGs, but by companies sensitive to economic conditions. The moves were sharp. For example the price of Zoom fell from US$500 to US$370 whilst Carnival Cruises rose from US$14 to US$19. The trend was seen through and across the market overall.

However, in the face of the good news, the economic backdrop remained less positive; US jobless claims were rising and UK national debt had risen to £2.08 trillion, the equivalent to 101% of GDP, the highest level since 1960, when we were still paying off the debt incurred as a result of World War II.

So much has happened since then. It is hard to believe that from the Pfizer announcement to the time of writing this, 12 months later, the vaccination programmes have given nearly 7 billion shots of the vaccine worldwide, according to the Bloomberg Vaccine Tracker.

At the risk of simply providing a commentary on the events of the year, it is worth noting, at a high level, how they changed. As we moved into 2021 it was clear that different approaches to vaccination programmes and easing of lockdown restrictions meant that there were going to be quite divergent outcomes for different countries. The US and UK led the way, whilst Europe and Asia lagged. However, overall the direction was clear for all to see. Financial markets moved to discount the feel good factor and the improving economic data across all asset classes.

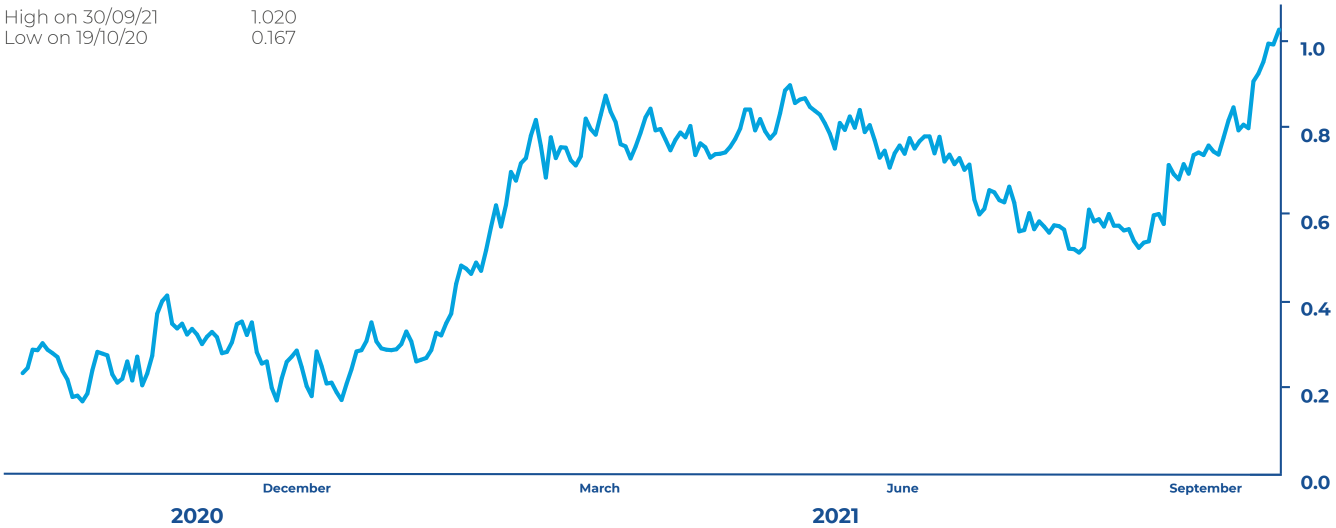
However, there is always a 'however', and economies and markets never move in a straight line. The recovery brought with it concerns over inflation and heightening expectations of central banks being forced to start tightening policy. Furthermore, the pace of the recovery could not be maintained and growth expectations started to pull back for 2022 and 2023. Inevitably, asset prices reflected the changing outlook through the summer.

There is little doubt that the impact of COVID-19 will be long lasting in both social and economic terms and markets will take time to digest the full extent of the damage caused.

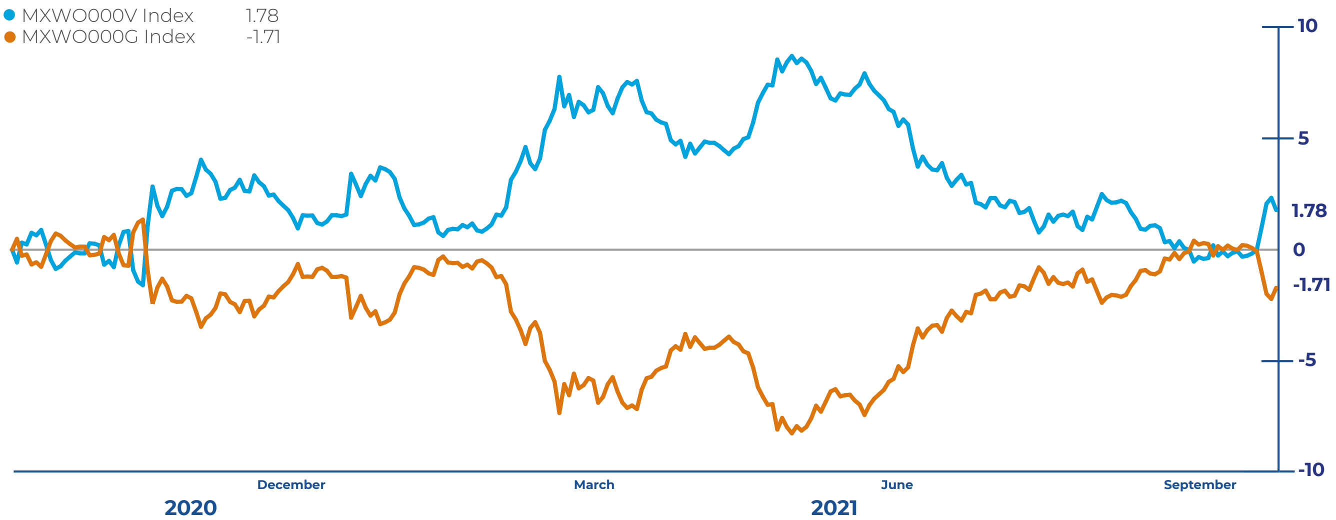
Market review
Continued

Towards the end of the year under review there were clear manifestations of what some of these impacts might look like. Supply chain disruption and dramatic spikes in energy prices all helped to create a more inflationary environment than most were expecting. The real world ramifications were not just seen in queues at petrol stations and shortages in the supermarkets. Toyota, for example, only manufactured 540,000 vehicles in September rather than the planned 900,000. The impacts have been felt across the board and are likely to linger.

UK 10-year Gilt Yield 12 months to 30 September 2021



MSCI World Growth Index vs Value Index 12 months to 30 September 2021



Normalised as of 30 September 2020

The economic backdrop changed rapidly and so did market conditions

There can be no doubt that economic factors and central bank policy have an impact on asset prices. Too often, these impacts are assessed with reference to major equity indices. Clearly as active managers, we care about index levels and direction, but we care more about what is going on within markets.

Looking first at the biggest (and arguably most important) asset class – government bonds – will give a good indication of the difficulties our fund management team faced during the period. I have used the UK 10 year gilt yield as the example for how prices react and attempt to discount expectations.

In October 2020, the yield of the 10 year gilt was as low as 0.2%. Times were tough, the outlook was poor and my 'winter of discontent' was looming. As we moved into the spring of 2021 the mood was much improved and the yield hit 0.9%, before falling back to 0.5% and ending the 12 months we are looking at, above 1.0%. These are big moves in a short period of time and require deep thought, detailed analysis and considered decision making when making investment calls. This particular asset class will influence all the funds we manage; money market, corporate bond, equity, multi-asset, absolute return, infrastructure, property shares; it is hard to think of one that is not impacted. Crucially, for active managers such moves offer opportunities as well as threats.

That is at asset class level. Within asset classes, dispersion has been a major factor as well. The 'growth vs value trade' within equities has been a highlight (or lowlight) for some time. As you can see from the chart on page 18, it has been very important to understand the trends within markets. Being on the wrong side of this trend would have been painful and making the wrong decision at the wrong time could have been disastrous.

We give our fund managers the freedom to make informed decisions in different market conditions to produce the investment outcomes our clients expect, and we have done so over time. That requires us to look at markets in aggregate, but more importantly at the individual investments we make, the portfolios we construct and to make active decisions at all levels.

A busy year in more ways than one

Our fund managers have many goals they need to achieve; the key one is producing strong investment outcomes through varying market conditions. But they have to be achieved in a risk controlled and visible manner that meets all the requirements of the regulations that govern us, as well as keeping investors informed of how they are being achieved.

As a team we also remain focused on delivering those desired outcomes at a reasonable cost and if the desired outcomes are not being achieved, what we might do to correct the position. Over the year we made a number of changes as a result of those considerations. These included changing the fund management teams responsible for certain funds and taking action to reduce the costs and charges for some funds by adapting the types of investments we used to express views. It is important to review funds on an ongoing basis and to consider all aspects. The role of a fund manager is many fold and the changes outlined above were effected in a manner that we believe will benefit investors over the long term.

Team is a word we use a lot within the fund management group at Premier Miton. It applies at a number of levels within asset classes, across asset classes, geographies and investment strategies, but we do think of ourselves as one team that embraces all those responsible for making investment decisions, executing those decisions and integrating environmental, social and governance ('ESG') best practice into those decisions.

We welcomed new members to the team as we expanded through the year, which added to our skills sets, investment expertise and, we believe, to the benefit of investors in all of our funds. The ethos remains the same; empower talented individuals to make good decisions, in a collegiate manner, to deliver better financial futures for the investors in our funds.

This has to take place within a strong governance structure, with appropriate oversight and has to be communicated in a clear fashion to existing and potential investors in the funds. That is only possible with the expertise of our colleagues in the rest of Premier Miton.

In other sections of this report you will see reference to our commitment to responsible investing. It is embedded in the investment team; we fundamentally believe that ESG considerations should be aligned with financial considerations in investment decision making. That has to come from those who make those decisions and we continue to develop and resource that commitment to ensure we are delivering for the investors in our funds in all respects.

Neil Birrell
CIO and Fund Manager
6 December 2021

Our strategic objectives

Strategic priorities	Objective	Progress in 2021
1 Product and performance	**Deliver a differentiated range of actively managed investment strategies with clear objectives that meet our clients' needs** **Grow and diversify the Group's AuM**	• Strong investment performance across the Group's product range • AuM grew by 31% to £13.9bn with £0.8bn of net inflows achieved • Added new talent and capabilities to our investment team • Expanded our range of dedicated ESG products to five (2020: three) • Continued to embed ESG considerations within our investment processes • Two fixed income segregated mandates wins • Launched three new products, the Premier Miton Global Smaller Companies Fund, Premier Miton European Sustainable Leaders Fund and the Premier Miton European Equity Income Fund • Two fund mergers completed, one multi-asset and one single strategy fund creating two larger funds which helps to reduce investor costs
2 Distribution and customer service	**Provide the highest levels of transparent and straight forward customer service** **Build our brand and market share** **Provide engaging market commentary and thought leadership**	• New website launched offering more information for our clients and designed for easier navigation • Continued to develop the Group's Connect platform, this is a no cost online portal for advisers, aimed at reducing the overall cost of investing in our funds for investors • Consolidated the Group's CRM system into a single instance • Launched the Group's 'Insights' programme providing the latest investment insights from our investment team • Launched 'Fixed on Bonds', the Group's fixed income team blog
3 Operations and efficiency	**Operational excellence and best practice execution**	• Successful completion of the merger in the year • Single operating model adopted • All open-ended funds were transitioned to one Authorised Corporate Director ('ACD'), Premier Portfolio Managers Ltd, on 27 November 2020 • On the same date, fund names were harmonised to include the prefix 'Premier Miton'
4 Stakeholder value	**Increase shareholder value** **Deliver sustainable and durable growth in our business**	• Profit before tax increased by 82% to £17.5m • Adjusted profit before tax [1] increased by 28% to £28.6m • Adjusted profit margin [1] was 33.8% (2020: 33.5%) • Adjusted earnings per share [1] increased by 32% • Dividends (proposed and declared) for the year increased by 43% • Submitted of our first annual CDP climate change report for corporate environmental reporting • Continued to invest in our CSR approach designed to cover four areas: responsible investing, our team, environmental responsibility and community responsibility

1 This is an Alternative Performance Measure ('APM'), see page 36 for further detail

Future focus	KPIs	Risks
• Continue to maintain a culture that empowers our people to deliver value for our clients • Continue to deliver clear investment outcomes and meet our clients' changing requirements • Continue to diversify our range of dedicated ESG funds and accelerate progress in integrating ESG factors across our fund range • Continue to diversify the business and expand our range of actively managed funds through successful new product launches and the addition of new investment talent • Continue to develop and grow our early-stage investment products • Continue to operate a robust risk management and compliance framework	**Investment performance** **83%** of funds 1st or 2nd quartile at the year end since manager tenure: 1st: 65% 2nd: 18% 3rd: 5% 4th: 12% **AuM** **+31%** increase in the year 2021: £13,931m 2020: £10,608m 2019: £6,556m	**Internal** • Key personnel risk (the loss of, or inability to recruit and retain key personnel) • Inability to sustain strong investment performance **External** • Factors impacting performance, such as a market setback or geopolitical turbulence • Regulatory changes impacting the Group's ability to achieve desired performance levels
• Continue to invest in our people including, hiring, retaining and developing talent across all levels of the business • Continue our drive to increase diversity across all areas of our business • Continue to provide, relevant, clear and transparent communications to our clients • Continue to maintain a distribution framework that can capitalise on growth opportunities • Continue to widen the Group's digital offering and further develop our digital assets • Ensure our products represent value for money	**Net inflows / (outflows)** **£830m** 2020: £(619)m	**Internal** • Key personnel risk • Failure to adequately predict or foresee client requirements/service levels **External** • A pronounced shift in investor demographics/ client demand away from active-based investing or certain asset classes • Regulatory changes affecting the Group's ability to reach new clients and distribution channels
• Continue to maintain disciplined cost control coupled with selective expenditure on growth opportunities • Continue to build stable and scalable operating platform • Continue to demonstrate straightforward and accountable decision-making • Ensure our operating platform keeps pace with regulatory change	**Profit before tax** **£17.5m** 2020: £9.6m **Adjusted profit before tax [1]** **£28.6m** 2020: £22.4m	**Internal** • Deficiencies in internal processes and/or systems • Fraudulent staff behaviour, employee misconduct **External** • Cost fluctuations from changes in the regulatory environment • Third party risk/ deterioration in service levels • Security breaches
• Continue to diversify the Group's revenue generation • Continue to grow the Group's operating cash flow and ensure appropriate levels of cash are maintained in the business • Continue to ensure the Group's KPIs are embedded across our remuneration policies • Continue to grow the Group's operating margin	**Dividend per share** **6.3p final** (proposed) **3.7p interim** 2021: 10.0p total proposed dividend 2020: 7.0p total dividend **Adjusted earnings per share [1]** **16.46p** 2020: 12.46p	**Internal** • Large redemptions from key clients at short notice **External** • Increased costs due to external influences • Changes in client demand

Operating model and infrastructure

We are dedicated to managing our clients' money.

Key Progress

- Added further talent and capabilities to our investment team to further our product capabilities
- Successfully launched three new funds driven by client demand
- Further developed our range of ESG funds
- Continued to integrate ESG within our investment framework and infrastructure
- Onboarded two fixed income segregated mandates

What makes us different

Our success is defined by our clients' success. We help them meet their investment objectives and preferences through well managed and relevant investment products backed by really good client service.

Ultimately, our product is performance, which might be delivering a sustainable long term income, long term growth, wealth preservation, managing risk or beating a specific market benchmark but our priority will always be our clients.

Against a backdrop of constant change and development, we recognise that investment markets and our clients' requirements will continue to evolve. We offer investment solutions for today and we continue to adapt in order to ensure we offer investment products for tomorrow that meet our clients' changing needs.

Underpinned by our values

What makes us different

Operating platform
- The Group operates a single, scalable operating model.
- The former Miton business was successfully integrated during the year to bring the ACD functions in-house.
- The operating model has been intentionally designed for efficiency and scalability as we add new products and expand our distribution capabilities.
- Bloomberg AIM has been embedded as the single portfolio order management system (supported by one database).
- Centralised dealing processes have been implemented.
- A new website was launched during the year to provide a unified online presence with improved accessibility and content delivery to our clients.
- The Group has standardised its remuneration structures to retain and reward its employees whilst also aligning with the interests of our clients.
- The Group maintains a strong and resilient balance sheet which provides longer term stability and optionality with growth opportunities.
- Multiple layers of cyber security exist across the Group's network to protect against heightened risks of malware, ransomware and phishing attacks and data exfiltration.
- Regular testing of the Group's cyber security arrangements are undertaken, this includes external network penetration testing against all endpoints three times a year. Monthly email phishing campaigns are undertaken for all staff along with weekly email updates to all staff provided by a third-party supplier.

Distribution
- The structure of the sales team was refined in 2020, with a combined number of 23 individuals at the year end.
- The sales team is client-centric and is geographically structured to provide comprehensive coverage throughout the United Kingdom.
- The team engages with clients and distribution partners with the help of fund managers in order to maintain the highest levels of service.
- The team is structured functionally according to two areas: the UK wealth manager market (typically equity and fixed income fund focused) and the UK adviser market (typically multi-asset fund focused).
- The average relevant industry experience of the field-based team is 20 years.
- Salesforce is used as the distribution and client relationship management solution.

Investment philosophy
- We believe active investment management is a very good way of delivering attractive long term risk-adjusted returns and investing responsibly, by carefully picking the companies we invest in on behalf of our clients.
- Our fund managers have a genuinely active, high conviction investment approach that allows them to think independently and focus on what they believe are the most compelling investment opportunities, rather than being constrained by a particular index benchmark or company-wide investment view.
- Through genuinely active management we aim to deliver added value to our clients, not only in terms of strong performance, but also in terms of our approach to diversification and our focus on generating attractive risk-adjusted returns.

Stakeholder value

Our employees
We empower our employees to have the relevant freedom to think independently. We believe this approach not only produces better investment outcomes for our clients but also the best possible environment for the well-being and personal development of our employees.

Our clients
A successful investment strategy can help people to secure their futures and realise their ambitions. We want to play an important role in making this happen.

Our communities
Investing can have a substantial impact on the wider society and this means we have a responsibility – not only to perform well, but also to behave well. We believe in acting responsibly, not only in terms of how we invest but also how we manage our business more broadly, for example our own environmental performance and our approach to the people who work for us.

Our shareholders
We are passionate about delivering durable returns over the long term through genuinely active management and are dedicated to exceptional levels of client service.

Independent **Dedicated** **Passionate** **Collegiate** **Responsible**

Our people and culture

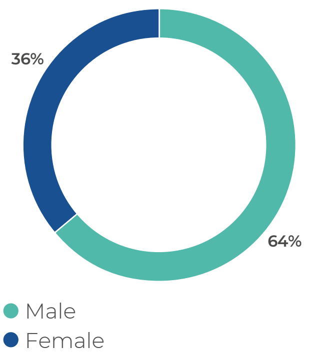
Engaging and supporting our employees is embedded within our values and culture.

We believe that the office is still a core requirement to allow for colleagues to be able to get together, collaborate, engage and share thought leadership; we also recognise the benefits of being able to work from home and not commuting every day.

Our people and culture
Continued

We recognise how challenging it has been to transition from an office-based to home working environment and we wish to thank our team for their hard work, passion and dedication during this difficult period.

Employee gender split



People
The Group undertakes a number of initiatives each year to support the health and well-being of our staff, including:

- Group funded employee assistance programme
- Group private medical insurance and health cash plan
- Health and mental health awareness; and
- Flu vaccinations.

In 2020, online counselling sessions and stress and resilience workshops were introduced to provide additional support for staff whilst the Group operates in a remote working model.

COVID-19
It is clear that few of us have been untouched by the coronavirus pandemic with the loss of loved ones, impact on health and livelihoods, the lockdowns, missed family events, and so much more.

The Group facilitated remote working arrangements successfully during the COVID-19 lockdown whilst maintaining investment excellence and high standards of client service. Our offices remained open throughout the period so that the option of office working was available for those where this supported their well-being.

During this period, regular group wide communications were maintained by the CEO and HR Director. Regular staff surveys helped to ensure that our approach met the needs of our staff. Mental health and well-being continued to be a key priority and focus.

Diversity and inclusion
In 2021, we reached 38% female representation at Board level with the appointment of two additional non-executive directors.

Our staff is currently 36% female but our longer term vision is to achieve greater gender balance and diversity.

To mark International Women's Day we created and distributed a video featuring four women across our business, including our Head of Responsible Investing, Head of Closed Ended Funds, a fund manager and an assistant fund manager, discussing female representation in asset management.

Culture
All firms need a healthy culture to be successful over time and we understand we must do the right things, in the right way and for the right reasons. As our business and our business environment develops, we continue to pay close attention to our own culture to make sure we understand if and where any adjustments are needed. During the year we undertook staff research to review what else we could do to make our culture is as distinctive, healthy and valuable as possible for our staff and our different stakeholders.

As a result of this process we redefined our purpose 'to actively and responsibly manage our clients' investments for a better financial future'. We also agreed on five key words to define our values: dedicated, passionate, responsible, independent and collegiate. We have included 'collegiate' as an internal value, to signify the importance of our broad team working together to achieve our purpose and to make Premier Miton a great place to work.

Our new purpose and values have been reinforced through regular ongoing communications and new office branding. Communication of our culture, purpose and values have been a core part of our new INSIGHTS communication programme, which is also designed to give everyone working at Premier Miton the opportunity to learn more about what we do, and how we do it, as well as covering other issues such as well-being and understanding more about our wider business environment.

The INSIGHTS programme includes regular all staff meet ups, a new internal magazine and learning workshops. In a period where there was restricted in-person interaction, we ensured our communication of our culture, values and the INSIGHTS programme continued in a virtual capacity, including video events.

Charities

The Group donates to charity on an annual basis and currently has four recognised charities which have been selected by staff: Prostate Cancer UK, Alzheimer's Society, Born Too Soon and National Youth Advocacy Service ('NYAS').

We are starting to increase communication of the Group's charity involvement with the aim of increasing awareness of this support across our business and to encourage our staff to get more involved in community work.

NYAS will feature prominently in the end of year INSIGHTS internal magazine and an internal workshop featuring the Chief Executive of NYAS has been scheduled to explain to staff what they do, how they help and how people can get involved to help.

Volunteering

We understand that investing stretches beyond our investment decisions, that an investment of money and time in our communities or with a charitable cause can be one of the most rewarding and positive impacts we can make. That's why we have committed to offering all our staff the opportunity to take one day's paid time off each year for community or charity causes. We will be actively promoting this scheme over the course of the next year to try and encourage as much participation as possible.

In 2021 we reached 38% female representation at Board level

ESG

We are responsible in the way we manage our business, our people, our environmental impact and our impact on wider society.

We believe it is important that we offer responsible investment products to our clients and, as part of this, to actively and responsibly consider ESG issues with the companies we invest in.

ESG
Continued

In addition to considering ESG factors in our investment process, we have responded to the growth in demand for sustainable focused funds and enhanced and extended our sustainable and ethical fund offerings.

Helene Winch
Head of Responsible Investing

ESG research and data supporting ESG integration

We are committed to ESG integration in our investment processes and providing the investment team with relevant training, tools or data to assist in their analysis and decision making. We regularly explore new systems and information and data providers for helpful inputs.

It is important to us that the investment team embrace all aspects of ESG and it is embedded in each investment process. Therefore, all fund managers are responsible for proxy voting on the companies held in their funds, supported by the Responsible Investing team. We use Institutional Shareholder Services ('ISS') Proxy Advisers as third party providers of research and to implement our voting activities. The integration of ESG considerations into our investment decision making has been championed by the fund managers who have undergone training to ensure best practices are employed.

In order to obtain detailed ESG and sustainable analysis we work closely with Ethical Screening, an independent specialist research company. We adopt a collaborative approach with them, particularly on the mapping of the underlying revenues of the companies we hold in our dedicated ESG funds to the United Nations Sustainable Development Goals, as well as ESG scoring of companies. We use data providers such as Bloomberg, Sustainalytics, MSCI and Morningstar to further understand the nature of our investments and external scoring and analysis of our funds. We work with these providers to enhance our knowledge at all levels, providing training, where required, for the investment team and those overseeing the process.

We use ESG data sets to monitor the ESG characteristics across our funds and the oversight of this monitoring process rests within our governance structure. The data also drives the non-financial objectives disclosures for our dedicated ESG fund range.

ESG integration in practice

We believe that it is important to make stewardship appropriate and proportionate to each asset class and investment. For example, in our funds that focus on sustainable investment themes we adopt a rigorous approach to analysing ESG factors, scoring companies on a range of factors to ensure they meet the right standards.

When investing in certain asset classes this can be more difficult, for example, smaller companies may not have the resources compared with larger companies to engage in ESG activities or reporting and the regulatory and disclosure regimes can be less robust in emerging markets. However, that does not stop us undertaking the necessary due diligence to satisfy ourselves that we should invest in the company. We will apply the appropriate approach for each investment.

Integrating ESG into our multi-manager funds, which invest in the funds of specialist third party managers, has particular challenges due to less ESG research or data being available on a fund basis. We took the decision to create our own due diligence questionnaire to allow us to better understand each underlying fund manager's approach to responsible investing including ESG integration and active ownership. This process initially targeted the managers with the highest perceived ESG risk and was completed during the year. Through analysis of the responses, we were able to gain a better understanding of each manager's approach to responsible investing and this has influenced our investment decisions.

The fixed income team has a disciplined ESG scoring system for the companies that issue the bonds in their investment universe. Those companies that do not meet minimum criteria are not considered to be investable. The fund managers and analysts will meet with companies, usually in group meetings on results presentations or bond issuance. Given corporate voting structures, bond holders generally have little influence on a company's strategy and therefore, if one of our investee companies falls below the minimum criteria the bond will typically be sold.

Managing portfolio climate risk

During the year our understanding of climate risk has increased in two ways.

Firstly, we subscribed to ISS Climate Solutions which provides carbon emissions data and carbon risk ratings for 25,000 companies globally. This has allowed us to consider a company's carbon footprint when making investment decisions as well as calculating and reporting carbon footprints for funds.

Secondly, the Group completed a further CDP climate change assessment, after achieving a B rating last year, and participated in the CDP non-disclosure initiative, engaging with companies to encourage them to also complete the climate change assessment. CDP is a not for profit charity that runs a global disclosure system for investors, companies and cities to manage their environmental impacts.

We believe reporting to CDP will help us get ahead of regulatory and policy changes, identify and tackle growing climate related risks, and find new opportunities for action aligned with the expectations of our different stakeholders, including our investors and shareholders. We are using our CDP experience to encourage companies to complete the CDP assessment in the future. Our fossil fuel exposure remains low, with two funds having fossil fuel exclusions and other fund managers finding that companies in the fossil fuel industry are not attractive investment opportunities.

Our fixed income team collates and reviews ESG data for their holdings in a dedicated monthly review meeting. A key focus is the low climate risk rating scores of the issuers in the oil and gas sectors and the potential risks to financial performance. The discussions led the team to reduce the exposure to the sector. More recently, various central banks have announced they are considering corporate issuers' climate risk in their asset purchasing programmes.

Dedicated ESG funds

Our range of dedicated funds continues to grow with the launch during the year of the Premier Miton European Sustainable Leaders Fund. In December 2021 the Premier Miton Ethical Fund will be renamed Premier Miton Responsible UK Equity Fund. This reflects the fund's focus on companies that act responsibly and have a positive influence on society and the environment, and will make the investment approach of the fund clearer for investors. And we have plans to launch our first dedicated ESG multi-asset fund next year.

Our global and European sustainable equity strategies focus on identifying long term investment themes that have the potential to drive significant and sustainable, corporate financial returns. We then seek to invest in a diversified portfolio of companies, across a wide range of sectors and geographies, that stand to benefit from the structural trends that underpin the investment themes. The investment themes are in keeping with the United Nations definition of sustainability and can be expected to have significant alignment with the United Nations Sustainable Development Goals. As part of the ESG analysis, companies are scored on a range of metrics which fall into broad categories including; corporate governance, management and environmental & social impact of the business.

For all these funds we also include enhanced company engagement and during the year we focused on engagement on some key issues including climate change and board diversity. For example, asking companies to disclose their climate risks using the CDP climate assessment and also asking relevant companies to improve their board diversity where appropriate.

We were delighted that the Premier Miton Global Renewables Trust received the London Stock Exchange's Green Economy Mark which highlights companies and investment funds that are driving the global green economy and that generate 50% or more of their total annual revenues from products and services that contribute to the global green economy.

Future focus

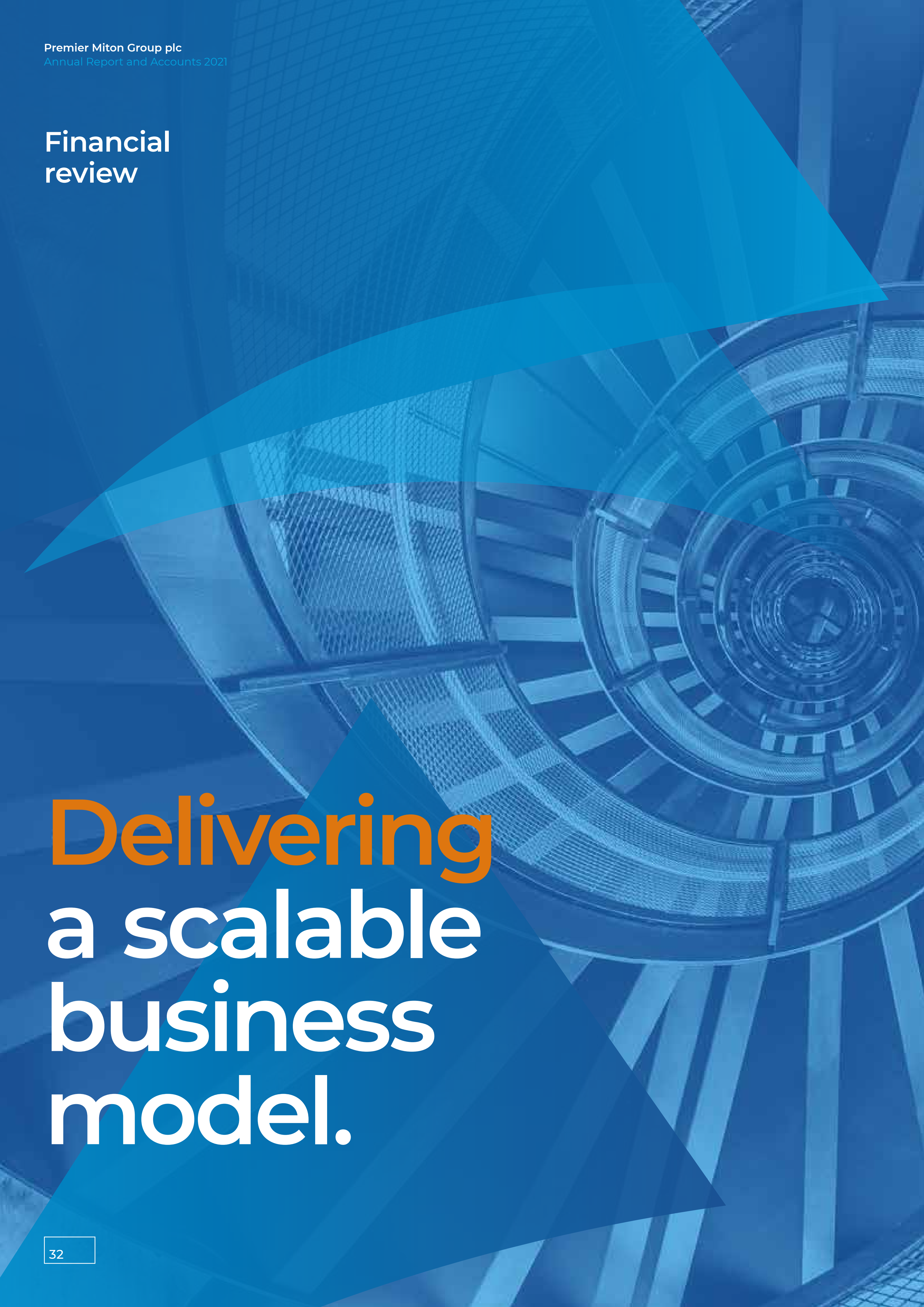
1. **Continue to grow the assets being managed in our range of dedicated ESG funds;**
2. **Continue monitoring and managing the carbon risk in our investments individually and by fund;**
3. **Continue to increase participation in industry collaboration on climate risk;**
4. **Augment the approach to ESG evaluation for investments demonstrating poor ESG disclosures; and**
5. **Enhance the ESG integration process across the Group's fund range.**

We take our stewardship responsibilities seriously, during the year our fund managers attended over

2,950

meetings with companies

Financial review



Delivering a scalable business model.

Profit before tax

£17.5m

2020: £9.6m

This year has been an important period for Premier Miton. Despite the challenging circumstances of the global pandemic, the business has continued to grow.

Piers Harrison
Chief Financial Officer

Financial performance

Profit before tax increased to £17.5 million (2020: £9.6 million). During the year the operational aspects of the merger were completed, the reported profit before tax included a further £1.4 million (2020: £4.5 million) of costs associated with the merger.

Adjusted profit before tax *, which is after adjusting for amortisation, share-based payments, merger related costs and exceptional costs increased to £28.6 million (2020: £22.4 million).

Adjusted profit and profit before tax

	2021 £m	2020 £m	% Change
Net revenue	84.5	66.8	26.5
Administrative expenses	(55.8)	(44.4)	25.7
Adjusted profit before tax *	**28.6**	22.4	27.7
Amortisation	(5.1)	(4.5)	13.3
Share-based payments	(4.5)	(3.6)	25.0
Merger related costs	(1.4)	(4.5)	(68.9)
Exceptional costs	(0.1)	(0.2)	(50.0)
Profit before tax	**17.5**	9.6	82.3

* These are Alternative Performance Measures ('APMs'). See page 36 for further detail

Assets under Management * ('AuM')

AuM ended the year at £13,931 million (2020: £10,608 million), an increase of 31%.

Average AuM for the year increased by 26% to £12,751 million (2020: £10,110 million). The increase reflects good fund performance, a return to net inflows of £830 million (2020: outflows of £619 million) and strong market performance from the lows of March 2020.

Net revenue

	2021 £m	2020 £m	% Change
Management fees	93.2	77.5	20.3
Fees and commission expenses	(10.3)	(10.9)	(5.5)
Net management fees [1] *	82.9	66.6	24.5
Other income	1.6	0.2	700.0
Net revenue	**84.5**	66.8	26.5
Average AuM [2]	12,751	10,110	26.1
Net management fee margin [3] (bps)	**65.0**	65.9	(1.4)

1 Being management fee income less trail/rebate expenses and the cost of fund accounting and external Authorised Corporate Director ('ACD') fees for the former Miton fund range
2 Average AuM for the year is calculated using the daily AuM
3 Net management fee margin represents net management fees divided by the average AuM

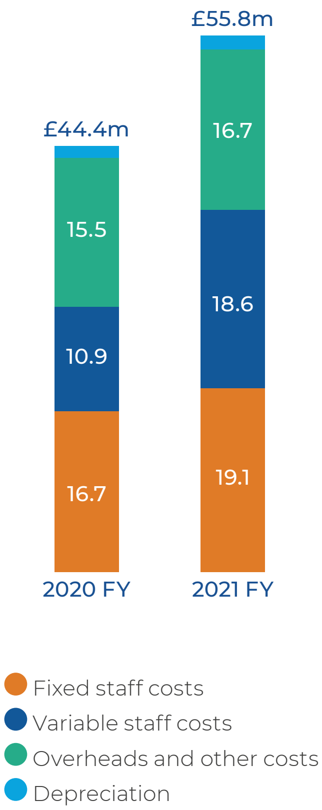
The Group's revenue represents management fees generated on the assets being managed by the Group.

Net management fees increased to £82.9 million from £66.6 million last year, a 25% increase reflecting the 26% increase in the Group's average AuM.

The Group's net management fee margin for the year was 65.0 basis points, a reduction of 1.4% from the previous year, the reduction is driven by the change in our business mix and the impact of flows and markets on our existing business.

Financial review
Continued

Administration expenses



Administration expenses
Administration expenses (excluding share-based payments) totalled £55.8 million (2020: £44.4 million), an increase of 26%.

Staff costs continue to be the largest component of administration expenses, these consist of both fixed and variable elements.

The fixed staff costs, which includes salaries and associated National Insurance, employers' pension contributions and other indirect costs of employment increased to £19.1 million (2020: £16.7 million). The rise reflects the increase in costs associated with an additional 1.5 months of former Miton staff as well as the annualised impact of new joiners at the end of 2020. The average headcount for the year has stayed broadly in line, from 150 to 153 (this increase being due primarily to further hires in the investment teams).

Variable staff costs totalled £18.6 million (2020: £10.9 million). Included within this are general discretionary bonuses, sales bonuses and bonuses in respect of the fund management teams, plus associated employers' national insurance. These costs move in line with the net revenues of the Group and the adjusted profit before tax, the strong growth in the Group's average AuM has driven this increase.

Overheads and other costs totalled £16.7 million (2020: £15.5 million) being 20% of net revenue (2020: 23%).

Administration expenses

	2021 £m	2020 £m	% Change
Fixed staff costs	**19.1**	16.7	14.4
Variable staff costs	**18.6**	10.9	70.6
Overheads and other costs	**16.7**	15.5	7.7
Depreciation – fixed assets	**0.7**	0.6	16.7
Depreciation – leases	**0.7**	0.7	–
Administration expenses	**55.8**	44.4	25.7

Share-based payments
The share-based payment charge for the year was £4.5 million (2020: £3.6 million).

As at 30 September 2021 the Group's Employee Benefit Trusts ('EBTs') held 10,947,088 ordinary shares representing 6.9% of the issued ordinary share capital (2020: 9,921,565 shares).

At the year end the outstanding awards totalled 10,741,362 (2020: 9,329,115). The increase reflects 3,980,000 awards issued during the year (2020: 4,130,000). See note 22 for further detail.

Total shareholder equity

£132.2m

2020: £129.7m

Group cash balance

£47.7m

2020: £36.0m

Adjusted earnings per share *

16.46p

2020: 12.46p

Balance sheet and cash

Total shareholders' equity as at 30 September 2021 was £132.2 million (2020: £129.7 million).

At the year end the cash balances of the Group totalled £47.7 million (2020: £36.0 million). The increase reflects the increased profitability of the Group.

The Group has no external bank debt.

Capital management

Dividends totalling £12.1 million were paid in the year (2020: £11.7 million), see note 24 for further details.

The Board is recommending a final dividend payment of 6.3p per share bringing the total dividend payment for 2021 to 10.0p per share (2020: 7.0p).

If approved by the shareholders at the Annual General Meeting on 2 February 2022, the dividend will be paid on 11 February 2022 to shareholders on the register at the close of business on 14 January 2022.

The Group's dividend policy is to target an annual ordinary dividend pay-out of approximately 50 to 65% of profit after tax, adjusted for exceptional costs, share-based payments and amortisation.

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 2024. 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 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 key assumptions used in preparing 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.

Financial review

Continued

Alternative Performance Measures ('APMs')

The Directors use the following APMs in evaluating the performance of the Group and for planning, reporting and incentive-setting purposes.

	Unit	Reconciliation	Used in management appraisals	Aligned with shareholder returns	Strategic KPI (page 20)
Adjusted profit before tax **Definition:** Profit before interest, taxation, amortisation, share-based payments, merger related costs and exceptional items. **Purpose:** This measure encompasses all operating expenses in the business, including fixed and variable staff cash costs, except those incurred on a non-cash, non-business as usual basis. It provides a proxy for cash generated and is the key measure of profitability for management decision making.	£	Page 33	●	●	●
Adjusted operating margin **Definition:** Adjusted profit before tax divided by net revenue. **Purpose:** Used to determine the efficiency of operations and the ratio of operating expenses to revenues generated in the year.	%	Page 33	●	●	●
Cash generated from operations **Definition:** Profit before taxation adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals and items of income or expense associated with investing or financing cash flows. **Purpose:** Provides a measure in demonstrating the amount of cash generated from the Group's ongoing regular business operations.	£	Page 80		●	
AuM **Definition:** The value of assets that are managed by the Group. **Purpose:** Management fee income is calculated based on the level of AuM managed. The AuM managed by the Group is used to measure the Group's relative size against the industry peer group.	£	Page 14	●	●	●
Net management fee **Definition:** The net revenue of the Group. Calculated as gross management fee income, less the cost of fund accounting, external Authorised Corporate Directors ('ACD') and any enhanced fee arrangements. **Purpose:** Provides a consistent measure of the profitability of the Group and its ability to grow and retain clients, after removing amounts paid to third parties.	£	Page 33		●	
Net management fee margin **Definition:** Net management fees divided by average AuM. **Purpose:** A measure used to demonstrate the blended fee rate earned from the AuM managed by the Group. A basis point ('bps') represents one hundredth of a percent, this measure is used within the asset management sector and provides comparability of the Group's net revenue generation.	bps	Page 33	●	●	
Adjusted earnings per share (basic) **Definition:** Adjusted profit after tax divided by the weighted average number of shares in issue in the year. **Purpose:** Provides a clear measure to shareholders of the profitability of the Group from its underlying operations. The exclusion of amortisation, share-based payments, merger related costs and exceptional items provides a consistent basis for comparability of results year on year.	p	Page 93	●	●	●

Dedicated

We put clients' interests **at the heart of everything we do**. We never forget we are managing other people's money and are **dedicated to helping clients achieve** their investment objectives.

Principal risks

Consistent with many businesses operating in the financial services sector, the Group faces a range of risks and uncertainties that could impact its ability to deliver the strategic objectives.

The governance framework described on pages 48 to 50 sets out how the Group seeks to mitigate, as far as possible, its key risks.

The Group maintains a detailed risk register. Risks are assessed based on the following considerations:

- severity of each risk considering reputational impact, financial impact, and likelihood
- existence of internal controls and risk mitigation factors
- the overall effectiveness of the Group's control environment.

The Audit & Risk Committee and the Board have conducted a robust assessment of the identified principal risks.

Key risk	Description	How we manage the risk
Reputational risk	Reputational risk can arise from the failure of any key control or from the risks detailed below. The risk is that a failure has a detrimental impact on the Premier Miton brand and underlying confidence of clients, stakeholders or suppliers.	The control environment and risk management practices detailed below help to mitigate the risk of events arising that may have a negative reputational impact. A culture of integrity and core values is embedded in all our business activities. The Group holds regular business updates which are attended by all staff.
Economic and market risk	Economic and market risk arises in relation to the investments held by funds managed by the Group and the revenue generated from the management charge on the value of those assets.	The Group's funds are invested in a wide range of asset classes under different investment mandates including multi-asset, equity and portfolios of collective investment schemes. Market risk is therefore diversified by managing funds investing in a wide range of asset classes. To the extent that asset classes behave differently in times of higher volatility, the Group's AuM and revenues are likely to be less affected than would be the case in a business more focused on a single asset class.
Liquidity risk	Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due or can only do so at a significantly increased cost.	The Group's objective in managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities as they fall due, under both normal and adverse conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group's policy is to maintain unencumbered cash balances in excess of its regulatory capital requirements, which are based on annual expenditure requirements identified through a rigorous forecasting process.
Regulatory risk	The Group operates in a complex and dynamic regulatory environment. Risks arise from legal and regulatory obligations. The Group may be subject to regulatory sanction or loss of reputation from a failure to comply with regulations.	The management of legal and regulatory risk is the responsibility of the Management Committee, supported by the various operating committees that are in place. The governance and compliance teams are responsible for tracking legal and regulatory developments to ensure that the Group is well prepared for changes. As well as developing policies, delivering training and performing monitoring checks, they also provide advice to ensure the Group remains compliant with legal and regulatory requirements.
Credit risk	The Group is subject to credit risk arising as a result of counterparty exposure in the Group's receivables balances from fund management clients and in relation to cash balances placed with banking institutions.	The creditworthiness of all relevant counterparties is monitored closely. A diversification policy is in place in order to allocate significant cash deposits between suitable institutions. The Funds Risk Committee is responsible for assessing the appropriateness of counterparties transacting on behalf of the funds managed by the Group.
Operational risk	The risk of loss arising from a failure in internal systems, procedures or in outsourced functions. The fundamental elements of the operational structure are people, information technology including cyber risk, and outsourced services.	The Group seeks to attract and retain the best qualified individuals. Key priorities for technology and systems are to maintain operational performance and reliability. Resilience and security are critical considerations when planning and deploying solutions. Outsourced services are reviewed on a regular basis, with key vendors being subject to the highest level of due diligence and oversight. Comprehensive business continuity planning is in place to ensure the ongoing operation of key business functions in the event of normal systems being interrupted. These arrangements are tested at least annually. The Group seeks to mitigate cyber risk through robust processes and controls, penetration testing, staff training and best-of-breed solutions.

Principal risks
Continued

Key risk	Description	How we manage the risk
Key employee risk	The Group's products are managed by a number of fund managers within clearly defined teams. The departure of a fund manager, or team, could result in a loss of revenue for the Group and therefore a loss of profitability due to client redemptions or loss of mandates resulting in a fall in AuM.	The Group seeks to diversify its product offering, and therefore revenue stream, in order to address this risk as well as having in place appropriate incentive schemes to retain and reward key employees. Where appropriate, the Group maintains a policy to have two named fund managers on each strategy. The Group has robust remuneration mechanisms in place for all employees. See pages 60 to 65 for further detail. The Group actively encourages employee involvement at all levels, both through regular employee briefings and by direct access to managers and the Directors. Equity share incentives are provided to help retain and incentivise senior employees and Directors.
Investment performance risk	The Group acknowledges that there may be periods of weaker investment performance (either in a particular fund or generally) that may result in significant investor redemptions. The Group understands that during such periods of under-performance it is more difficult to attract new clients to these strategies and to retain existing AuM.	In such a scenario this would impact the ability of the Group to grow its AuM, revenue and profitability. The Board and Management Committee review investment performance on a regular basis, along with input from the Funds Risk Committee and the Product Governance Committee to assess the Group's mix of products. Regular interaction is also maintained with supporting stakeholders such that they understand the performance of the fund(s) in which they are invested.
Investor concentration risk	A redemption or a series of redemptions by key clients could pose a risk to net revenue and profit. The resultant loss of AuM caused by a departure of a significant investor may increase the volatility of earnings for the Group.	The Group endeavours to diversify its product range and client base in order to lessen the risk of such a scenario.
COVID-19	The Group acknowledges that COVID-19 poses a risk to both the continuity of service provided to its clients and to the levels of AuM it manages. The Group is at risk of the impact of the pandemic on the economy through market volatility and the ability for individuals to save or invest for the future should significant levels of unemployment be experienced.	Since the crisis began, the Group took immediate action focusing on: i) protection of the health, safety and well-being of our employees ii) continuity of business operations and client service; and iii) protection of the Group's financial health and profitability. From 16 March 2020 all employees transitioned to remote working using the Group's business continuity arrangements. All systems continue to operate as planned, and the Group remains focused on ensuring that it's technology and infrastructure can continue to support an extended period of remote working. The Group continues to monitor the impact of COVID-19 in its business decisions and capital management.

Corporate sustainability

Responsible investing

As genuinely active managers, we are making responsible decisions to hold the underlying investments in our portfolios, including based on ESG factors. Once we have invested in a company, we take our stewardship responsibilities seriously, including regularly meeting companies and having productive dialogue with company management and their boards. We aim to use our holdings to actively and intelligently vote at their company meetings.

We believe our active and broad approach to stewardship supports us in delivering strong and durable performance to our clients and to meet our broader investment responsibilities.

The sections below are designed to provide some insight into how responsible investing is embedded in our dedicated ESG funds and incorporated across our entire range of funds.

Stewardship

The Group believes that engagement with the companies in which we invest gives us a greater understanding of their business activities and ESG characteristics, which are both key factors in the potential returns that may be generated from any investment and therefore our ability to meet the investment objectives of the funds and our clients' investment expectations.

Engaging with management teams at current or potential investee companies is a key element of our active management approach. This enables us to dig deep into that company's management of ESG factors; board structure and remuneration, carbon emissions and environmental policy, staff welfare and supply chain management are just a few examples of those factors. These will be part of the success, or otherwise, of that company. Therefore, voting at company meetings is also an important part of the stewardship process, allowing us to express our views on key issues, and aiming to create long term sustainable benefits for the company, environment and society, as well as achieving good investment performance for our clients.

Over the last 12 months the Group's fund managers voted at 1,299 shareholder meetings, 14,338 votable proposals and 95% of all votable resolutions. Our fund managers attended over 2,950 meetings with companies. As we are active investors and typically select companies on the basis of their strong management, we would generally expect to support management at shareholder meetings. Across all the shareholder meetings, we voted against management in four per cent of resolutions, with the main reasons for disagreement being remuneration and director appointments.

Regulation and financial crime

The Group is committed to ensuring that it complies with all relevant legal and regulatory requirements. We have a culture that encourages our employees to act according to our core values of transparency, accountability and to act in a collegiate manner. The Group has confidential whistleblowing arrangements in place. See page 58 for further details.

As a Group, we have in place committees and policies that are designed to prevent and detect financial crime and to meet any obligations arising from regulatory change. Financial crime includes money laundering, terrorist financing, bribery and corruption, tax evasion and fraud.

Details of the Group's governance framework are included from page 48.

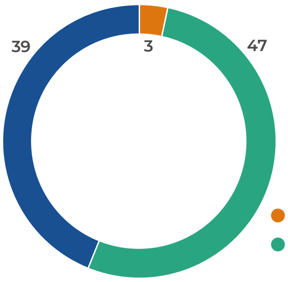
Modern slavery

As an asset management business with relatively simple direct supply chains, Premier Miton has long been committed to ensuring that suppliers have rigorous modern slavery detection and prevention practices in place. The Group also recognises that it has the leverage, and responsibility, to strive for better human and labour rights practices of the companies it invests in, and with increasing awareness in the market companies are more willing to disclose their practices (even where not required by legislation) and to collaborate in effecting change.

As a signatory to the Principles for Responsible Investment ('PRI'), the Group is committed to seek appropriate disclosure, incorporate appropriate policies and practices in our business and to work with other signatories to enhance the effectiveness of the PRI principles, which includes addressing human rights, working conditions and modern slavery practices within companies in our portfolios.

Group activities

2021 Operational carbon emissions by scope (tCO_2e)



- Total GHG Emissions for 2021: 89 tCO_2e (2020: 122)
- This equates to 1.1 market-based tCO_2e per £million revenue (2020: 1.8)

Environmental responsibility

The Group is committed to operating its business activities in an environmentally responsible and sustainable manner. We have continued our efforts to reduce our impacts and have progressed our approach to reflect the urgency of action needed to address climate change.

The implementation of the Environmental Policy and supporting strategy is overseen by the Premier Miton Environmental Committee on behalf of the Board. The Committee includes employees from varying roles across the Group and an external consultant who specialises in embedding corporate sustainability practices. The Committee meets quarterly to review current environmental performance and identify new initiatives and future activities.

In 2021, the Environmental Committee set a new environmental strategy with the objective to; 'Help tackle climate change by reducing our operational environmental impacts and by raising awareness of environmental matters to support our employees, suppliers and other stakeholders, to make a positive environmental contribution'.

The Committee focuses on four areas of activity; tackling climate change, using resources efficiently, responsible sourcing and raising environmental awareness. We have set out the steps we have taken under each of these four areas below.

1. Tackling climate change

We continue to measure and monitor our corporate carbon footprint and develop our understanding of where we can reduce carbon emissions and positively support efforts to limit future climate change.

In 2020, we disclosed to CDP Climate Change for the first time and are pleased to have obtained a 'B' rating (above the C sector average). CDP is an international non-profit organisation that helps companies and cities disclose their environmental impact. On behalf of investors, it assesses over 9,600 companies globally representing over $110tn in investor assets to measure company approaches to climate change. We have continued to develop our climate change strategy and continued our participation in CDP this year.

Although our primary focus is to reduce our carbon emissions, we continue to pursue offsets for our operational carbon footprint. We chose to offset via a 'plant a tree – protect a tree' initiative. This initiative supports tree planting projects around the UK and is paired with the Verified Carbon Standard ('VCS') approved United Nations programme for 'Reducing Emissions from Deforestation & Forest Degradations' ('REDD') in Brazil. The Group is committed to offsetting the 2021 operational carbon footprint.

2. Using resources efficiently

As a result of the COVID-19 pandemic, many of our employees have worked from home. We took steps to minimise energy usage in our offices by switching off unnecessary equipment during this time. To support future efforts to reduce energy usage, we commissioned a third-party specialist consultant to undertake an energy audit and will consider relevant actions in the coming months.

Energy and carbon emissions reporting

The table below presents our Greenhouse Gas ('GHG') emissions across Scopes 1, 2 and 3 and energy consumption for the 2021 and 2020 financial years, together with appropriate intensity metrics.

Greenhouse gas emissions	2021	2020
	Tonnes of carbon equivalent (tCO_2e)	
Scope 1 Emissions		
• Operation of facilities (refrigerant gas)	**2.9**	–
Scope 2 Emissions		
• Purchased electricity (location-based)	**56.7**	66.1
• Purchased electricity (market-based)	**47.2**	61.2
Scope 3 Emissions		
• Business travel, courier travel, transmission & distribution of purchased electricity	**39.3**	60.3
Total Greenhouse gas emissions (location-based)	**98.9**	126.5
Total Greenhouse gas emissions (market-based)	**89.4**	121.5
Greenhouse gas intensity metric [1]		
• Emissions per full-time equivalent employee (market-based tCO_2e/number of FTE employees)	**0.6**	0.8

Energy consumption [2]	2021	2020
	Kilowatt hours (kWh)	
• Total electricity purchased and consumed	**260,422**	275,432
• Transport-related energy	**18,145.7**	62,113.1
Total energy consumption	**278,567.7**	337,545.1
Energy consumption intensity metric		
• Energy use per full-time equivalent employee (kWh/number of FTE employees)	**1,808.9**	2,344.1

1 Market-based energy data used for intensity metrics
2 All gas and electricity usage is consumed in the UK

3. Responsible sourcing
When purchasing goods and services for our offices we aim to purchase those with robust environmental considerations including stationery made from recycled materials, ethically sourced tea and coffee, and environmentally-friendly cleaning products. Employees are encouraged to not print unless absolutely necessary and for marketing products we have sought to reduce our purchasing in the first instance and for any remaining products, we are engaging with suppliers who have robust environmental credentials.

4. Raising environmental awareness
We have created a dedicated webpage on our corporate website and internal intranet site to update key stakeholders on our activities and to raise awareness of environmental issues and share our progress. Throughout the year we published regular updates to employees including the opportunity to vote on the type of carbon offset programme adopted and initiatives including Bike Week and Plastic Free July. The Environmental Committee plans to launch an environmental 'community ideas' section on the intranet site to help colleagues share ideas about reducing, reusing and recycling waste.

Biodiversity
We continued our membership as 'gold' partners of the Surrey Wildlife Trust and London Wildlife Trust as part of our aim to help protect and enhance biodiversity. We are proud to be supporting two Wildlife Trusts in their work to improve life for wildlife and people together, and to help tackle the climate and nature crisis.

GHG calculation methodology
The GHG emissions are calculated using the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and the UK Government's Environmental Reporting Guidelines, including the Streamlined Energy and Carbon Reporting ('SECR') guidance.

The Group has adopted the operational control approach for reporting GHG emissions. We use the GHG Protocol Scope 3 Standard to collate and report on our relevant Scope 3 emissions. Carbon Footprint Limited has provided independent limited assurance of the reported GHG emissions and energy metrics in accordance with ISO14064-3.

Approval
The Strategic Report was approved by the Board on 6 December 2021 and signed on its behalf by:

Mike O'Shea
Chief Executive Officer

Collegiate
We work **collaboratively for the benefit of our clients**, within teams and across teams. Each and every one of us assists in **building a sense of inclusion and belonging**, ensuring a respectful working environment.

Board of Directors

Robert Colthorpe

Non-Executive Chairman
Chair Nomination Committee
Member of Remuneration Committee

Appointment
07/10/2016

Past roles
Robert is a highly experienced corporate financier with over 25 years of experience 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 was a Non-Executive Director of Premier Portfolio Managers Limited, from 30 September 2019 to 23 November 2021.

Brings to the Board
A deep understanding of strategy across the broad financial sector along with M&A and capital market transaction skills and experience. He has worked closely with leadership teams and directors at a wide range of financial institutions on corporate finance and commercial matters and is an experienced board director with a professional qualification as a Chartered Accountant.

Other key commitments
Designated Member of Colthorpe Associates LLP and a Member of Aves Enterprises LLP.

Mike O'Shea

Chief Executive Officer

Appointment
12/07/2007

Past roles
Mike was appointed Chief Executive Officer of Premier Miton Group plc in November 2019 following the merger of Premier Asset Management Group plc and Miton Group plc. He started his investment career as a private client portfolio manager. He joined Premier Asset Management in 1986 to develop the asset management business of the company and was one of the founding directors of Premier Fund Managers in 1988. Mike became Chief Executive Officer of Premier Asset Management in May 2005.

Brings to the Board
Strong understanding and knowledge of the UK's asset management sector and 30-plus years of experience of managing, operating and growing an asset management business.

Other key commitments
No external directorships.

Piers Harrison

Chief Financial Officer

Appointment
14/11/2019

Past roles
Piers was appointed Chief Financial Officer of Premier Miton Group plc in November 2019 following the merger of Premier Asset Management Group plc and Miton Group plc. He joined Miton Group plc in 2013 and was previously the Deputy Finance Director and Head of Operational Risk with Neptune Investment Management Ltd. Before that Piers specialised in the financial services sector and in 2008 became a partner in Matterley, a fund management business whose interests were acquired by Charles Stanley Group PLC in September 2009. He is a Fellow of the Institute of Chartered Accountants in England and Wales having trained and qualified with Saffery Champness in 2001.

Brings to the Board
Extensive operational and practical experience of the fund management industry and a rigorous approach to operational risk management.

Other key commitments
No external directorships.

David Barron

Non-Executive Director
Member of Audit & Risk Committee

Appointment
01/12/2019

Past roles
David has held senior positions in the asset management industry for over 25 years. He was Chief Executive of Miton Group plc until the merger with Premier Asset Management Group plc in November 2019. He had held that position from March 2017, having joined Miton in 2013. Prior to that, he had spent nearly 20 years with JPMorgan Asset Management and predecessor companies, latterly leading the UK's number one investment trust business. He had previously worked with Hambros Bank and Merrill Lynch in corporate finance. David is a member of the Institute of Chartered Accountants of Scotland and holds an MBA from INSEAD.

Brings to the Board
Extensive management experience in developing and executing strategy in asset management businesses. David has experience as a director on the boards of a number of public companies.

Other key commitments
Member of the Council of Lancaster University, Chairman of Dunedin Income Growth Investment Trust plc and a Director of Fidelity Japan Trust.

Alison Fleming

Non-Executive Director
Member of Remuneration Committee

Appointment
14/05/2020

Past roles
Alison has had an extensive career in financial markets over the last 25 years, holding senior positions within investment banks and boutique asset managers. Initially in investment banking (including UBS, Lehman Brothers, Credit Lyonnais) predominantly focused on public markets in sales, including running sales and sales trading in Europe. Latterly in private markets working across hedge funds, real assets, renewable energy and sustainable agriculture.

Brings to the Board
Alison brings experience in stakeholder engagement, compliance, ESG, sales and marketing, governance and business development.

Other key commitments
Director of 1723 Partners Limited, Helkia Ltd, Hoya Limited, Saffarroon Limited, Sasena Ltd, The Kids' Cookery School Acton.

Sarah Mussenden

Non-Executive Director
Member of Audit & Risk Committee

Appointment
07/06/2021

Past roles
Sarah has over 25 years' experience in senior financial positions across multiple sectors, predominantly in large consumer facing multinational corporates. Sarah qualified as a Chartered Accountant with Deloitte. Her subsequent roles have included: Chief Financial Officer at British Gas, Bart's and The London NHS Trust and Metropolitan Housing Trust, and Finance Director at British Airways.

Brings to the Board
Senior financial leadership expertise and experience of operating across complex global, consumer facing, multinational FTSE 100 businesses. Experience includes: formulating strategy and long term business planning, driving business performance, investment appraisal and capital allocation, financial stakeholder management, risk, audit and internal control and best practice corporate governance and financial reporting.

Other key commitments
No external directorships.

William Smith

Senior Independent Director
Chair Remuneration Committee
Member of Audit & Risk Committee and Nomination Committee

Appointment
07/10/2016

Past roles
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 while at CQS and had previously worked at Morgan Grenfell and UBS Phillips and Drew. Will was a Non-Executive Director of Premier Portfolio Managers Limited, from 30 September 2019 to 23 November 2021.

Brings to the Board
Over 30 years' experience gained in fund management and financial services roles with a number of the UK's leading investment banks and investment companies.

Other key commitments
Will is a founding Partner and Chief Investment Officer at Westbeck Capital Management LLP and Non-Executive Director of George Hattersley Limited.

Sarah Walton

Non-Executive Director
Chair Audit & Risk Committee

Appointment
07/06/2021

Past roles
Sarah is an experienced financial services professional with a 25-year career spanning a diverse range of products, geographies and sectors. She qualified as a Chartered Accountant with Coopers & Lybrand. Sarah then spent 15 years at Goldman Sachs as Head of Corporate Accounting in London and then with GSAM in New York as Head of U.S Hedge Fund and Mutual Fund Controllers. She was most recently the Chief Financial Officer of Gemcorp Capital LLP, an emerging market investment manager and commodity trading company. Her experience covers fixed income, credit, private equity, real estate, structured products, trade finance and commodities.

Brings to the Board
Sarah brings experience in international fund management, corporate governance in both institutional and growth businesses, and a focus on mentorship and inclusion for sustainable business growth.

Other key commitments
Director of Sarah Walton Limited.

Chairman's introduction

Robert Colthorpe
Chairman

Fostering good governance across our organisation to achieve robust, defensible decision making, drive value creation and better serve our clients and stakeholders.

On behalf of the Premier Miton Board, I am pleased to present the Corporate Governance Report for the year ended 30 September 2021.

Board responsibilities and operation

The Board of Directors has a duty to promote the long-term success of the Company, having responsibility for setting a clear purpose and oversight of our strategic direction. During the period, the Board held eight scheduled meetings as well as a number of single topic deep dive sessions and ad hoc meetings to consider a range of administrative and other matters. The schedule of Matters Reserved for Board decision is reviewed on an annual basis. The matters delegated to the standing committees of the Board are set out in their respective terms of reference.

Strategic initiatives

During the year, the Board and management agreed and established a clear statement of purpose. To support and achieve this, the Board, led by the Chairman, ensures that the governance arrangements for the Group are appropriate for the growth trajectory we aspire to achieve. The governance framework is kept under review and adapted as required to ensure that our governance systems and controls track in line with our expansion.

Board evaluation and effectiveness

Each year the Board undertakes an evaluation of its performance. This year, with the changes in Board and committee composition, a forward-looking approach, seeking to deliver enhanced Board performance and cohesion was the objective. The details of the evaluation findings as well as progress against prior year actions are set out in the corporate governance disclosures on page 53. I confirm that the Board is working effectively, with Directors ably bringing their individual expertise to the table, as well as their capacity to act collectively.

Board composition and succession

I am delighted to have welcomed two new Non-Executive Directors to the Board since my tenure commenced. Sarah Mussenden and Sarah Walton were appointed on 7 June 2021 and bring considerable additional expertise to our Board deliberations. These appointments were made following a formal recruitment process led by the Nomination Committee using an external search firm. Details of the appointment and director induction processes are set out more fully in the Nomination Committee Report on pages 66 to 67, and their biographies, along with those of all the Directors of the Board, are to be found on pages 44 to 45.

A review of the composition of the standing committees of the Board was undertaken following the appointments and the revised membership is detailed in the introduction to each committee report.

The former Chairman of the Board stepped down at the conclusion of AGM on 3 February 2021, and I was appointed as Chairman of the Board and Will Smith as Senior Independent Director. I would like to take the opportunity to thank Mike Vogel, the former Chairman of the Board for his contribution during his tenure.

COVID-19 and risk management

I am pleased to report that the arrangements put in place last year to ensure continuity of service to our clients during the pandemic continued to provide that assurance. Our risk management framework has proved resilient throughout, and the recent move to a hybrid working environment as we exit the worst of the pandemic, has been welcomed.

Purpose, culture and values

The Board's role in aligning our purpose and strategy with our values, culture and conduct empowers our team to deliver excellent investment outcomes. Having turned our attention towards actively describing and developing our culture last year, as well as reflecting on our purpose and wider societal responsibilities in the stewardship of savings and pensions, I believe we have served both our shareholders and stakeholders well in the year under review.

Robert Colthorpe
Chairman
6 December 2021

Corporate governance

Corporate governance report

In accordance with AIM Rule 26, the Company chooses to report against the Quoted Companies Alliance Corporate Governance Code for small and medium sized companies (the 'QCA Code').

The following report sets out the Group's governance arrangements and goes on to describe in more detail how we have complied with each of the ten principles set out in the QCA Code.

Governance framework

The Board sits at the apex of a structure through which authority is delegated to ensure that the business as a whole is run smoothly.

The Board comprises two Executive Directors and six Non-Executive Directors. The Directors are collectively responsible for matters of strategy, performance, budgeting, and resources, as well as setting standards of conduct and accountability. The Board reviews annually its schedule of Matters Reserved. These were last approved on 16 September 2021 and a copy is available on the website at premiermiton.com.

The Non-Executive Directors are appointed for an initial term of three years, and eligible for reappointment at AGM on rotation in accordance with the Articles of Association of the Company.

The Chairman, in conjunction with the Executive Directors and Company Secretary, sets the agenda for each Board meeting. Management information is delivered a week ahead of each meeting and the decisions of the Board are formally minuted.

Senior Independent Director

Will Smith was appointed Senior Independent Director on 3 February 2021. The role of Senior Independent Director is to act as a sounding board for the Chairman and as an intermediary for the Directors, shareholders and stakeholders.

Board and committee attendance

During the year, the Board held eight scheduled meetings, which included quarterly monitoring meetings, budget approval meetings as well as meetings to review and approve the Company's full and half-year results. The agreed schedule is augmented with a number of meetings to cover single topic deep dive sessions and ad hoc meetings for administrative and other matters as required.

The schedule of Board and committee attendance is set out below. Committee attendance can also be found in the introduction to each of the respective committee reports.

1 October 2020 to 30 September 2021	Board	Audit & Risk Committee	Remuneration Committee	Nomination Committee
Number of meetings	8	5	4	2
David Barron [1]	8(8)	–	–	–
Robert Colthorpe [2]	8(8)	3(3)	4(4)	2(2)
Alison Fleming [3]	8(8)	–	1(1)	–
Piers Harrison	8(8)	–	–	–
Sarah Mussenden [4]	2(2)	2(2)	–	–
Mike O'Shea	8(8)	–	–	–
William Smith [5]	8(8)	5(5)	4(4)	2(2)
Sarah Walton [6]	2(2)	2(2)	–	–
Mike Vogel [7]	1(1)	–	1(1)	–

1 Appointed to the Audit & Risk Committee on 7 June 2021
2 Appointed Chairman of the Board on 3 February 2021 and was acting interim Chair of the Audit & Risk Committee from that date until the appointment of Sarah Walton on 7 June 2021
3 Appointed to the Remuneration Committee on 7 June 2021
4 Appointed as a Non-Executive Director and member of the Audit & Risk Committee on 7 June 2021
5 Appointed Senior Independent Director and Chair of the Remuneration Committee on 3 February 2021
6 Appointed as a Non-Executive Director and Chair of the Audit & Risk Committee on 7 June 2021
7 Resigned from office at the conclusion of the AGM on 3 February 2021

Delegation of authority

The Group's governance framework supports the flow of information through the Group through the orderly delegation of authority to achieve robust defensible decision making.

BOARD OF DIRECTORS
Responsible for setting the strategy, purpose and direction of the Group

AUDIT & RISK COMMITTEE
P57 For the activities set out in detail

REMUNERATION COMMITTEE
P61 For the activities set out in detail

NOMINATION COMMITTEE
P67 For the activities set out in detail

Delegation of authority as set out in the terms of reference of each committee

CHIEF EXECUTIVE OFFICER
The Board has delegated authority for the day-to-day running of the business to the CEO

MANAGEMENT COMMITTEE

Board committees

The Board delegates certain matters to its three standing committees. The committees report their recommendations to the Board after each committee meeting. The reports from the Chairs of each standing committee are set out on pages 56 to 67, and their respective terms of reference are published on the Company's website www.premiermiton.com.

The committees are provided with sufficient resources to discharge their duties, including access to external advisers where required. Where independent advice has been sought during the year, this is disclosed in the relevant committee reports.

Executive and operational committees

Operational matters are delegated by the Board to the Chief Executive Officer, who in turn ensures that the senior management are accountable for the success of the day-to-day business.

Management Committee

Led by the Chief Executive Officer, this committee is composed of senior management and heads of department, who are accountable for the management and monitoring of the Group's overall business operations, including business performance, people, culture, investment, distribution, operations, brand, and financial matters. Meeting fortnightly, the committee reports both to the Board and to the boards of the regulated subsidiaries as required.

Operations Executive Committee

The Operations Executive is charged with the oversight of operational and regulated activities of the Group including risk and information services, investor and investment services, legal and compliance matters as well as keeping a watching brief on industry-wide initiatives in these areas. This committee meets monthly.

Corporate governance

Corporate governance report Continued

Distribution and Marketing Executive Committee

Convening on a quarterly basis, this committee oversees the distribution and marketing activities of the Group, including data collection of sales and marketing performance and progress against strategic objectives including gross and net sales analysis, building market share, seeking new business and developing sales pipeline. It also reviews industry trends and sales by Investment Association category, undertakes competitor analysis, and reviews marketing activities to ensure product and client diversification, in line with the agreed sales and marketing plan.

Operational Risk Committee

This committee ensures that appropriate policies, procedures, controls, and reporting are in place to manage and monitor operational risks. It monitors the liquidity risk profile of the funds managed by the Group, assesses the risk of loss experience arising from operational risks, reviews the work and findings of the various operational and client services functions responsible for embedding a strong and compliant risk management culture. Monitoring the effectiveness of the agreed Risk Management Framework and reporting on its effectiveness, as well as maintaining the Risk Appetite Policy and Internal Capital Adequacy Assessment Process are also in its purview.

Product Governance Committee

The oversight and ongoing management of investment products and services, existing and new, is overseen by this committee. It seeks to identify target markets and distribution strategy for our products and services, ensures the provision of relevant product information and communications to clients and distributors, monitors the way in which investors' expectations of investment performance are met and how value is delivered as well as ensuring that the delivery of client services, including treating customers fairly, is achieved.

Environmental Committee

This committee sets the environmental objectives for the Group, monitoring progress against them during each financial year. This includes the collection of data on energy and water usage, waste generation and management of the Group's carbon footprint. This committee meets quarterly to monitor compliance with relevant regulatory requirements, identify and report on any environmental-related risks to the Operational Risk Committee, monitor spending against any associated budget, as well as acting as champions of the Environmental Policy and encouraging participation and support from employees and suppliers.

IT Oversight Committee

The purpose of this forum is to ensure the integrity of the IT infrastructure and associated business recovery processes. The committee monitors third-party dependencies, has oversight of development projects and is responsible for the identification of infrastructure risks. It undertakes assurance activities including conducting regular penetration testing.

Regulated subsidiaries

The regulated subsidiaries place reliance on a number of specialist working groups and committees to help them discharge their duties, including:

- Funds Risk Committee
- Outsourcing Oversight Committee
- Conduct and Policies Committee
- CASS Committee
- Financial Crime Committee
- Investment Oversight Committee
- Valuation Committee
- Investment Trust Committee

QCA Code compliance

The disclosures below describe in detail how we meet the principles of the QCA Code against which the Group chooses to report its governance arrangements. A formal statement on our compliance with the QCA Code is set out in the Directors Report at page 68.

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

The Group's strategy is to actively and responsibly manage our clients' investments for a better financial future.

This is achieved via our investment product offering which is designed to meet the long-term needs of our clients and to deliver good investment outcomes through active management.

The Group maintains 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 has a talented and experienced team of investment professionals to manage our products. The Group offers 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 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:

- To offer relevant investment products
- To deliver strong investment outcomes
- To maintain a strong and focused distribution capability
- To maintain a strong and scalable operating platform
- To follow a disciplined approach to financial management

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

There are a number of potential challenges and risks relating to the Group and its business, including: fluctuations in capital markets; adverse economic, political and market factors, ongoing impact of the UK's termination of its membership of the EU; the loss or inability to recruit key personnel; failure to maintain attractive investment performance; compliance breaches of investment mandates 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 appropriately designed to manage and mitigate these challenges and risks as effectively as possible.

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

The Board believes that engagement with shareholders and listening to their views is key to developing a constructive and open dialogue. During the year, opportunities for effective shareholder engagement with both our institutional and retail shareholders has allowed the Board to engage and seek feedback on its strategic ambitions.

All shareholders are entitled to attend and vote at the Company's Annual General Meeting. The Directors are in attendance to respond to any formal questions on Company business at the meeting and make themselves available immediately afterwards for a more informal opportunity to engage. The restrictions imposed as a result of the pandemic required the AGM to be held as a closed meeting earlier this year, however shareholders were offered the opportunity to raise any questions in advance via the website. The voting results of the AGM held in February 2021 demonstrated strong support from our shareholder base with all votes passed.

Shareholders can access corporate, regulatory news, share capital and dividend information on the Group's website at www.premiermiton.com. Enquiries can be directed to the Board via the corporate email address corporate@premiermiton.com. As well as accessing the Annual Report and Accounts, shareholders can also now listen to the audio broadcast of the Group's results on the website.

Existing and potential institutional shareholders are invited to join results presentations and roadshows at the time of the full year and interim results. The importance of creating value and returns in a sustainable way and communicating how this is achieved has increased in recent years. Accompanied by the Group's brokers, meetings with institutional holders afford the Executive Directors an opportunity to understand the needs and expectations of our shareholders, the motivations behind shareholder voting decisions as well as discussing the Group's progress and management team's views. The Executive Directors brief the Board on engagement following these meetings.

Following the appointment of Robert Colthorpe as Chairman of the Board, a series of meetings between the Chairman and institutional shareholders were arranged, offering an additional opportunity for open dialogue on the evolving strategic direction and positioning of the Group.

The Board also receives regular reports on share price monitoring, analysis of the share register, peer group, market comparison feedback and briefings from its professional advisers.

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.

In delivering good long-term investment outcomes for our clients, the fund managers monitor a range of metrics of an investee company as well as financial performance in the furtherance of the stewardship of clients' assets in the Group's investment products. The fund managers are actively engaged with their investee companies and their advisers in order to encourage good standards of governance and creation of shareholder value.

The Group retains the services of ISS, a specialist third-party provider, to bring specialist corporate governance expertise and provide relevant research, voting recommendations and rationale.

Corporate governance

Corporate governance report Continued

The Group manages five specialist funds focused on actively managed portfolios based on the consideration of ethical or sustainable factors. The range includes the Premier Miton Ethical Fund, Premier Miton Global Sustainable Optimum Income Fund, Premier Miton Global Sustainable Growth Fund, Premier Miton Global Renewables Trust and Premier Miton European Sustainable Leaders Fund. The fund managers of these funds work closely with the Group's Head of Responsible Investing.

The Group has an active Environmental Committee which runs a number of waste recycling and plastics reduction initiatives in our offices.

Team members are actively encouraged to participate in charitable events with a corporate matching facility for fund raising. They can also nominate charities with a personal connection as beneficiaries of the Group's charitable donation programme. During the year, the Group made charitable donations of £45,000 through these programmes.

The Group complies with relevant regulations, including the Modern Slavery Act. Our statement is available on the Company's website.

Engagement with stakeholders

The Group has identified its key stakeholders as its employees, financial intermediaries including IFAs and wealth managers, clients invested in the fund product range, third-party providers of goods and services to the Group, as well as the regulator, our local communities and environment. Further details on our approach to stakeholder engagement is set out for each of these categories at pages 54 to 55 where our response to Principle 10 is set out.

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 communicate 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 and Legal reports to the regulated firms' boards on all regulatory 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 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 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. An Internal Capital Adequacy Assessment Process ('ICAAP') is embedded for the Group and is reviewed regularly by the Board. The associated Pillar 3 Disclosures are available on the Group's website.

The Chief Risk Officer has responsibility for the operational risk monitoring system and processes (in addition to market, credit and liquidity risks). The identification of operational risks and incidents is embedded within the various business units and logged centrally in the operational risk monitoring system that monitors 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 Chief Operating Officer, Chief Financial Officer, Director of Finance, Chief Risk Officer, Chief Investment Officer and Head of Compliance and Legal each have access to the Chair of the Audit & Risk Committee to raise any concerns in respect of the control environment.

Principle 5: Maintain the Board as a well-functioning, balanced team led by the Chair

Composition

As at 30 September 2021, the Board comprised of two Executive Directors, Mike O'Shea and Piers Harrison, and six Non-Executive Directors. Robert Colthorpe has been Non-Executive Chairman since appointment on 3 February 2021, having served on the Board since 2016, Will Smith, Non-Executive Director, was appointed as Senior Independent Director on 3 February 2021, and Sarah Mussenden and Sarah Walton, both appointed on 7 June 2021, join David Barron and Alison Fleming as Non-Executive Directors to the Board. The biographies of each of the Directors are set out on pages 44 to 45.

The role of the Non-Executive Directors is to provide entrepreneurial leadership, offer constructive challenge to management and direct the development of strategy, ensuring that a framework of effective controls is in place. They also help to set culture and values, holding the management accountable for setting the overall tone of the Group.

Independence

In assessing the independence of Non-Executive Directors at the date of this report, the Board took account of their experience, character and judgement, and their dependence on, or relationships with the Group. In light of this, Robert Colthorpe, Alison Fleming, Sarah Mussenden, Sarah Walton and Will Smith are considered 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 Non-Executive Directors. David Barron, having previously served as Chief Executive of the Miton Group plc, is not considered fully independent. David brings valuable industry knowledge and board experience to deliberations, and the Board confirms that they consider him able to act impartially and that he continues to demonstrate independence of thought and judgement.

Roles and responsibilities

The Directors have a duty to promote the best interests of the Group and are collectively responsible for the corporate governance arrangements of the Group. Delegation of authority is set out in the terms of reference of the standing committees of the Board, the job description of the Chief Executive Officer, and through the wider business via the subsidiary governance arrangements in place.

The Board receives management information from the Executive Directors, various heads of department as well as minutes and reports from the material subsidiaries. This is all provided in a timely manner to facilitate proper assessment of the matters requiring a decision or insight.

Conflicts of Interest

On appointment, each new Director 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 declare any benefits received from third parties in their capacity as a Director. The register of conflicts is formally reviewed annually, and the Board has concluded that the process has operated effectively during the period.

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

The Board is satisfied that the composition reflects the necessary mix of skills and expertise to meet the Group's strategic requirements.

New Directors are given a comprehensive induction to the Group which includes introductory meetings with departmental heads for Investment, Sales, Marketing, Compliance and Legal, Operations, Risk, Finance, Internal Audit, HR and the Company Secretary.

All Directors receive briefings and regular training on a range of relevant topics during the year. The Directors are also encouraged to attend external training relevant to their ongoing development. Regular compliance, cyber-crime, health and safety and money laundering training is provided for all Directors.

David Barron, Robert Colthorpe, Piers Harrison, Sarah Mussenden and Sarah Walton are Chartered Accountants, and their continuing professional development is maintained in accordance with the requirements of the institute.

Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

Each year, a Board evaluation is undertaken in the fourth quarter of the financial year. The process is delivered by the Company Secretary and the results discussed with the Board.

This year, the Directors were asked to rate their awareness of key governance matters and certain aspects of the Director role, followed by a skills self-assessment. The aim was to identify development opportunities that will help create a high performing, cohesive Board.

The areas prioritised for training and development included reward, legal and regulatory matters, ESG and sustainable investments, technology and cyber security.

The results of the skills self-assessment demonstrated a healthy dispersal of skills amongst the Directors.

A progress report of the prior year evaluation, which focused on 'effectiveness' was reviewed. Overall, the initiatives, which included revising Group subsidiary articles, enhancing the quality of management information, improving the way that strategy is developed, delivered and monitored, harmonising remuneration matters, and the shaping of post-merger culture have all been addressed.

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

We understand and value 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 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 that 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. Regular updates are received from the Chief Executive Officer, which act as a forum for discussion and feedback.

The Group's approach is to treat job applicants and our people 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.

Corporate governance

Corporate governance report Continued

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision making by the Board

All Directors receive appropriate and timely information to ensure that they are properly briefed in advance of Board meetings and have 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 an established schedule of Matters Reserved that includes material acquisitions and disposals, investments, and capital projects. The Board maintains a calendar of scheduled meetings which are supplemented with ad hoc meetings convened as required 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 recommended for Board approval;
- a report from the Chief Financial Officer covering financial results, comparison of forecasts with published consensus, financing and tax matters;
- markets and industry insights;
- 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.

The Executive Directors, together with the Group's brokers meet with existing and potential shareholders to discuss our business strategy, plan, and progress.

Board committees receive the papers required in order to fulfil their duties in accordance with their terms of reference.

The Board is supported by the Audit & Risk, Remuneration and Nomination Committees, each of which has access to the resources, information, and advice at the cost of the Group, 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 may attend meetings by invitation. The meetings are formally minuted and once approved, the minutes of each meeting are circulated to the Board.

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

The Board endeavours to facilitate open investor dialogue with both institutional and retail investors, employees and other stakeholders.

The key components of the investor relations remit are the Annual General Meeting, to which all shareholders are invited to attend and vote, and the full year and interim results presentations to analysts and institutional investors.

The corporate website carries the current and past editions of the Report and Accounts and Interim Report and Accounts, financial calendar, and dividend information as well as the disclosures required in satisfaction of AIM Rule 26, and regulatory announcements.

The Executive Directors, together with the Group'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 Group.

The outcomes of all stewardship votes since the Group's listing are included on the Group's website at www.premiermiton.com.

Stakeholder Interests

In promoting the success of the Group, the Directors are called upon to have regard, amongst other things, to the provisions of section 172 of the Companies Act 2006, which requires the Board to consider the wider implications of its decision making. The ways in which the Directors have discharged their duties in accordance with section 172 are described below.

Shareholders

The Company maintains a comprehensive programme of investor engagement as described at Principle 2 on page 51 to keep our shareholders appraised of progress in the course of the year. The key engagement opportunities are the Annual General Meeting and institutional investor meetings, held at full and half year with the Executive Directors.

People

Our team are instrumental in the execution of our strategy through their day-to-day activities, and the Board is actively engaged in seeking feedback and views via regular surveys. Feedback and suggestions are discussed at the Board meetings and in the Executive Committees. Initiatives have included well-being programmes and a half yearly internal magazine, as well as the staff surveys, regular town hall meetings, and the appraisal process which were already in place.

Clients

Our purpose is to provide investment products that meet the needs of investors. The overall success of the business depends on how well we achieve this mission. Our distribution and investment management teams have a busy client engagement schedule, having held 8,672 client meetings and quality calls in the year. The Board receives regular updates on advisory and discretionary client engagement to understand how client needs are evolving.

Regulators

As a UK asset manager largely serving UK investors, we are regulated by the Financial Conduct Authority. We are actively engaged, notably via the Quoted Companies Alliance and the Investment Association, to ensure that we remain alert to legal and regulatory change and engage with our peers and industry practitioners on matters that relate to the UK asset management sector. We are represented on a number of boards and panels in this area, as we consider that such engagement ensures that we continue to act in the best interests of our clients.

Suppliers

Our business model places reliance on external third-party providers for certain activities and services. The selection process and engagement with these parties is guided by our Procurement Policy, supported by suitable due diligence processes, training and specific policies where applicable, and in accordance with the intentions of our Modern Slavery statement. Together these measures aim to minimise risks inherent in supply chains.

Community and environment

As set out on pages 25 to 31 the Group is committed to an active and growing role in corporate social responsibility and building a more sustainable future. An active Environmental Committee has helped develop key initiatives including our work towards net zero carbon emissions, calculating our greenhouse gas emissions, and submits the Group's Climate Disclosure Project climate change disclosure assessment, which allows investors to understand the ways in which the Group incorporates sustainability into its business strategy and practices. We actively engage with industry bodies including the Investment Association, on responsible investment and climate change matters.

Audit & Risk Committee report

Sarah Walton
Chair of the Audit & Risk Committee

The Audit & Risk Committee has three key areas of responsibility: ensuring the integrity of the financial management; overseeing the effectiveness of the internal control environment and the adequacy of the risk management systems for the Group.

Committee composition and attendance

Members:	Attendance
David Barron [1]	2 (2)
Robert Colthorpe [2]	3 (3)
Sarah Mussenden [3]	2 (2)
Will Smith	5 (5)
Sarah Walton (Chair) [4]	2 (2)

1 Appointed 7 June 2021
2 Robert Colthorpe acted as interim Chair of the Committee from 3 February 2021 until the date of appointment of Sarah Walton, who succeeded Robert Colthorpe as Chair of the Committee.
3 Appointed 7 June 2021
4 Appointed Chair of the Committee 7 June 2021

Dear Shareholder,

I am delighted to present this first report of the Audit & Risk Committee since my appointment. During the year, the Committee composition was revised at the recommendation of the Nomination Committee, with my own appointment as Chair, and the appointments of David Barron and Sarah Mussenden as members. Robert Colthorpe stepped down from the Committee, having been appointed as Chairman of the Board. Will Smith has served on the Committee since his appointment in October 2016, providing welcome continuity. The biographies of each Committee member are set out on pages 44 to 45.

The Audit & Risk Committee held four scheduled meetings and an additional handover meeting in July this year. The members have between them, the recent and relevant financial expertise and the skills and competencies required to discharge the Committees remit. The Executive Directors, Director of Finance, Chief Risk Officer, Chief Operating Officer and Head of Compliance and Legal typically attend each meeting by invitation.

Financial reporting

Significant judgements

The Committee is responsible for the integrity of the published financial statements. The Committee considered a number of accounting matters in the period that required the use of estimates and the exercise of judgement. The assessment of any need to impair goodwill, intangibles or investment in subsidiaries was supported by comprehensive analysis, and the Committee were able to conclude that no material impairment was required. A report on the going concern approach was provided including conclusions on the impact of COVID-19 to support the Committee's recommendation to adopt the going concern approach. Details of key judgements and estimates are set out in note 2.5 on page 82.

Fair, balanced and understandable

The Committee undertakes an annual assessment of the financial statements to ensure that these are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's performance, business model and strategy. Having performed this evaluation for these financial statements, the Committee confirms that in its opinion, the financial statements meet this standard.

External audit

KPMG LLP have provided the Group's external audit services since their appointment in May 2011. The senior statutory auditor, Alison Allen, was appointed to the account for the financial year ended 30 September 2020.

Audit quality

In preparation for the full year audit, the Committee was briefed by the external auditor on their intended plan, setting out how the audit team would deliver audit quality, and how they will reach their opinion. The areas of significant risk, as well as other areas of audit focus, were identified, drawn from the auditor's knowledge of the business, sector, and the wider economic environment.

The residual impact of COVID-19 was also considered in the approach to the going concern basis of preparation. The external auditor meets annually with the Committee without management present, to discuss their remit and any concern or issues arising from the audit.

Activities during the year

The Committee remit is focused on the key areas of financial integrity, internal controls, and risk management. During the year ended 30 September 2021, the Committee considered, amongst other things, the following matters:

Financial reporting	• Review and recommendation of the unaudited interim financial statements for the six-month period ended 31 March 2021. • Review and recommendation of the audited financial statements for the full year ended 30 September 2020. • Review the appropriateness of the accounting policies used in preparing the Group's financial statements.
External audit	• Review of the external auditor's report and key highlights memorandum for the year ended 30 September 2020 and outcomes of the key risk assessments and audit findings. • Review of the external auditor's independent review report on the unaudited interim financial statements for the six-month period ended 31 March 2021. • Key audit matters including revenue recognition, going concern assessment, COVID-19 impact, and impairment review were assessed. • Key accounting estimates and judgements were considered, notably for intangible assets and acquired goodwill in the context of acquisition accounting. • Review of investment in subsidiaries and intragroup recharge methodology were undertaken. • Monitored the provision of non-audit services which comprised CASS audit, interim profit verifications and the half year review. These services were aligned with the auditor's responsibilities and did not compromise the integrity, independence, or objectivity of the auditor. • Review and recommend the external auditor's audit plan and fee quote for the financial year ended 30 September 2021.
Internal audit	• Selection and appointment of Grant Thornton to provide an externally facilitated internal audit function. • Review of the internal audit findings report for trade and transaction reporting.
Risk, internal controls and ICAAP	• Review and recommend the Group's ICAAP documentation and the associated Pillar III disclosures. • Review and recommend the risk management framework and risk appetite quantification. • Oversee the quarterly monitoring of risk via the ICAAP risk dashboard and reporting, the risk registers, and activities of the Operational Risk Committee. • Oversight of regulatory change management and any breaches and errors. • Review of the FCA Risk Outlook and Business Plan for 2021/22.
Other	• Review and update where necessary, the terms of reference of the Committee. • Undertake a review of Committee effectiveness. • The Committee received presentations on the fund audit process, as well as industry, corporate governance and regulatory updates from KPMG LLP provide context for the new Committee members at a handover meeting in July.

Auditor independence and non-audit services

Arrangements are in place to govern the independence and objectivity of the auditor engagement partner and audit team, as well as the safeguards around the provision of non-audit services. The Auditor has confirmed that they were independent, in accordance with their professional ethics standards, for the audit engagement period.

Auditor re-appointment

The Committee is satisfied with the performance of the auditor and overall quality of the audit and recommends that KPMG LLP be reappointed as external auditor at the forthcoming AGM.

Internal controls

The Group maintains a robust system of internal controls that are monitored by the Group's Risk and Compliance departments via detailed risk registers and the compliance monitoring programme. The Committee has oversight of these controls and receives reports from the Chief Operating Officer, the Chief Risk Officer, and the Head of Compliance and Legal. No material shortcomings were identified in the practices and procedures during the year.

Audit & Risk Committee report

Continued

Risk management

Principal risks and uncertainties

Responsibility for the structure and application of the Group's risk management framework and governance sits with management and is overseen by the Committee. The Committee receives comprehensive reporting on and monitors the principal risks of the business including mitigating or preventative activities. Disclosures on our risk profile and arrangements, including fund related and enterprise risk management are set out fully on pages 38 to 40.

Risk management framework and risk appetite

The Group's risk management framework documents how key risks identified in the ICAAP process are, as far as is possible, mitigated. The arrangements are reviewed by the Committee on an annual basis.

Comprehensive risk registers covering both operational and enterprise risks are maintained and oversight is embedded through the regular review of the ICAAP dashboard report. Reporting and identification of risks including incidents and near-miss events, the assessment and operation of internal and external controls and management and calibration of key risk indicators all contribute to the effectiveness of the framework.

The risk appetite of the Group is agreed annually, and the inputs are reviewed by the Committee prior to making recommendations to the Board. The agreed appetite measures the level of risk that the Board is willing to take in the furtherance of its strategic objectives and stewardship of assets.

Whistleblowing and financial crime

Oversight of the Group whistleblowing arrangements is delegated to the Audit & Risk Committee. Procedures are in place for employees to report concerns in strict confidence. The whistleblowing policy is reviewed annually to ensure it remains fit for purpose and reflects best practice.

The Group arrangements in respect of the adequacy and security for its employees and contractors to raise concerns, in confidence, about possible financial crime including anti-money laundering and anti-bribery is overseen by the Committee. No matters were raised in this regard during the year.

Internal audit function

Last year we disclosed that the Committee had recommended a review of the merits of establishing an internal audit function given the increase in the size and complexity of the business. Following a tender exercise, Grant Thornton were appointed to provide an externally facilitated, internal audit function. The first internal audit was conducted in the summer, with the first findings report delivered in September 2021. An audit plan covering the remainder of the financial year was agreed, with trade and transaction reporting and cyber and IT controls internal audits completed in the period since appointment.

Governance

Committee evaluation

The Committee evaluation, undertaken in-house, was integrated into the Board effectiveness review to allow the perspectives of both outgoing and incoming membership to be included. The Directors were asked to rate their awareness of key governance matters and complete a skills self-assessment to establish the strength and depth of expertise around the table. The results were presented for discussion in September 2021 and the action points, including suggestions for improvement, will be addressed in the coming year.

The purpose of this year's approach was to ensure that all Directors, however short their tenure, have clarity of purpose, recognise the importance of key behaviours including integrity and independence of thought, and are equipped to discharge their legal, regulatory, and fiduciary duties, as well as supervise risks and seek opportunities to develop the business with confidence.

The deliverables from the evaluation focus on a programme of training and development, seeking opportunities to form a cohesive decision-making unit from a Board that has been refreshed significantly over the last two years to meet the needs of our next phase of growth.

Overall, the results demonstrated that the Committee members had the necessary skills and experience to effectively discharge the activities of the Committee during the year under review.

Duties and terms of reference

The principal duties of the Audit & Risk Committee are set out in its terms of reference, which were last reviewed and updated on 16 September 2021, and available on the corporate website at www.premiermiton.com. During the year, the Committee operated effectively, within its agreed terms of reference. These include:

- monitoring the integrity of the financial statements for its annual and half-yearly reports and results announcements relating to its financial performance, reviewing significant financial reporting issues and any judgements they may contain;
- reviewing and challenging the consistency of, and any changes to, the accounting policies;
- considering the clarity of the disclosures in the Group'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;
- consideration of the terms of engagement of the external auditor and the scope of the audit, assessing their independence and objectivity, as well as recommendations on fees for audit and non-audit services;
- recommendations to the Board on matters to be put to shareholders for approval at the Annual General Meeting, in relation to the appointment, reappointment and removal of the Group's external auditor;
- monitoring the adequacy and effectiveness of the Group's internal financial controls in the context of the Company's overall risk management systems;
- reviewing the role and mandate of the internal audit function, ensuring that adequate resources and appropriate access to employees and corporate information is made available. The Committee will receive regular internal audit reports and monitor progress against any recommendations as well as review the effectiveness of the internal audit function;
- keep under review the adequacy and effectiveness of the Company's internal controls and risk management systems;
- advise on the Group's overall risk appetite, tolerance, and strategy, taking account of the current and prospective macroeconomic and financial environment;
- considering the remit of the risk management function to ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively;
- reviewing the adequacy of arrangements for employees to raise, in confidence, any possible wrongdoing or matters in respect of financial crime and fraud prevention, as well as maintaining the effectiveness of the Group's whistleblowing arrangements.

Sarah Walton
Chair, Audit & Risk Committee
6 December 2021

Remuneration Committee report

William Smith
Chair of the Remuneration Committee

The Remuneration Committee is responsible for setting the way we competitively incentivise our team to deliver on strategy, great investment outcomes for our clients, shareholder value, and encourage the right conduct and culture.

Committee composition and attendance

Members:	Attendance
Robert Colthorpe	4 (4)
Alison Fleming [1]	1 (1)
Will Smith (Chair)	4 (4)
Mike Vogel [2]	1 (1)

1 Appointed 7 June 2021
2 Resigned 3 February 2021

Dear Shareholder,

I am pleased to present the Report of the Remuneration Committee for the year ended 30 September 2021, having been appointed Chair of the Remuneration Committee with effect from 3 February 2021.

The Committee comprises three Non-Executive Directors each of whom the Board considers are independent in character and judgement. The Board is responsible for considering the recommendations on reward practices from the Committee. In forming its recommendations, the Committee has received input from the Chairman of the Board, the Director of HR, the Executive Directors and Director of Finance. Any Executive Directors attending a Committee meeting do so by invitation and are absent for any discussion relating to their own remuneration or contractual arrangements.

The importance of recruiting and retaining skilled directors, senior managers, fund managers and employees to the effectiveness and efficiency of the business is well understood. To achieve this, the Committee is tasked with providing a competitive package of incentives and rewards, that align personal reward with increased shareholder value over both the short and longer term.

In consultation with the Chief Executive Officer, the Committee determines the remuneration arrangements for certain senior managers and the wider Group. The remuneration arrangements include base salary, discretionary bonus, pension contributions, and certain other benefits including private health insurance and death in service, severance and compensation payments, together with responsibility for recommending any grant of awards in accordance with equity incentive schemes.

Activities during the year

During the year ended 30 September 2021, the Committee met four times and discussed amongst other things, the following matters:

Remuneration structure	• Recommendation of the variable remuneration for the Group for the year ended 30 September 2020. • Harmonisation of deferred remuneration arrangements for the combined Group. • A proposal to introduce a long term incentive plan with performance conditions for the Executive Directors and certain senior management. • Recommended the approval of the 2021 remuneration policy as it applies to the Group as a whole.
Share plans and awards	• Recommended grants of award of nil cost contingent share awards to certain employees. • Recommendation of any pro-rated terms for good leavers and the oversight of the vesting and exercise of awards that crystallised in the period. • Proposed the amendment and re-statement of the Loan Agreement for the Guernsey EBT. • Recommended the release of retention awards to certain employees having fulfilled the terms of the retention agreement as part of the merger arrangements.
Other	• Commissioned a report from an external third party to benchmark remuneration. • Reviewed and approved the Remuneration Committee report in the 2020 Annual Report and Accounts. • Reviewed and recommended updates to the terms of reference of the Remuneration Committee.

Remuneration policy

The Committee recognises that the remuneration structure should attract, retain and motivate the best available talent to continue to deliver great investment outcomes for our clients. It balances this with the need for remuneration structures that are appropriate to the nature, scale and complexity of the Group, and that are in line with the business strategy, objectives, values and long-term interests of the Group, including investors in the funds, and the regulatory environment in which the business operates. The remuneration policy is aligned with the risk appetite and risk management framework to ensure fair and responsible reward in return for high levels of individual and business performance.

Key features of the policy include:

- Alignment between Executive Director and senior management reward with shareholder interests
- Total reward reflects the market in which we operate. The competitive position of our remuneration arrangements is assessed annually against relevant peer group companies
- An appropriate mix of short- and longer-term incentives are designed to incentivise the delivery of performance, with an emphasis on value creation over the longer term
- Remuneration of the Executive Directors is consistent with other senior management, whilst recognising the additional Group responsibilities
- Compliance with the FCA Remuneration Codes and any associated reporting obligations
- The application of the FCA Remuneration Codes to the regulated business, including any decision to apply principles of proportionality
- The maintenance of a Remuneration Code Staff list and the application of appropriate deferral terms for those whose role has a material impact to the Group risk profile
- All eligible employees are auto enrolled in the Group pension plan

Remuneration Committee report
Continued

Summary of emoluments by individual Director
The emoluments of the Directors who served during the year are set out as follows. In accordance with Schedule 5 of SI 2008/410, the summary of emoluments by individual Director table below is incorporated into note 6b on page 90 by reference.

	Fees and salary £000	Pension and benefits £000	Cash bonus £000	Deferred cash bonus £000	Vesting of deferred EBT contingent share awards	SIP matching shares £000	2021 Total £000	2020 Total £000
Executive Directors								
Piers Harrison	231	24	231	19	–	2	507	415
Neil Macpherson [1]	–	–	–	–	–	–	–	527
Michael O'Shea	334	43	511	389	523	2	1,802	1,070
Non-Executive Directors								
David Barron	47	–	–	–	–	–	47	38
Robert Colthorpe	100	–	–	–	–	–	100	68
Alison Fleming	47	–	–	–	–	–	47	17
Katrina Hart [2]	–	–	–	–	–	–	–	27
Sarah Mussenden [3]	15	–	–	–	–	–	15	–
William Smith	70	–	–	–	–	–	70	58
Sarah Walton [3]	17	–	–	–	–	–	17	–
Luke Wiseman [1]	–	–	–	–	–	–	–	5
Michael Vogel [4]	31	–	–	–	–	–	31	88
	892	**67**	**742**	**408**	**523**	**4**	**2,636**	**2,313**

1 Resigned 14 November 2019
2 Resigned 14 May 2020
3 Appointed 7 June 2021
4 Resigned 3 February 2021

Pension arrangements
Pension arrangements are aligned across the Group following an exercise in prior year to harmonise the rates applicable across all employees.

Variable remuneration
The Group maintains discretionary bonus schemes for various fund management teams based on a fixed percentage of the net income generated by the respective teams, and subject to certain performance criteria. Typically, a proportion of the bonus earned in each financial year is paid three months after the year end, once the full year financial statements have been approved. Over a de minimus threshold, a portion of the bonus is deferred in accordance with the FCA Remuneration Codes for a period of up to three years. The deferred bonus for each individual can be invested into one or more of the funds that are managed by the Group.

There is 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 Profit Before Tax before general bonus expense and associated employer's national insurance, and is paid three months after the year end. Any applicable deferral of bonus amounts are deferred for a period of up to three years, which can be invested in funds managed by the Group or in the ordinary shares of Premier Miton Group plc held via the EBT.

Long Term Incentive Plan ('LTIP') awards

The Group adopted the LTIP on 3 October 2016. Awards under the LTIP shall take the form of non-tax advantaged nil or nominal cost share rights to acquire fully paid ordinary shares in Premier Miton Group plc 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.

Employee Benefit Trusts

On 25 July 2016, the Group established the Eastgate Court Employee Benefit trust (the 'Guernsey EBT'), administered by an independent Guernsey based trustee. The Guernsey 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 Group 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 any awards made under the LTIP.

The Group also inherited the MAM Funds plc Employee Benefit Trust at merger, which was established for the benefit of the employees, former employees and their dependents of the legacy Miton Group (the 'Jersey EBT').

Grant of nil cost contingent share awards

During the year, 3,980,000 (2020: 4,130,000) nil cost contingent share rights over ordinary shares of 0.02p in the Company were granted to 36 employees (2020: 47) in respect of both bonus provisions for the financial year ended 30 September 2020 and staff retention. The following table shows the awards that have been made in respect of the Executive Directors:

	Award date	Awards over 0.02p ordinary shares	Exercise price per share (pence)	Vesting period (years)	Vesting date
Executive Directors					
Michael O'Shea	23 April 2019	275,000	–	3	23 April 2022
	14 April 2020	400,000	–	3	14 April 2023
	10 March 2021	400,000	–	3	10 March 2024
Piers Harrison	9 March 2020	150,000	–	3	9 March 2023
	10 March 2021	150,000	–	3	10 March 2024

The awards typically have a three-year vesting profile, with vesting conditional on the participant continuing to be employed by the Group at the vesting date.

During the year, an aggregate of 1,629,478 (2020: 1,184,476) nil cost contingent share rights over ordinary shares of 0.02p in the Company were exercised, with awards over 664,795 shares vesting on 11 April 2021 and the remaining 964,683 vesting on 10 July 2021. Of these awards, 300,000 related to Mike O'Shea.

As at 30 September 2021 there were 9,777,920 outstanding nil cost contingent share rights (2020: 7,427,397).

Remuneration Committee report
Continued

Management Equity Incentive ('MEI')
The MEI is a legacy Miton scheme established on 14 April 2011, in which awardees had the right to purchase Miton Group plc shares at a pre-agreed subscription price.

During the year, MEI awards over an aggregate of 830,115 shares lapsed, of which 226,395 related to Piers Harrison and 603,720 related to David Barron, having been awarded whilst an employee of the former Miton Group.

As at 30 September 2021, there were 981,045 (2020: 1,841,346) outstanding MEI awards of which 724,464 (2020: 1,373,462) had vested. The following table shows outstanding awards to a Director:

	Granted	Expires	Status	Exercise price	Awards over 0.02p ordinary shares
Executive Directors					
Piers Harrison	30/09/2015	10/05/2024	Vested	109.32	377,325
	29/05/2019	10/05/2027	Unvested	208.71	105,651

Interests in shares
The Directors' beneficial interests in the Company's ordinary share capital are disclosed on page 68.

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
Piers Harrison	14 November 2019	12
Non-Executive Directors		
David Barron	1 December 2019	1
Robert Colthorpe	3 February 2021	3
Alison Fleming	14 May 2020	1
Sarah Mussenden	7 June 2021	1
William Smith	3 October 2016	1
Sarah Walton	7 June 2021	1

Non-Executive Director fees
The fees payable to Non-Executive Directors are set by the Board, with the fee for the Chair determined by the Remuneration Committee. When setting these fees, account is taken of the time commitment of each Director and any additional responsibilities undertaken, as well as the market rates in the sector. No Director participates in the decision in respect of their own fees. Non-Executive Directors do not receive performance-related compensation and are not provided with pension-related benefits.

External advisers
The Remuneration Committee had recourse to external advice from Burges Salmon in respect of the proposals to develop performance-related conditions for a long-term incentive plan suitable for the Executive Directors and certain senior management. The Committee also commissioned a salary benchmarking report from McLean HR Limited.

Duties and terms of reference

The principal duties of the Remuneration Committee are set out in its terms of reference, which were last reviewed and updated on 16 September 2021. During the year, the Committee operated effectively, within its agreed terms of reference. These include:

- considering the framework and remuneration arrangements annually;
- reviewing annually and implementing the Remuneration Policy to ensure its ongoing alignment with business strategy to promote the objectives, values and interests of the Group, the funds it manages and investors;
- maintaining the list of Remuneration Code Staff in accordance with applicable regulation and guidelines;
- review and recommendation of the remuneration of Remuneration Code Staff;
- review and recommendation of the proportion of profits that should be accrued and paid as bonuses;
- review of variable remuneration pool calculations to ensure that they are principally based on profits and take account of current and future risks;
- to advise on and determine the criteria for performance-related schemes operated by the Group, the methods for assessing whether performance conditions are met and the eligibility for annual bonuses and benefits payable under any of the schemes;
- assessment of contracts, notice periods and termination payments to ensure that any termination payments are fair to the individual and the Group and that failure is not rewarded;
- assessment of any risk implications of the Remuneration Policy to the compliance and risk functions; and
- review of pension, material severance and proposed bonus (including any guaranteed) payments to assess alignment with the Remuneration Policy.
- The members completed an evaluation questionnaire and skills self-evaluation. The results concluded that the Committee was effective in discharging its duties.

Will Smith
Chair, Remuneration Committee
6 December 2021

Nomination Committee report

Robert Colthorpe
Chair of the Nomination Committee

The Nomination Committee leads the process for Board recruitment and succession planning to ensure an appropriate balance of skills on the Board in light of the strategic priorities of the Company.

Committee composition and attendance

Members:	Attendance
Robert Colthorpe (Chair)	2 (2)
Will Smith	2 (2)

Dear Shareholder,

On behalf of the Board, I am pleased to present the Nomination Committee report for the year ended 30 September 2021. The Nomination Committee is responsible for reviewing the structure, size, knowledge, diversity and skillset of the Board of Directors.

The Committee met twice during the year. Following the announcement on 4 December 2020 that Mike Vogel was to retire from office at the conclusion of the AGM in February 2021, and my appointment as successor to that role, vacancies arose for the Chair of the Audit & Risk Committee, the Senior Independent Director and Chair of the Remuneration Committee.

Will Smith was appointed as Senior Independent Director at the conclusion of the AGM on 3 February 2021. I continued to act, in an interim capacity, as Chair of the Audit & Risk Committee whilst the recruitment process for a suitable successor was conducted and Will Smith was appointed as Chair of the Remuneration Committee, stepping down from his role as Chair of the Nomination Committee.

The biographies for the Committee members are set out on pages 44 to 45.

New hires

Having evaluated our needs for new hires on the Board, we retained a specialist search firm to help us in identifying and accessing a range of suitable candidates. We were presented with an impressive and diverse short list of individuals, and our choice of Sarah Mussenden and Sarah Walton to recommend for appointment was done after a rigorous selection process.

Committee evaluation

The Committee evaluation, undertaken in-house, asked Directors to rate their awareness of key governance matters and complete a skills self-assessment to establish the strength and depth of expertise around the table. The results were presented for discussion in September 2021.

The purpose of this year's approach was to ensure that the Directors have clarity of purpose, recognise the importance of key behaviours including integrity and independence of thought, and are equipped to discharge their legal, regulatory and fiduciary duties, as well as supervise risks and seek opportunities to develop the business with confidence.

The deliverables from the evaluation focus on setting a programme of training and development to strengthen our collective and individual skills, seeking opportunities to form a cohesive decision-making unit from a Board that has been refreshed significantly over the last two years so as to meet the evolving needs of our next phase of growth.

Overall, the results demonstrated that the Committee members had the necessary skills and experience to effectively discharge the activities of the Committee during the year under review and to lead the business forward effectively.

Activities during the year

During the year ended 30 September 2021, the Committee met twice, and the activities included:

Board succession	• Review of the composition of the Board and selection and recommendation of Sarah Mussenden and Sarah Walton as Non-Executive Directors to the Board. • Review of the composition of the Audit & Risk Committee and recommending the appointment of David Barron, Sarah Mussenden and Sarah Walton to the Audit & Risk Committee. • Review of the composition of the Remuneration Committee and recommending the appointment of Alison Fleming to the Remuneration Committee.
Group succession	• Considered succession planning for senior managers, including an assurance assessment that any extended absence of a key team member as a result of COVID-19 was adequately covered and would not result in any adverse impact to clients. • Received the senior management performance evaluations.
Other	• Reviewed and recommended updates to the terms of reference of the Nomination Committee.

Diversity and inclusion

The Board is committed to creating opportunity for a more diverse talent pipeline and addressing the development of our culture and values in support of our talent strategy. The talent pipeline is supported by diversity and inclusion commitments as set out in the Staff Handbook.

Board induction

A comprehensive induction programme was given to the new Non-Executive Directors at appointment that included meetings with each Board Director, senior management and third-party advisers, as well as the provision of key corporate information.

Conflicts of interest

Directors' conflicts of interest are considered and authorised by the Board in accordance with the Articles of Association of the Company. Directors make initial disclosures at appointment and disclose any new conflicts of interest as they arise. Each Board meeting commences with a confirmation of the known conflicts of interest for each Director. The register is reviewed annually at year end and each Director completes an annual confirmation statement.

Duties and terms of reference

The principal duties of the Nomination Committee are set out in its terms of reference, which were last reviewed and updated on 16 September 2021. During the year, the Committee operated effectively, within its agreed terms of reference. The key terms are summarised here and include:

- the regular review of the structure, size and composition of the Board and to make any recommendations to the Board as to changes;
- evaluating 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 attributes required prior to an appointment;
- responsibility for identifying, selecting and nominating candidates to fill Board vacancies as they arise to ensure orderly succession;
- considering succession planning for Senior Executives and Group talent pipeline in anticipation of the skills and expertise needed to drive the business in the near term and avoid key person dependency;
- reviewing the results of the Board performance evaluation as they relate to Board and committee composition;
- reviewing the time commitment required of Non-Executive Directors; and
- liaising as necessary with other Board committees.

Robert Colthorpe
Chair, Nomination Committee
6 December 2021

Directors' report

The Directors present their Report and audited Consolidated Financial Statements for Premier Miton Group plc (the 'Company') for the year ended 30 September 2021. Comparative information has been presented for the year ended 30 September 2020. This Report sets out the information required to be disclosed in compliance with the Companies Act 2006 and the Financial Conduct Authority's Disclosure and Transparency Rules ('DTR'). The Strategic Report on pages 1 to 43 and Corporate Governance Report on pages 46 to 70, which includes the reports of the Audit & Risk, Remuneration and Nomination Committees, and the Statement of Directors' Responsibilities are incorporated by reference.

Company registration

The Company is incorporated in England and Wales with CRN: 06306664 and its registered office is situated at Eastgate Court, High Street, Guildford, Surrey GU1 3DE. The Company, together with its subsidiaries, form the 'Group'.

Principal activities

The principal activities of the Group are those of investment management and discretionary portfolio management services.

Governance code compliance

The Company is AIM listed and reports against the principles set out in the Quoted Companies Alliance Corporate Governance Code (the 'QCA Code'), and where possible, endeavours to meet many of the provisions of the Financial Reporting Council's UK Corporate Governance Code (the 'UKCGC'). The Board confirms that for the period to 30 September 2021, we have complied with the QCA Code in full, and the disclosures set out on pages 50 to 55 evidence our application of these principles.

Directors

The biographies of the Directors are set out on pages 44 to 45. In accordance with the Articles of Association of the Company and the Companies Act 2006, the Directors may exercise all the powers of the Company.

Directors indemnities and insurance provisions

The Group maintains Directors' and Officers' Liability Insurance cover for any claim brought against its Directors or Officers. There are no other qualifying third-party indemnity provisions in place which would require disclosure under section 236 of the Companies Act 2006.

Directors' interests

The Directors' beneficial interests in the Company's ordinary share capital as at 30 September 2021 are as follows:

	Ordinary 0.02p shares as at 30 September 2021	Ordinary 0.02p shares as at 30 September 2020
Executive Directors		
Piers Harrison [3]	49,929	47,560
Mike O'Shea [1, 2, 3]	3,665,463	3,483,695
Non-Executive Directors		
David Barron [1]	172,205	172,205
Robert Colthorpe	40,705	18,500
Alison Fleming	10,299	10,000
Sarah Mussenden (appointed 7 June 2021)	–	–
William Smith	10,000	10,000
Sarah Walton (appointed 7 June 2021)	10,000	–

1 Including interests of persons closely associated ('PCAs') in accordance with UK MAR
2 Includes interests held in a family trust for which Mike O'Shea acts as a trustee
3 Includes interests in the all-employee share incentive plan

Share capital

The share capital of the Company comprises 157,913,035 ordinary shares of 0.02p and one deferred share (non-voting). There are no shares held in Treasury. Each ordinary share carries the right to one vote at general meeting and there are no restrictions on the transfer of shares other than those required by law. All employees including Directors are required to seek prior approval before dealing in ordinary shares in accordance with the Group PA Dealing Policy.

Acquisition of own shares

In accordance with the shareholder authority granted at the Annual General Meeting ('AGM') on 3 February 2021, the Company was empowered to purchase up to approximately 10% of its issued share capital or 15,791,303 ordinary shares. No ordinary shares were allotted or purchased during the year.

Shares held in Employee Benefit Trusts ('EBTs')

As set out at note 23 on page 103, the Group maintains two active EBTs. The Trustees of both EBTs have waived the right to receive dividends. As at 30 November 2021, the Trustees held an aggregate of 10,947,088 ordinary shares.

All-employee share incentive plans

On 16 January 2020 the Group established an all-employee share incentive plan (the 'SIP'). The SIP is administered by Global Shares Trustees (UK) Limited, the same administrator as for the legacy Miton all-employee share incentive plan that was placed into run-off at merger. As at 30 September 2021, the SIP Trustee held an aggregate of 545,946 ordinary shares across the new SIP and the run-off SIP scheme on behalf of employees of the Group. In accordance with the plan rules, SIP participants are entitled to receive dividend shares.

Results and dividends

Profit for the year after taxation was £14,029,000 (2020: £5,890,000) as set out in the Consolidated Statement of Comprehensive Income on page 77. The Directors declared an interim dividend of 3.7p per share (2020: two interim dividends amounting to 2.5p) and recommend a final dividend of 6.3p per shares (2020: 4.5p) payable on 11 February 2022 to shareholders on the register as at 14 January 2022.

Substantial interests

As at 29 October 2021, the Company had received notification in accordance with DTR 5 of the following substantial interests in the Company's ordinary share capital:

Shareholders greater than 3%	Shares	%
Fidelity Worldwide Investments ('FIL')	15,774,702	9.99
Abrdn plc	12,553,712	7.95
Slater Investment	10,100,000	6.40
Canaccord Genuity Group Inc	7,279,537	4.61
Elcot Capital Management	7,023,400	4.45
Hargreaves Lansdown PLC	5,882,544	3.73
Grandeur Peak Global Advisors	5,240,617	3.32
Affiliated Managers Group	5,219,789	3.31

Financial instruments and risk

The financial instruments and their associated risks are set out in note 15 on pages 97 to 99.

Charitable donations

During the year the Group made charitable donations of £45,000 (2020: £14,536).

Going concern statement

The Directors have carried out an assessment of the key risks facing the Group, its financial adequacy and business model, and have a reasonable expectation that the Group has sufficient resources to continue in operational existence for the foreseeable future. This assessment has been made after considering the impact of COVID-19 on the business as detailed in note 2.1 on page 81. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements.

Events since the balance sheet date

There have been no material events after the balance sheet date.

Auditor

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

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 detailed on pages 44 to 45. 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 auditor 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.

Annual General Meeting

The AGM is expected to be held at Eastgate Court, High Street, Guildford, Surrey GU1 3DE at 10am on 2 February 2022.

By order of the Board

Catriona Fletcher
Company Secretary
6 December 2021

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report, Strategic Report, the Directors' Report and the Group and Parent Company 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. Under 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 they 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 applicable international accounting standards in conformity with the requirements of the Companies Act 2006;
- 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 Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for 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, 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.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

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.

Independent Auditor's Report to the members of Premier Miton Group plc

1. Our opinion is unmodified

We have audited the financial statements of Premier Miton Group plc ('the Company') for the year ended 30 September 2021 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 flows, the company statement of financial position, the company statement of changes in equity, the company statement of cash flows, and the related notes, including the accounting policies in notes 2 and 29.

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 2021 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of, 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 the 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: group financial statements as a whole		£596k (2020: £523k) 5% (2020: 4%) of profit before tax
Coverage		94% (2020 98%) of group profit before tax
Key audit matters		**vs 2020**
Recurring risks	Revenue Recognition	◀▶
	Goodwill impairment	◀▶
	Investment in subsidiaries (parent company)	◀▶

Independent Auditor's Report to the members of Premier Miton Group plc

Continued

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

Key audit matters are those matters that, in our professional judgement, 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
Goodwill Impairment: (Impairment charge: £260k; 2020: £nil) Refer to pages 56 to 59 (Audit & Risk Committee Report), pages 81 to 88 (accounting policy) and pages 94 to 95 (financial disclosures).	**Forecast-based valuation:** Goodwill in the Group is significant and at a risk of impairment due to uncertainty regarding forecasted Group performance. The recoverable amount of goodwill is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows. The key uncertainties affecting the forecasts are future market performance and Assets Under Management (AUM) growth rates. The effect of this matter is that, as part of our risk assessment, we determined that the value in use of goodwill and existence of impairment triggers have a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount.	Our procedures included: • **Benchmarking of assumptions:** We used our own valuation specialists to assist us in assessing the appropriateness of the assumptions used in the Group's valuation model for goodwill. This included comparing the Group discount rate assumptions with our own estimate of a range of reasonable discount rates, based on comparable company information; • **Our sector expertise:** We used our sector experience to evaluate the appropriateness of assumptions applied in key inputs such as revenue from customers, operating costs and discount rates; • **Sensitivity analysis:** We performed our own sensitivity analysis which included assessing the effect of reasonably possible reductions in growth rates and forecast cash flows to evaluate the impact on goodwill; • **Assessing transparency:** We assess whether the Group's disclosures about the sensitivity of the outcome of the impairment assessment for goodwill to changes in key assumptions reflected the risk inherent in the valuation of goodwill.

	The risk	Our response
Recoverability of Parent Company's investment in subsidiaries: (Parent Company: £138.1 million; 2020: £138.1 million) Refer to pages 56 to 59 (Audit & Risk Committee Report), page 109 (accounting policy) and page 109 (financial disclosures).	**Low risk, high value:** The carrying amount of the Parent Company's investments in subsidiaries represents 87% (2020: 88%) of the company's total assets. Their recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to their materiality in the context of the parent company financial statements, this is considered to be the area that had the greatest effect on our overall Parent Company audit.	Our procedures included: • **Test of details:** Comparing the carrying amount of investments with the relevant subsidiaries' financial statements/draft balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries have historically been profit-making. • **Comparing valuations:** For the investments where the carrying amount exceeded the net asset value, comparing the carrying amount of the investment with the forecasted cashflows generated by the subsidiary. • **Benchmarking assumptions:** We challenged management assumptions and judgements used in their assessment and agreed to supporting documentation where relevant.
Revenue Recognition – Management fees: (£94.7 million; 2020: £77.5 million) Refer to pages 56 to 59 (Audit & Risk Committee Report), pages 81 to 88 (accounting policy) and page 88 (financial disclosures).	**Calculation error:** The calculation of management fee revenue for the Group, predominantly being the product of assets under management and fee rates, is not judgemental or complex. However, due to its materiality in the context of the financial statements as a whole, it is considered to be one of the areas which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit of the Group. **Processing error:** Assets under management data is obtained from third-party service providers. We consider the accuracy and completeness of this data to be one of the areas which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit of the Group.	Our procedures included: • **Reperformance:** For management fee revenue earned from managing funds, representing 99% of the revenue of the Group, we utilised our specialist data analytics team to recalculate management fees based on fee rates set out in underlying agreements and assets under management data; • **Test of details:** We agreed the fee rates used in our recalculation to fund prospectuses or other applicable legal documents, agreed revenue to cash receipts, and tested the inclusion of revenue in the financial year rather than the next financial year; • **Outsourcing controls:** To address the accuracy and completeness of assets under management data inputs obtained from the third-party service providers, we obtained an understanding of the control environment and evaluated the design and implementation and operating effectiveness of controls. Our approach included a combination of reviewing and understanding the results of internal controls reports prepared by the service organisation and attested to by independent service auditors (where available) and consideration of compensating user entity controls.

We continue to perform procedures over valuation of intangible assets pertaining to the acquisition of Miton Group plc in the prior year. However, following the completion of the acquisition, there is no significant estimation uncertainty associated with the valuation of these intangible assets in the year. As a result, we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified in our report this year.

Independent Auditor's Report to the members of Premier Miton Group plc

Continued

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

Materiality for the group financial statements as a whole was set at £596k (2020: £523k), determined with reference to a benchmark of group profit before tax, normalised by averaging over the last three years due to fluctuations in the business cycle, of £11,924k (2020: £13,099k) of which it represents 4% (2020: 4%). The benchmark has remained the same as the prior year group profit before tax benchmark.

Materiality for the Parent Company financial statements as a whole was set at £117k (2020: £179k), determined with reference to a benchmark of company total assets, of which it represents 0.1% (2020: 0.1%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2020: 75%) of materiality for the financial statements as a whole, which equates to £447k (2020: £392) for the group and £87k (2020: £134k) for the Parent Company. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit & Risk Committee any corrected or uncorrected identified misstatements exceeding £29k (2020: £26k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's thirteen (2020: twelve) reporting components, we subjected four (2020: six) to full scope audits for group purposes, all of which were performed by the Group audit team.

The components within the scope of our work accounted for the percentages illustrated opposite.

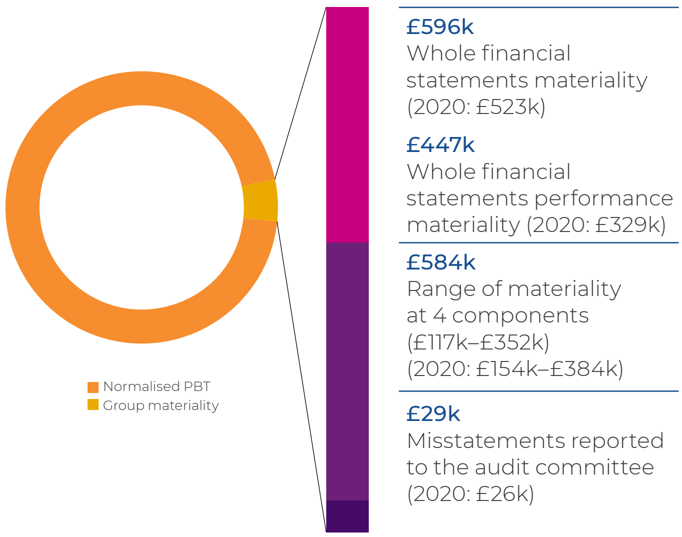
The remaining 1% (2020: 2%) of total group revenue, 6% (2020: 2%) of group profit before tax and 3% (2020: 1%) of total group assets is represented by nine (2020: six) of reporting components, none of which individually represented more than 12% (2020: 19%) of any of total group revenue, group profit before tax or total group assets. For the residual components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

4. Going concern

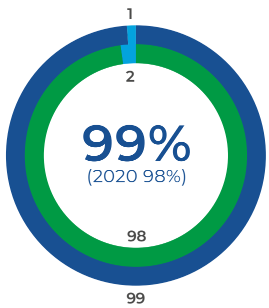
The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ('the going concern period').

Normalised group profit before tax
£11,924k (2020: £13,099k)

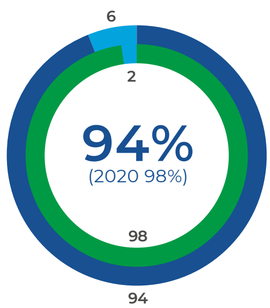
Group materiality
£596k (2020: £523k)



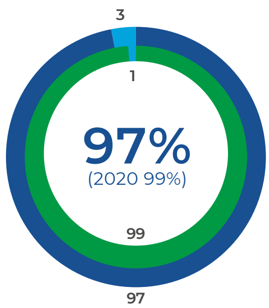
Group revenue



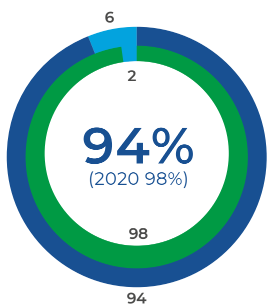
Group profit before tax

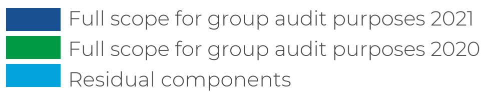


Group total assets



Group profit before exceptional items and tax





We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Group's and Company's available financial resources over this period was a reduction of revenues from Assets under Management outflows as a result of market movements and/or fund redemptions.

We considered whether these risks could plausibly affect the liquidity in the going concern period by assessing the degree of downside assumption that, individually and collectively, could result in a liquidity issue, taking into account the Group's current and projected cash and facilities (a reverse stress test).

We assessed the completeness of the going concern disclosure.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period; and
- we found the going concern disclosure in note 2 to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

5. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ('fraud risks') we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, directors, the audit committee and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, and the Group's channel for 'whistleblowing', as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board, Nomination and Audit & Risk committee minutes.
- Considering remuneration incentive schemes such as the Long Term Incentive Plan awards and Employee Benefit Trust for management, directors, and sales staff.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as impairment assumptions. On this audit we do not believe there is a fraud risk related to revenue recognition due to the non-complex nature of the calculation and the involvement of third party fund accountants in the calculation and payment of revenue. The audit team have concluded that the lack of opportunity to commit fraudulent financial reporting around revenue outweighs the identified incentives/pressures and attitudes/rationalisations. As a result, the presumed fraud risk has been rebutted.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation of the design and implementation of the Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by unauthorised users, those posted to unusual accounts, those posted with specific words in the description, those posted to accounts associated with estimates, those posted as post-closing entries with no explanation.
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and management (as required by auditing standards), and discussed with the directors and management the policies and procedures regarding compliance with laws and regulations.

As some entities are regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Independent Auditor's Report to the members of Premier Miton Group plc
Continued

5. Fraud and breaches of laws and regulations – ability to detect continued

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations continued

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law AIM rules, FCA regulations, money laundering regulations, and company legislation, recognising the financial and regulated nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and management. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6. 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.

7. 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.

8. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 70, 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 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.

9. 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.

Alison Allen
(Senior Statutory Auditor)
for and on behalf of KPMG LLP,
Statutory Auditor
Chartered Accountants
15 Canada Square, Canary Wharf, London, E14 5GL
7 December 2021

Consolidated Statement of Comprehensive Income

For the year ended 30 September 2021

	Notes	2021 £000	2020 £000
Revenue	3	94,726	77,721
Fees and commission expenses		(10,248)	(10,948)
Net revenue		84,478	66,773
Administrative costs		(55,832)	(44,408)
Share-based payment expense	22	(4,528)	(3,581)
Amortisation of intangible assets	11	(5,117)	(4,517)
Merger related costs	4	(1,350)	(4,467)
Exceptional items	4	(126)	(216)
Operating profit	5	17,525	9,584
Finance revenue	7	–	20
Profit for the year before taxation		17,525	9,604
Taxation	8	(3,496)	(3,714)
Profit for the year after taxation attributable to equity holders of the parent		14,029	5,890

	Notes	pence	pence
Basic earnings per share	10	9.53	4.14
Diluted basic earnings per share	10	8.96	4.00

No other comprehensive income was recognised during 2021 or 2020. Therefore, the profit for the year is also the total comprehensive income.

All of the amounts relate to continuing operations.

The notes on pages 81 to 105 form an integral part of these Consolidated Financial Statements.

Consolidated Statement of Financial Position

As at 30 September 2021

	Notes	2021 £000	2020 £000
Non-current assets			
Goodwill	11	70,688	70,948
Intangible assets	11	27,377	32,234
Other investments		100	100
Property and equipment	12	1,737	2,385
Right-of-use assets	9	1,751	2,414
Deferred tax asset	8	2,166	1,599
Trade and other receivables	14	971	367
		104,790	110,047
Current assets			
Financial assets at fair value through profit and loss	15	3,529	2,697
Trade and other receivables	14	146,084	44,409
Cash and cash equivalents	16	47,675	35,992
		197,288	83,098
Total assets		302,078	193,145
Current liabilities			
Trade and other payables	17	(163,208)	(53,046)
Current tax liabilities		–	(2,948)
Provisions		(15)	–
Lease liabilities	9	(870)	(857)
		(164,093)	(56,851)
Non-current liabilities			
Provisions	19	(374)	(389)
Deferred tax liability	8	(4,237)	(4,152)
Lease liabilities	9	(1,150)	(2,059)
Total liabilities		(169,854)	(63,451)
Net assets		132,224	129,694
Equity			
Share capital	20	60	60
Merger reserve	11	94,312	94,312
Own shares held by an Employee Benefit Trust	23	(15,790)	(14,649)
Capital redemption reserve	21	4,532	4,532
Retained earnings		49,110	45,439
Total equity shareholders' funds		132,224	129,694

Company number 06306664

The Consolidated Financial Statements were approved on behalf of the Board of Directors on 6 December 2021.

Mike O'Shea
Chief Executive Officer

Piers Harrison
Chief Financial Officer

The notes on pages 81 to 105 form an integral part of these Consolidated Financial Statements

Consolidated Statement of Changes in Equity

For the year ended 30 September 2021

	Notes	Share capital £000	Merger reserve £000	Own shares held by an EBT £000	Capital redemption reserve £000	Retained earnings £000	Total equity £000
At 1 October 2019		50	–	(6,944)	4,532	47,688	45,326
Profit for the year		–	–	–	–	5,890	5,890
Issue of share capital on merger	11, 20	10	94,312	–	–	–	94,322
Purchase of own shares held by an EBT	23	–	–	(2,669)	–	–	(2,669)
Shares issued to EBT as part of the merger	23	–	–	(5,178)	–	–	(5,178)
Exercise of options	23	–	–	142	–	(15)	127
Share-based payment expense	22	–	–	–	–	3,581	3,581
Deferred tax direct to equity		–	–	–	–	(6)	(6)
Equity dividends paid	24	–	–	–	–	(11,699)	(11,699)
At 30 September 2020		60	94,312	(14,649)	4,532	45,439	129,694
Profit for the year		–	–	–	–	14,029	14,029
Purchase of own shares held by an EBT	23	–	–	(4,101)	–	–	(4,101)
Exercise of options	23	–	–	2,960	–	(2,960)	–
Share-based payment expense	22	–	–	–	–	4,528	4,528
Other amounts direct to equity		–	–	–	–	(134)	(134)
Deferred tax direct to equity		–	–	–	–	305	305
Equity dividends paid	24	–	–	–	–	(12,097)	(12,097)
At 30 September 2021		**60**	**94,312**	**(15,790)**	**4,532**	**49,110**	**132,224**

The notes on pages 81 to 105 form an integral part of these Consolidated Financial Statements.

Consolidated Statement of Cash Flows

For the year ended 30 September 2021

	Notes	2021 £000	2020 £000
Cash flows from operating activities:			
Profit for the year		14,029	5,890
Adjustments to reconcile profit to net cash flow from operating activities:			
– Tax on continuing operations	8	3,496	3,714
– Finance revenue	7	–	(20)
– Interest payable on leases	9	94	93
– Depreciation – fixed assets	12	688	617
– Depreciation – leases	9	625	689
– Gain on sale of financial assets at fair value through profit and loss		–	(13)
– (Loss)/gain on revaluation of financial assets at fair value through profit and loss		(407)	6
– Loss on disposal of property and equipment		28	–
– Increase in employee benefit liability	18	970	1,182
– Purchase plan assets (held for employee benefit liability)	18	(970)	(1,182)
– Amortisation of intangible assets	11	5,117	4,517
– Share-based payment expense	22	4,528	3,581
– (Increase)/decrease in trade and other receivables		(101,769)	8,479
– Increase/(decrease) in trade and other payables		110,162	(19,533)
Cash generated from operations		36,591	8,020
Income tax paid		(7,267)	(3,226)
Net cash flow from operating activities		29,324	4,794
Cash flows from investing activities:			
Interest received	7	–	20
Acquisition of assets at fair value through profit and loss		(1,261)	(12,166)
Proceeds from disposal of assets at fair value through profit and loss		836	10,304
Purchase of property and equipment	12	(68)	(138)
Cash acquired on merger	11	–	27,296
Net cash flow from investing activities		(493)	25,316
Cash flows from financing activities:			
Lease payments	9	(950)	(566)
Exercise of options	22	–	127
Purchase of own shares held by an EBT	23	(4,101)	(2,669)
Equity dividends paid	24	(12,097)	(11,699)
Net cash flow from financing activities		(17,148)	(14,807)
Increase in cash and cash equivalents		11,683	15,303
Cash and cash equivalents at the beginning of the year		35,992	20,689
Cash and cash equivalents at the end of the year	16	47,675	35,992

The notes on pages 81 to 105 form an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2021

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

The Consolidated Financial Statements of Premier Miton Group plc (the 'Company') and its subsidiaries (the 'Group') for the year ended 30 September 2021 were authorised for issue by the Board of Directors on 6 December 2021 and the Consolidated Statement of Financial Position was signed on the Board's behalf by Mike O'Shea and Piers Harrison.

The Company is a public limited company incorporated and domiciled in England and Wales. The Company's ordinary shares are traded on the Alternative Investment Market ('AIM').

These Consolidated Financial Statements were prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. 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 2021 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 pages 32 to 36, 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.

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. This assessment has been made after considering the impact of COVID-19 on the business. The Directors note that the Group has no external borrowings and maintains significant levels of cash reserves.

The 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 2024. 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 key assumptions used in preparing 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. This analysis demonstrates that even after modelling materially lower levels of assets under management ('AuM') associated with a reasonably plausible downside scenario, the business remains cash generative.

2.2 Changes in significant accounting policies

The Group has adopted the following new amendments in these Consolidated Financial Statements:

- Definition of Material (Amendments to IAS 1 and IAS 8);
- Definition of a Business (Amendments to IFRS 3); and
- Amendments to a Revised Conceptual Framework in IFRS Standards.

The standards/amendments listed above are not expected to have a material effect on the Consolidated Financial Statements nor significantly affect future periods.

2.3 Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the Company and its subsidiary undertakings as at 30 September 2021. 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:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- 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.

Notes to the Consolidated Financial Statements Continued

For the year ended 30 September 2021

2. Accounting policies continued

2.3 Basis of consolidation continued

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.

2.4 New standards, amendments and interpretations

There are no new and amended standards and interpretations that are issued, but not yet effective, that would be expected to have a material impact on the Group's financial statements when they become effective.

2.5 Judgements and key sources of estimation uncertainty

The preparation of the Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Consolidated 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 areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements are as follows:

Major or key sources of estimation uncertainty:

- **Impairment of goodwill and other intangible assets and recoverability of Parent Company investment in subsidiaries.**

The recognition of goodwill and other intangible assets arising on acquisitions and the impairment assessments contain significant accounting estimates. Goodwill is carried at cost less provision for impairment. The carrying value is tested annually for impairment, or more frequently if any indicators arise. Other intangible assets are amortised over their useful economic life and are assessed for impairment when there is an indication that the asset might be impaired. The impairment test of goodwill and other intangible assets includes key assumptions underlying the recoverable amounts, the growth rates applied to the future cash flows and the Group's discount rate. Refer to note 2.6 (a) page 82, note 2.6 (o) page 87 (accounting policies) and note 11 pages 94 and 95 (financial disclosures).

2.6 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.

2. Accounting policies continued

2.6 Significant accounting policies continued

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 reassesses 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; impairment losses are recognised in profit and loss. Impairment losses recognised in respect of the cash-generating unit ('CGU') are allocated first to reduce the carrying amount of any goodwill allocated to the CGU 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:

- Leasehold improvements – the term of the lease
- Plant and equipment – five years
- Computer equipment – three years
- Motor vehicles – three 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.

Notes to the Consolidated Financial Statements Continued

For the year ended 30 September 2021

2. Accounting policies continued

2.6 Significant accounting policies continued

(c) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently at amortised cost after deducting provisions for expected credit losses ('ECLs'). The Group applies the IFRS 9 simplified approach to measuring ECLs for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience and is adjusted for forward-looking estimates. 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) Leases

The Group recognises an right-of-use asset ('ROU') and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term. The ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or the Group's incremental borrowing rate. Generally, the Group will use its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

In the comparative period all leases were classified as operating leases in accordance with IAS 17. Rents payable under operating leases were charged to income on a straight-line basis over the term of the relevant lease.

(f) Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments as an expense on a straight-line basis.

(g) 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 Consolidated Statement of Financial Position date.

2. Accounting policies continued

2.6 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 Consolidated 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 Consolidated Statement of Financial Position date.

The carrying amount of deferred income tax assets is reviewed at each Consolidated 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.

(h) 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 Consolidated Statement of Financial Position date. All differences are taken to the Consolidated Statement of Comprehensive Income.

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 Consolidated Financial Statements.

(i) Financial instruments

In accordance with IFRS 9 the Group's financial assets are classified as either at amortised cost, fair value through other comprehensive income or fair value through profit or loss ('FVTPL'). The financial asset classification will be determined on the basis of the contractual cash flow characteristics of the instruments and the Group's business model for the collection of cash flows arising from its investments.

The Group holds non-controlling interests in unconsolidated funds at fair value, designated at FVTPL. Under the new standard, this designation has not changed.

The majority of the Group's revenue comes from investment management fees due from the retail investment funds being managed. These fees are paid to the Group on a monthly basis. For segregated accounts, the majority of fees are paid on a monthly basis with some paying on a quarterly basis. Typically, receivables comprise unpaid sales contracts and cancellations, which are receivables in transit between funds and end clients. These are contractually required to be settled within one or four days. Based on (a) there being no credit losses on trade debtors over a period in excess of ten years; and (b) cash balances being held with banks with credit ratings of S&P A+/A-1 stable, the ECL was not material.

i) Financial assets

The Group classifies its financial assets in the following categories: at FVTPL or loss and loans and receivables.

The Group holds non-controlling interests in unconsolidated funds at fair value, designated at FVTPL.

The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position. The Group assesses at each Consolidated Statement of Financial Position date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Notes to the Consolidated Financial Statements Continued

For the year ended 30 September 2021

2. Accounting policies continued

2.6 Significant accounting policies continued

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.

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 effective interest rate ('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.

(j) 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 Consolidated Statement of Cash Flows and are presented in current liabilities.

(k) 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.

(l) Revenue recognition

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 standard includes a five step model for recognising revenue as follows: Identifying the contract with the customer; identifying the relevant performance obligations of the contract; determining the amount of consideration to be received under the contract; allocating the consideration to the relevant performance obligation; and accounting for the revenue as the performance obligations are satisfied. In preparation for the implementation of the standard the Group has carried out a detailed review of its contracts with customers. Following this review and impact assessment no material change to the revenue recognition policy was necessary. There has been no material impact on its results.

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 AuM and are recognised in the same period in which it is provided. Under the requirements of IFRS 15 revenue is presented gross with rebates and commission presented in cost of sales.

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 IFRS 15.

For all revenue streams, the Group acts as principal and therefore recognises revenue gross with any related expenses (e.g. rebates or commissions) presented in cost of sales.

2. Accounting policies continued

2.6 Significant accounting policies continued

(m) 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.

(n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) 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 of the obligation can be made.

(o) other 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 Consolidated Statement of Comprehensive Income 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 seven to 20 years depending on the nature of the assets purchased.

At each reporting date, the Group reviews the carrying amounts of its other intangible assets to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount is estimated. Other intangible assets are assessed, alongside goodwill, annually for impairment or more frequently if any indicators of impairment arise. The recoverable amount of the asset, is the greater of its value-in-use and its fair value less the costs to sell. Value-in-use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(p) 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.

(q) 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 Consolidated Statement of Comprehensive Income over the period of the borrowings using the EIR.

All other borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the period in which they are incurred.

(r) 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 Miton 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. Seed capital investments in funds that the Group manages are accounted for as subsidiaries, associates or financial assets at fair value through profit or loss (FVTPL) depending on the total holding per fund held by the Group, the degree of influence and control that the Group is judged to have and the extent the Group is acting as an agent or principal.

The Group assesses its seed capital investments on a regular basis and each is assessed individual with no fixed percentages equating to the treatment of each in the consolidated financial statements. 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.

Notes to the Consolidated Financial Statements Continued

For the year ended 30 September 2021

2. Accounting policies continued

2.6 Significant accounting policies continued

(s) 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 Employee Benefit Trust ('EBT').

(t) Employee Benefit Trust

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 Consolidated Financial Statements.

(u) 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.

Where the terms of equity-settled awards are modified, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award.

3. Revenue

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

	2021 £000	2020 £000
Management fees	93,171	77,506
Commissions	1,075	7
Other income	480	208
Total revenue	**94,726**	77,721

All revenue is derived from the UK and Channel Islands.

4. Exceptional items and merger related costs

Recognised in arriving at operating profit from continuing operations:

	2021 £000	2020 £000
Fund development costs	–	52
Connect development costs	126	164
Total exceptional costs	**126**	216
Merger related costs	822	2,560
Merger employment restructuring costs	528	1,907
Total merger related costs	**1,350**	4,467

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.

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

4. Exceptional items and merger related costs continued

In accordance with the accounting policy for exceptional items set out in note 2.6(k) on page 86 these costs have been treated as exceptional.

Merger related costs in the year totalling £821,886 (2020: £2,560,242) represented legal and professional fees associated with the merger with Miton Group plc of £51,132 (2020: £1,687,116) and merger integration costs of £770,754 (2020: £873,126).

Employment restructuring costs arising as a result of the merger totalled £528,031 (2020: £1,906,618) of which £528,031 (2020: £1,900,618) related to redundancy costs and £nil (2020: £6,000) of associated legal costs.

5. Operating profit

(a) Operating profit is stated after charging:

	Notes	2021 £000	2020 £000
Auditor's remuneration	5(b)	468	511
Staff costs	6	40,868	29,978
Interest – leases	9	94	93
Amortisation of intangible assets	11	5,117	4,517
Exceptional items	4	126	216
Merger related costs	4	1,350	4,467
Loss on disposal of fixed assets	12	28	–
Depreciation – fixed assets	12	688	617
Depreciation – leases	9	625	689

(b) Auditor's remuneration

The remuneration of the auditor is analysed as follows:

	2021 £000	2020 £000
Audit of Company	90	75
Audit of subsidiaries	190	188
Total audit	280	263
Audit-related assurance services	48	95
– Tax compliance services	–	38
– Other non-audit services not covered above	140	115
Total other non-audit services	140	153
Total non-audit services	188	248
Total fees	468	511

Notes to the Consolidated Financial Statements Continued

For the year ended 30 September 2021

6. Staff costs and Directors' remuneration

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

	2021 £000	2020 £000
Salaries, bonus and performance fee share	30,769	22,471
Social security costs	4,696	3,085
Share-based payments	4,528	3,581
Other pension costs	875	841
Total staff costs	**40,868**	29,978

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

	2021 Number	2020 Number
Directors	7	7
Investment management	51	44
Sales and marketing	33	38
Finance and systems	11	13
Legal and compliance	12	11
Administration	39	37
Total employees	**153**	150

(b) Directors' remuneration

In satisfaction of Schedule 5 of SI 2008/410, the summary of audited emoluments by individual Director table on page 62 of the Remuneration Committee Report is incorporated into this note 6 by reference.

Details of awards made under the EBT to the Directors as part of their annual remuneration package can be seen in the Remuneration Committee Report on page 63.

The number of Directors accruing benefits under money purchase pension schemes at the year end was nil (2020: nil).

7. Finance income

	2021 £000	2020 £000
Interest receivable	–	20
Net finance income	–	20

8. Taxation

(a) Tax recognised in the Consolidated Statement of Comprehensive Income

	2021 £000	2020 £000
Current income tax:		
UK corporation tax	4,583	4,326
Current income tax charge	4,583	4,326
Adjustments in respect of prior periods	(909)	(82)
Total current income tax	3,674	4,244
Deferred tax:		
Origination and reversal of temporary differences	(680)	(536)
Adjustments in respect of prior periods	502	6
Total deferred tax income	(178)	(530)
Income tax charge reported in the Consolidated Statement of Comprehensive Income	3,496	3,714

(b) Reconciliation of the total income tax charge

The tax expense in the Consolidated Statement of Comprehensive Income for the year is higher than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are reconciled below:

	2021 £000	2020 £000
Profit before taxation	17,525	9,604
Tax calculated at UK standard rate of corporation tax of 19% (2020: 19%):	3,330	1,824
– Other differences	73	69
– Share-based payments	264	906
– Expenses not deductible for tax purposes	4	324
– Amortisation not deductible	250	252
– Income not subject to UK tax	(38)	(23)
– Change in tax rate	531	395
– Tax relief on vested options	(525)	(3)
– Fixed asset differences	15	46
– Adjustments in respect of prior periods	(408)	(76)
Income tax charge in the Consolidated Statement of Comprehensive Income	3,496	3,714

(c) Change in corporation tax rate

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25% from 19%. This was substantively enacted on 24 May 2021. The deferred tax balances included within the Consolidated Financial Statements have been calculated with reference to the rate of 25% to the relevant balances from 1 April 2023.

(d) Deferred tax

The deferred tax included in the Group's Consolidated Statement of Financial Position is as follows:

	2021 £000	2020 £000
Deferred tax asset:		
– Fixed asset temporary differences	(38)	(236)
– Accrued bonuses	619	782
– Share-based payments	1,585	491
– Losses and other deductions	–	562
Deferred tax disclosed on the Consolidated Statement of Financial Position	2,166	1,599

Notes to the Consolidated Financial Statements Continued

For the year ended 30 September 2021

8. Taxation continued

	2021 £000	2020 £000
Deferred tax liability:		
– Arising on acquired intangible assets	4,216	4,119
– Fixed asset temporary differences	21	33
Deferred tax disclosed on the Consolidated Statement of Financial Position	4,237	4,152

	2021 £000	2020 £000
Deferred tax in the Consolidated Statement of Comprehensive Income:		
– Origination and reversal of temporary differences	(680)	(536)
– Adjustments in respect of prior periods	502	6
Deferred tax (income)	(178)	(530)

	2021 £000	2020 £000
Unprovided deferred tax asset:		
– Non trade loan relationship losses	1,971	1,764
– Excess management expenses	51	46
– Non trade intangible fixed asset losses	399	357
Unprovided deferred tax asset	2,421	2,167

9. Leases

The Group initially adopted the IFRS 16 modified retrospective approach on 1 October 2019, with the cumulative effect of applying the Standard recognised at the date of initial application. The cumulative effect was not material with no adjustment being made to the opening balance of retained earnings at 1 October 2019, with no restatement of comparative information. Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

The Group leases its head office premises in London, additional office space in Guildford and London along with a disaster recovery site located in Reading.

- London head office premises lease renewed 28 November 2018, term of ten years with an option to break after five years;
- Reading premises lease renewed 5 March 2019, term of five years, an option to break after three years has been exercised;
- Guildford second floor offices lease renewed on 17 August 2018, term of 10.5 years with an option to break after 5.5 years;
- Guildford first floor offices lease renewed on 29 May 2019, term of 9.7 years with an option to break after 4.7 years;
- The Group also leases IT equipment with contractual terms of up to three years; and
- The Group does not enter into any leasing arrangements as lessor.

(a) Amounts recognised in the Consolidated Statement of Comprehensive Income

The Group recognised £94,000 of interest relating to lease liabilities during the year (2020: £93,000).

(b) Amounts recognised in the Consolidated Statement of Cash Flows

The Group recognised a total cash outflow of £950,000 for lease payments during the year which includes £94,000 of interest relating to lease liabilities (2020: £566,000 lease payments including £93,000 of interest).

(c) Right-of-use asset

	Land and buildings £000	IT equipment £000	Total £000
At 1 October 2020	2,137	277	2,414
Disposals of right-of-use assets	(38)	–	(38)
Depreciation charge for the year	(561)	(64)	(625)
At 30 September 2021	1,538	213	1,751

9. Leases continued

(d) Lease liabilities

	2021 £000	2020 £000
Maturity analysis – contractual undiscounted cash flows		
Less than one year	931	915
One to five years	1,126	2,017
Total undiscounted lease liabilities at 30 September	2,057	2,932
Lease liabilities included in statement of financial position at 30 September	2,020	2,916
Current	870	857
Non-current	1,150	2,059

10. Earnings per share

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

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

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

(a) Reported earnings per share

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

	2021 £000	2020 £000
Profit attributable to ordinary equity shareholders of the Parent Company for basic earnings	14,029	5,890
	Number 000	**Number 000**
Issued ordinary shares at 1 October	157,913	105,801
– Effect of own shares held by an EBT	(10,641)	(9,220)
– Effect of shares issued	–	45,705
Weighted average shares in issue	147,272	142,286
– Effect of movement in share options	9,239	5,056
Weighted average shares in issue – diluted	156,511	147,342
Basic earnings per share (pence)	9.53	4.14
Diluted earnings per share (pence)	8.96	4.00

(b) Adjusted earnings per share

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

Adjusted profit for calculating adjusted earnings per share:

	2021 £000	2020 £000
Profit before taxation	17,525	9,604
Add back:		
– Share-based payment expense	4,528	3,581
– Amortisation of intangible assets	5,117	4,517
– Merger related costs	1,350	4,467
– Exceptional items	126	216
Adjusted profit before tax	28,646	22,385
Taxation:		
– Tax in the Consolidated Statement of Comprehensive Income	(3,496)	(3,714)
– Tax effects of adjustments	(914)	(936)
Adjusted profit after tax for the calculation of adjusted earnings per share	24,236	17,735

Notes to the Consolidated Financial Statements Continued

For the year ended 30 September 2021

10. Earnings per share continued

Adjusted earnings per share was as follows using the number of shares calculated at note 10(a):

	2021 pence	2020 pence
Adjusted earnings per share	16.46	12.46
Diluted earnings per share	15.49	12.04

11. 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 2020	77,927	81,025	158,952
Additions/(disposals)	–	–	–
At 30 September 2021	77,927	81,025	158,952
Amortisation and impairment:			
At 1 October 2020	6,979	48,791	55,770
Impairment during the year	260	–	260
Amortisation during the year	–	4,857	4,857
At 30 September 2021	7,239	53,648	60,887
Carrying amount:			
At 30 September 2021	70,688	27,377	98,065
At 30 September 2020	70,948	32,234	103,182

During the year there were no additions to goodwill (2020: £55,350,821 relating to the acquisition of Miton Group plc).

The Group recognised an impairment for the total amount of goodwill specifically related to the Acorn Income Fund Limited. This entity announced on 23 September 2021 its residual assets will rollover into the Unicorn UK Income Fund, an open ended vehicle managed by Unicorn Asset Management Limited from 13 October 2021. The Group no longer acts as investment manager to the Trust.

In the comparative year, an all-share merger with Miton Group plc resulted in the shareholders of Miton Group plc receiving 0.30186 of a share in Premier Miton Group plc which was satisfied through newly issued shares. On the acquisition date, 15 November 2019, the consideration and net assets acquired from Miton Group plc were as follows:

	£000
Fair value of equity consideration in the prior year	94,322
Net assets acquired:	
– Intangible assets	24,794
– Deferred tax liability on intangible assets acquired	(4,213)
– Investments	100
– Cash and cash equivalents	27,296
– Property, plant and equipment	491
– Trade and other receivables	5,740
– Miton Group plc shares held by EBT	5,178
– Trade and other payables	(19,741)
– Provisions	(389)
– Right-of-use assets (net)	(285)
Net assets acquired	38,971
2020 Goodwill addition	55,351

The fair value of the equity consideration was calculated by reference to the number of shares issued and the share price at the completion date. The purchase consideration in the table above was grossed up for the value of the EBT shares issued.

The intangible assets acquired in the business combination related to the investment management agreements between Miton and the funds to which Miton was the investment manager and the value arising from the underlying client relationships Acquisition accounting principles under IFRS were applied.

Impairment tests for goodwill and intangible assets

The Group has determined that it has a single CGU in relation to asset management for the purposes of assessing the carrying value of goodwill.

In line with IAS 36, 'Impairment of Assets', a full impairment review was undertaken as at 30 September 2021. The recoverable amount within the fund management CGU was determined by assessing the value-in-use using long-term cash flow projections for the CGU.

Data for the explicit forecast period of 2022–2026 is based on the 2022 budget and forecasts for 2023–2026. Increases in operating costs have been taken into account and include assumed new business volumes. Cash flows beyond the explicit forecast period are extrapolated using a long-term terminal growth rate of 1.9% (2020: 3.0%). To arrive at the net present value, cash flows have been discounted using a discount rate of 12.0% (2020: 13.0%). The Group engaged valuation specialists in determining the inputs to calculate the appropriate discount rate, including comparative betas, long term economic growth rates and a study of the equity risk premiums published and observed in the wider industry.

The overall value-in-use was greater than the carrying value and hence no impairment charge has been recognised above the amount specifically recognised for the Acorn Income Fund Limited as noted above. The key assumptions used in determining this conclusion were expected aggregated fund flows and the discount rate.

Sensitivity analysis

Management have performed a sensitivity analysis as of 30 September 2021 and established that an increase in the discount rate to 39% would be required before an impairment of goodwill and other intangible assets would be considered necessary. In response to the market volatility arising from COVID-19, an impairment assessment was completed during the year using materially lower levels of AuM. Due to the cash generative nature of the business, no impairment was identified at these lower levels of AuM.

The compound annual growth rate for expected fund flows over the forecast period is 5% and would need to reduce to -16% per annum for the estimated recoverable amount to equal the carrying value. The sensitivity analysis established that a +/-3% change in the discount rate and long-term terminal growth rate assumptions would not have a material impact on the Group's results. The Group is, however, mindful of the current uncertainty that exists in markets including the threat posed by the COVID-19 pandemic and that extreme movements may be cause for further examination into the possibilities of impairment.

Other intangible assets

Investment management contracts purchased by the Group are capitalised as other intangible assets and are amortised over periods ranging from seven to 20 years depending on the nature of the assets purchased. These finite life intangible assets were assessed for indicators of impairment by comparing AuM levels at the year end with those on the acquisition date. Additionally, both internal and external factors affecting these assets were considered. No indicators of impairment were noted.

The largest of the intangible assets was in relation to the merger with Miton Group plc with a carrying value of £18,136,303 and a remaining amortisation period of five years (2020: merger with Miton Group plc with a carrying value of £21,676,510 and a remaining amortisation period of six years).

12. Property, plant and equipment

	Land and buildings £000	Plant and equipment £000	Total £000
Cost or fair value:			
At 1 October 2020	1,172	2,932	4,104
Additions	–	68	68
Disposals	(145)	–	(145)
At 30 September 2021	**1,027**	**3,000**	**4,027**
Depreciation:			
At 1 October 2020	434	1,285	1,719
Depreciation during the year	144	544	688
Disposals	(117)	–	(117)
At 30 September 2021	**461**	**1,829**	**2,290**
Carrying amount:			
At 30 September 2021	**566**	**1,171**	**1,737**
At 30 September 2020	738	1,647	2,385

Notes to the Consolidated Financial Statements Continued

For the year ended 30 September 2021

13. Group entities

At 30 September 2021 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, GY1 3QL, 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 [1]	Ordinary	100%	Holding company
Miton Group Limited [2]	Ordinary	100%	Holding company
(b) Indirectly held			
Premier Asset Management Holdings Limited [1]	Ordinary	100%	Holding company
Premier Asset Management Limited [1]	Ordinary	100%	Holding company
Premier Investment Group Limited [1]	Ordinary	100%	Holding company
Premier Portfolio Managers Limited [1]	Ordinary	100%	Investment manager/ACD
Premier Miton Limited [1]	Ordinary	100%	Dormant
Premier Offshore Asset Management Limited [1]	Ordinary	100%	Dormant
Premier Asset Management (Guernsey) Limited	Ordinary	100%	Investment manager
Eastgate Court Nominees Limited [1]	Ordinary	100%	Nominee company
Premier Fund Managers Limited [1]	Ordinary	100%	Investment manager
Premier Investment Administration Limited [1]	Ordinary	100%	Dormant
Premier Discretionary Asset Management Limited [1]	Ordinary	100%	Dormant
Premier Fund Services Limited [1]	Ordinary	100%	Dormant
PremierConnect Nominees Limited [1]	Ordinary	100%	Dormant
Eastgate Investment Services Limited [1]	Ordinary	100%	Dormant
Miton Group Service Company Limited [2]	Ordinary	100%	Holding company
Miton Asset Management Limited [2]	Ordinary	100%	Operating company
Miton Holdings Limited [2]	Ordinary	100%	Holding company
Miton Trust Managers Limited [2]	Ordinary	100%	Operating company
Miton Investment Company Limited [2]	Ordinary	100%	Dormant
Miton ESOP Trustee Limited [2]	Ordinary	100%	Dormant
Miton Capital Limited [2]	Ordinary	100%	Dormant
MAM Funds Limited [2]	Ordinary	100%	Dormant

1 The registered office is Eastgate Court, High Street, Guildford GU1 3DE
2 The registered office is 6th Floor, Paternoster House, 65 St Paul's Churchyard, London EC4M 8AB

14. Trade and other receivables

Current	2021 £000	2020 £000
Due from trustees/investors for open end fund redemptions/sales	132,587	34,491
Other trade debtors	530	2,566
Fees receivable	8,185	3,549
Prepayments	2,195	2,487
Corporation tax	644	–
Other receivables	1,943	1,316
Total trade and other receivables	146,084	44,409
Non-current		
Other receivables	971	367

14. Trade and other receivables continued

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.

Non-current other receivables represent deferred compensation awards with maturities greater than 12 months after Consolidated Statement of Financial Position date. Deferred compensation awards are released in accordance with the employment period to which they relate.

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

	2021 £000	2020 £000
Days		
0 to 30	133,055	37,054
31 to 60	54	–
61 to 90	–	–
Over 90	8	3
Total trade receivables	133,117	37,057

These amounts have not been impaired as there has not been any significant changes in credit quality and the amounts are still considered recoverable. The recognition of ECLs is deemed to be immaterial to the Group.

The Group does not have any contract assets resulting from its revenue contracts with customers (2020: nil).

15. 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:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- 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); and
- 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:

	2021 £000	2020 £000
Other investments		
Quoted – Level 1	3,529	2,697
Total	3,529	2,697

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 Consolidated Statement of Financial Position, but information about the fair value is disclosed.

(a) 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.

(b) Borrowings and overdraft

The Group does not have any bank borrowings or overdrafts.

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.

Notes to the Consolidated Financial Statements Continued

For the year ended 30 September 2021

15. Financial instruments continued

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 2021, would increase the annual net interest payable in the Consolidated Statement of Comprehensive Income and reduce equity by £nil (2020: £nil). The sensitivity has been calculated by applying the interest rate change to the variable rate borrowings.

(b) Foreign exchange risk

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

At 30 September 2021, if the US Dollar and Euro had strengthened by 10% against Sterling with all other variables held constant, this would have had a £274,000 (2020: £233,000) impact on the Consolidated Statement of Comprehensive Income and equity.

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

(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 credit ratings of S&P A+/A-1 stable.

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 Consolidated Statement of Financial Position 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 2021				
Trade and other payables	162,020	81	1,107	–
Lease liabilities	221	649	1,150	–
As at 30 September 2020				
Trade and other payables	50,002	650	2,394	–
Lease liabilities	228	687	2,017	–

Capital management

(a) 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.

15. Financial instruments continued

(b) 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 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.

(c) Offsetting financial assets and financial liabilities

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

16. Cash and cash equivalents

	2021 £000	2020 £000
Cash at bank and in hand	47,552	35,911
Cash held in the EBTs	123	81
Total cash and cash equivalents	47,675	35,992

17. Trade and other payables

	2021 £000	2020 £000
Due to trustees/investors for open end fund creations/redemptions	132,403	34,488
Other trade payables	2,295	996
Other tax and social security payable	3,345	1,929
Accruals	22,789	14,398
Pension contributions	25	20
Other payables	2,351	1,215
Total trade and other payables	163,208	53,046

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.

18. Short and long-term employee benefits

Plan assets for deferred remuneration	2021 £000	2020 £000
1 October	2,013	–
Arising on merger	–	1,071
Purchases at cost	970	1,182
Released during the year	(644)	(577)
Revaluation of plan assets	162	337
At 30 September	2,501	2,013
Employee benefits liability		
Current	(1,249)	(899)
Non-current	(1,252)	(1,114)
	(2,501)	(2,013)
Net balance	–	–

Notes to the Consolidated Financial Statements Continued

For the year ended 30 September 2021

18. Short and long-term employee benefits continued

Plan assets represent deferred remuneration entitlements for certain employees which are invested in funds managed by the Group. The investments are held in nominee on behalf of the participant. The employee benefits liability and the related plan assets are presented on a net basis in the Consolidated Statement of Financial Position.

19. Provisions

	2021 £000	2020 £000
At 1 October	389	–
Arising on merger	–	389
At 30 September	**389**	389
Current	15	–
Non-current	374	389
	389	389

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

20. Share capital

2021 allotted, called up and fully paid: Number of shares	Ordinary shares 0.02 pence each Number	Deferred shares Number
At 1 October 2020	157,913,035	1
Movement in the year	–	–
At 30 September 2021	**157,913,035**	**1**

2020 allotted, called up and fully paid: Number of shares	Ordinary shares 0.02 pence each Number	Deferred shares Number
At 1 October 2019	105,801,310	1
Issued on merger	52,111,725	–
At 30 September 2020	157,913,035	1

2021 allotted, called up and fully paid: Value of shares	Ordinary shares 0.02 pence each £000	Deferred shares £000	Total shares £000
At 1 October 2020	31	29	60
Movement in the year	–	–	–
At 30 September 2021	**31**	**29**	**60**

2020 allotted, called up and fully paid: Value of shares	Ordinary shares 0.02 pence each £000	Deferred shares £000	Total shares £000
At 1 October 2019	21	29	50
Issued on merger	10	–	10
At 30 September 2020	31	29	60

The deferred share carries no voting rights and no right to receive a dividend.

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

21. Capital redemption reserve

	2021 £000	2020 £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.

22. Share-based payments

The total charge to the Consolidated Statement of Comprehensive Income for share-based payments in respect of employee services received during the year to 30 September 2021 was £4,528,000 (2020: £3,581,000), of which £4,405,000 related to nil cost contingent share rights.

(a) Nil cost contingent share rights

During the year 3,980,000 (2020: 4,130,000) nil cost contingent share rights over ordinary shares of 0.02p in the Company were granted to 37 employees (2020: 47). Of the total awards, 550,000 (2020: 550,000) nil cost contingent share rights were awarded to Executive Directors. The awards will be satisfied from the Group's EBTs.

The share-based payment expense is calculated in accordance with the fair value of the contingent share rights on the date of grant. The price per right at the date of grant ranged from £1.42 to £1.44 per share (2020: £0.97 to £1.35) resulting in a fair value of £5,725,200 (2020: £4,794,600) to be expensed over the vesting periods of three to five years.

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

Five participants (2020: five) forfeited nil cost contingent share rights over 77,974 ordinary 0.02p shares in the Company during the year (2020: 146,460).

During the year 1,629,478 (2020: 1,184,476) nil cost contingent share rights over ordinary shares of 0.02p in the Company were exercised, the cost of the shares held by the Group's EBTs was reduced by £2,960,000 (2020: £15,087) being the original purchase price of the shares used to satisfy the exercises.

At 30 September 2021 there were 9,699,945 outstanding nil cost contingent share rights (2020: 7,427,397).

(b) Legacy Miton schemes

i) Management Equity Incentive

The MEI was a legacy scheme created in 2011.

During the year no awards were exercised (2020: one participant elected to exercise an award over 120,744 ordinary 0.02p shares).

One participant forfeited an award over 30,186 ordinary 0.02p shares in the Company during the year (2020: five participants forfeited awards over 150,930 ordinary 0.02p shares in the Company).

Awards to two participants (2020: none) lapsed during the year over 830,115 ordinary 0.02p shares in the Company, of this balance 226,395 were held by an Executive Director.

At 30 September 2021 there were 981,045 (2020: 1,841,346) outstanding MEI awards of which 724,464 (2020: 1,373,463) had vested.

ii) Management Incentive Plan ('MIP')

The MIP was a legacy scheme created in 2011.

There were no movements during the year, the outstanding award continues to be subject to the terms of the Miton Management Incentive Plan.

Notes to the Consolidated Financial Statements Continued

For the year ended 30 September 2021

22. Share-based payments continued

(c) Share Incentive Plan ('SIP')

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

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

The following table details the movements in the Group's share option schemes in the year:

2021	MIP awards Number	MEI awards Number	Nil cost awards Number	Total equity incentives Number
As at 1 October 2020	60,372	1,841,346	7,427,397	9,329,115
Granted during the year	–	–	3,980,000	3,980,000
Exercised during the year	–	–	(1,629,478)	(1,629,478)
Forfeited during the year	–	(860,301)	(77,974)	(938,275)
Outstanding at 30 September 2021	**60,372**	**981,045**	**9,699,945**	**10,741,362**
Vested at 30 September 2021	**60,372**	**724,464**	**–**	**784,836**

2020	MIP awards Number	MEI awards Number	Nil cost awards Number	Total equity incentives Number
As at 1 October 2019	–	–	4,628,333	4,628,333
Arising on merger	60,372	2,113,020	–	2,173,392
Granted during the year	–	–	4,130,000	4,130,000
Exercised during the year	–	(120,744)	(1,184,476)	(1,305,220)
Forfeited during the year	–	(150,930)	(146,460)	(297,390)
Outstanding at 30 September 2020 [1]	60,372	1,841,346	7,427,397	9,329,115
Vested at 30 September 2020	60,372	1,373,462	–	1,433,834

1 The prior year adjusted to add 10,000 nil costs awards which had previously been omitted from this table

The following table details the exercise dates of outstanding equity incentives:

2021 Exercise dates	Vested	MIP awards Number	MEI awards Number	Nil cost awards Number	Total Number
Exercisable up to 06/04/2024 @ 115.95p per share	Yes	60,372	–	–	60,372
Exercisable between 18/03/2019 and 10/05/2024 @ 109.32p per share	Yes	–	513,162	–	513,162
Exercisable between 31/03/2020 and 10/05/2026 @ 116.61p per share	Yes	–	30,186	–	30,186
Exercisable between 18/03/2021 and 10/05/2026 @ 162.99p per share	Yes	–	181,116	–	181,116
Exercisable between 18/03/2022 and 10/05/2027 @ 208.71p per share	No	–	256,581	–	256,581
Granted on 07/12/2018, vests on 07/12/2021	No	–	–	135,000	135,000
Granted on 16/04/2019, vests on 16/04/2022	No	–	–	635,206	635,206
Granted on 23/04/2019, vests on 23/04/2022	No	–	–	848,333	848,333
Granted on 09/03/2020, vests on 09/03/2023	No	–	–	1,008,334	1,008,334
Granted on 09/03/2020, vests on 09/03/2024	No	–	–	533,333	533,333
Granted on 09/03/2020, vests on 09/03/2025	No	–	–	533,333	533,333
Granted on 14/04/2020, vests on 14/04/2023	No	–	–	2,026,406	2,026,406
Granted on 10/03/2021, vests on 10/03/2024	No	–	–	3,680,000	3,680,000
Granted on 17/03/2021, vests on 17/03/2024	No	–	–	300,000	300,000
Outstanding at 30 September 2021		**60,372**	**981,045**	**9,699,945**	**10,741,362**
Vested at 30 September 2021		**60,372**	**724,464**	**–**	**784,836**

22. Share-based payments continued

2020 Exercise dates	Vested	MIP awards Number	MEI awards Number	Nil cost awards Number	Total Number
Exercisable up to 10/05/2021 @ 159.84p per share	Yes	–	226,395	–	226,395
Exercisable up to 28/05/2021 @ 166.72p per share	Yes	–	226,395	–	226,395
Exercisable up to 06/04/2024 @ 115.95p per share	Yes	60,372	–	–	60,372
Exercisable up to 28/05/2021 @ 189.45p per share	Yes	–	377,325	–	377,325
Exercisable between 18/03/2019 and 10/05/2024 @ 109.32p per share	Yes	–	513,162	–	513,162
Exercisable between 31/03/2020 and 10/05/2026 @ 116.61p per share	Yes	–	30,186	–	30,186
Exercisable between 18/03/2021 and 10/05/2026 @ 162.99p per share	No	–	211,302	–	211,302
Exercisable between 18/03/2022 and 10/05/2027 @ 208.71p per share	No	–	256,581	–	256,581
Granted on 11/04/2018, vests on 11/04/2021	No	–	–	670,242	670,242
Granted on 10/07/2018, vests on 10/07/2021	No	–	–	968,333	968,333
Granted on 07/12/2018, vests on 07/12/2021	No	–	–	135,000	135,000
Granted on 16/04/2019, vests on 16/04/2022	No	–	–	675,489	675,489
Granted on 23/04/2019, vests on 23/04/2022	No	–	–	848,333	848,333
Granted on 09/03/2020, vests on 09/03/2023	No	–	–	1,008,334	1,008,334
Granted on 09/03/2020, vests on 09/03/2024	No	–	–	533,333	533,333
Granted on 09/03/2020, vests on 09/03/2025	No	–	–	533,333	533,333
Granted on 14/04/2020, vests on 14/04/2023	No	–	–	2,055,000	2,055,000
Outstanding at 30 September 2020		60,372	1,841,346	7,427,397	9,329,115
Vested at 30 September 2020		60,372	1,373,462	–	1,433,834

23. Own shares held by an Employee Benefit Trust

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

During the year 2,655,000 (2020: 1,894,043) shares were acquired and held by the Group's EBTs at a cost of £4,100,859 (2020: £2,668,525).

At 30 September 2021 10,947,088 (2020: 9,921,565) shares were held by the Group's EBTs, of which 10,741,362 (2020: 9,329,115) shares relate to outstanding awards (see note 22).

At 30 September 2021, the cost of the shares held by the EBTs of £15,789,828 (2020: £14,648,840) has been disclosed as own shares held by an EBT in the Consolidated Statement of Changes in Equity and the Consolidated Statement of Financial Position.

All administrative expenses connected with the EBTs are charged to the Consolidated Statement of Comprehensive Income. The EBTs have waived their 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 details the movements in the number and cost of the shares held by the Group's EBTs:

	2021 Number of shares	2021 £000	2020 Number of shares	2020 £000
At 1 October	**9,921,565**	**14,649**	4,642,830	6,944
Arising on merger	**–**	**–**	4,701,323	5,178
Shares acquired in the year	**2,655,000**	**4,101**	1,894,043	2,669
Shares released in the year	**(1,629,477)**	**(2,960)**	(1,316,631)	(142)
At 30 September	**10,947,088**	**15,790**	9,921,565	14,649

24. Dividends declared and paid

	2021 £000	2020 £000
Equity dividends on ordinary shares:		
– Interim dividend: 3.7 (2020: first interim 1.75) pence per share	**5,437**	2,591
– Second interim: nil (2020: second interim 0.75) pence per share	**–**	1,110
– Final dividend for 2020: 4.5 (2019 final interim 5.4) pence per share	**6,660**	7,998
Dividends paid	**12,097**	11,699

Notes to the Consolidated Financial Statements Continued

For the year ended 30 September 2021

25. 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 Miton Group PLC. The Group manages, through its subsidiaries, a number of open ended investment companies and investment trusts which are considered to be structured entities. The subsidiary companies receive management fees from these entities for managing assets and in some instances receive performance fees.

The Group acts as investment manager, Unit Trust Manager ('UTM') and/or Authorised Corporate Director ('ACD') for 48 (2020: 47) funds as at 30 September 2021.

(a) Interests in structured entities

The Group provides investment management services for a number of collective investment schemes where Group companies are investment managers/advisers of underlying funds and which meet the criteria of related parties (note 2.6(r)). In return the Group receives management fees for the provision of these services.

IFRS 12 requires certain disclosures in respect of interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities.

A structured entity is defined as an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, or when the relevant activities are directed by means of contractual arrangements.

The Group has assessed whether the funds it manages are structured entities and concluded that funds managed by the Group are structured entities unless substantive removal or liquidation rights exist.

The Group has interests in these funds through the receipt of management and other fees and, in certain funds, through ownership of fund units. The Group's investments in these funds are subject to the terms and conditions of the respective fund's offering documentation and are susceptible to market price risk. The investments are included in financial assets at FVTPL in the balance sheet. Where the Group has no equity holding in a fund it manages, the investment risk is borne by the external investors and therefore the Group's maximum exposure to loss relates to future fees and any uncollected fees at the balance sheet date. Where the Group does have an equity holding, the maximum exposure to loss constitutes the future and uncollected management fees plus the fair value of the Group's investment in that fund.

	2021 £000	2020 £000
Number of funds managed (number)	48	47
AuM of funds managed	13,518,242	10,605,833
Management fees received during the year	92,762	77,345
Management fees outstanding at the year end	8,001	6,105
Financial assets at FVTPL	3,529	2,697

(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:

	2021 £000	2020 £000
Salaries and bonuses	5,014	6,316
Share-based payments	1,818	1,842
Benefits in kind	20	37
Short-term employee benefits	6,852	8,195

26. Segmental 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.

27. Contingent liabilities

There were no contingent liabilities as at 30 September 2021 (2020: nil).

Company Statement of Financial Position

As at 30 September 2021

	Notes	2021 £000	2020 £000
Non-current assets			
Investment in subsidiaries	30	138,054	138,054
Deferred tax asset	31	–	491
		138,054	138,545
Current assets			
Trade and other receivables	32	19,640	18,439
Cash and cash equivalents		639	58
Total current assets		20,279	18,497
Total assets		158,333	157,042
Current liabilities			
Trade and other payables	33	(12,898)	(12,836)
Total current liabilities		(12,898)	(12,836)
Total liabilities		(12,898)	(12,836)
Net assets		145,435	144,206
Equity			
Share capital	20	60	60
Merger reserve	11	94,312	94,312
Capital redemption reserve	21	4,532	4,532
Retained earnings		46,531	45,302
Total equity shareholders' funds		145,435	144,206

Company number 06306664

The financial statements were approved on behalf of the Board of Directors on 6 December 2021.

Mike O'Shea
Chief Executive Officer

Piers Harrison
Chief Financial Officer

The notes on pages 109 to 112 form an integral part of these Financial Statements.

Company Statement of Changes in Equity

For the year ended 30 September 2021

	Notes	Share capital £000	Merger reserve £000	Capital redemption reserve £000	Retained earnings £000	Total equity £000
At 1 October 2019		50	–	4,532	48,083	52,665
Equity dividends paid	34	–	–	–	(11,699)	(11,699)
Issue of share capital on merger	11,20	10	94,312	–	–	94,322
Share-based payment expense	22	–	–	–	3,519	3,519
Exercise of options		–	–	–	(15)	(15)
Profit for the financial year		–	–	–	5,414	5,414
At 30 September 2020		60	94,312	4,532	45,302	144,206
Equity dividends paid	34	–	–	–	(12,097)	(12,097)
Share-based payment expense	22	–	–	–	4,469	4,469
Exercise of options		–	–	–	(2,960)	(2,960)
Profit for the financial year		–	–	–	11,817	11,817
At 30 September 2021		**60**	**94,312**	**4,532**	**46,531**	**145,435**

The notes on pages 109 to 112 form an integral part of these Financial Statements.

Company Statement of Cash Flows

For the year ended 30 September 2021

	Notes	2021 £000	2020 £000
Cash flows from operating activities:			
Profit after taxation		11,817	5,414
Adjustments to reconcile profit to net cash flow from operating activities:			
– Share-based payments		4,469	3,519
– Tax on continuing operations	31	509	198
– (Increase)/decrease in trade and other receivables		(1,201)	5,322
– Increase/(decrease) in trade and other payables		44	(2,703)
Net cash flow from operating activities		15,638	11,750
Cash flows from financing activities:			
Equity dividends paid	34	(12,097)	(11,699)
Exercise of options		(2,960)	(15)
Net cash flow from financing activities		(15,057)	(11,714)
Increase in cash and cash equivalents		581	36
Opening cash and cash equivalents		58	22
Closing cash and cash equivalents	31	639	58

The notes on pages 109 to 112 form an integral part of these Financial Statements.

Notes to the Company Financial Statements

For the year ended 30 September 2021

29. Significant accounting policies

The separate financial statements of the Company are presented in accordance with international accounting standards in conformity with the requirements of 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 30 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 £11,817,000 (2020: profit £5,414,000).

30. Investments in subsidiaries

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

	2021 £000	2020 £000
Cost:		
At 1 October	138,054	43,732
Additions	–	94,322
At 30 September	**138,054**	138,054
Amortisation and impairment:		
At 1 October	–	–
Amortisation during the year	–	–
At 30 September	–	–
Carrying amount:		
At 30 September	**138,054**	138,054

On 14 November 2019 the Company acquired Miton Group plc ('Miton') and was renamed Premier Miton Group plc. The cost of the investment in Miton was £94,322,222 being the fair value of the equity consideration at the date of completion.

At 30 September 2021 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, GY1 3QL, Guernsey.

A full impairment review of investments held by the Parent Company was undertaken at 30 September 2021. The net asset value each subsidiary was compared to the carrying value of the investment held. Additional recoverability analysis was performed by using the value-in-use (long-term cash flow projections) as the recoverable amount and comparing it with carrying value. The overall value-in-use was greater than the carrying value and hence no impairment charge has been recognised above the amount specifically recognised for the Acorn Income Fund Limited as noted above. The key assumptions used in determining this conclusion were expected aggregated fund flows and the discount rate.

Notes to the Company Financial Statements Continued

For the year ended 30 September 2021

30. Investments in subsidiaries continued

	Class of share held	Proportion of voting rights and shares held	Nature of the business
(a) Directly held			
Premier Asset Management MidCo Limited [1]	Ordinary	100%	Holding company
Miton Group Limited [2]	Ordinary	100%	Holding company
(b) Indirectly held			
Premier Asset Management Holdings Limited [1]	Ordinary	100%	Holding company
Premier Asset Management Limited [1]	Ordinary	100%	Holding company
Premier Investment Group Limited [1]	Ordinary	100%	Holding company
Premier Portfolio Managers Limited [1]	Ordinary	100%	Investment manager/ACD
Premier Miton Limited [1]	Ordinary	100%	Dormant
Premier Offshore Asset Management Limited [1]	Ordinary	100%	Dormant
Premier Asset Management (Guernsey) Limited	Ordinary	100%	Investment manager
Eastgate Court Nominees Limited [1]	Ordinary	100%	Nominee company
Premier Fund Managers Limited [1]	Ordinary	100%	Investment manager
Premier Investment Administration Limited [1]	Ordinary	100%	Dormant
Premier Discretionary Asset Management Limited [1]	Ordinary	100%	Dormant
Premier Fund Services Limited [1]	Ordinary	100%	Dormant
PremierConnect Nominees Limited [1]	Ordinary	100%	Dormant
Eastgate Investment Services Limited [1]	Ordinary	100%	Dormant
Miton Group Service Company Limited [2]	Ordinary	100%	Holding company
Miton Asset Management Limited [2]	Ordinary	100%	Operating company
Miton Holdings Limited [2]	Ordinary	100%	Holding company
Miton Trust Managers Limited [2]	Ordinary	100%	Operating company
Miton Investment Company Limited [2]	Ordinary	100%	Dormant
Miton ESOP Trustee Limited [2]	Ordinary	100%	Dormant
Miton Capital Limited [2]	Ordinary	100%	Dormant
MAM Funds Limited [2]	Ordinary	100%	Dormant

1 The registered office is Eastgate Court, High Street, Guildford GU1 3DE
2 The registered office is 6th Floor, Paternoster House, 65 St Paul's Churchyard, London EC4M 8AB

31. Taxation

(a) Tax charged in the Statement of Comprehensive Income

	2021 £000	2020 £000
Current income tax:		
UK corporation tax	18	–
Current income tax charge	18	–
Total current income tax	18	–
Deferred tax:		
– Origination and reversal of temporary differences	491	198
– Adjustments in respect of prior periods	–	–
Total deferred tax charge	491	198
Tax charge reported in the Statement of Comprehensive Income	509	198

31. Taxation continued

(b) Reconciliation of the total tax charge

The tax expense in the Statement of Comprehensive Income for the year is lower than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are reconciled below:

	2021 £000	2020 £000
Profit on ordinary activities before taxation	12,326	5,613
Tax calculated at UK standard rate of corporation tax of 19% (2020: 19%):	2,342	1,066
– Expenses not deductible for tax purposes	–	279
– Share-based payments	1,340	897
– Group relief surrendered	–	203
– Change in tax rate	–	(38)
– Group income (dividends received from subsidiaries)	(3,173)	(2,206)
– Tax relief on vested options	–	(3)
– Adjustments in respect of prior periods	–	–
Tax expense in the Statement of Comprehensive Income	**509**	198

(c) Change in corporation tax rate

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25% from 19%. This was substantively enacted on 24 May 2021. The deferred tax balances included within the Consolidated Financial Statements have been calculated with reference to the rate of 25% to the relevant balances from 1 April 2023.

(d) Deferred tax

The deferred tax included in the Statement of Financial Position is as follows:

	2021 £000	2020 £000
Deferred tax asset:		
– Share-based payments	–	491
Deferred tax disclosed in the Statement of Financial Position	–	491

	2021 £000	2020 £000
Deferred tax in the Statement of Comprehensive Income:		
– Origination and reversal of temporary differences	491	198
– Adjustments in respect of prior periods	–	–
Deferred tax expense	**491**	198

Deferred tax assets have not been recognised in respect of the following items:

	2021 £000	2020 £000
Unprovided deferred tax asset:		
– Excess management expenses	29	26
– Non trade intangible fixed asset losses	399	357
Unprovided deferred tax asset	**428**	383

32. Trade and other receivables

	2021 £000	2020 £000
Amounts owed by Group undertakings	8,673	8,659
Prepayments and accrued income	16	25
Other receivables	10,951	9,755
Total trade and other receivables	**19,640**	18,439

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. The Group's intention is for amounts due by Group undertakings are to be settled within 12 months.

Notes to the Company Financial Statements Continued

For the year ended 30 September 2021

33. Trade and other payables

	2021 £000	2020 £000
Amounts owed to Group undertakings	12,843	12,833
Other trade payables	37	–
Corporation tax	18	–
Other payables	–	3
Total trade and other payables	12,898	12,836

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.

34. Dividends declared and paid

	2021 £000	2020 £000
Equity dividends on ordinary shares:		
– Interim dividend: 3.7 (2020: first interim 1.75) pence per share	5,437	2,591
– Second interim: nil (2020: second interim 0.75) pence per share	–	1,110
– Final dividend for 2020: 4.5 (2019 final interim 5.4) pence per share	6,660	7,998
Dividends paid	12,097	11,699

Shareholder information

Financial calendar

Annual General Meeting	2 February 2022
2022 half year results announced	May 2022
2022 full year results announced	December 2022
Closing share price on 30 September 2021	179.0p
Stock code	PMI
Listing details	The Company's ordinary shares are quoted on the Alternative Investment Market ('AIM') of the London Stock Exchange.

Corporate information

Directors
Robert Colthorpe, Non-Executive Chairman
Mike Vogel, Non-Executive Chairman (resigned 3 February 2021)
Mike O'Shea, Chief Executive Officer
Piers Harrison, Chief Financial Officer
David Barron, Non-Executive Director
Alison Fleming, Non-Executive Director
Sarah Mussenden, Non-Executive Director (appointed 7 June 2021)
Will Smith, Senior Independent Director
Sarah Walton, Non-Executive Director (appointed 7 June 2021)

Company Secretary and Registered Office
Catriona Fletcher
Premier Miton Group plc
Eastgate Court
High Street
Guildford
Surrey GU1 3DE

Registered number
06306664

Auditor
KPMG LLP
15 Canada Square
London E14 5GL

Registrar
Link Group
10th Floor
Central Square
29 Wellington Street
Leeds LS1 4DL

Bankers
Bank of Scotland plc
33 Old Broad Street
London EC2N 1HW

Barclays Bank plc
1 Churchill Place
London E14 5HP

HSBC
165 Fleet Street
London EC4A 2DY

Lloyds Bank PLC
City Office
PO Box 72
Bailey Drive
Gillingham Business Park
Kent ME8 0LS

Nominated adviser and broker
Investec Bank plc
30 Gresham Street
London EC2V 7QP

Glossary

ACD – Authorised Corporate Director

Adjusted profit before tax – Profit before tax excluding amortisation, share-based payments, merger related non-recurring costs and exceptional costs

AGM – Annual General Meeting

AIFM – Alternative Investment Fund Manager

AIFMD – Directive 2011/61/EU is a legal act of the European Union on the financial regulation of hedge funds, private equity, real estate funds, and other AIFM in the European Union

APM – Alternative Performance Measure (see page 36 for reconciliations)

AuM – Assets under Management

Brexit – The withdrawal of the United Kingdom from the European Union

Board – The Board of Directors of the Company

CASS – The FCA's Client Asset Sourcebook rules

CGU – Cash-generating unit. The smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets

Code – The Corporate Governance Code issued by the Quoted Companies Alliance for small and medium sized companies

Company – Premier Miton Group plc

EBT – Employee Benefit Trust (a vehicle used to hold shares allocated to an employee share scheme or to acquire shares/units on behalf of an employee of the Group)

EPS – Earnings per share

FCA – Financial Conduct Authority of the United Kingdom

FVTPL – Fair value through profit or loss

GAAP – Generally Accepted Accounting Principles

GDPR – General Data Provision Regulation

GHG – Greenhouse gas

Gross fund flows – total amount of cash inflows into a fund

Group – The Company and all its subsidiaries

IA – Investment Association

ICAAP – Internal Capital Adequacy Assessment Process

IFRS – International Financial Reporting Standards

KPI – Key performance indicator

LTIP – Long-term Incentive Plan

MiFID II – The second iteration of the Markets in Financial Instruments Directive

Net fund flows – total amount of cash inflows into a fund less the total amount of outflows

QCA – Quoted Companies Alliance

SIP – Share Incentive Plan

SM&CR – Senior Managers and Certification Regime

TCF – Treating customers fairly

UTM – Unit Trust Manager

UCITS – Undertakings for the Collective Investment in Transferable Securities. Regulatory framework of the European Commission that creates a harmonised regime throughout Europe for the management and sale of mutual funds

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