Premier Asset Management

Premier Asset Management

Admission Document

KEEFE, BRUYETTE & WOODS
A Stifel Company

Numis

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, you should consult an independent professional adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

This document is an admission document prepared in accordance with the AIM Rules for Companies, a market operated by the London Stock Exchange ("**AIM**") and does not comprise a prospectus for the purposes of the Prospectus Rules and has not been approved by or filed with the Financial Conduct Authority. **Application has been made for all of the issued and to be issued Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that trading in the Ordinary Shares will commence on AIM on 7 October 2016.**

The Company and the Directors, whose names appear on page 5 of this document, accept responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts, and does not omit anything likely to affect the import of such information.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange has not itself examined or approved the contents of this document.

Premier Asset Management Group PLC

(incorporated and registered in England and Wales with registered no. 06306664)

PLACING OF 48,257,576 ORDINARY SHARES OF 0.02 PENCE EACH AT A PRICE OF 132 PENCE PER ORDINARY SHARE

and

ADMISSION TO TRADING ON AIM

Joint Broker and Bookrunner
Stifel Nicolaus Europe Limited
(trading as Keefe, Bruyette & Woods)

KEEFE, BRUYETTE & WOODS
A Stifel Company

Joint Broker and Bookrunner
Numis Securities Limited

Numis

Nominated Adviser
Stifel Nicolaus Europe Limited

STIFEL

Expected share capital of the Company immediately following Admission

	Issued and fully paid	
	Number	*Amount*
Ordinary Shares of 0.02 pence each	**105,801,310**	**£21,160.26**

Your attention is drawn in particular to the risk factors in Part 2 of this document. All statements regarding the Company's business, financial position and prospects should be viewed in light of these risk factors.

The New Ordinary Shares will, on issue, rank in full for all dividends and other distributions declared, paid or made in respect of the Ordinary Shares after Admission and will otherwise rank *pari passu* in all respects with the existing Ordinary Shares.

Investment in the Ordinary Shares may not be suitable for all readers of this document. Readers are accordingly advised to consult a person duly authorised under FSMA who specialises in investments of this nature before making any investment decisions.

The Ordinary Shares have not been, nor will they be, registered under the US Securities Act of 1933, as amended, or with any securities regulatory authority of any state or other jurisdiction of the United States or under the applicable securities laws of Australia, Canada, Japan or South Africa. Subject to certain exceptions, the Ordinary Shares may not be offered or sold in the United States, Australia, Canada, Japan or South Africa or to or for the account or benefit of any national, resident or citizen of Australia, Canada, Japan, South Africa or the Republic of Ireland or any person located in the United States. This document does not constitute an offer of, or the solicitation of an offer to subscribe for or buy, any Ordinary Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction and is not for distribution in, or into, the United States, Australia, Canada, Japan or South Africa. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves of and observe such restrictions.

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission ("**SEC**"), any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

This document is not a disclosure document under Chapter 6D of the Corporations Act 2001 (Cth) (the "**Australian Corporations Act**"), has not been lodged with the Australian Securities and Investments Commission and does not purport to include the information required of a disclosure document under Chapter 6D of the Australian Corporations Act. Accordingly, (i) the offer of New Ordinary Shares and Sale Shares under this document is only made to persons to whom it is lawful to offer such shares without disclosure under Chapter 6D of the Australian Corporations Act under one or more exemptions set out in section 708 of the Australian Corporations Act, (ii) this document is made available in Australia only to those persons as set forth in clause (i) above and (iii) the offeree must be sent a notice stating in substance that by accepting this offer, the offeree represents that the offeree is such a person as set forth in clause (i) above and unless permitted under the Australian Corporations Act, agrees not to see or offer for sale within Australia any New Ordinary Shares or Sale Shares sold to the offeree within 12 months after its transfer to the offeree under this document.

The Ordinary Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Document nor any other offering or marketing material relating to the Ordinary Shares or the Transaction may be publicly distributed or otherwise made publicly available in Switzerland. Neither this Document nor any other offering or marketing material relating to the Transaction, the Company nor the Ordinary Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Document will not be filed with, and the offer of Ordinary Shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and the offer of Ordinary Shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Ordinary Shares.

Stifel Nicolaus Europe Limited (trading as "**Keefe, Bruyette & Woods**" or "**KBW**") is authorised and regulated by the Financial Conduct Authority and is acting exclusively for the Company and for no one else in connection with the Placing and Admission or any other matter referred to herein. Stifel Nicolaus Europe Limited will not be responsible to anyone other than the Company for providing the protections afforded to its customers or for advising any other person on the contents of this document or the Placing and Admission. The responsibility of Stifel Nicolaus Europe Limited as nominated adviser to the Company is owed solely to the London Stock Exchange. No representation or warranty, express or implied, is made by Stifel Nicolaus Europe Limited as to the contents of this document (without limiting the statutory rights of any person to whom this document is issued). No liability whatsoever is accepted by Stifel Nicolaus Europe Limited for the accuracy of any information or opinions contained in this document or for the omission of any material information for which it is not responsible.

Numis Securities Limited ("**Numis**") is authorised and regulated by the Financial Conduct Authority and is acting exclusively for the Company and for no one else in connection with the Placing and Admission or any other matter referred to herein. Numis will not be responsible to anyone other than the Company for providing the protections afforded to customers of Numis or for advising any other person on the contents of this document or the Placing and Admission. No representation or warranty, express or implied, is made by Numis as to the contents of this document (without limiting the statutory rights of any person to whom this document is issued). No liability whatsoever is accepted by Numis for the accuracy of any information or opinions contained in this document or for the omission of any material information for which it is not responsible.

FORWARD LOOKING STATEMENTS

All statements, other than statements of historical facts, included in this document, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations or statements relating to expectations in relation to dividends or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "plans", "will", "may", "anticipates", "would", "could" or similar expressions of the negative thereof, are forward-looking statements. Such forward-looking statements by their nature involve known and unknown risks, uncertainties and other important factors beyond the Group's control that could cause the actual results, performance, achievements or of dividends paid by the Group to be materially different from actual results, performance or achievements, of dividend payments expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's net asset value, present and future business strategies and income flows and the environment in which the Group will operate in the future.

These forward-looking statements speak only as of the date of this document. The Company, the Directors, KBW and Numis expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto, any new information or any change in events, conditions or circumstances on which any such statements are based, unless required to do so by law or any appropriate regulatory authority.

MARKET AND FINANCIAL INFORMATION AND OTHER THIRD PARTY INFORMATION

The data, statistics and information and other statements in this document regarding the markets in which the Group operates, or the Group's position therein, are based on the Group's records or are taken or derived from statistical data and information derived from independent industry sources. In addition, the Group discloses certain key performance indicators such as AUM which, while unaudited, are sourced from third party data providers and from the management records of the Group.

In relation to these sources, such information has been accurately reproduced from the published information, and, so far as the Directors are aware and are able to ascertain from the information provided by the suppliers of these sources, no facts have been omitted which would render such information inaccurate or misleading. Unless otherwise indicated, financial information in this document, including the Group's audited consolidated financial statements for the three years ended 30 September 2013, 30 September 2014 and 30 September 2015 and the unaudited consolidated financial statements for the nine months ended 30 June 2015 and 30 June 2016, and the notes to those financial statements, have been prepared in accordance with International Financial Reporting Standards (as adopted by the European Union).

Where information has been sourced from a third party, the Company has not independently verified such information.

Certain financial data has also been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data.

All times referred to in this document are, unless otherwise stated, references to London time.

INFORMATION NOT CONTAINED IN THIS DOCUMENT

The contents of the Group's websites do not form any part of this document.

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised. Neither the delivery of this document nor any subscription made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Group since the date of this document or that the information in this document is correct as of any time subsequent to the date hereof.

Certain terms used in this document are defined, and certain technical and other terms used in this document are explained, in the Definitions and Glossary.

CONTENTS

DIRECTORS, SECRETARY AND ADVISERS

Directors	Michael Andrew Vogel (*Non-Executive Chairman*) Michael Patrick O'Shea (*Chief Executive Officer*) Neil Macpherson (*Group Finance Director*) Robert Charles Lumsden Colthorpe (*Senior Independent Non-Executive Director*) William Longden Smith (*Non-Executive Director*) Luke Anton Wiseman (*Non-Executive Director*)
Company Secretary	Neil Macpherson
Registered Office	Eastgate Court High Street Guildford Surrey GU1 3DE
Nominated Adviser	Stifel Nicolaus Europe Limited
Joint Broker and Bookrunner to the Company	Stifel Nicolaus Europe Limited (trading as "Keefe, Bruyette & Woods" or "KBW") 150 Cheapside London EC2V 6ET
Joint Broker and Bookrunner to the Company	Numis Securities Limited The London Stock Exchange 10 Paternoster Square London EC4M 7LT
Legal advisers to the Company	Burges Salmon LLP One Glass Wharf Bristol BS2 0ZX
Legal advisers to the Nominated Adviser and the Joint Bookrunners	Nabarro LLP 125 London Wall London EC2Y 5AL
Auditor and Reporting Accountant	KPMG LLP 15 Canada Square London E14 5GL
Principal Bankers	Lloyds Bank PLC City Office Corporate & Institutional P O Box 72 Bailey Drive Gillingham Business Park Gillingham Kent ME8 0LS
Registrars	Capita Registrars Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

"**Admission**"	the admission of the enlarged share capital to trading on AIM becoming effective in accordance with the AIM Rules for Companies
"**AIM**"	AIM, a market operated by the London Stock Exchange
"**AIM Rules for Companies**"	the rules for AIM companies published by the London Stock Exchange
"**AIM Rules for Nominated Advisers**"	the rules for nominated advisers to AIM companies published by the London Stock Exchange
"**Articles**"	the articles of association of the Company upon Admission
"**Audit Committee**"	the audit committee of the Board, as constituted from time to time
"**Board**" or "**Directors**"	the directors of the Company whose names are set out on page 5 of this document
"**Capital Reorganisation**"	the capital reorganisation of the Company which will complete immediately prior to Admission as summarised in paragraph 2 of Part 4 of this document
"**Companies Act**"	the Companies Act 2006 (as amended)
"**Company**"	Premier Asset Management Group PLC
"**CREST**"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations)
"**CREST Regulations**"	the Uncertificated Securities Regulations 2001 (SI 2001 No.2001/3755) and any modification thereof or any regulations in substitution thereof for the time being in force
"**Deferred Shares**"	532,513,706 deferred shares in the capital of the Company of £0.001 each and which are to be cancelled upon Admission
"**Disclosure and Transparency Rules**"	the disclosure and transparency rules made by the Financial Conduct Authority under Part VI of FSMA
"**Eastgate Court Nominees**"	Eastgate Court Nominees Limited, being a wholly owned subsidiary of the Company
"**EBT**"	the discretionary employee benefit trust known as The Premier Asset Management Group Employee Benefit Trust
"**EEA**"	the European Economic Area
"**Elcot Capital**"	Elcot Capital Management Limited, a company incorporated in England and Wales with company number 04795146
"**Electra**"	Electra Private Equity Partners 2006 Scottish LP and Electra Private Equity Partners 2012 LP

"**Enlarged Share Capital**"	the issued share capital of the Company upon Admission comprising the Existing Ordinary Shares and the New Ordinary Shares
"**Euroclear**"	Euroclear UK & Ireland Limited, the operator of CREST
"**Executive Directors**"	Michael O'Shea and Neil Macpherson
"**Existing Ordinary Shares**"	the 69,925,650 Ordinary Shares in issue as at the date of this document following the Capital Reorganisation but before the issue of the New Ordinary Shares
"**FCA**"	the Financial Conduct Authority
"**FSMA**"	the Financial Services and Markets Act 2000, as amended
"**GFSC**"	the Guernsey Financial Services Commission
"**Group**" or "**PAM**"	the Company and its subsidiaries
"**Historic Period**"	the three years and nine months ended 30 June 2016
"**Joint Bookrunners**"	KBW and Numis
"**KBW**"	Stifel Nicolaus Europe Limited (trading as "Keefe, Bruyette & Woods" or "KBW")
"**London Stock Exchange**"	London Stock Exchange plc
"**LTIP**"	the Premier Asset Management Group PLC 2016 Long Term Incentive Plan
"**Member States**"	the member states of the EEA
"**MiFID**"	the Markets in Financial Instruments Directive (Directive 2004/391/EC)
"**New Ordinary Shares**"	the 35,875,660 new Ordinary Shares to be issued pursuant to the Placing
"**Nomination Committee**"	the nominations committee of the Board, as constituted from time to time
"**Non-Executive Directors**"	the Directors other than the Executive Directors
"**Northern Trust**"	Northern Trust Global Services Limited
"**Numis**"	Numis Securities Limited
"**Official List**"	the Official List of the UK Listing Authority
"**Order**"	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended or replaced)
"**Ordinary Shares**"	ordinary shares of 0.02 pence each in the share capital of the Company
"**PFM**"	Premier Fund Managers Limited
"**Placee**"	each person who is invited to and who confirms his agreement to subscribe for Placing Shares under the Placing

"**Placing**"	the conditional placing of the Placing Shares by the Joint Bookrunners, at the Placing Price pursuant to the Placing Agreement
"**Placing Agreement**"	the conditional agreement dated 4 October 2016 between the Company, the Directors, the Selling Shareholders and the Joint Bookrunners relating to the Placing as summarised in paragraph 9.3 of Part 4 of this document
"**Placing Price**"	132 pence per Placing Share
"**Placing Shares**"	the 48,257,576 Ordinary Shares comprising the New Ordinary Shares to be allotted pursuant to the Placing, together with the Sale Shares
"**PPM**"	Premier Portfolio Managers Limited
"**Preference Shares**"	together the Preference Shares 4% and the Preference Shares 8%
"**Preference Shares 4%**"	29,170,000 4% preference shares of £1 each in the capital of the Company which are to be redeemed on Admission (including all accrued but unpaid dividends thereon) out of the proceeds of the New Ordinary Shares
"**Preference Shares 8%**"	13,500,000 8% preference shares of £1 each in the capital of the Company which are to be redeemed on Admission (including all accrued but unpaid dividends thereon) out of the proceeds of the New Ordinary Shares
"**Prospectus Directive**"	EU Prospectus Directive 2003/71/EC, as amended, and any relevant implementing measure in each Relevant Member State
"**Prospectus Rules**"	the prospectus rules of the Financial Conduct Authority made under Part VI of FSMA
"**QCA Guidelines**"	the corporate governance guidelines for small and mid-size quoted companies published by the Quoted Companies Alliance in May 2013
"**Queripel Partners**"	Queripel Partners LP, a limited partnership registered in Guernsey with number 2120
"**Regulation S**"	Regulation S under the Securities Act
"**Relevant Electronic System**"	the computer-based system, and procedures, which enable title to units of a security to be evidenced and transferred without a written instrument
"**Relevant Member State**"	each Member State that has implemented the Prospectus Directive
"**Remuneration Committee**"	the remuneration committee of the Board, as constituted from time to time
"**Sale Shares**"	the Ordinary Shares sold by the Selling Shareholders on Admission
"**Securities Act**"	the United States Securities Act of 1933, as amended
"**Selling Shareholders**"	those people set out in paragraph 15 in Part 4 of this document
"**Senior Managers**"	David Hambidge, Mark Friend, Michael Hammond and Simon Wilson

"**Shareholders**"	holders of Ordinary Shares from time to time
"**Stifel**"	Stifel Nicolaus Europe Limited
"**Subsidiary**"	as defined in sections 1159 and Schedule 6 of the Companies Act
"**Takeover Code**"	the City Code on Takeovers and Mergers published by the Takeover Panel
"**Takeover Panel**"	the Panel on Takeovers and Mergers
"**UK**" or "**United Kingdom**"	the United Kingdom of Great Britain and Northern Ireland
"**UK Corporate Governance Code**"	the UK Corporate Governance Code published by the Financial Reporting Council from time to time
"**UK Listing Authority**"	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of admission to the Official List
"**VAT**"	value added tax
"**£**" or "**Sterling**"	British pounds sterling

GLOSSARY

The following glossary of terms applies throughout this document, unless the context requires otherwise:

“**ACD**”	authorised corporate director
“**AIF**”	alternative investment fund
“**AIFM**”	alternative investment fund manager
“**AIFMD**”	EU Alternative Investment Fund Managers Directive 2011/61/EU, as amended, and any relevant implementing measure in each Relevant Member State
“**AMC**”	annual management charge
“**AUM**”	assets under management
“**Brexit**”	the proposed exit by the UK from its membership of the European Union
“**CAGR**”	compound annual growth rate
“**Collective Investment Scheme**”	OEICs and Unit Trusts
“**CRD IV**”	EU Capital Requirement Directive IV 2013/575/EU, as amended, and any relevant implementing measure in each Relevant Member State
“**CRM**”	client relationship management
“**CRR**”	capital requirement regulation
“**DB**”	defined benefit pension plans
“**DC**”	defined contribution pension plans
“**EBITDA**”	earnings before interest, taxes, depreciation, and amortisation
“**FY**”	financial year of the Company ended on 30 September in any given year
“**IA**”	the Investment Association
“**IFA**”	independent financial adviser
“**Investment Trust**”	an “investment company” as defined under section 833 of the Companies Act that has received written approval from HM Revenue and Customs as an authorised investment trust under section 1158 of the Corporation Tax Act 2010
“**ISA**”	individual savings account
“**KPI**”	key performance indicator
“**MBO**”	management buy-out
“**OEIC**”	an open-ended investment company (or investment company with variable capital) regulated in the UK by the FCA which allows private investors to pool their money in a single fund thus offering the potential to spread risk, benefit from professional fund management and reduce dealing costs

“**Retail Funds**” and “**Mutual Funds**”	Collective Investment Schemes
“**RFP**”	request for proposal
“**Unit Trust**”	a trust regulated in the UK by the FCA which allows private investors to pool their money in a single fund thus offering the potential to spread risks, benefit from professional fund management and reduce dealing costs

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	4 October 2016
Admission and expected commencement of dealings	7 October 2016
CREST accounts credited	7 October 2016
Despatch of definitive share certificates (where applicable)	21 October 2016

Each of the times and dates in the above timetable is subject to change. If any of the above times or dates change, the revised times and/or dates will be notified by an announcement on a Regulatory Information Service. All times are London times unless otherwise stated.

PLACING STATISTICS

Placing Price per Ordinary Share	132 pence
Number of Ordinary Shares in issue immediately prior to Admission	69,925,650
Number of New Ordinary Shares being placed	35,875,660
Number of Sale Shares being placed	12,381,916
Number of Ordinary Shares in issue upon Admission	105,801,310
Proportion of the Enlarged Share Capital represented by the Sale Shares	11.70 per cent.
Proportion of the Enlarged Share Capital represented by the New Ordinary Shares	33.91 per cent.
Market capitalisation of the Company at the Placing Price	£139.7 million
Estimated net proceeds of the Placing receivable by the Company*	£44.3 million
ISIN	GB00BZB2KR63
SEDOL	BZB2KR6
TIDM	PAM

*To be used to redeem the Preference Shares (and pay accrued dividends)

PART 1

INFORMATION ON THE GROUP

1. Introduction

PAM is a fast-growing and profitable UK retail asset management group with a focus on delivering good investment outcomes for investors through relevant products and active management across its range of investment strategies, which include multi-asset, equity and absolute return funds. PAM has a particular focus on multi-asset and income investment management, which addresses strong retail investor demand in these sectors. The Group has a significant presence as a multi-asset fund manager in the UK Retail Funds market based on net sales and AUM.

The Directors believe that the combination of providing relevant investment products and demonstrating strong investment performance coupled with a robust distribution capability and a scalable operating platform have supported its CAGR in AUM of approximately 24 per cent. over the Historic Period as well as a CAGR in EBITDA of 38 per cent. over the three years to 30 September 2015. In addition, the Company has increased its overall market share in the Retail Fund market and specific sectors. The Directors believe that the Group's strategy together with its scalable operating platform will enable the Group to deliver strong and sustainable earnings growth and to distribute excess cash to deliver strong returns for shareholders.

2. Business overview

The significant majority of PAM's fund sales come from UK-based intermediaries typically using fund platforms and it has experienced significant growth in the number of intermediaries investing in its funds. PAM has a wide range of intermediaries who invest in its funds and this means it is not reliant on any one distribution partner.

PAM derives the majority of its revenue from ongoing management fees and as at 31 August 2016, 94 per cent. of PAM's AUM was invested in its Retail Funds. The Group manages 23 Retail Funds, two segregated mandates and two Investment Trusts with a combined AUM of £4.9 billion as at 31 August 2016 having experienced double-digit AUM growth over the past three years. These funds are managed through four main strategies and, of the 23 Retail Funds, 10 are multi-asset (AUM of £2.6 billion), six are UK equities (AUM of £1.2 billion), four are fixed income (AUM of £666 million) and three are global equities (AUM of £173 million). In addition, the Group manages £300 million of AUM in Investment Trusts and segregated mandates. PAM's multi-asset and fixed income investment strategies include absolute return funds.

As at 31 August 2016, a significant proportion of PAM's AUM was invested in equities, particularly UK equities, which accounted for approximately 40 per cent. of total AUM. The remainder of AUM was, and remains, diversified across geographies and products and therefore, while the Group is exposed to fluctuations in equity markets, the exposure to any one particular sector is limited.

The growth and success of PAM has been built on the strength of its investment propositions and performance track record, including delivering dividends to income investors and capital growth. As at 31 August 2016, over three and five years, 59 per cent. and 53 per cent. of PAM's Retail Funds by number had been first quartile in their IA sector respectively, representing 77 per cent. and 75 per cent. of AUM (excluding absolute return and volatility targeted funds).

PAM has built a strong sales team comprising 21 people as at the date of this document to focus on the different intermediary channels in the UK including stand-alone and regional IFAs, national and network IFA firms, discretionary managers and fund platforms. PAM has also become a more recognised brand through a diverse marketing programme, which includes advertising. As a result, the Group has increased its overall market share in the Retail Fund market and within specific sectors. The Directors believe PAM ranked sixth in terms of total UK Retail Fund net sales in the six months ended 30 June 2016.

Supporting PAM's investment and sales teams is a scalable operating platform which has benefitted from investment in middle and back office systems and new employees which the Directors believe will provide a strong platform to support growth and enhance the operational gearing of the Group.

3. History

The origins of PAM date back to the late 1980s when Premier Fund Managers Limited ("**PFM**") was established as the asset management subsidiary of an investment advisory business. Premier Asset Management Limited, a member of the Group, was admitted to trading on AIM from 1997 to 1999. In 1999 it moved to the Official List of the Main Market and then moved back to AIM in April 2005. PAM delisted in 2007 as part of a management led buy-out with the intention of building a UK focused retail asset management business. During the period immediately following de-listing, the Group began to close down lower margin areas of operation and to concentrate on further developing its own in-house investment capabilities and funds. In 2009, PAM acquired the management contracts of two OEIC fund umbrellas from Aberdeen Asset Management ("**Aberdeen**"), including 10 funds with total AUM of approximately £850 million. Following this acquisition, the Group's strategy has focused on the growth of its Retail Funds business, through continued development of the investment platform, including the hiring of a number of equity, fixed income and multi-asset fund managers and analysts, as well as strengthening the sales and marketing functions and operations platform.

The Group's operating companies comprise two FCA regulated trading subsidiaries of the Company, namely PFM and Premier Portfolio Managers Limited ("**PPM**") as well as Premier Asset Management (Guernsey) Limited, which is regulated by the Guernsey Financial Services Commission.

Many of the key senior management have been with PAM through much of this history including Chief Executive Officer, Mike O'Shea, who joined in 1986, Group Finance Director, Neil Macpherson, who joined in 1991, and Head of Multi-Asset, David Hambidge, who joined in 1987. Together they provide long-term stability in the leadership team.

4. Key strengths

The Directors believe that PAM has the following key strengths:

4.1 *Relevant and "in-demand" products across PAM's strategies have delivered substantial growth in AUM*

PAM has primarily focused on products that the Directors believe are relevant, in demand and in areas where it has the investment capabilities to add value and seek to meet investors' expectations. These products include the Group's range of multi-asset funds, as well as equity income, global equity and absolute return funds. Across PAM's strategies, approximately 65 per cent. of AUM is within funds with an income focused objective.

PAM has more than doubled its AUM from £2.1 billion at 30 September 2012 to £4.9 billion at 31 August 2016, principally through approximately £2.4 billion of net sales. PAM's AUM currently only represents c.0.5 per cent. of the total value of UK Retail Funds, while PAM's market share in terms of gross sales was 1.9 per cent. compared to the UK Retail Funds in which PAM has presence (as of June 2016), which demonstrates the significant opportunity available for future growth in its existing investment strategies.

In addition, the Group has the opportunity to leverage its expertise to establish new funds if the Directors consider there to be investor appetite for them and where such opportunities meet the Directors' cost-benefit evaluation criteria.

4.2 *One of the leading positions in the UK retail multi-asset market*

PAM has a strong position in the UK Retail Fund multi-asset market based on its net sales. As at 30 June 2016 PAM was ranked tenth by AUM in the multi-asset sectors and the Directors believe PAM ranked second in terms of net sales of multi manager funds over the six months ended 30 June 2016. As at 31 August 2016, PAM had AUM of £2.6 billion across its multi-asset funds.

The Group has an experienced multi-asset investment team, led by David Hambidge, who has been managing multi-asset style funds at PAM since 1995 when the Group launched what is now the Premier Multi-Asset Distribution Fund. The team of seven includes five investment managers including David Hambidge and Head of Research, Ian Rees, who joined PAM in 2000. The Group's fund range includes ten funds, including funds with a focus on income, growth, absolute return and volatility targeted returns. The funds have strong long term performance records and the Premier Multi-Asset Distribution Fund, Premier Multi-Asset Monthly Income Fund, Premier Multi-Asset Growth and Income Fund and Premier Multi-Asset Global Growth Fund were all top quartile in their respective IA sectors in 2015, 2014, 2013 and 2012.

The IA has identified multi-asset and income funds as long term beneficiaries of changes in the UK pensions and retirement market and AUM invested in the multi-asset market in the UK has grown by a CAGR of 20.2 per cent. over the past 10 years.

As a result, the Directors expect the multi-asset sector of the Retail Funds market, in particular, to continue to experience growth in the medium term. The Directors also believe that the persistence of historically lower interest rates will support demand from investors for income and absolute return investment solutions.

4.3 ***Sizeable, well established distribution capability***

PAM's strong sales team of 21 individuals, focused on the UK market, enables it to distribute the Premier product range to a large number of intermediaries. The Directors believe the strength of the sales team is particularly important given the Group's focus on multi-asset funds that typically attract IFAs rather than discretionary managers. This results in there being significantly more relationships to build and maintain given the number of IFAs in the UK.

The sales team is structured into regional field-based and office-based teams, covering stand-alone and regional IFAs, national and network IFA firms, life companies and discretionary managers. The sales team aims to make effective use of its CRM system to drive and monitor efficient sales activity and productivity.

PAM carefully measures the sales activity of its distribution team across a broad variety of metrics to record activity and productivity. Over the 12 months ended 30 June 2016, PAM's sales team was very active, conducting some 4,300 meetings with advisers and making around 9,100 sales support calls.

PAM has a strong record of net new business generation and has experienced positive net sales of UK Retail Funds for every month from May 2013 to August 2016 inclusive. In addition, PAM has increased its ranking against its peers in terms of net sales across its major fund strategies over the Historic Period and the Directors believe PAM ranked sixth in terms of total UK Retail Fund net sales in the six months ended 30 June 2016.

4.4 ***Growing support from retail intermediaries and positive ratings from fund selectors and agencies***

Almost all of PAM's sales to retail investors are conducted through intermediated channels of fund platforms (representing an 82 per cent. share of distribution as at 30 June 2016) or advisers not investing through a platform (12 per cent. as at 30 June 2016). The Directors believe the significant majority of sales through fund platforms are through intermediary advisers. The support of these intermediaries is therefore important to PAM and the number of retail intermediaries endorsing PAM's funds has increased significantly since 2013, largely as a result of PAM's sizeable sales force and strong record of delivering good outcomes for investors.

Additionally, PAM has won a broad range of industry awards, including Specialist Group of the Year, Best Multi-Asset Income Fund and Best Multi-Asset Balanced Fund at the Investment Week Fund Manager of the Year Awards 2016.

4.5 ***Strong investment culture and consistent long-term investment performance***

PAM has a strong track record of investment outperformance. Over a three year and five-year period to 31 August 2016, 96 per cent. and 94 per cent. respectively of PAM's Retail Fund AUM were above median, with 77 per cent. and 75 per cent. of PAM's Retail Fund AUM achieving first quartile performance in their respective IA sector over the same time periods (excluding absolute return and volatility targeted funds).

PAM does not have a prescribed house investment view or style and instead allows fund managers and investment teams, on a semi-autonomous basis, to follow their own proven investment approach within an appropriate risk and governance framework whilst sharing investment ideas and research. This investment culture has delivered strong investment performance and has allowed the Group to attract and retain high quality investment managers and to build experienced teams to support its various investment strategies. For example, in a highly competitive industry, PAM's multi-asset and UK equity fund managers have been at PAM on average for over 13 years and eight years respectively.

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

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

4.7 ***Cash generative, attractive business model***

PAM has a management fee-driven business model, with a net management fee margin of 73 basis points in the nine months ended 30 June 2016. This net management fee margin, combined with disciplined control over operating costs, resulted in an EBITDA margin of 31 per cent. for the nine months to 30 June 2016. PAM's working capital requirements are limited, so a high proportion of its EBITDA can convert into cash which it is intended will support the Group's future progressive dividend policy.

4.8 ***Established and recognised brand amongst UK intermediaries***

PAM has built a recognisable brand in the UK intermediary market through a programme of advertising in a combination of the trade press, trade digital, national press and consumer digital since January 2013. The Directors believe that PAM's advertising, which has principally focused on the strong income and capital growth performance of its multi-asset income funds, has helped grow the Group's net sales, market share and number of intermediaries investing in Premier funds. PAM's marketing adopts a multi-channel approach, by using different routes to reach intermediaries, including digital mailings, events, PR, literature, website, videos and webinars.

5. Strategy

PAM's strategy is to offer relevant investment products, which are designed to meet the different long term needs of UK retail investors, and to produce good long term investment outcomes for investors through active management. The Directors believe PAM's focus on multi-asset and income funds make it well positioned to continue to win business in these expected market growth areas. This strategy is supported by the Group's strong distribution capability to intermediaries and strong investment performance track record. Of PAM's AUM as at 31 August 2016, 52 per cent. is invested in multi-asset investment strategies, while approximately 65 per cent. of its Retail Fund objectives are income focused.

While the core focus of the business is on growth of the Group's existing Retail Funds, PAM has the potential to leverage its expertise to establish new funds to attract additional AUM should the Directors consider there was market appetite to do so and if the new funds met internal cost-benefit criteria.

The Directors believe that implementing this strategy and maintaining a disciplined approach to cost management with its scalable operating platform would support PAM's objective of delivering strong growth in net sales and sustainable earnings, cash flow and dividends for Shareholders over time.

The Directors believe that it is too early to comment on the long term effects of the EU referendum held in the UK at the end of June 2016 but PAM continues to be well-positioned for the post-Brexit business environment. PAM is a UK business managing UK funds for UK investors that are distributed through UK intermediaries. If there were to be a full Brexit without a replacement EU trade deal and without mutual passporting arrangements, then this would not be expected to have a significant impact on PAM's current business model.

6. Summary historic financial table and KPIs

6.1 *AUM, sales and redemptions*

The table below sets out the movements in PAM's AUM over the Historic Period:

(In £ million)	*Financial year ended* 30 Sep 2013	30 Sep 2014	30 Sep 2015	*Nine months ended* 30 June 2016
Opening AUM	2,071	2,349	3,051	4,081
Sales	592	1,164	1,792	1,486
Redemptions	(487)	(557)	(827)	(803)
Net sales	105	607	965	683
Closures	(117)	(62)	(21)	(174)
Performance	290	157	86	4
Closing AUM	2,349	3,051	4,081	4,594
Average AUM(1)	2,202	2,708	3,659	4,421

Note:

(1) Average AUM calculated based on 13 months of data (30 September to 30 September) for each year.

The Group has delivered substantial growth in AUM, from £2.1 billion at 30 September 2012 to £4.9 billion at 31 August 2016. The primary driver of this AUM growth has been net sales, which has been consistently positive over almost the entire Historical Period. The Group has seen the greatest growth in its multi-asset (in particular in the IA Mixed Investment 20-60 per cent. Shares sector), fixed income and UK equity strategies.

Gross sales increased by 203 per cent. between FY13 and FY15. The average redemption rate of approximately 22 per cent. of average AUM over this period has been broadly in line with the market while the average redemption rate as a percentage of gross sales has historically been approximately 50 per cent., well below typical industry ranges of between 80 to 90 per cent.

Investment performance has contributed an average increase in the Group's AUM of approximately five per cent. per annum over the Historical Period. Fund closures have mainly resulted from PAM no longer managing certain lower margin third party funds and segregated mandates, however the Directors do not expect fund closures to represent a material aspect of the Group's business going forward.

6.2 *Quarterly AUM progression by fund type*

The table below sets out the quarterly movements in PAM's AUM over the Historic Period across the key fund types:

	2013				2014				2015				2016		
(In £ million)	*Q1*	*Q2*	*Q3*	*Q4*	*Q1*	*Q2*	*Q3*	*Q4*	*Q1*	*Q2*	*Q3*	*Q4*	*Q1*	*Q2*	*Q3*
	31-Dec	*31-Mar*	*30 -Jun*	*30-Sep*	*31-Dec*	*31-Mar*	*30 -Jun*	*30-Sep*	*31-Dec*	*31-Mar*	*30 -Jun*	*30-Sep*	*31-Dec*	*31-Mar*	*30 -Jun*
Retail Funds															
Opening	1,542.2	1,588.9	1,773.3	1,784.9	1,910.5	2,068.0	2,201.4	2,389.6	2,643.4	2,908.6	3,325.7	3,487.7	3,655.1	3,977.0	4,139.2
Sales(1)	92.8	107.7	117.6	144.2	174.6	241.9	298.4	389.6	374.1	460.2	454.5	497.7	456.5	461.7	565.7
Redemptions(1)	(86.2)	(110.1)	(93.2)	(89.2)	(103.3)	(116.0)	(117.4)	(158.5)	(159.0)	(190.4)	(252.5)	(225.0)	(222.9)	(275.0)	(305.0)
Net sales	6.6	(2.4)	24.4	55.0	71.3	125.9	181.0	231.1	215.1	269.8	202.0	272.7	233.6	186.7	260.7
Closures	0.0	0.0	(2.4)	(1.3)	(0.2)	(1.2)	(4.3)	0.0	0.0	0.0	0.0	(20.5)	(18.6)	0.0	0.0
Performance	39.9	129.4	(10.4)	72.1	86.3	8.6	11.4	22.7	50.1	147.7	(0.1)	(84.9)	107.1	(24.5)	(90.7)
Closing	1,588.9	1,773.3	1,784.9	1,910.5	2,068.0	2,201.4	2,389.6	2,643.4	2,908.6	3,325.7	3,487.7	3,655.1	3,977.0	4,139.2	4,309.4
Investment trusts(1)	92.8	103.2	116.1	132.5	148.5	160.3	161.3	154.2	156.3	158.0	164.4	165.0	166.2	139.6	135.8
Third party/ segregated mandates(1)	429.2	355.3	290.4	305.8	324.1	321.1	313.3	253.6	257.9	273.8	276.7	261.1	267.0	264.7	148.7
Total(1)	2,110.9	2,231.8	2,191.4	2,348.8	2,540.6	2,682.8	2,864.2	3,051.2	3,322.8	3,757.5	3,928.8	4,081.2	4,410.2	4,543.5	4,593.9

Note:

(1) Sales and redemptions shown above for Retail Funds excludes net internal switches into other Premier fund types but which are reflected in the closing AUM balances above.

The quarterly analysis above shows the consistent nature of the Group's net sales, which have been positive for each quarter since Q2 2013. The Group has delivered relatively consistent net sales in its multi-asset offering with net sales of £726 million over the last 12 months ended 30 June 2016. Investment Trust AUM has grown steadily over the period predominantly through investment performance while the third party funds and segregated mandate AUM has declined mainly as a result of fund closures.

6.3 *Income statement and KPIs*

The table below sets out key summary financial information and operating statistics for PAM for the Historic Period:

(In £ million)	*Financial year ended 30 Sep 2013*	*30 Sep 2014*	*30 Sep 2015*	*Nine months ended 30 June 2016*[1]
Net management fee	18.1	21.4	27.6	24.3
Total revenue	27.3	30.7	35.8	28.8
EBITDA	4.2	5.4	8.0	7.6
PBT	(6.4)	(2.8)	(0.8)	1.4
Adjusted PBT(2)	4.1	5.3	7.8	7.4
EBITDA margin(3)	23%	25%	29%	31%
Net fee margin (bps)(4)	82.2	79.2	75.5	73.1
Revenue margin (bps)(5)	123.8	113.3	97.8	86.9

Notes:

(1) Premier operates on a September financial year end (FY16 YTD: nine months to 30 June 2016) numbers shown on an IFRS basis.

(2) Adjusted PBT adds back the dividend payable on the Preference Shares, amortisation of intangibles and exceptional items.

(3) EBITDA margin calculated as EBITDA/net management fee.

(4) Net fee margin calculated as net management fee/average AUM.

(5) Revenue margin calculated as total revenue/average AUM.

The Directors believe the Group's revenues are high quality given that they are mainly derived from recurring management fees, rather than initial charges, performance or transaction fees. PAM's strong growth in AUM has helped drive its management fee income over the Historical Period. Net management fees representing management fees less trail commission have also grown with trail commissions steadily reducing since the impact of the Retail Distribution Review in 2012. Net fee margins have also experienced some compression over the Historic Period, primarily due to two factors, being: (i) the strong growth in the Group's AUM has meant that normalised lower net margin AUM is now the substantial majority of the Group's AUM base, compared with historic, higher margin AUM and (ii) the trend of AUM being distributed increasingly through platforms, with typically lower net margin rates. With the substantial majority of the Group's AUM now invested through platforms and invested in clean share classes, the Directors believe these influences have therefore become progressively less important over time.

The Group's principal variable costs are trail commission and staff bonuses while its principal fixed costs are staff salary and related costs, marketing and office costs. In FY15, approximately 46 per cent. of total costs and approximately 60 per cent. of staff costs were fixed. As a result of the growth in AUM and management fee income as well as a result of the Group's fixed cost base, total cost to total revenue and total cost to AUM ratios have declined over the three years ended 30 September 2015, reaching 78 per cent. and 0.8 per cent. respectively in FY15 (FY13: 85 per cent. and 1.1 per cent.).

Total staff cost compensation ratios as a percentage of EBITDA have been steadily declining over the last three years, while variable compensation as a percentage of pre-variable compensation EBITDA has risen to 35 per cent. in FY15 (FY13: 28 per cent.), as a result of staff and sales bonuses and fund-based salaries increasing due to better performance. While part of fund manager, sales team and senior management bonuses are deferred, the full expense is recognised in the income statement in the year the bonus is earned.

Fixed staff costs have risen over the Historic Period with headcount increasing from 80 in FY13 to 95 as at June 2016, with additions mainly in the sales and support functions and two investment managers joining over the period. The Directors believe the Group is well staffed to support the business going forward given the flexibility offered by its business process outsourcing arrangements.

The Company's amortisation expense mainly relates to certain intangibles which arose on historic events, in relation to its MBO in 2007 as well as its acquisition of two fund management contracts from Aberdeen in 2009. The Aberdeen related intangibles are expected to amortise fully in FY17 which will reduce the amortisation profile significantly from that year onwards.

6.4 ***Balance sheet, cash flow and capital position***

As at 30 June 2016, the Group had net liabilities of £(5.3) million, however, following Admission and the redemption of the Preference Shares, the Group is expected to have pro forma net assets of approximately £38.9 million.

PAM's working capital requirements are limited, notwithstanding that the net debtors and creditors related to unit sales or repurchases can fluctuate and therefore impact cash in the short term. As a result a high proportion of its EBITDA can convert into operating cashflow.

PAM is therefore cash generative and not capital constrained with a robust net cash position in excess of its regulatory capital requirements. Both its FCA regulated entities, PFM and PPM, are in cash surplus with strong solvency ratios.

Following Admission, the net proceeds of the Placing to be received by the Company will be used to repay the principal and accrued dividend of the Preference Shares, such that the Company expects to be substantially ungeared following Admission. As a result of this redemption, the Directors expect PAM will be in a consolidated supervision surplus position under CRR/CRD IV rules and will therefore not require a consolidated supervision waiver post Admission.

The Group had a deferred tax asset of £1.8 million as at 30 September 2015, largely comprising carried forward tax losses which have arisen at a subsidiary level. As the Group generates offsettable profits, the Directors expect these will be progressively utilised. The Directors would expect the

Group to have an effective tax rate broadly in line with the statutory rate by the financial year ending 30 September 2019.

7. Industry overview

The Directors believe that there are a number of current trends in the fund management industry which have benefited and are expected to continue to benefit PAM. These include:

7.1 *Pensions*

Traditional defined benefit ("**DB**") pension plans are gradually losing their dominance and the transition from DB to defined contribution ("**DC**") plans in private sector pensions is shifting investment risk from corporate employers to their employees, thereby increasing the need for managing personal investments and the requirement for self-saving. In 2010, DC accounted for only 25 per cent. of UK corporate pension assets. Some industry commentators anticipate that this will shift to some 50 per cent. in 2020 and reach some 95 per cent. by 2030.

7.2 *Pension freedoms*

From April 2015, DC plan holders have had more freedom to choose how they use their personal pension fund and many people have been given the new option of not having to buy an annuity. Although there are different risks associated with different investment options, many people are believed to have taken advantage of the new rules on pension freedoms and many more are expected to do so. The Directors believe PAM's diversified multi-asset income funds are well-placed to attract increased investment as a result.

7.3 *Demographics*

A significant proportion of UK private net wealth is currently held by the "baby-boomer" generation. Over the past decade, demographic changes have altered the nature of retirement and the way that people save towards it. People are now living longer, which has increased the need for them to have adequate savings to meet their retirement aspirations, and this is likely to lead to more demand for funds with specific outcome based objectives. For example long term, growing income or low risk absolute returns, and multi-asset funds, where investment risk is spread across different types of investment and asset allocation and ongoing investment selection is carried out by the fund manager on behalf of the investor. This is believed by the Directors to be consistent with the trend across Retail Funds including over the last 10 years of positive retail net flows.

7.4 *Savings incentives and "hunt for yield"*

The tax efficient treatment of some saving schemes, such as Individual Savings Accounts ("**ISAs**"), as well as new tax-free allowances such as the dividend allowance has made saving and receiving dividends more attractive. Also, interest rates are widely expected to remain at their current low levels in the medium to long term. As a result, many savers are looking for higher yielding investment alternatives to the low interest rates currently offered by many banks and building societies on saving deposits. The Directors believe PAM's range of funds, and in particular its range of income funds, is well placed to win business from income-seeking investors, particularly those using tax-free investment plans and allowances.

7.5 *Growth of investment outsourcing to multi-asset providers by investment advisers*

AUM invested in multi-asset sectors has grown by a CAGR of 12.5 per cent. over the Historic Period and PAM's AUM has grown by a CAGR of 25.6 per cent. over the same period. Additionally, multi-asset, equity income and absolute return strategies have proven most popular recently as the best-selling retail sectors in seven of the last 10 years.

8. Investment philosophy, capability and processes

8.1 *Investment philosophy*

The core of PAM's investment philosophy is giving the Group's investment managers the freedom to perform using their proven active management investment approach, within an appropriate risk and compliance framework.

PAM employs and retains talented, experienced investment managers. The Directors believe that talented investment managers should be allowed the freedom to express their views and make decisions without the constraint of a central, house assessment of the macro-economic environment or a core list of holdings. The focus on the individual fund mandate and the outcome for investors is fundamental to the approach. While considerable freedom is given to decision makers, idea sharing and discussion is actively encouraged. The members of each investment team work closely together in developing their views and generating specific ideas, but it is the responsibility of each investment manager as to how these are applied to portfolios.

PAM's investment managers are active managers and the Directors believe this approach can add long term value for investors. For example, as at 30 June 2016, the active share of the following equity and fixed income funds, calculated as the degree to which the fund holdings differs from those of the underlying benchmark, was 75 per cent. or above. The majority of these funds delivered annualised growth in excess of their respective indices:

Fund	*Active share as at 30 June 2016*	*Benchmark Index*	*Annualised growth versus index over five years (rate p.a.) ended 30 June 2016*
Premier Income	79.0%	FTSE All-Share	+2.0%
Premier Monthly Income	78.9%	FTSE All-Share	+2.3%
Premier Ethical	81.8%	FTSE4Good UK	+3.9%
Premier Growth	85.5%	FTSE All-Share	+0.1%
Premier Global Alpha Growth	94.1%	FTSE All-World	+0.9%
Premier Optimum Income	79.6%	FTSE All-Share	+1.6%
Premier Global Utilities Income	86.7%	FTSE All-World Utilities	-3.1%

In order to ensure investment governance, relevant and appropriate risk controls and portfolio parameters are agreed with the investment managers for each of the funds. This is monitored by the risk and investment functions on an ongoing basis.

The investment managers are accountable for fund performance and PAM encourages and, through its remuneration structures, mandates their personal investment in the funds that they manage, as part of the deferred element to its bonus scheme. The Directors believe that this aligns the interests of the investment teams with their investors over the long term. Further details on the Company's incentive arrangements are set out in paragraph 15 below.

8.2 *Investment capability and processes*

PAM has 25 investment professionals across its multi-asset, UK equities, global equities and fixed income investment teams, supported by a dealing desk. On average, the Group's fund managers have 20 years' professional investment experience. The investment structure includes the Head of Multi-Asset Funds who is the head of the multi-asset investment team, and a Chief Investment Officer who is responsible for the UK equities, global equities and fixed income investment teams, each of which include fund managers and analysts.

The Group is committed to ensuring that the appropriate investment capability is in place to produce good investor outcomes, and PAM has strengthened its investment capability over the Historic Period through the recruitment of 12 new hires into the investment management division.

9. Business lines and products

PAM manages 23 Retail Funds. In addition, it manages two Investment Trusts and two segregated mandates which together represent approximately six per cent. of the Group's AUM as at 30 June 2016. The split of AUM by investment team, distribution channel and fund objective is shown below, together with a summary of funds managed and the respective AUM as at 30 June 2016.

Asset class	*Multi-asset*	*Equity*	*Fixed income*
% of total AUM	53%	31%	16%

Channel	*Platform*[(1)]	*Advised non-platform*	*Direct (non-advised)*
% of total AUM	82%	12%	6%

Note:

(1) Where an IFA or a discretionary manager invests through a platform, the AUM is attributed to the platform rather than directly to the IFA or discretionary manager. Nearly all of PAM's platform business is derived from IFAs.

Retail fund objectives	*Income*	*Growth*	*Absolute return*
% of total AUM	65%	23%	12%

The Group's Retail Funds, managed Investment Trusts and segregated mandates are set out below:

PAM Retail Funds	*Strategy*	*AUM as at 31 August 2016 (£ million)*
Multi-asset		
Multi-Asset Distribution	Income	1,058.2
Multi-Asset Monthly Income	Income	564.7
Multi-Asset Growth & Income	Income	390.6
Multi-Asset Absolute Return	Absolute Return	128.6
Multi-Asset Conservative Growth	Low risk growth	97.1
Multi-Asset Global Growth	Growth	83.8
Liberation IV	Income and growth	59.5
Liberation V	Income and growth	86.4
Liberation VI	Growth	62.0
Liberation VII	Growth	27.5
Subtotal		2,558.4
UK equities		
Income	Income	389.2
Pan European Property Share	Growth	300.3
Monthly Income	Income	225.9
Ethical	Growth	126.8
UK Growth	Growth	117.8
Optimum Income	Income	77.8
Subtotal		1,237.8
Global equities		
Global Alpha Growth	Growth	93.7
Diversified	Growth	45.9
Global Utilities Income	Income	33.0
Subtotal		172.6

PAM Retail Funds	Strategy	AUM as at 31 August 2016 (£ million)
Fixed income		
Defensive Growth	Growth	382.8
UK Money Market	Income	220.1
Corporate Bond Monthly Income	Income	53.0
Strategic High Income Bond	Income	9.7
Subtotal		665.6
Investment Trusts		
Acorn Income Fund	Income	89.9
Premier Energy and Water Trust	Income	57.4
Subtotal		147.3
Segregated mandates		
Mandate 1	Low risk growth	74.9
Mandate 2	Growth	77.3
Subtotal		152.2
Total		4,933.9

PAM also operates a model portfolio service for advisers that consists of a combination of holdings in the PAM Retail Funds. As at 31 August 2016, the total value of these portfolios was £342 million. As this service is almost entirely invested in the PAM funds, it is not shown separately in terms of AUM. No individual investor represents a material proportion of AUM. Further details of this service are set out below.

9.1 ***Multi-asset***

PAM launched its first multi-asset style fund in 1995 and has an experienced investment team managing £2.6 billion in a range of ten multi-asset funds and one segregated mandate as at 31 August 2016. The team has built a strong long term track record that includes independent fund ratings and a number of awards. The team includes five fund managers, an investment specialist and investment administrator. On average, team members have worked at PAM for over 13 years and those responsible for investment decisions have on average 23 years of industry experience.

The multi-asset team's investment style is a blend of top down and bottom up decision making. Members of the team have individual responsibilities for leading the research effort into specific asset classes and sectors. The team actively searches for areas of relative value and one of their main strategies is to realise gains from strong performers, or where they believe that the risk to capital has increased, and to redeploy capital to areas which they believe offer better value. Although this is done on a selective basis, the team is constantly looking to add value to the portfolio and improve the risk and reward characteristics displayed in the fund.

A summary of the multi-asset funds is set out in the table above. All of the funds have the ability to invest in different asset classes, covering equities, bonds, commercial property and other investments, across global markets, and typically invest in funds and other investments managed by carefully selected specialist managers.

Premier Multi-Asset Distribution Fund is in the IA Mixed Investment 20-60 per cent. Shares sector and aims to have between 20 per cent. and 60 per cent. invested in equities and at least 30 per cent. in fixed income investments and/or cash investments, typically through investment in funds and other investments managed by carefully selected, specialist fund managers. The aim is to pay an annual income in the form of the four quarterly dividend payments that rises over the long term, and to deliver some long term capital growth in addition.

Premier Multi-Asset Growth and Income Fund is in the IA Mixed Investment 40-85 per cent. Shares sector and aims to indirectly have between 40 per cent. and 85 per cent. invested in equities and to deliver long term capital growth together with a modest level of income, paid half-yearly in the form of a dividend per share.

Premier Multi-Asset Monthly Income Fund is in the IA Mixed Investment 20-60 per cent. Shares sector and aims to have between 20 per cent. and 60 per cent. invested in equities and at least 30 per cent. in fixed income investments and/or cash investments. Income is paid monthly, in the form of a dividend per share.

Premier Multi-Asset Global Growth Fund is in the IA Flexible sector and aims for long term growth from a diversified portfolio, expected to be mainly equities.

Premier Multi-Asset Absolute Return Fund is in the IA Targeted Absolute Return sector and aims to deliver positive returns of cash over rolling three year periods, in any market conditions. The fund's emphasis is on trying to deliver steady capital returns with lower volatility than equities and aims not to be reliant on rising equity markets to deliver a positive return. To achieve its objective, the diversified, multi-asset portfolio will include a number of underlying investments that are expected not to perform in the same way as equity markets.

Premier Multi-Asset Conservative Growth Fund is in the IA Mixed Investment 20-60 per cent. Shares sector and aims to deliver steady capital returns with lower volatility than equities alone and aims not to be reliant on rising equity markets to deliver a positive return. To achieve its objective, the diversified, multi-asset portfolio will include a number of underlying investments that are expected not to perform in the same way as equity markets.

The multi-asset team also manages four volatility-targeted multi-asset funds designed to help intermediaries select funds that may be suitable for their clients' risk profile. *Premier Liberation IV, Premier Liberation V, Premier Liberation VI* and *Premier Liberation VII* funds offer different levels of volatility and include a blend of long-term core positions and short-term opportunities that incorporate different assets and spread risk for effective risk management.

9.2 ***UK equities***

The UK equities team comprises three fund managers and three assistant investment managers who also act as investment analysts. The team is headed by Chris White who is also one of the fund managers. The fund managers have an average of more than eight years at PAM and some 21 years of investment experience.

Each fund manager is responsible for a specific fund or funds, and while there is a team structure with weekly meetings to discuss markets and individual stocks, each manager applies their own investment approach. The assistant investment managers all undertake analyst responsibilities, including stock and sector research.

A summary of the principal funds managed by the UK equities team is set out below:

Premier Income Fund and *Premier Monthly Income Fund* are in the IA Equity Income sector and adopt a value and income based philosophy, aiming to produce a portfolio of companies chosen from across the market capitalisation spectrum, which generate a premium dividend yield to the FTSE All-Share Index. The funds have a strong history of dividend growth and it remains a focus to continue to grow the income stream at a rate above inflation over the long term. The investment strategy is a combination of bottom-up stock picking and top-down thematic investing. The fund manager looks for companies which they believe have the ability to outperform the market over the long term.

Premier UK Growth Fund is in the IA UK All Companies sector and has a similar value approach although it does not have a specific income requirement.

Premier Pan-European Property Share Fund is in the IA Property sector and invests in pan-European property securities, using a bottom-up stock selection process. The stocks are weighted based on manager conviction, rather than relative to a benchmark, in order to utilise the key benefits of indirect property investment, including liquidity, and the ability to target sub-sectors and geographic regions that the fund managers believe offer the most attractive positioning in the property cycle or which score attractively on valuation grounds based on the investment team's proprietary analysis.

Premier Optimum Income Fund is in the IA UK Equity Income sector and is focused on delivering a quarterly income, paid as a dividend per share, and long term capital growth, by investing in an actively managed portfolio of mainly UK company shares. The fund has made active use of being able to invest up to 20 per cent. in company shares listed on other stock markets, by searching for suitable investments listed in Continental Europe. The core of the strategy is to select a portfolio of companies that have an attractive dividend payout, which the fund manager believes will be maintained or increased over time. The income is enhanced by the use of derivatives; primarily selling call options on shares held within the fund, to enhance the yield on the underlying portfolio.

Premier Ethical Fund is in the IA All Companies sector and has an investment philosophy to invest actively in companies whose business is based on ethical principles. Investment emphasis is given to those companies which contribute to a sustainable civilised society and whose products or services are of widespread benefit to the community. Within the fund's ethical criteria, the underlying investment strategy is based around identifying three key company characteristics that have a history of leading to share price growth: quality, value and momentum.

9.3 ***Global equities***

The global equities team manages two distinct strategies and comprises three fund managers and one assistant investment manager. The fund managers have an average of nearly six years at PAM and some 14 years of investment experience.

Premier Global Alpha Growth Fund is in the IA Global sector and aims for long term growth from a portfolio of shares selected from world stock markets. The fund manager specifically seeks out high quality companies with superior growth prospects that trade at attractive valuations. This combination of quality, value and growth is at the core of the fund's investment philosophy and the aim is for these characteristics to be found in the stocks held in the fund. The investment approach includes a proprietary systematic screen of about 5,000 companies, creating a pool of about 500 companies fit for further analysis and selection.

Premier Global Utilities Income Fund is focused on generating an attractive and growing income from a blend of income generating assets across the global utility sector. The fund is principally invested in equities however up to 20 per cent. of the portfolio is invested in fixed interest or convertible investments.

9.4 ***Fixed income***

The fixed Income team is led by Paul Smith, who has been at PAM for 11 years and in total has 16 years industry experience. Paul is supported by a team of four. The team's largest and biggest selling fund is the Premier Defensive Growth Fund, but they also manage a UK money market fund, a corporate bond fund, a strategic bond fund and one segregated mandate.

Premier Defensive Growth Fund is in the IA Targeted Absolute Return sector and seeks to generate a positive return over rolling 36 month periods. The fund's investment approach is focused on aiming to deliver a return with significantly lower volatility than global equity markets through diversification across investment themes, strategies, asset classes and geographies.

9.5 ***Investment Trusts***

PAM manages two Investment Trusts, both of which are listed on the Official List and offer different classes of share to allow investors to meet their investment objectives and attitude to risk.

Acorn Income Fund is an award winning fund, which aims to provide a high level of income, investing principally in UK small and mid-capitalisation companies. The fund comprises of two portfolios: the income portfolio (which has typically accounted for 20 per cent. to 30 per cent. of the fund) is managed by PAM's Paul Smith and invests in fixed income securities and high yielding investment company shares; and the smaller companies portfolio (which accounts for 70 per cent. to 80 per cent. of the fund), the management of which is outsourced to Unicorn Asset Management.

Premier Energy and Water Trust aims to produce a high level of income by investing principally in equity and equity-related securities of companies operating in the energy and water sectors, as well as other infrastructure investments. The trust invests in both developed and emerging markets to capitalise on the opportunities in the utility markets.

9.6 ***Segregated mandates***

PAM manages two segregated mandates; one is managed by the fixed income team to an absolute return mandate and the other is managed by the multi-asset team.

10. Investment support functions

10.1 ***Dealing desk***

PAM's dealers are an integral and important part of the investment process, being responsible for the execution of trades in a wide range of asset classes, investment types and geographies. The head of dealing and the senior dealer have a combined 65 years of experience on both the buy and sell-sides of the industry, and they are supported by a dealing assistant and PAM's middle office team.

10.2 ***Portfolio management service***

PAM offers a model portfolio management service to clients of intermediaries which is comprised of holdings in the Group's Retail Funds. An investment committee is responsible for asset allocation and fund selection decisions on the range of model portfolios. The range includes eight growth and three income-focused portfolios. As at 31 August 2016 the total value of these portfolios was £342 million. As this service is almost entirely invested in the PAM funds, it is not shown separately when AUM is disclosed.

11. Investment performance

PAM monitors both investment performance and performance against industry benchmarks.

11.1 ***Group investment track record***

PAM has a strong investment performance track record. As at 31 August 2016 nine Retail Funds, representing approximately 75 per cent. of total AUM, had delivered first quartile investment performance over a five-year period and 10 Retail Funds, representing approximately 77 per cent. of total AUM, had delivered first quartile investment performance over a three-year period (excluding absolute return and volatility targeted funds).

The table below sets out a detailed analysis of the investment performance of PAM's Retail Funds by quartile ranking weighted by AUM for the one, three and five year periods ended 31 August 2016:

		Quartile ranking	
Fund performance	*1 year*	*3 years*	*5 years*
1st quartile	13%	77%	75%
2nd quartile	7%	19%	19%
3rd quartile	53%	0%	1%
4th quartile	27%	4%	5%
Number of funds included in analysis	17	17	17
AUM included in analysis (£ billion)	3.9	3.9	3.9
Percentage of total Group AUM included in analysis	80	80	80

Performance data does not include funds classified in the IA Targeted Absolute Return or Unclassified sectors and is based on net income being reinvested.

The Group has delivered strong investment performance over the last three and five years, which are the key periods for assessing investment performance. While the Group's performance is not as strong over the last year, the period to 30 June 2016 was affected by the market dislocation following the EU referendum result, in some instances exacerbated by foreign currency moves following the decision, and performance has significantly improved in July and August.

11.2 *Multi-asset investment track record*

PAM's track record of long-term investment performance has been maintained over a number of years. The table below sets out the multi-asset fund performance of the six largest funds (the team's other funds are volatility-target funds):

Quartile ranking	*1y*	*2y*	*3y*	*4y*	*5y*	*Outperformance vs. sector*[(1)]	*Historic yield*[(2)]
Fund							
Multi-Asset Distribution	3	2	1	1	1	+39.1%	4.5% pa
Multi-Asset Monthly Income	4	2	1	1	1	+47.7%	4.7% pa
Multi-Asset Growth & Income	1	1	1	1	1	+27.3%	2.5% pa
Multi-Asset Global Growth	1	1	1	1	1	+36.9%	
Targeted absolute returns[(3)]							
Multi-Asset Absolute Return	3.0%	5.2%	9.4%	17.3%	24.1%		
Multi-Asset Conservative Growth	4.0%	6.7%	11.2%	19.7%	25.6%		

Data to 31 August 2016. Taken on a bid to bid, total return, UK sterling basis based on C share class which carries no trail commission.

Notes:

(1) Dates that multi-asset team started managing the funds: Multi-Asset Monthly Income 5 January 2009, Multi-Asset Distribution 1 February 1999, Multi-Asset Growth & Income 1 April 2010, Multi-Asset Global Growth 1 July 2012; Multi-Asset Conservative Growth 1 July 2010, Multi-Asset Absolute Return 1 December 2009. Quartile rankings based on main units.

(2) Based on C income share class which carries no trail commission. The historic yield reflects distributions declared over the past twelve months as a percentage of the mid-market share price of the fund, as at 1 September 2016. The yield is not guaranteed and will fluctuate.

(3) Percentage growth on a non-annualised basis.

12. Marketing and distribution

12.1 *UK retail distribution*

PAM's distribution strategy

PAM's distribution strategy is focused on the distribution of both its multi-asset and single strategy funds to UK-based intermediaries, including UK advisory and discretionary investment management firms. Many of these intermediaries use platforms to access funds on behalf of their clients. In the UK fund platforms have a number of roles:

- intermediaries use platforms for, among other things, the dealing and reporting functionality and administrative efficiency that these provide to both IFA firms and their clients;
- discretionary managers use institutional solutions available from platform providers;
- since the implementation of the Retail Distribution Review in 2012 the demand for model portfolios from discretionary managers and ratings agencies has increased. These portfolios are often made available through platform providers; and
- there are a number of direct to consumer platforms which enable consumers to purchase funds as well as providing other portfolio tools and guidance.

PAM keeps track of the number of fund supporters for each of its funds, defined as an individual IFA or discretionary manager firm that invests more than £10,000 into a Premier fund in a given year.

Since FY13, the Group's focus on retail distribution to UK-based intermediaries has helped drive significant growth in the number of fund supporters, with the CAGR over the three years ended 30 September 2015 in the majority of the Group's funds being between 100 to 200 per cent. This trend has continued, with fund supporter numbers continuing to grow in the nine months ended 30 June 2016.

PAM's sales are conducted primarily through four distinct intermediated channels: fund platforms, discretionary managers, IFAs and life companies. In addition there is a very small element of direct to consumer sales.

The breakdown of the Group's AUM by channel is set out in paragraph 9 above.

PAM's distribution is diversified across the IFA and discretionary manager market and is not dependent on any one distribution partner or group. As at 30 June 2016, PAM's top 10 distributors by total AUM accounted for approximately 13 per cent. of AUM. However, funds invested through these distribution relationships represent a larger market of individual IFAs and investors. So far as the Directors are aware, based on PAM's internal analysis of the data available to it, no single intermediary firm or distributor holds more than four per cent. of PAM's AUM. The Directors therefore believe there is limited risk of a large-scale outflow driven by exposure to any one specific distributor.

PAM seeks to maintain strong relationships with IFAs, discretionary managers and fund platforms through a sales team comprising 21 individuals. Their function is to sell and retain business by establishing and maintaining relationships with UK-based intermediaries. Twelve members of this team are in client-facing field roles, with nine others acting in an office based sales and support role. The team is managed by a Sales Director, assisted by a Sales Executive Manager and a sales administrator.

Field activity for sales executives is closely monitored and individuals are assessed on the number of meetings, number of "contacts", meetings by fund manager, meetings by account category, meetings by account type, and the number of conversations with fund managers following meetings, as well as sales and AUM.

Desk activity for office based sales people is also closely monitored using a number of criteria including the number and quality of calls, time spent on calls, calls by account category and account type, and calls with a fund manager.

UK regulated financial advice market

As at 11 February 2016, there were some 9,995 firms authorised to give retail investment advice in the UK and approximately 29,144 "level 4" qualified advisers in the UK who together represent a large market for the Group's sales team to target.

PAM uses a tiered approach to the management of its adviser relationships with the aim of ensuring that those distributors either generating, or who have the potential to generate, higher levels of investment benefit from a higher level of sales contact and service. Contact and engagement with intermediaries is maintained through a combination of face-to-face meetings, presentations at conferences, investment roadshows, events organised by independent event management companies, webcast updates, e-mail, telephone and printed communications.

PAM uses a database called Financial Clarity to help identify potential sales opportunities and Salesforce as its CRM system, including to provide management information to the head of the team. Over the 12 months ended 30 June 2016, PAM conducted some 4,300 meetings with advisers and made approximately 9,100 sales support calls.

Following the Retail Distribution Review in 2012, there has been a noticeable increase in the demand for outsourced investment solutions such as multi-asset funds. The Directors believe that this is often driven by advisers looking to utilise full-time investment management expertise and to focus more of their time on their financial planning activities.

Discretionary managers

In the UK, as at 11 February 2016 there were some 2,191 firms authorised to give retail investment advice and which have discretionary investment management permissions. These will primarily consist of asset managers offering multi-manager products and portfolio management services as well as wealth managers and stockbrokers providing discretionary and advisory services, which makes them a potential distribution channel for PAM for sales of its single strategy funds.

Fund platforms

Fund platforms play a significant role in the distribution of funds in the UK. These are run by both independent providers and broader financial services groups, such as life companies and banks. PAM is well represented on platforms and manages its relationships with these distribution channels through its intermediary sales team. Nearly all of PAM's platform business is derived from intermediaries.

Fund rating agencies

The number of fund rating agencies has increased over the last five years. In many cases, business models have evolved from providing fund research and ratings to the provision of model portfolios to the intermediary market. As such they represent a distribution channel for PAM's single strategy and multi-asset funds.

Direct to consumer sales

PAM does not actively aim to sell direct to consumers although approximately six per cent. of its AUM as at 30 June 2016 is held by individual clients with direct holdings in its funds. The majority of these are holdings where clients purchased fund holdings directly from PAM, rather than through an adviser, before the strong growth of platforms. PAM generates business through a number of direct-to-consumer platforms although the Directors do not believe this to be material.

12.2 ***Marketing***

The key objective of the Group's marketing strategy is to help win and retain business through brand enhancement and ongoing client engagement. The Directors believe that a strong and distinctive brand plays an important role in building a successful UK retail asset management business. A high level of regular and focused client engagement is therefore key to effective communication with the Group's existing and potential intermediary clients. PAM benefits from a growing brand recognition in the UK intermediary market for its multi-asset funds as well as for its equity and absolute return funds. PAM has supported its brand through continued investment in advertising and other marketing activities.

PAM has advertised in the UK intermediary market since January 2013, in trade press, trade digital, national press and consumer digital. The Directors believe PAM's advertising, which has principally focused on the very strong income and capital growth performance of its multi-asset income funds, has helped grow the Group's net sales, market share and the number of intermediaries investing in Premier funds. PAM's marketing adopts a multi-channel approach, by using different routes to reach intermediaries, including digital mailings, events, PR, literature, website, videos and webinars.

13. Operations, IT and risk management

The support functions within PAM consist of operations, IT, finance, compliance, legal and risk. PAM's strategy is to develop strong, robust and long-term relationships with key strategic outsourcing partners, who are best able to support the business needs with key back and middle office functions outsourced to allow flexibility and scalability. The operating model and partners were reviewed in 2014 and as a result existing arrangements were enhanced and extended. As a consequence, the Directors believe that the current infrastructure is capable of supporting significant future growth in AUM without significant further investment.

13.1 ***Operations***

Northern Trust

The administration of PAM's funds is undertaken by Northern Trust, based in London. The services they provide include:

- transfer agency: including dealing and registration processing, handling of enquiries, distribution of investor contract notes, dividend payments and statements and regulatory reporting;
- fund accounting: including daily net asset valuations and share price calculations, accounting and reconciliation, income collection, tax calculations and reporting and the production of fund accounts;
- investment operations: including trade capture, confirmation, processing, settlement, corporate actions and query management; and
- performance reporting.

In addition, Northern Trust provides company secretarial services to the Acorn Income Fund and Premier Energy and Water Trust. With the exception of the Acorn Income Fund, which has its own agreements as it is based in Guernsey, all of the services are included in a global services agreement that runs until November 2020, at which point it can be terminated by either party on six months' notice.

The current depositary of the funds is Northern Trust which is authorised and regulated by the FCA. The depositary:

- holds legal title to the funds' investments; and
- provides the following services (i) cash monitoring services, including monitoring of the funds' cash flows; (ii) asset verification services, being asset verification in respect of any assets not held in custody by the depositary; and (iii) oversight services, including oversight and supervision of the funds and related services.

The custodian of the funds' assets is The Northern Trust Company.

Bloomberg

PAM uses the Bloomberg AIM platform to support its front office, trading, middle office and back office operations. It provides an integrated suite of services to support price discovery, investment decision analysis and support, portfolio management, real time pre-trade and post-execution and end-of day compliance, order management, electronic trading and execution. It is integrated into Northern Trust's system to enable straight through processing of post-trade matching, settlement, reconciliation, portfolio accounting, performance measurement and data aggregation and reporting. In addition, it facilitates execution and transaction monitoring and risk reporting. PAM is currently increasing the level of engagement with Bloomberg to support risk and compliance oversight.

13.2 ***Information technology***

PAM's IT function provides support to all business areas. The service is managed and monitored using an established framework and performance against key performance indicators is reported to the Board on a regular basis. The Group's IT has been designed to satisfy future growth needs, enable flexibility and meet the required resilience standards. The platform uses a mixture of in-house and external services/systems. PAM regularly invests in new systems and system upgrades to ensure that the underlying technology remains up to date.

13.3 ***Finance***

The finance function is responsible for managing and reporting the financial performance and position of the Group in accordance with the Board's statutory and regulatory requirements. The finance function is responsible for preparing statutory accounts for the Group and each individual entity within the Group, and preparing regulatory returns for the regulated entities within the Group. It is also responsible for providing monthly management accounts and other management information to the rest of the business and for setting financial policies. Other areas managed by the department are tax reporting and compliance, cash management, forecasting and budgeting, financial control, transactional accounting, assessment of capital expenditure and cost control.

13.4 ***Compliance and legal***

PAM's compliance and legal function provides advisory services to all business areas as well as monitoring the activities of the business and the outsourced functions. These will include dealing and registration (and related anti-money laundering matters), pricing and valuation, marketing activities (in particular, the approval of all retail literature), compliance with the FCA's rules including the Conduct of Business Rules, Collective Investment Schemes rules and all financial crime matters, including data protection, as well as HMRC ISA regulations.

PAM's compliance monitoring programme is risk based and undertakes a variety of tests on a regular basis. The team consists of the head of department, two compliance managers focusing on monitoring and oversight, and financial crime and financial promotions, one regulatory analyst focusing on identifying and assessing the impact of regulatory changes, two compliance analysts, two legal advisers and one product manager focusing on product changes and documentation management.

13.5 ***Risk management***

The risk function, headed by the Chief Risk Officer, is responsible for managing and reporting on PAM's investment and operational risks. PAM's risk management process incorporates a centralised system for logging and reporting errors that take place in the business. PAM has a risk management framework which incorporates separate documents for liquidity risk management, operational risk management, derivative risk management and funds risk management. The risk frameworks form part of the governance procedures overseen by the Chief Operating Officer.

The Funds Risk Management Committee is the main risk forum for overseeing investment risk. It is chaired by the Chief Risk Officer and attended by the Chief Operating Officer, Chief Investment Officer, Deputy Chief Investment Officer and the Head of Multi-Asset Funds. The committee receives reports on the risk profiles of both individual funds and risk exposures across the Group's funds. It sets internal limits, receives details of any limit or regulatory breaches and has responsibility for ensuring that funds remain within their mandates.

The Operational Risk Committee is the main risk forum for overseeing all operational risks. The members are the Chief Executive Officer, Chief Operating Officer, Group Finance Director, Chief Risk Officer, Chief Investment Officer and Marketing Director. Responsibility for the identification of operational risks and incidents is embedded within the various business units and logged centrally within the operational risk monitoring system, Sonar. Sonar includes a suite of reports, produces management information and has processes for monitoring the remedial actions undertaken aimed at reducing the risk of operational incidents re-occurring.

The risk function is also responsible for the provision of information and data on the funds, and for developing PAM's data strategy. The team consists of the Chief Risk Officer, two risk analysts, one data analyst and one database specialist.

PAM has put in place a series of IT-related risk controls, which include data access and recovery arrangements and IT system back-up procedures. The Group has a formal disaster recovery plan in place, setting out key roles and responsibilities in the event of a disaster, as well as recovery site arrangements. PAM also assesses whether its key suppliers and strategic partners have appropriate disaster recovery and business continuity plans and seeks changes where considered appropriate.

14. Corporate governance, directors and senior managers

PAM has an experienced senior management team, led by Mike O'Shea who has been with PAM since 1986 and Chief Executive since 2005. The senior management team also includes the Group Finance Director, Neil Macpherson, who joined PAM in 1991 and was appointed Group Finance Director and Company Secretary in 2000, the Chief Investment Officer, Neil Birrell, who joined PAM in 2013, Head of Multi-Asset Funds, David Hambidge, who joined PAM in 1987, the Chief Operating Officer, Mark Friend, who has been with the Group since 1997, Sales Director, Mike Hammond, who joined PAM in 1996 and Marketing Director, Simon Wilson, who has been with the Group since 2012. PAM's Non-Executive Chairman, Mike Vogel, joined PAM in January 2007.

14.1 *Corporate governance*

The Board is responsible for the proper governance of the Group and meets regularly. Following Admission, the Board intends to comply, in as far as is considered appropriate for the Company given its rapidly growing and entrepreneurial nature, with the requirements of the corporate governance guidelines for AIM companies published by the Quoted Companies Alliance (the "**QCA Guidelines**"). The Board also intends to comply, as far as practicable, with certain of the principal requirements of the Combined Code although strictly the Combined Code does not apply to the Company. At Admission the Company has appointed two additional independent Non-Executive Directors, following which the Board comprises six Directors, of whom two are executive and four are non-executive. The posts of Chairman and Chief Executive are held by different directors. The Board considers, having regard to the QCA Guidelines, that there are currently two independent Non-Executive Directors.

The Directors believe that the composition of the Board is fully in compliance with the QCA Guidelines on Admission and is appropriate for a rapidly growing entrepreneurial company where a significant proportion of the equity is owned by employees and their related interests.

The Board has established guidelines requiring specific matters to be decided by the full Board of Directors, including material acquisitions and disposals, investments and capital projects. In addition, the Board has an Audit Committee, a Remuneration Committee and a Nomination Committee each with formally delegated duties and responsibilities within written terms of reference.

The Audit Committee is chaired by Luke Wiseman and its other members are Robert Colthorpe, William Smith and Mike Vogel. The Audit Committee meets formally at least twice a year. The Chief Executive Officer, Group Finance Director and Chief Operating Officer and other Directors may be invited to attend for all or part of the meetings. The external auditors of the Company will attend the meetings on a regular basis and will have unrestricted access to the committee and its chairman. The purpose of the Audit Committee is to assist the Board in discharging its corporate governance responsibilities in relation to the Company's external auditors and to provide assurance regarding the reliability and appropriateness of the disclosure of the financial statements.

The Remuneration Committee is chaired by Mike Vogel and its other members are Robert Colthorpe, William Smith and Luke Wiseman. The Remuneration Committee meets as required and at least once each year. Other senior management and external advisers may be invited to attend meetings as the Remuneration Committee considers appropriate. The Remuneration Committee considers all material elements of remuneration policy, remuneration and incentives of executive directors and senior employees with reference to independent remuneration research and professional advice and will make recommendations to the Board on the framework for executive remuneration and its costs. The Board is then responsible for implementing its recommendations and agreeing the remuneration packages of individual Directors. Non-Executive Directors' fees will be determined by the full Board.

The Nomination Committee is chaired by Mike Vogel and its other members are Robert Colthorpe, William Smith and Luke Wiseman. The Nomination Committee is responsible for, amongst other matters, evaluating the balance of skills, experience, independence and knowledge on the Board, the size, structure and composition of the Board, retirements and appointments of additional and replacement directors and will make appropriate recommendations to the Board on such matters. The Nomination Committee also considers succession planning, taking into account the skills and expertise that will be needed on the Board in the future.

The Directors intend to comply, and procure compliance with, Rule 21 of the AIM Rules for Companies and the relevant provisions of the Market Abuse Regulation relating to dealings by directors and other applicable employees in the Company's securities and, to this end, the Company has adopted an appropriate share dealing code. Each Non-Executive Director other than Mike Vogel and Luke Wiseman is deemed independent for the purposes of the UK Corporate Governance Code.

14.2 ***Board of Directors***

Michael Andrew Vogel *(aged 57) – Non-Executive Chairman*

Mike joined PAM in 2007 as Chairman of the Board. He is also the Chairman and Chief Executive Officer of Elcot Capital Partners. Prior to this, Mike was the Chief Executive Officer of Framlington Group and before that Chief Executive Officer of Prolific Financial Management.

Michael Patrick O'Shea *(aged 54) – Chief Executive Officer*

Mike started his investment career as a private client portfolio manager. He joined PAM in 1986 to develop the asset management business of the company and was one of the founding directors of PFM in 1988. Mike became Chief Executive Officer in May 2005. Mike also serves on the main board of the Investment Association.

Neil Macpherson *(aged 56) – Group Finance Director*

Neil joined PAM in June 1991 as Group Financial Controller and since September 2000 has also been Company Secretary and Group Finance Director. Prior to his appointment, Neil worked for KPMG for six years.

Robert Charles Lumsden Colthorpe *(aged 53) – Senior Independent Director*

Robert is a highly experienced corporate financier with over 25 years track record of advising a wide range of clients, mainly in the financial services sector. He has worked at major merchant and investment banks (Morgan Grenfell, Deutsche Bank, Société Générale and ABN Amro) and boutique advisory firms (Hawkpoint and Europa Partners). He qualified as a Chartered Accountant with Arthur Andersen. Robert will join the Board on Admission.

William Longden Smith *(aged 56) – Non-Executive Director*

Will is a founding partner and Chief Investment Officer at Westbeck Capital Management LLP, an energy focused hedge fund based in London. He is also currently a non-executive director of George Hattersley (1985) Limited, a textile manufacturer based in Yorkshire. Will was lead fund manager of City Natural Resources High Yield Trust an Investment Trust, and co-manager of a number of other closed end funds. Will started his career in the securities industry at Pinchin Denny in 1977, and traded equities at Phillips and Drew-UBS from 1986 to 1998. Will will join the Board on Admission.

Luke Anton Wiseman *(aged 49) – Non-Executive Director, Chairman of the Audit Committee*

Luke is an experienced investment professional who has held a number of board positions on both public and private companies. He is currently an executive at Elcot Capital Management and Chairman of OTAS Technologies. He has previously worked as a portfolio manager and analyst at Carlson Capital and Steel Partners. Luke joined the Board in September 2014.

14.3 ***Senior management***

In addition to Mike O'Shea and Neil Macpherson, the Group's senior management team comprises:

Neil Birrell – *Chief Investment Officer*

Neil joined PAM in 2013 from Elcot Capital Management, where he was part of the team responsible for managing multi strategy investments, and has 27 years of investment experience. Prior to working at PAM, Neil was Chief Investment Officer at Framlington Investment Management and a senior fund manager at Prolific Asset Management.

David Hambidge – *Head of Multi-Asset Funds*

David has been with PAM since 1987 and has 30 years of investment experience. He is primarily involved in the management of portfolios using collective investment vehicles, including OEICs, Unit Trusts and Investment Trusts. David was part of the investment team responsible for managing Premier's original multi-asset style fund when it launched back in 1995.

Mark Friend – *Chief Operating Officer*

Mark joined PAM in September 1997, as Compliance Officer. Mark started in the financial services industry in 1988, having previously worked for J. Rothschild Assurance and Allied Dunbar Assurance. Mark became Managing Director, Operations for PAM in May 2005 and Chief Operating Officer at the beginning of 2012. He is responsible for the risk, compliance, legal, administration and operations functions at PAM.

Mike Hammond – *Sales Director*

Mike has over 30 years of investment sales experience and joined PAM in 1996. He was appointed Sales Director in January 2013 and is responsible for business development, including with discretionary managers and advisory firms. Before joining the Group, Mike worked for Friends Provident.

Simon Wilson – *Marketing Director*

Simon joined PAM in October 2012 as Marketing Director and has over 30 years' marketing experience. He joined from Old Mutual where he was Sales & Marketing Director of Old Mutual Asset Managers (UK) and Head of Global Marketing for the US-based Old Mutual Asset Management. He was previously Head of Marketing at Govett Investments and started his career at Stewart Wrightson.

15. Employees and incentive arrangements

15.1 ***Details of the Group's employees***

The table below shows the Group's employees by department as at 30 June 2016:

Function	*Employees at 30 June 2016*
Investment management, analysis and dealing	24
Sales and marketing	27
Finance, IT and Head Office/HR	13
Executive	7
Operations, compliance, legal and risk	27

When aggregated with the holdings of the Executive Directors which are detailed in paragraph 6 of Part 4 of this document, it is estimated that following Admission the direct and indirect holdings of employees of the Group and their families in the Ordinary Shares will amount to 13.16 per cent. of the Enlarged Share Capital.

15.2 ***Details of proposed employee incentivisation schemes***

The Company provides basic salaries at levels which the Directors consider to be in line with the industry as well as separate bonus pools for the senior management, the fund management teams and employees calculated on a team by team basis. The bonus for senior managers and fund managers are paid partly in cash annually but partly deferred, with the deferred element typically invested into Retail Funds managed by the Group.

The Directors believe that the success of the Group will depend to a significant degree on the future performance of the management team, fund managers and other key employees. Accordingly, the Company has established the LTIP under which awards in the form of non-tax advantaged nil or nominal cost options may be granted to executive Directors and employees.

The maximum dilution to the enlarged issued share capital pursuant to the LTIP, over a ten-year period from Admission is 10 per cent.

Ordinary Shares will be made available to employees whether by direct award or option pursuant to the LTIP either from the existing shareholding within the EBT or by way of issue of new shares.

Further details of the LTIP and EBT are set out in paragraph 5 of Part 4 of this document. As at the date of this document, no specific awards have been made.

16. Current trading and outlook

16.1 *Current trading*

At 31 August 2016, the Group's total AUM had grown to just over £4.9 billion, with net sales over the 11 month period to such date of £718 million. The Group's net sales in July and August 2016 saw continued positive net inflows, supported by net sales in the Group's multi-asset offering. The Group has now experienced positive net flows for 40 consecutive months.

16.2 *Outlook*

PAM is targeting broadly maintaining its gross sales in absolute terms with redemption levels broadly in line with the historical average, supported by its effective distribution capability and track record of investment performance.

17. Unaudited Pro Forma Financial Information of the Company

Section D of Part 3 of this document contains an unaudited pro forma statement of net assets of the Company, which illustrates the effect on the net assets of the Group to illustrate the effect of receipt of the net proceeds of the Placing and the repayment of the principal and accrued but unpaid dividend on the Preference Shares on the Company's net assets as if the Placing and redemption of the Preference Shares was completed on 30 June 2016.

18. Dividend policy

The Directors intend to adopt a progressive dividend policy to reflect the expectation of future cash flow generation and long-term earnings potential of the Group and in setting the policy will consider the level typically paid in the sector. The Directors intend to pay dividends quarterly and it is currently expected that the first dividend payment will be paid in relation to the three month period ending 31 December 2016. The Directors believe that there is potential to increase the dividend payout ratio of the Group in the medium term in line with the anticipated increase in the Group's surplus capital position.

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

19. Reasons for Admission and use of proceeds

The Directors believe that Admission is likely to be seen as positive by customers, intermediaries and discretionary managers since the Directors believe it will enhance the profile and stability of the business as an independent UK based asset manager and should improve public awareness of PAM's brand.

Being a public company should allow the business to support its growth plans by making it easier not only to retain and incentivise the existing talent within the business through equity participation but also to attract additional investment talent in specific sectors or funds in the future.

The Directors believe that Admission will allow the business to attract new long term shareholders who support the business growth strategy and it will allow the Board to consider a dividend payout in line with the policy set out above.

Admission will provide existing Shareholders with some liquidity and the proceeds of the New Shares will be used to restructure and simplify the current capital structure of PAM through the redemption of the Preference Shares. The Group does not need to raise new money for its business, given its highly cash generative nature.

20. Details of the Placing

The Company, the Directors and Selling Shareholders have each entered into the Placing Agreement with the Joint Bookrunners pursuant to which, subject to certain conditions, the Joint Bookrunners have agreed to use their reasonable endeavours to procure subscribers and purchasers for 35,875,660 New Ordinary Shares and 12,381,916 Sale Shares (respectively) at the Placing Price with institutional and other investors. The Placing has not been underwritten. The Placing will raise approximately £44.3 million for the Company, net of expenses of £3.1 million, which will be used to redeem the Preference Shares together with accrued but unpaid dividends on such shares and will raise approximately £16.34 million for the Selling Shareholders. Further details of the Placing Agreement are set out in paragraph 9.3 of Part 4 of this document.

The New Ordinary Shares will be issued credited as fully paid and will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, paid or made by reference to a record date falling after Admission.

21. Lock-up and orderly market arrangements

Under the terms of the Placing Agreement, which is described more fully in paragraph 9.3 of Part 4 of this document, the Directors, certain senior management and Queripel Partners have undertaken that, subject to certain exceptions, they will not sell or otherwise dispose of, or agree to dispose of, any of their respective interests in the Ordinary Shares held immediately following Admission (the "**Retained Interests**") as follows (the "**Lock-in Arrangements**"):

- in the case of the Executive Directors and certain senior management, whose Retained Interests will represent in aggregate 7.00 per cent. of the Enlarged Share Capital:
    - for a period of 12 months from Admission and subject to certain exemptions, they will not dispose of any of their Retained Interests without the consent of the Joint Bookrunners;
    - for a subsequent period of 12 months thereafter and subject to certain exemptions, they will not dispose of 50 per cent. of their Retained Interests without the consent of the Joint Bookrunners and will only dispose of the remaining 50 per cent. of their interests through the Joint Bookrunners in order to maintain an orderly market; and
    - for a further period of 12 months after that and subject to certain exemptions, they will not dispose of the remainder of their then Retained Interest other than through the Joint Bookrunners in order to maintain an orderly market.
- in the case of the Non-Executive Directors, Queripel Partners and Electra, whose Retained Interests will represent in aggregate 43.31 per cent. of the Enlarged Share Capital:
    - for a period of six months from Admission and subject to certain exemptions, they will not dispose of any of their Retained Interests without the consent of the Joint Bookrunners; and
    - for a subsequent period of six months thereafter and subject to certain exemptions, they will only dispose of their Retained Interests through the Joint Bookrunners in order to maintain an orderly market.

22. Applicability of the Takeover Code

The Takeover Code applies to the Company.

Rule 9 of the Takeover Code is designed to prevent the acquisition or consolidation of control of a company subject to the Takeover Code without a general offer being made to all of such company's shareholders. Rule 9 states that when any person or group of persons acting in concert acquires (whether by one transaction or a series of transactions) an interest in shares which carry 30 per cent. or more of the voting rights of such a company, such person or persons acting in concert must normally make a general offer for the balance of the issued share capital of such company. Rule 9 also states that any person or group of persons acting in concert that is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights must normally make a general offer for the balance of the issued share capital should there be any increase in the percentage of the shares carrying voting rights in which they or any person acting in concert with them are interested.

An offer under Rule 9 must be made in cash and at the highest price paid by the person required to make the offer or any person acting in concert with him for any interest in shares of the company during the 12 months prior to the announcement of the offer.

Under the Takeover Code, shareholders in a private company who, following the re-registration of the company as a public company in connection with an initial public offering or otherwise, become interested in shares in a company to which the Takeover Code applies, will be presumed to be acting in concert with each other, unless the contrary can be established.

Other than Electra, the holders of Existing Ordinary Shares comprise the following groups: (i) Michael Vogel and the Executive Directors (details of whom are set out in paragraph 14.2 above); (ii) the Senior Managers (details of whom are set out in paragraph 14.3 above) together with Amanda Hambidge (David Hambidge's spouse) and Nigel Sidebottom (whose position at the Company is Deputy Chief Investment Officer); (iii) Queripel Partners (details of which appear below); (iv) Eastgate Court Nominees (a wholly owned subsidiary of the Company which holds shares as nominee for 16 individuals); (v) the EBT (details of which are set out in paragraph 5 of Part 4 of this document); (vi) MC Trustees Limited (as trustee for Nigel Sidebottom, details of whom are set out above); (vii) TM Trustees Limited (a provider of self-invested personal pensions for the Executive Directors, Catriona O'Shea (Michael O'Shea's spouse), Mark Friend and Michael Hammond (being two of the Senior Managers) and Ian Rees (whose position at the Company is Head of Research (Multi-Asset)); and (viii) Balmiur Nominees Limited (a nominee for Andrew Haining, a former adviser to the Group).

The Company understands that:

(a) in accordance with such presumption, until such time as they can demonstrate otherwise, the Takeover Panel will generally presume that Michael Vogel, the Executive Directors, the Senior Managers, Amanda Hambidge, Nigel Sidebottom, Queripel Partners, Eastgate Court Nominees, the EBT, MC Trustees Limited, TM Trustees Limited and Balmuir Nominees Limited, together with any other persons with whom such persons are acting in concert (together the "**Presumed Concert Party Group**") will be acting in concert for the purposes of Rule 9 of the Takeover Code; but

(b) notwithstanding such presumption, no member of the Presumed Concert Party Group, on the one hand and Electra, on the other hand, will generally be presumed to be acting in concert with each other.

Immediately following Admission, the Presumed Concert Party Group will directly or indirectly hold 49,020,625 Ordinary Shares representing 46.33 per cent. of the Enlarged Share Capital. As the combined holding of the Presumed Concert Party Group exceeds 30 per cent. of the Enlarged Share Capital, the Company will be required to seek the approval of independent shareholders for a waiver of the provisions of Rule 9 of the Takeover Code in the event of any of the following: (i) awards to the Executive Directors under the LTIP; (ii) acquisitions of Ordinary Shares by the EBT to satisfy LTIP obligations or (iii) acquisitions of Ordinary Shares by any member of the Presumed Concert Party Group.

Queripel Partners acts by its general partner, Queripel Partners GP Limited, a company incorporated in Guernsey with company number 58639 (the "**General Partner**"). The General Partner, on behalf of Queripel Partners, has delegated the management of Queripel Partners to Elcot Capital. Elcot Capital intends to manage Queripel Partners so that, on or around 12 months following Admission, the assets of Queripel Partners will be distributed to its limited partners. The maximum number of Ordinary Shares held directly and indirectly by the above shareholding group would therefore be reduced from approximately 46.33 per cent. of the Enlarged Share Capital to approximately 30.14 per cent. of the Enlarged Share Capital.

23. Admission, dealings and CREST

Application has been made to the London Stock Exchange for all of the Ordinary Shares, issued and to be issued, to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence in the Ordinary Shares at 8:00am on 7 October 2016.

No temporary documents of title will be issued. All documents sent by or to a Placee, or at his direction, will be sent through the post at the Placee's risk. Pending the despatch of definitive share certificates, instruments of transfer will be certified against the register of members of the Company. The Company has applied for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted and accordingly enabled for settlement in CREST on the date of Admission. Accordingly, settlement of transactions in Ordinary Shares following Admission may take place within the CREST system if any individual Shareholder so wishes provided such person is a "system member" (as defined in the CREST Regulations) in relation to CREST. Dealings in advance of crediting of the relevant CREST account(s) shall be at the sole risk of the persons concerned.

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles permit the holding of Shares under the CREST system. Accordingly, settlement of transactions in the Ordinary Shares following Admission may continue to take place within CREST if any Shareholder so wishes. However, CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so.

24. Taxation

Your attention is drawn to the information regarding taxation which is set out in paragraph 10 of Part 4 of this document. That information is intended only as a general guide to the current tax position under UK taxation law. **If you are in any doubt as to your tax position, you should contact your independent professional adviser.**

25. Further information

Your attention is also drawn to the remaining parts of this document, which contain further information on the Group.

PART 2

RISK FACTORS

An investment in the Company involves significant risks and is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may be equal to the entire amount invested) which may result from such an investment. Prospective investors should carefully review and evaluate the risks and the other information contained in this document before making a decision to invest in the Company. If in any doubt prospective investors should immediately seek their own personal financial advice from their independent professional adviser authorised and regulated under FSMA who specialises in advising on the acquisition of shares and other securities, or other advisers such as legal advisers and accountants.

If any of the following risks actually occur, the Group's business, financial condition, capital resources, results and/or future operations could be materially and adversely affected. In such circumstances, the trading price of the Ordinary Shares could decline and investors may lose all or part of their investment. Additional risks and uncertainties not currently known to the Board or currently believed by the Board to be immaterial may also have an adverse effect on the Group's business and the information set out below does not purport to be an exhaustive summary of the risks affecting the Group.

Prospective investors should be aware that the value of the Ordinary Shares and the income from them may go down as well as up and that they may not be able to realise their initial investment. There can be no guarantee that the Group's business objectives will be achieved.

RISKS RELATING TO THE GROUP AND ITS BUSINESS

Fluctuations in capital markets

Fluctuations in capital markets may adversely affect the value of the Group's assets under management, from which it derives revenues, as well as investor confidence. A dramatic or sustained decline in capital markets may prompt investors to sell investments managed by the Group or render potential investors less willing to make new investments and render it more difficult for the Group to attract new assets under management. A large proportion of the Group's AUM is invested in equities, particularly UK equities. The Group is therefore vulnerable to fluctuations in equity markets as a whole and UK equity markets in particular. A fall in equity markets would have a direct impact on the Group's AUM. A decline in the value of the Group's AUM as a result of falling equity markets in the UK and elsewhere would reduce management fees and therefore could have a material adverse effect on the Group's business, results of operations and/or financial condition. Fluctuations in the value of equities, either absolutely or relative to other asset classes, could also adversely affect investor behaviour, resulting in equity funds becoming less attractive investments and making it harder for the Group to maintain sales, retain existing clients and attract new clients. Any impact on the Group's business, sales and results of operations could be proportionally greater than the direct fall in equity markets.

The Group, and the investment management industry as a whole, is sensitive to adverse economic, political and market factors that are beyond the Group's control

The markets in which the Group offers its services are directly affected by many national and international factors that are beyond its control. Any one of the following factors, among others, may cause a substantial decline in the markets in which the Group offers its services: economic and political conditions; the level and volatility of equity markets, in particular UK equity markets; the level and volatility of interest rates and foreign currency exchange rates; concerns about inflation; changes in investor sentiment and consumer confidence levels; legislative and regulatory changes; and concerns about terrorism and war. Uncertain economic prospects or a sustained period of declining equity markets could also change investor behaviour, as was evidenced during the difficult financial conditions in 2008. Since the substantial majority of the

Group's business was in UK-domiciled retail investment funds where the investors are predominantly UK retail investors, a decline in the disposable income of UK retail investors for investing in the Group's products or a shift in savings or investment patterns in the UK generally could result in lower sales and/or higher levels of redemptions. Any of these factors could have a material adverse effect on the Group's business, results of operations, financial condition and growth prospects.

The Group is exposed to risks related to the UK's proposed termination of its membership of the European Union

The Group faces potential risks associated with the proposed exit by the UK from its membership of the European Union, and the potential uncertainty preceding that exit. The UK exiting the European Union could materially change both the fiscal and legal framework in which the Group operates, and it could have a material impact on the UK's economy and its future economic growth. In addition, prolonged uncertainty regarding aspects of the UK economy due to the uncertainty around the proposed exit could damage customers' and investors' confidence. The proposed exit and these aspects could have a material adverse effect on the Group's business, results of operations, financial condition and growth prospects.

The Group has been dependent on the continued services of its senior management team and fund managers for the growth and success of the business. The loss of, or inability to recruit, key personnel could have a material adverse effect on the Group's business

The Group's operations have been dependent on the experience, skills and knowledge of its executive officers and fund managers, who provide expertise and experience in the implementation of the Group's strategy and its ability to attract and retain business. The Group's continued success depends on its ability to attract and retain talented fund managers. The Group's fund managers have made a significant contribution to the growth and success of the business and are expected to continue to do so. A key element of the Group's business strategy is to identify its funds with particular fund managers and to give those managers considerable freedom to manage the funds for which they are responsible.

While employees of the Group are subject to employment agreements, these agreements do not preclude these employees from terminating their employment at any time, subject to notice periods. Furthermore, where such employees are subject to certain post-termination restrictions such as competing with the Group and/or soliciting employees and/or customers, these may not be fully enforceable at law or may only apply for a limited time.

The Group does not presently have key man insurance in place in relation to any of its Directors, senior managers or employees. There can be no assurance that in the future the Group will be able to attract, develop or retain executives of the right calibre. The ability of the Group to meet its operational requirements and future growth and profitability may be affected by any inability to attract, develop or retain such executives.

The Group has eight principal fund managers and the loss of any one these, for whatever reason, could have a material adverse effect on Group's future profitability and/or the growth of the business. The Group's multi-asset team, headed by David Hambidge, manages c.50 per cent. of the Group's AUM. More specifically, the loss of one or more of these managers, including David Hambidge, could result in:

1. the outflow of assets from, or an increase in the rate of redemptions, or reduced sales into, the funds managed by the relevant fund manager(s) and hence a decline in AUM and revenues, which may be material to the particular funds and possibly the Group as a whole. This is particularly the case with the Group's specialist funds, where fund manager(s) may be more difficult to replace;

2. a decline in the performance of the funds managed by the relevant fund manager(s), which may reduce AUM and revenues; and

3. negative market perception within the intermediary distribution channels, particularly if the departure of the relevant fund manager(s) is considered to be part of a trend. This perception could in turn lead to the loss of future investment management mandates, significant fund outflows and a failure to attract new investors to the Group's funds.

As the Group is particularly reliant on the performance of its principal fund managers, it is important that it retains such managers, and, where necessary, replaces them, either internally or from external sources. There can be no guarantee that the Group will be able to retain the principal fund managers or, should they leave, replace them (either internally or from external sources) with an equally experienced or well-known fund manager.

In order to retain its principal fund managers and, when necessary, attract new managers, the Group must offer competitive compensation arrangements, the costs of which are significant. The rates of compensation vary depending on the particular role of individual managers, but successful fund managers often earn substantial amounts. In less successful years, the bonus pool available may be insufficient for the Group to meet the expectations of these fund managers and other employees, potentially constraining the Group's ability to retain or recruit fund managers.

If the Group needed to replace one of its principal fund managers externally, the market for experienced and talented fund managers with strong track records is extremely competitive and such individuals are difficult to attract, and the costs of such recruitment may be significant. While the Group's Guildford location is considered to be beneficial in recruitment terms, it may be less easy to recruit fund managers to work outside London.

The loss of the Group's key personnel, in particular fund managers or key sales staff, may cause a significant disruption to the Group's business, resulting in an adverse effect on the Group's operations, including the Group's ability to establish and maintain relationships with investors, intermediaries and financial institutions or implement the Group's strategy which could adversely affect the Group's business, results of operations, financial condition and growth.

There can be no assurances that the growth that the Group has achieved to date will continue

The Group has achieved substantial growth in revenues and profits in recent years. This growth is substantially derived from the growth in assets managed by the Group over this period. There can be no assurance that the Group will be able to continue this growth, either as a result of increasing new business volumes or otherwise, to maintain its financial performance either at historical or anticipated future levels.

Investor demographics

As investors grow older they may either withdraw funds for use in retirement or die. There will therefore be a continued need for the Group to attract new sales in the future to compensate for this natural loss of investors.

The Group's clients may withdraw AUM at short notice

The Group's revenues are predominantly derived from management fees, the quantum of which is based on the value of funds managed. A substantial majority of the Group's funds permit investors to reduce the aggregate amount of their investment in the Group's funds with no, or only short periods of, notice, or to withdraw altogether from such funds. If interest rates are rising and/or stock markets are declining and/or the Group's investment performance is poor, the pace of fund redemptions could accelerate, particularly in equity-related funds. Redemptions of investments in funds may also be requested more quickly than assets can be sold to meet such redemptions. This could result in redemptions being suspended, which would in turn adversely affect the Group's reputation and brand. Material withdrawals of AUM would have an immediate impact on management fees and therefore revenues and, depending on the extent of such withdrawals, could have a material adverse effect on the Group's business, results of operations, financial condition and growth prospects.

Failure to maintain investment performance

When buying investment products or selecting a fund manager, one of the most important considerations for investors and intermediaries is the historical investment performance of the product or manager. As the Group's business focus and key selling point is to generate investment out-performance against relevant benchmarks, any sustained period of underperformance across a range of its funds or by one or more of its larger funds could have a material adverse effect on its business, results of operations, financial condition and growth prospects. If the investment performance of the Group's funds were to be poor relative to the market or in absolute terms over an extended period, the Group would be vulnerable to redemption/cancellation of units by investors in those funds and a consequential reduction in revenues received from such activities. Investment underperformance relative to competitors or relevant benchmarks would also make it more difficult for the Group to attract new investors. The previous performance of a fund manager should not be seen as an indication of future performance. Any such investment underperformance could, therefore, have a material adverse effect on the Group's business, results of operations, financial condition and growth prospects.

Breaches by the Group of investment mandates could lead to significant losses

The Group is generally required to invest in accordance with specific investment mandates established for the particular fund or (in the case of segregated mandates) set by the client. If investments are made or managed in breach of an investment mandate, the Group could be required to unwind the relevant transactions and would be likely to be liable for any losses suffered by an affected party in doing so. Such losses could be significant and exceed amounts recoverable under the Group's insurance policies, if any. The obligation to compensate for such losses could have a material adverse effect on the Group's reputation, business, results of operations, financial condition and growth prospects.

The asset classes managed by the Group may become less attractive to investors

The Group manages investments in a range of asset classes, but its focus is on equities and multi-asset and its investment style and philosophy is to be an active manager of its funds. Net sales into the Group's funds are, in part, determined by the relative attractiveness to investors of equities as an asset class and of the particular types of equity which are the focus of the Group's funds, the relative attractiveness to investors of multi-assets and of the particular types of assets which are the focus of the Group's funds, as well as its investment style. In the event that equities, or particular types of equities or assets on which the Group focuses, were to become less attractive to investors or investors were to invest more through passive or index-based investment products, there may be reduced sales and/or increased redemptions from the Group's Retail Funds. If, as a result of the foregoing, there were reduced sales of and increased redemptions from the Group's Retail Funds, such developments could have a material adverse effect on the Group's business, results of operations, financial condition and growth prospects.

Changes in distribution trends may have a material adverse effect on the Group's margins

The Group markets its products in the UK through a range of distribution channels but, in line with market trends, an increasing proportion of its UK intermediated sales is channelled through fund platforms. If the UK retail market moves away from fund platforms and IFAs there could be an impact on the ability of the Group to market its products. Platform operators levy their own administrative charge, which is not passed on to the client but reduces the proportion of the management fee paid by the client which the Group can retain. As a result, margins on new sales made through platform operators have declined. In the future, platform operators may seek to increase these administrative charges with respect to new sales of the Group's funds and/or its existing AUM, and thereby further reduce the Group's margins on new and existing products. Other intermediaries such as large IFAs may also seek to increase the rebate they receive of the gross management fee collected, putting further pressure on margins. The risk of further margin erosion may increase if, through consolidation within the intermediaries market or otherwise, the importance of fund platforms or the large IFAs increases further. In addition, the Group may also choose to terminate its relationship with particular intermediaries or platforms as a result of pressure on margins or the platforms themselves may choose to terminate their relationship with the Group. A loss of margin or termination of the relationship with particular intermediaries or platforms could have a material adverse effect on the Group's business, results of operations, financial condition and growth prospects.

Competitive pressures may harm the Group

The Group's principal market is the UK where the investment management industry is highly competitive. The Group's competitors include global, national and local specialist asset management companies as well as banks and financial services companies, some of which are substantially larger than the Group. The Group competes on the basis of investment performance, brand recognition, business reputation, the range of products offered, quality of service and the level of fees for services. Any failure by the Group to compete effectively in the UK market, could lead to a loss of business and/or a failure to win new business, each of which could have a material adverse effect on the Group's business, results of operations, financial condition and growth prospects.

The Group operates in a highly regulated industry and any regulatory non-compliance or a change in regulations in the jurisdictions in which it operates could have a material adverse effect on the Group

The investment management industry is highly regulated and compliance with applicable regulations is costly. The Group's activities are regulated primarily by the FCA and it is dependent on FCA authorisation to carry on such activities. In addition, one of the Company's subsidiaries is subject to regulation in Guernsey. The FCA has broad regulatory powers dealing with all aspects of financial services, including the authority to make enquiries of companies regarding compliance with applicable regulations, to grant and, in specific circumstances, to vary or cancel permissions and to regulate marketing and sales practices, advertising and the maintenance of adequate financial resources. The regulatory environment in which the Group operates frequently changes and has seen significant increased regulation in recent years, and it is expected that this trend will continue for the foreseeable future. The Group may be materially adversely affected as a result of new or revised legislation or regulations or by changes in the interpretation or enforcement of existing laws and regulations, and changes to the regulatory environment could also increase the compliance costs of the Group. In addition, the Group is subject to additional duties and obligations by reason of PPM performing the functions of an ACD in relation to the Group's OEICs and manager in relation to the Group's Unit Trust.

Any changes in the laws and regulations governing the investment management industry could limit the services the Group is able to offer or the fees it is able to generate, or increase the costs of compliance. A substantial change in regulatory capital requirements or the regulatory environment for the investment management industry could have a material adverse effect on the Group's business, results of operations, financial condition and growth prospects.

The FCA are currently carrying out an asset management market study to understand whether competition is working effectively to enable both institutional and retail investors to get value for money when purchasing asset management services. The FCA anticipate the final report will be published in 2017. If the FCA conclude that competition is not working well, they may intervene to promote effective competition through rule-making, introducing firm specific remedies or enforcement action, publishing general guidance or proposing enhanced industry self-regulation. The outcome of this study is therefore uncertain and may have a material adverse effect on the Group's business, results of operations, financial condition and growth prospects.

The FCA and other regulatory authorities may from time to time make enquiries of companies within their jurisdiction regarding compliance with regulations governing the conduct of business or the operation of a regulated business (including the degree and sufficiency of supervision of the business) and the handling and treatment of clients or conduct investigations when it is alleged that regulations have been breached. Responding to such enquiries may be time-consuming and expensive and the Group may face regulatory proceedings if the FCA or any other regulatory body were to detect or allege any failure to comply with applicable regulations.

Regulatory proceedings could result in a public reprimand and/or fines or other regulatory sanctions as well as adverse publicity or negative perceptions regarding the Group. A significant regulatory investigation or action against the Company or any of its subsidiaries could have a material adverse effect on the Group's business, results of operations, financial condition and growth prospects.

Operating within the financial services sector, the Group also comes within the scope of the Financial Ombudsman Service, an independent body set up by the government to settle disputes between consumers and businesses within the sector. The Financial Ombudsman Service has the power to order the Group to pay compensation to clients where their complaints are upheld, and any such sanctions could have a material adverse effect on the Group's business, results of operations, financial condition and growth prospects.

The Group has entered into, and in the future may enter into, a number of material outsourcing agreements and to the extent that these relate to activities regulated by the FCA, the Group retains responsibility for ensuring that they comply with regulatory obligations. Any regulatory breach by an outsourced service provider could expose the Group to the risk of regulatory sanctions and reputational damage.

Applicable regulatory requirements in the UK may delay, deter or prevent any future change of control of the Group, which may in turn reduce the value of the Ordinary Shares.

Prior approval of the FCA under section 178 of FSMA is required of any person proposing to acquire or increase "control" or a "qualifying holding" (respectively) of an FCA authorised person (being holdings of 10%, 20% and 50%) and accordingly would apply in the case of any person acquiring Ordinary Shares as a result of which such person's holding increased through the applicable threshold.

For FCA regulated entities, the FCA has 60 working days from the day on which it acknowledges the receipt of a completed change of control notice to determine whether to approve the new controller or object to the transaction. However, this period may (subject to limits) cease to run while the FCA is awaiting the provision of further information that it may request from an applicant during the approval process. If approval is given, it may be given unconditionally or subject to such conditions as the FCA considers appropriate.

These laws may change and may, in their current or any future form, discourage potential future acquisition proposals and may delay, deter or prevent potential acquirers of Ordinary Shares which may, in turn, reduce the value of the Ordinary Shares.

Damage to the Group's reputation, including as a result of employee misconduct, failure to manage inside information or conflicts of interest, fraud or improper practice could have a material adverse effect on the Group's business, results of operations or financial condition

The Group's reputation is one of its most important assets. Its relationships with its investors, financial institutions, investors and other significant market participants are very important to its business, and it operates in an industry where integrity, trust and the confidence of customers are paramount. Any mismanagement or failure to satisfy fiduciary responsibilities, or the adverse publicity resulting from such activities or any allegations of such activities, or deterioration in the opinion of the Group held by one or more of these market participants could lead to a loss of business or a failure to attract new investment and business. For example, the Group is exposed to the risk that litigation, regulatory action, misconduct, operational failures, negative publicity or press speculation (whether or not well-founded or not valid, could harm its reputation. In addition, any negative publicity associated with the Group's business, for example, through the loss of key personnel, poor investment performance or regulatory issues, or any negative publicity affecting the industry as a whole, could result in a loss of clients or AUM, a failure to attract new clients and/or a deterioration in the value or attractiveness of the Group's brand or impair the Group's relationship with its distributors. Factors which could adversely affect the Group's reputation include but are not limited to:

1. *Fraud, misconduct or improper practice by any of the Group's employees, or third party service providers including noncompliance with regulatory procedures*: such actions can be particularly detrimental in the provision of financial services and could involve, for example, fraudulent transactions entered into for a customer's account, diversion of funds, the intentional or inadvertent release of confidential information or failure to follow internal procedures. Such actions could expose the Group to financial losses resulting from the need to reimburse customers or other business partners

or as a result of fines or other regulatory sanctions, and may significantly damage the Group's reputation.

2. *Failure to manage inside information*: the Group frequently executes trades on behalf of its clients in funds and other financial products. As part of such trades, the Group may receive certain inside information. If the Group does not sufficiently control the use of this inside information or any other inside information it receives, the Group and/or its employees could be subject to investigation and criminal or civil liability.

3. *Failure to manage conflicts of interest*: the Group is exposed to potential conflicts of interest. In order to leverage the Group's fund management expertise, the same fund manager will sometimes manage several funds or mandates with similar investment strategies. If the Group fails, or appears to fail, to deal appropriately with such conflicts, it could face significant damage to its reputation, litigation or regulatory proceedings.

4. *Fraud, misconduct or improper practice by any of the Group's clients or other persons (including persons to whom the Group outsources certain functions)*: although not attributable to the Group, such actions could draw adverse publicity to the Group and lead to regulatory scrutiny of its systems and controls in relation to taking on clients and monitoring their activities or its outsourced functions.

5. *Being at risk from criminal activity*: the Group and its third party service providers, like others in the financial services industry, may be subject to various forms of crime, including theft, money laundering, hacking, 'cyber-crime' and fraud. For example, the financial services industry is particularly targeted by offshore 'boiler room' operations which set up copycat websites and pass themselves off as respected financial services providers in order to obtain client funds fraudulently.

Damage to the Group's reputation as a result of these or other factors could have a material adverse effect on its business, results of operations, financial condition or growth prospects.

Operational errors or a failure of systems and controls could have a material adverse effect on the Group's business

The management of retail investment fund assets involves a number of risks, including failure to administer portfolios properly, for example by making incorrect valuations or pricing decisions with regard to the underlying investments; incorrect assets being purchased or erroneous trades being placed or the failure to place trades on a timely basis or at all; and failure of the systems and controls utilised by the Group or its outsourced service providers to detect and prevent errors.

In addition, while the Group outsources its Investment Trust valuation and pricing functions to third party providers, it remains primarily liable to Retail Fund investors for any failure to provide these services properly. Any such failures or errors in valuation or pricing by a relevant third party provider may require the Group to reimburse the affected parties in respect of losses suffered (which may be significant). The Group may be unable to recover any such losses fully or at all from the third party or under the Group's insurance policies.

If any of the foregoing or any similar risks were to materialise, the Group might also be required to conduct thorough investigations of the circumstances surrounding the breach and regulatory investigations might also follow. The costs involved in such investigations, including management time and professional fees, could be material to the Group.

The risks of error and mismanagement cannot be eliminated entirely. The Group's ability to maintain financial controls and provide high quality service to its customers depends, in part, on the efficient and uninterrupted operation of its management information systems, including its computer systems, which are programmed to detect and prevent errors. There can be no assurance that these systems will function as designed. If serious breaches, errors or breakdowns in the Group's information technology systems are prolonged or occur on a regular basis then the Group could result in interruptions, the loss of the goodwill of its customers, and could also materially breach contracts it has with its customers. Additionally, such breaches could render the Group liable to disciplinary action by governmental and regulatory authorities, as well as to claims by its clients. Any damage to, or failure of, its management information systems could result in interruptions to the Group's financial controls and customer service. Such interruptions and any other operational errors or negligence by third party providers or the Group's employees could lead to reputational damage and financial costs, such as the Group being required, by contract or otherwise, to put clients back into the position in which they would have been had the error or negligence not occurred. The consequences of such operational errors or negligence could have a material adverse effect on the Group's business, results of operations, financial condition and growth prospects.

The Group is reliant on third parties to which it has outsourced certain functions

The Group relies on third party providers of administration and other back office functions (including valuations for certain fund and institutional mandate valuations), and trustee, depository, custodian and sub-custodian services. Any interruption in the services of these third parties or deterioration in their performance of the outsourced service could impair the timing and quality of the Group's services to its clients. Furthermore, if the contracts with any of these third party providers were terminated, the Group may not find alternative service providers on a timely basis or on as favourable terms or may suffer disruption as a result of the transition of functions to the new service provider. The occurrence of any of these events could have a material adverse effect on the Group's reputation, business, results of operations, financial condition and growth prospects.

Any system security breaches could lead to liability under data protection laws

The Group processes sensitive personal data as part of its business. There is a risk that this data could become public if there were a security breach at the Group or third party service providers in respect of such data and if one were to occur, the Group could face liability under data protection laws, and could also lose the goodwill of its customers which would have a material adverse effect on its business.

The Group may not be able to protect or enforce the intellectual property rights that it develops for use in its business, which could reduce the Group's ability to compete

The Group may be unable adequately to protect intellectual property that it currently owns, and intellectual property that it develops in the future. The Group does not currently have any registered intellectual property protection in respect of brands or products that it has developed. The Group currently relies upon copyright and various laws relating to trade secrets and confidential information. These rights only afford limited protection and may not adequately protect the Group's intellectual property to the extent necessary to sustain any competitive advantage the Group currently may have.

The Group may be subject to claims and its insurance arrangements may not be adequate to protect it against losses it may suffer

The Group's business entails the risk of liability related to litigation from clients or third parties and actions taken by regulatory agencies. Specifically, there is a risk that claims may arise in relation to losses or damage resulting from the Group's employees' or service providers' operational errors or negligence, or misconduct or misrepresentation by its fund managers and other operational personnel. There can be no assurance that a claim or claims will be covered by insurance or, if covered, will not exceed the limits of available insurance coverage, or that any insurer will remain solvent and will meet its obligations to provide the Group with coverage or that insurance coverage will continue to be available with sufficient limits at a reasonable cost. Renewals of insurance policies may expose the Group to additional costs through higher premiums or the assumption of higher deductibles or claims thresholds. The future costs of maintaining insurance cover or meeting liabilities not covered by insurance could have a material adverse effect on the Group's business, results of operations, financial condition and growth prospects.

The Group's operations could be adversely affected by unexpected external events

The Group's business operations, information systems and processes are vulnerable to damage or interruption from fire, extreme weather conditions, power loss, systems or telecommunication failures, bomb threats, explosions or other forms of terrorist activity and other natural and man-made disasters. These operations, information systems and processes may also be subject to sabotage, computer hacking, vandalism, theft and similar misconduct. The same is true of third party service providers on which the Group depends. The Group's businesses have disaster recovery plans in place that are considered appropriate to cover current business requirements. In addition, the Directors believe that the Group's suppliers of administration, custodian and IT services and other back office functions have appropriate disaster recovery and business continuity plans. However, the disaster recovery plans of the Group and/or of its service providers may not work as intended. For the reasons set out above, a loss of business continuity could have a material adverse impact on the Group's reputation, business, results of operations and financial condition.

Changes in taxation law, the interpretation of existing tax laws and amendments to existing tax rates could adversely affect the Group's business

Adverse changes in taxation laws (including changes to rates of taxation) and adverse changes in the interpretation and application of existing taxation laws by courts or taxation authorities could adversely affect the Group. The Group currently benefits from UK government policies aimed at encouraging personal savings through the application of tax relief to certain types of investment. The Group cannot predict the impact of future changes made to tax legislation on its business generally or the attractiveness of its investment offerings and products. Amendments to existing legislation (such as a withdrawal of tax reliefs or an increase in tax rates) or the introduction of new rules in the UK or other jurisdictions where the Group operates may have an impact on the investment decisions of either existing or potential customers. Changes from time to time in the interpretation of existing tax laws, amendments to existing tax rates and/or the introduction of new tax legislation could significantly reduce gross sales or increase redemptions or change saving and investment patterns, and could have a material adverse effect on the Group's business, results of operations, financial condition and growth prospects.

Tax risks

Over the last few years, there have been various issues of the Company's shares, in particular to the employees of the Group. Whether the Group has any resulting tax liability depends to a large extent upon whether the prices at which the transactions took place differed from the market value of the shares at the appropriate time. In many cases, as is not unusual, these values have not been agreed with HMRC. Were different values to be attributed to them from those used, the Group could be exposed to tax liabilities, which are not currently provided for.

The funds that the Group manages may be subject to counterparty risk

On limited occasions, the Group may not settle trades on a "delivery versus payment" basis and, in such instances, the Group is subject to counterparty risk between the trade date and settlement date. The Group is also subject to counterparty risk on an ongoing basis for derivative trades. In addition, counterparties may hold margin cash balances from certain of the Group's funds, which may not be held on a segregated basis from the counterparties' own assets or those of other clients. Monies held with prime brokers do not always have client money protection on excess cash balances. Losses may arise in these funds if the counterparties default in their obligations or become insolvent, and in such cases the funds may only rank as unsecured creditors. Also as the Group acts as ACD for its Retail Funds, this means that transactions for subscriptions and cancellations of units pass through its accounts, and can create a funding requirement which the Group would meet through its resources, accordingly the Group is exposed for subscriptions where the underlying investor ultimately fails to pay for the units in the Retail Funds. Whilst the Group could cancel such a trade, it is exposed to the risk of adverse market movements in the intervening period. Consequently, a default by the counterparties to the relevant funds may impact on the Group's AUM and therefore the management and performance fees, if any, payable to the Group, which could have a material adverse effect on the Group's business, results of operations, financial condition and growth prospects.

RISKS RELATING TO THE ORDINARY SHARES

Volatility in the price of Ordinary Shares

The Placing Price has been agreed between the Board and the Joint Bookrunners and may not be indicative of the market price for the Ordinary Shares following Admission. The subsequent market price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors that are unrelated to the Group's operating performance such as variations in operating results, changes in financial estimates, recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Company, market perceptions of the Group, new reports relating to trends in the Company's markets, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory changes, national and global economic conditions and various other factors and event. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Group's performance.

The price at which the Ordinary Shares will be traded and the price at which investors may realise these investments will be influenced by a large number of factors, some not specific to the Group and its operations. Furthermore, there is no guarantee that the market price of an Ordinary Share will accurately reflect its underlying value.

No prior trading market for Ordinary Shares

Although the then top company of the Group was admitted to trading on AIM until 2008, the Directors do not consider the liquidity of the shares at that time to give any indication of the reception of the market to the Company on Admission. Following the Company's delisting in 2008, there was no public market for the Ordinary Shares. Admission to trading on AIM should not be taken as implying that a liquid market for the Ordinary Shares will either develop or be sustained following Admission. The Company cannot predict the extent to which investor interest in the Ordinary Shares will lead to the development of a trading market. The liquidity of a securities market is often a function of the volume of the underlying Ordinary Shares that are publicly held by unrelated parties. If a liquid trading market for the Ordinary Shares does not develop, the price of Ordinary Shares may become more volatile and it may be more difficult to complete a buy or sell order for Ordinary Shares.

Future issues of Ordinary Shares may result in dilution of existing Shareholders

The Company may decide to issue additional Ordinary Shares in the future in subsequent public offerings or private placements to fund expansion and development. If Shareholders do not subscribe for additional Ordinary Shares on a pro rata basis in accordance with their existing shareholdings, this will dilute their existing interests in the Company. Furthermore, the issue of additional Ordinary Shares by the Company, or the possibility of such issue, may cause the market price of the Ordinary Shares to decline and may make it more difficult for Shareholders to sell Ordinary Shares at a desirable time or price. There is no guarantee that market conditions prevailing at the relevant time will allow for such a fundraising or that new investors will be prepared to subscribe for Ordinary Shares at a price which is equal to or in excess of the Placing Price.

Future performance of the Company cannot be guaranteed

There is no certainty and no representation or warranty is given by any person that the Company will be able to achieve any returns referred to in this document. The financial operations of the Company may be adversely affected by general economic conditions or by the particular financial condition of other parties doing business with the Company.

There is no guarantee that the Company will maintain its quotation on AIM

The Company cannot assure investors that the Company will always retain a quotation on AIM. If the Company fails to do so, certain investors may decide to sell their Ordinary Shares, which could have an adverse impact on the share price. Additionally, if in the future the Company decides to obtain a listing on another exchange, in addition to AIM or as an alternative, this may affect the liquidity of the Ordinary Shares traded on AIM.

Effect of sales of Ordinary Shares on price

The market price of Ordinary Shares could decline significantly as a result of any sales of Ordinary Shares by certain Shareholders following the expiry of the relevant lock-in periods, details of which are set out in Parts 1 and 4 of this document, or the expectation or belief that sales of such shares may occur.

The Company may not be able to pay dividends

The dividend policy of the Company is dependent upon its and the Group's financial condition, cash requirements, future prospects, profits available for distribution (including whether profits in the various members of the Group can be legally distributed) and other factors deemed to be relevant at the time and on the continued health of the markets in which it operates. There can be no guarantee that the Company will pay dividends in the foreseeable future or that it will be able to maintain its dividend policy.

Higher risk for shares traded on AIM than on the Official List

Application has been made for the Ordinary Shares to be admitted to trading on AIM, a market designated primarily for emerging or smaller companies. The AIM Rules for Companies are less onerous than those of the Official List and an investment in shares that are traded on AIM is likely to carry a higher risk that an investment in shares listed on the Official List.

Legislation and tax status

This document has been prepared on the basis of current legislation, regulation, rules and practices and the Directors' interpretation thereof. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change. Any change in tax legislation or practice may have an adverse effect on the returns available on an investment in the Company.

Taxation

The attention of potential investors is drawn to paragraph 10 of Part 4 of this document headed "United Kingdom Taxation". The tax rules and their interpretation relating to an investment in the Company may change during its life. Any change in the Company's tax status or in taxation legislation or its interpretation could affect the value of the investments held in the Company or the Company's ability to provide returns to Shareholders or alter the post-tax returns to Shareholders. Representations in this document concerning the taxation of the Company and its investors are based upon current tax law and practice which is, in principle, subject to change. Current and potential investors are strongly recommended to consult an independent financial adviser authorised under FSMA who specialises in investments of this nature before making any investment decision in respect of Ordinary Shares.

Conditionality of the Placing

The Placing is conditional upon, among other things, Admission. In the event that any condition to which Admission is subject is not satisfied or, if capable of waiver, waived, Admission (and therefore the Placing) will not occur.

Interests of major Shareholders

The attention of potential investors is drawn to paragraph 22 of Part 1 of this document headed "Applicability of the Takeover Code".

PART 3

FINANCIAL INFORMATION ON THE GROUP

SECTION A: ACCOUNTANT'S REPORT

KPMG

The Directors
Premier Asset Management Group PLC
Eastgate Court
High Street
Guildford
Surrey GU1 3DE

4 October 2016

Dear Sirs,

Premier Asset Management Group PLC

We report on the financial information set out on pages 53 to 91 for the three years ended 30 September 2015. This financial information has been prepared for inclusion in the AIM Admission Document dated 4 October 2016 of Premier Asset Management Group PLC (the "**Company**") on the basis of the accounting policies set out in Section B. This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the AIM Admission Document dated 4 October 2016, a true and fair view of the state of affairs of the Company as at 30 September 2013, 30 September 2014 and 30 September 2015 and of its profits/losses, cash flows and recognised gains and losses and changes in equity for the years ended 30 September 2013, 30 September 2014 and 30 September 2015 in accordance with the basis of preparation set out in note 1 and in accordance with International Financial Reporting Standards as adopted by the European Union as described in note 25.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

KPMG LLP.

SECTION B: HISTORICAL FINANCIAL INFORMATION ON THE GROUP FOR THE YEARS ENDED 30 SEPTEMBER 2013, 2014 and 2015

Consolidated Statement of Comprehensive Income

		Year ended 30 September		
	Note	*2013*	*2014*	*2015*
		£000	*£000*	*£000*
Revenue	3	27,262	30,680	35,765
Administrative expenses		(8,597)	(9,008)	(10,146)
Amortisation		(5,243)	(5,135)	(5,128)
Other operating expenses	5	(14,580)	(16,393)	(17,825)
Exceptional items	5	(607)	(471)	(552)
Operating profit/(loss)	5	(1,765)	(327)	2,114
Net finance costs	6, 7	(4,672)	(2,471)	(2,886)
Loss before tax		(6,437)	(2,798)	(772)
Taxation	8	–	(138)	128
Loss for the financial period		(6,437)	(2,936)	(644)
Other comprehensive income		–	–	–
Total comprehensive income		(6,437)	(2,936)	(644)
Basic earnings/(loss) per share	9	(1,006.53)p	(420.29)p	(48.37)p
Diluted basic earnings/(loss) per share	9	(1,006.53)p	(420.29)p	(48.37)p

Consolidated Statement of Financial Position

	Note	*As at 1 October 2012 £000*	*As at 30 September 2013 £000*	*2014 £000*	*2015 £000*
Assets					
Non-current assets					
Intangible assets	10	37,037	33,095	27,960	22,832
Goodwill	10	15,579	15,597	15,597	15,597
Property, Plant and Equipment	11	258	185	996	959
Deferred tax asset	18	944	944	944	1,802
		53,818	49,821	45,497	41,190
Current assets					
Financial assets at fair value through P&L	12	39	112	497	551
Trade and other receivables	13	16,859	14,309	30,012	38,712
Cash and cash equivalents	14	5,665	5,407	9,618	8,852
		22,563	19,828	40,127	48,115
Total assets		76,381	69,649	85,624	89,305
Equity					
Capital and reserves attributable to equity holders					
Share capital		5,332	5,332	5,339	546
Share premium		38,940	38,948	39,211	13
Warrant reserve		146	146	–	–
Retained earnings		(40,238)	(46,625)	(49,633)	(6,263)
Total equity		4,180	(2,199)	(5,083)	(5,704)
Liabilities					
Current liabilities					
Trade and other payables	15	18,420	16,318	37,108	41,712
Current tax liabilities		43	44	181	911
Borrowings and overdraft	16	2,204	1,450	3,000	2,250
Derivative liability	12	50	–	–	–
Provisions and other liabilities	17	–	–	361	530
		20,717	17,812	40,650	45,403
Non-current liabilities					
Borrowings	16	41,660	40,039	48,920	46,670
Deferred Consideration		631	1,056	961	193
Provisions and other liabilities	17	9,193	12,941	176	2,743
		51,484	54,036	50,057	49,606
Total liabilities		72,201	71,848	90,707	95,009
Total equity and liabilities		76,381	69,649	85,624	89,305

Consolidated Statement of Changes in Equity

	Share capital £000	*Share premium £000*	*Warrant reserve £000*	*Retained Earnings £000*	*Total £000*
At 1 October 2012	5,332	38,940	146	(40,238)	4,180
Shares issued during the year	–	8	–	–	8
Retained loss for the year	–	–	–	(6,437)	(6,437)
Reversed fair value adjustments	–	–	–	50	50
At 30 September 2013	5,332	38,948	146	(46,625)	(2,199)

	Share capital £000	*Share premium £000*	*Warrant reserve £000*	*Retained Earnings £000*	*Total £000*
At 1 October 2013	5,332	38,948	146	(46,625)	(2,199)
Shares issued during the year	7	264	–	–	271
Warrants cancelled during the year	–	(1)	(146)	147	–
Costs taken directly to reserves	–	–	–	(219)	(219)
Retained loss for the year	–	–	–	(2,936)	(2,936)
At 30 September 2014	5,339	39,211	–	(49,633)	(5,083)

	Share capital £000	*Share premium £000*	*Warrant reserve £000*	*Retained Earnings £000*	*Total £000*
At 1 October 2014	5,339	39,211	–	(49,633)	(5,083)
Shares issued during the year	–	23	–	–	23
Capital reduction	(4,793)	(39,221)	–	44,014	–
Retained loss for the year	–	–	–	(644)	(644)
At 30 September 2015	546	13	–	(6,263)	(5,704)

Consolidated Statement of Cash Flow

	Note	2013	2014	2015
		Year ended 30 September		
		£000	*£000*	*£000*
Cash generated from operations	21	3,559	9,927	2,813
Interest paid to third-parties		(485)	(490)	(160)
Interest received		11	2	1
Net cash inflow from operating activities		3,085	9,439	2,654
Cash flows from investing activities				
Purchase of intangible assets		(624)	(450)	(225)
Purchase of assets at fair value through P&L		(92)	(384)	(281)
Disposal of assets at fair value through P&L		18	2	227
Purchase of property, plant and equipment	11	(49)	(974)	(178)
Disposals of tangible assets		–	23	14
Net cash outflow from investing activities		(747)	(1,783)	(443)
Cash flows from financing activities				
Repayment of borrowings		(1,800)	(3,451)	(3,000)
Issue of ordinary shares		8	6	23
Net cash used in financing activities		(1,792)	(3,445)	(2,977)
Net increase/(decrease) in cash and cash equivalents		546	4,211	(766)
Cash and cash equivalents at beginning of the period		4,861	5,407	9,618
Cash and cash equivalents at the end of the period		5,407	9,618	8,852

Notes to the historical financial information

1. GENERAL INFORMATION

The principal activity of Premier Asset Management Group Ltd (the "Company") is that of a holding company and its subsidiaries (together the "**Group**") is the provision of asset management services.

Basis of preparation

The financial information has been prepared for the purposes of the Admission Document in accordance with the requirements of Paragraph (a) of Schedule Two of the AIM Rules for Companies and in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") including IFRS 1 and this basis of preparation, including the significant accounting policies set out below.

In transition to IFRS, the Group has applied IFRS 1. An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the Group is provided in Note 25.

All amounts in this document are stated in thousands of Pounds Sterling unless stated otherwise.

Basis of consolidation

The Group financial statements consolidate those of the Company and of its subsidiary undertakings (see note 22). The results of subsidiary undertakings acquired during a year are included from the date of acquisition. Profits or 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 a Group:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-Group transactions, balances income and expenses are eliminated on consolidation.

New standards, amendments and interpretations

As this is the first set of financial statements under IFRS all effective and EU endorsed standards have been implemented in these consolidated financial statements.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

- **IFRS 15 'Revenue from contracts with customers'** (effective 1 January 2018)
- **IFRS 9 'Financial instruments'** (effective 1 January 2018)
- **IFRS 16 'Leases'** (effective 1 January 2019)

The Group is assessing the impact of these Standards. There are no other IFRS or IFRIC interpretations that are not yet effective and would be expected to have a material impact on the Group.

Going concern

The Directors have, at the time of approving the consolidated historical financial information, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Goodwill and other intangible assets

Businesses are accounted for under the acquisition method. Any excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of identifiable net assets acquired is recognised as goodwill. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is not amortised but is tested annually for impairment or more frequently if events or changes in circumstances indicate potential impairment.

Goodwill is monitored at the Group level.

Investment management contracts purchased by the Group are capitalised as intangible fixed assets and stated at cost less a provision for amortisation. In calculating the cost, the total consideration, both actual and deferred, is taken into account. Where the deferred consideration is contingent and dependent upon future events, an estimate of the likely consideration payable is made. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability will be recognised in the profit and loss account. Amortisation is calculated to write off the cost of the asset on a straight line basis over its expected useful economic life. The useful economic life is determined at the time of the acquisition and reviewed at the end of each reporting period. Intangible fixed assets currently held are amortised over periods ranging from 7 to 20 years depending on the nature of the assets purchased.

The carrying amounts of non-financial assets are reviewed for impairment annually or whenever events and changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

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 value exceeds the recoverable amount; they are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

The Group does not hold any assets under finance lease arrangements.

Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

- Leasehold improvements – depreciated over term of lease
- Fixture and fittings – 15%
- Plant and machinery – 5 years
- IT equipment – 3 years
- Motor vehicles – 3 years

The residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date with the effect of any changes in the estimate accounted for on a prospective basis.

The carrying amount of an asset is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Trade and other receivables

Trade and other receivables are stated initially at fair value and subsequently at their amortised cost less impairment losses. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. 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.

Cash and cash equivalents

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

Provisions

Provisions are recognised when the Group has a present obligation or constructive obligation as a result of a past event, it is probable than an outflow of resources will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. 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.

Trade and other payables

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

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 income statement over the period of the borrowings using the effective interest method.

All other borrowing costs are recognised in income and expense in the period in which they are incurred.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. 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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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.

Exceptional items

Exceptional items include material items of expense which, because of the nature and expected infrequency of the events giving rise to them, promote separate presentation to allow better understanding of the financial performance in the year.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and such revenue can be reliably measured. Revenue includes commissions, fund management and advisory fees and performance fees, excluding value added tax, derived from the provision of services to clients.

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

Performance fees are recognised in the period in which they become due and collectable.

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

Pension obligations

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 when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Costs

The financial statements are prepared on the going concern basis, under the historical cost convention. Costs are expensed as incurred.

Leases

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

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

Financial instruments

(i) *Financial assets*

Classification

The Group classifies its financial assets as loans and receivables and financial assets at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments. They are recognised initially at fair value, and are subsequently stated at amortised cost using the effective interest method. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. Loans and receivables comprise mainly cash and cash equivalents and trade and other receivables.

Financial assets at fair value through profit or loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date, the date on which the Group commits to purchase or sell the asset or services. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Impairment of financial assets

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms of the receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within other operating costs in the income statement. On confirmation that the trade receivable will not be recoverable, the gross carrying value of the asset is written off against the associated provision.

(ii) *Financial liabilities and equity*

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

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

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the income statement as interest expense.

(iii) *Other financial liabilities*

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate 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.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

Foreign currency translation

The functional currency of the Group's entities is pounds sterling as that is the currency of the primary economic environment in which the Group operates. The Group's presentation currency is pound sterling.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Related party transactions

All companies forming part of the consolidated Group are considered to be related parties as these companies are owned either directly or indirectly by Premier Asset Management Group Ltd. The consolidated Group's majority sole shareholder is Queripel Partners LP. Key management, being the Board of Directors are also identified as a related party.

Segmental Reporting

Operating segments should be reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board.

The Group has determined that there is a single operating segment based on the reports reviewed by the chief operating decision-maker, which are used to make strategic decisions. The chief operating decision-maker is responsible for the Group's entire performance and considers the business to have a single operating segment. The Group's performance is evaluated on an overall basis. The internal reporting provided to the chief operating decision-maker for the Group's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of IFRS. There were no changes in the reportable segments during the year and previous years presented.

Earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) 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 and held as treasury shares.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY ESTIMATES

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) ***Estimated impairment of goodwill***

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates, which are further disclosed in note 12, including a sensitivity analysis.

(b) ***Deferred tax assets***

As disclosed in note 17, the deferred tax asset has been recognised despite the losses in the current and preceding year as the Directors expect that there will be sufficient taxable profits within the Group to utilise the recognised deferred tax asset in future accounting periods. Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Directors believes recognition is probable because sufficient taxable profits are expected according to the annual budget and two year forecast. It is expected that the deferred tax asset will decrease in future years due to reductions in the corporation tax charge charged by HMRC as and when enacted.

Where the actual expected outcome differs 10% from management's estimates, the Group would need to decrease the deferred tax asset by £180k as at 30 September 2015 and by £94k as at 30 September 2014 and 30 September 2013, resulting in an additional loss of £180k for the year ended 30 September 2015 and £94k for the years ended 30 September 2014 and 2013.

The Group has not applied judgements that are critical in applying the entity's accounting policies.

3. REVENUE

	Year ended 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Management fees	26,975	30,238	35,596
Performance fees	–	188	–
Commissions	147	159	86
Other income	140	95	83
Total revenue	27,262	30,680	35,765

4. EMPLOYEE EXPENSES

(a) Staff costs for the Group during the year:

	Year ended 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Wages, bonus & performance fee share	6,132	7,631	9,261
Social security costs	795	967	1,168
Defined contribution pension cost	341	340	357
Total employment cost expense	7,268	8,938	10,786

(b) Directors' emoluments were as follows:

The following table details the aggregate compensation paid in respect of the Directors

	Year ended 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Remuneration	494	569	771
Pension contributions	40	41	43
	534	610	814

(c) Emoluments received by the highest paid Director were as follows:

	Year ended 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Remuneration	277	351	411
Pension contributions	25	25	26
	302	376	437

(d) The average number of employees of the Group during the period are:

	Year ended 30 September		
	2013	*2014*	*2015*
Directors	5	5	5
Fund management	24	24	25
Sales and marketing	22	22	27
Finance and systems	8	5	5
Legal and compliance	6	7	8
Administration	20	19	21
	85	82	91

5. PROFIT AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit and loss on ordinary activities before taxation is stated after charging:

	Year ended 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Operating leases – Rent	310	209	281
Depreciation	120	136	213
Amortisation	5,243	5,135	5,128
Exceptional items	607	471	552
	6,280	5,951	6,174

Exceptional costs recognised within the operating loss are as follows:

	Year ended 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Staff redundancy costs	349	416	443
Fund rationalisation, closures and mergers	203	38	27
Corporate reconstruction		634	(6)
FSCS additional levy	55	–	–
Capital reduction		–	88
Refinancing of bank facilities		104	–
Profit on disposal of ACD contract		(721)	–
	607	471	552

Staff redundancy costs are in relation to the rationalisation and restructuring of various departments and functions.

Other operating costs, expenses by nature:

	Year ended 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Commission payable	473	1,565	1,284
Admin fees, trail commission & other	12,510	12,587	13,092
Marketing costs	963	1,679	2,872
Office costs	634	562	577
	14,580	16,393	17,825

Within the administrative expenses, the following audit and related fees are included:

	Year ended 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Audit	98	109	96
Tax and advisory	30	140	92
	128	249	188

6. FINANCE COSTS

Finance Costs

	Year ended 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Interest costs:			
Interest payable to third-parties	486	349	160
Other finance expense	220	140	160
Cash payable interest	706	489	320
PIK interest payable	229	117	–
Preference share dividends payable	3,748	1,867	2,567
Total Finance costs	4,683	2,473	2,887

Other finance expense includes the movement in the discounted value of deferred consideration, which is discounted using a discount factor, having adjusted for the deferred consideration payment made during the year ending 2013, 2014 and 2015.

7. FINANCE INCOME

Finance Income

	Year ended 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Interest income on short-term bank deposits	11	2	1
Finance income	11	2	1

8. TAXATION

Changes to the UK corporation tax rates were substantively enacted during 2015. These include reductions to the main rate to reduce the rate to 19% from April 1, 2017 and to 18% from April 1, 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Analysis of expense in the period

	Year ended 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Current tax on profits for the period	–	138	650
Adjustments in respect of prior periods	–	–	80
Total current tax	–	138	730
Origination and reversal of temporary differences	–	–	(858)
Total deferred tax	–	–	(858)
Total Income tax expense/(credit)	–	138	(128)

The differences between the standard rate of corporation tax and the effective rate are stated below:

	As at 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Loss on ordinary activities before taxation	(6,437)	(2,798)	(772)
Theoretical tax at UK corporation tax rate of 20.5% (2014: 22%, 2013: 23.5%)	(1,513)	(616)	(158)
Effects of:			
Deferred tax previously not recognised	61	(89)	(863)
Expenses not deductible for tax purposes	16	(147)	32
Amortisation not deductible	560	593	271
Fixed asset differences	4	23	13
Income not subject to UK tax	(9)	(30)	(29)
Preference share interest	881	411	526
Unrelieved tax losses and other deductions	–	(7)	–
Adjustment in respect of prior periods	–	–	80
Total Income tax expense/(credit)	–	138	(128)

Current taxation has been calculated at the rate of 20.5% (2014: 22%, 2013: 23.5%). The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Deferred tax has been recognised at 20% to reflect this reduction.

9. EARNINGS PER SHARE

	Year ended 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Basic:			
Loss attributable to equity holders of the Group	(6,437)	(2,936)	(644)
Weighted average number of ordinary shares in issue for the basic earnings per share	639,538	698,402	1,335,162
Basic earnings per share	(1,006.53)p	(420.29)p	(48.37)p
Diluted:			
Loss attributable to equity holders of the Group	(6,437)	(2,936)	(644)
Weighted-average number of shares in issue	639,538	698,402	1,335,162
Diluted earnings per share	(1,006.53)p	(420.29)p	(48.37)p

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

10. GOODWILL AND OTHER INTANGIBLE ASSETS

Intangible assets

(a) Cost, amortisation and net book value of intangible assets are as follows:

	As at 30 September 2013		
	Goodwill	*Other*	*Total*
	£000	*£000*	*£000*
Cost			
At 1 October	22,558	54,930	77,488
Additions	18	1,301	1,319
At 30 September	22,576	56,231	78,807
Accumulated amortisation			
At 1 October	6,979	17,893	24,872
Charge for the year	–	5,243	5,243
Impairment	–	–	–
On disposals	–	–	–
At 30 September	6,979	23,136	30,115
Net book amount at 30 September	15,597	33,095	48,692

	As at 30 September 2014		
	Goodwill	*Other*	*Total*
	£000	*£000*	*£000*
Cost			
At 1 October	22,576	56,231	78,807
Additions	–	–	–
Disposals	–	–	–
At 30 September	22,576	56,231	78,807
Accumulated amortisation			
At 1 October	6,979	23,136	30,115
Charge for the year	–	5,135	5,135
Impairment	–	–	–
On disposals	–	–	–
At 30 September	6,979	28,271	35,250
Net book amount at 30 September	15,597	27,960	43,557

	As at 30 September 2015		
	Goodwill	*Other*	*Total*
	£000	*£000*	*£000*
Cost			
At 1 October	22,576	56,231	78,807
Additions	–	–	–
Disposals	–	–	–
At 30 September	22,576	56,231	78,807
Accumulated amortisation			
At 1 October	6,979	28,271	35,250
Charge for the year	–	5,128	5,128
Impairment	–	–	–
On disposals	–	–	–
At 30 September	6,979	33,399	40,378
Net book amount at 30 September	15,597	22,832	38,429

All amortisation charges have been treated as an administrative expense in the income statement.

Impairment tests for goodwill

Goodwill is monitored by the management at the operating segment level, which reflects the entire Group. Therefore no further allocation of goodwill has been made.

The recoverable amount of the Group has been determined based on value-in-use calculations. These calculations are for the three year period following the year end and are based on the next years' annual budget and subsequent two year forecasts. Increases in the level of assets under management, revenues and associated costs have been taken into account. Management forecasts revenues and associated costs based on the current structure of the business, adjusting for inflationary increases and these do not reflect any future restructurings or cost saving measures. Cash flows beyond the three year period are extrapolated based on the third year forecast assuming zero growth. To arrive at the net present value the cash flows have been discounted using a discount factor (2013: 13.9%, 2014: 11.6%, 2015: 13.8%). The overall value in use was greater than the carrying amount and so no impairment charge has been recognised. The key assumptions used in calculating the value in use were the net cash flows and the discount rate.

Sensitivity analysis

Sensitivity analysis has determined that an increase in the discount rate (2013: 61.9%, 2014: 69.8%, 2015: 84.5%) would be required before an impairment of goodwill would be considered. The compound annual growth rate for the net cash flows over the forecast period is (2013: 7.6%, 2014: 3.8%, 2015: 8.3%). A reduction in the compound annual growth rate of 50% would not trigger an impairment.

11. PROPERTY, PLANT & EQUIPMENT

	As at 30 September 2013			
	Leasehold improvements £000	*Fixtures & fittings £000*	*Other £000*	*Total £000*
Cost				
At 1 October	234	323	527	1,084
Additions	–	2	47	49
Disposals	–	–	(25)	(25)
At 30 September	234	325	549	1,108
Accumulated amortisation				
At 1 October	185	249	391	825
Charge for the year	16	28	76	120
On disposals	–	–	(22)	(22)
At 30 September	201	277	445	923
Net book amount at 30 September	33	48	104	185

	As at 30 September 2014			
	Leasehold improvements £000	*Fixtures & fittings £000*	*Other £000*	*Total £000*
Cost				
At 1 October	234	325	549	1,108
Additions	690	233	51	974
Disposals	(49)	(295)	(20)	(364)
At 30 September	875	263	580	1,718
Accumulated amortisation				
At 1 October	201	277	445	923
Charge for the year	50	25	61	136
On disposals	(45)	(288)	(4)	(337)
At 30 September	206	14	502	722
Net book amount at 30 September	669	249	78	996

	As at 30 September 2015			
	Leasehold improvements £000	*Fixtures & fittings £000*	*Other £000*	*Total £000*
Cost				
At 1 October	875	263	580	1,718
Additions	102	13	63	178
Disposals	–	–	(49)	(49)
At 30 September	977	276	594	1,847
Accumulated amortisation				
At 1 October	206	14	502	722
Charge for the year	110	43	60	213
On disposals	–	–	(47)	(47)
At 30 September	316	57	515	888
Net book amount at 30 September	661	219	79	959

Impairment

The Group reviews tangible assets for evidence of impairment. Where the value in use, as determined by the present value of discounted cash flows, is less than the carrying value, the Group considers the fair value of the asset. There were no impairment charges in years ended 30 September 2015, 2014 and 2013.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Assets and liabilities measured at fair value

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 and financial liabilities are:

Financial instruments

	As at 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Financial assets			
Other investments			
Quoted – level 1	112	247	301
Unquoted – level 3	–	250	250
Financial Liabilities			
Derivative liabilities	–	–	–
	112	497	551

Quoted investments – level 1

The Group holds units in a fund for which quoted prices in an active market are available. The fair value measurement is based on level 1 in the fair value hierarchy.

Unquoted investments – level 3

The fair value of the unquoted investments cannot be reliably measured and are therefore stated at cost. There is no active market for the unit investments and there is no intention to dispose of the investments.

Derivative liabilities

A hedging agreement was entered into on 21 December 2007 between Premier Asset Management Holdings Ltd and Lloyds TSB plc which fixed two-thirds of the debt (Note 16) at a LIBOR rate of 5.48% for the period up to and including 30 September 2011. This hedging agreement was renewed with effect from 1 October 2011, which fixed half of the debt at six month LIBOR of 1.75% for the period up to and including 28 March 2013. The agreement was not renewed and therefore no balances are shown above. An amount of £50k was recognised at fair value in the opening balance sheet as at 1 October 2012, which represented a Level 2 measurement.

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

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

Trade debtors and trade creditors

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

Borrowings and overdraft

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

Preference shares

The fair value of preference shares is not materially different to their carrying value.

Financial risk management

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

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

Market risks

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

a) *Interest rate risk*

The Group is exposed to interest rate risk as the Group borrows at floating interest rates. The risk is monitored by the Board. The Group held an interest rate swap to hedge the interest on borrowings during the year ended 30 September 2013. Due to the current interest rate environment, the Group decided not to renew the interest rate swap and no longer hedge the interest rate risk. This decision will be re-evaluated if interest rates move in the future.

A 1% increase in interest rates on the Group's debt balances at 30 September 2015, would increase the annual net interest payable in the statement of comprehensive income and reduce equity by £23k (30 September 2014 £118k, 30 September 2013: £95k, 1 October 2012: £53k). 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; consequently exposures to exchange rate fluctuations arise.

At 30 September 2015, if the US Dollar had strengthened by 10% against the Pound with all other variables held constant, this would have had an £73k impact on the statement of comprehensive income and equity (30 September 2014: £68k, 30 September 2013: £69k and 1 October 2012: £69k).

c) *Credit risk*

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

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

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

d) *Liquidity risk*

The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Group's reputation. Details of the bank facilities provided to the Group are provided in note 16.

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

	Less than 3 months £000	*Between 3 months and 1 year £000*	*Between 1 and 5 years £000*	*Over 5 years £000*
As at 30 September 2015				
Borrowings	–	2,250	–	46,670
Trade and other payables	41,712	–	–	–
Deferred consideration	–	1,025	250	–
Other liabilities	–	–	–	2,743
As at 30 September 2014				
Borrowings	–	3,000	2,250	46,670
Trade and other payables	37,108	–	–	–
Deferred consideration	–	225	1,275	–
Other liabilities	–	–	–	176
As at 30 September 2013				
Borrowings	–	1,450	8,001	32,038
Trade and other payables	16,318	–	–	–
Deferred consideration	–	450	1,500	–
Other liabilities	–	–	–	12,941

Capital Management

Working capital

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

Regulatory capital requirements

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

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

Offsetting financial assets and financial liabilities

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

13. TRADE AND OTHER RECEIVABLES

Trade and other receivables

	As at 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Amounts falling due within one year:			
Due from trustees/investors for open end fund redemptions/sales	10,864	26,198	34,285
Other trade debtors	79	100	223
Accrued income	2,510	2,934	3,322
Prepayments	430	355	373
Other taxes	59	194	263
Other receivables	367	231	246
Total current trade and other receivables	14,309	30,012	38,712

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

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	As at 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Pound sterling	14,309	30,012	38,712
	14,309	30,012	38,712

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

	As at 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Days			
0 to 30 days	10,930	26,297	34,359
31 to 60 days	13	1	73
61 to 90 days	–	–	76
Over 90 days	–	–	–
	10,943	26,298	34,508

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

14. CASH AND CASH EQUIVALENTS

	As at 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Cash at bank and in hand	5,407	9,618	8,852
Total cash and cash equivalents	5,407	9,618	8,852

15. TRADE AND OTHER PAYABLES

	As at 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Due to trustees/investors for open end fund creations/redemptions	11,583	30,695	34,314
Other trade payables	915	1,128	870
Other tax and social security payable	359	516	638
Accruals	2,625	3,955	4,434
Pension contributions	32	50	47
Other payables	804	764	1,409
	16,318	37,108	41,712

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.

16. BORROWINGS

	As at 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Bank loans	9,451	5,250	2,250
Preference shares of £1 each	32,038	46,670	46,670
	41,489	51,920	48,920

	As at 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Current	1,450	3,000	2,250
Non-current	40,039	48,920	46,670
	41,489	51,920	48,920

Bank loans

The bank loans consist of a senior facility repayable in six monthly instalments with the final repayment of £750k being due in September 2016. Interest is charged on a six monthly basis at 6 month LIBOR +2.75%.

The facility provided by Lloyds Bank plc is secured via fixed and floating charges over the assets and undertakings of Premier Asset Management Holdings Ltd, Premier Asset Management Midco Ltd and Premier Asset Management Group Ltd via a debenture dated 28 September 2007, a fixed charge over the shares in the capital of Premier Asset Management Ltd and any derivative assets, together with a fixed charge over certain contracts and the proceeds thereof and a deed of accession in favour of Lloyds Bank plc.

Preference shares

The 8% and 4% Preference shares were issued on 5th September 2014 as part of a capital reorganisation whereby the A and B Ordinary shares of 1p each were re-designated as Ordinary shares of 1p each, each Deferred share of 5p each was subdivided into five Deferred shares of 1p each, the G Ordinary share was re-designated as five Deferred shares of 1p each, and the B Preference shares, together with accumulated interest amounting to £46,890,000 were converted into 17,500,000 8% Preference shares of £1 each, 29,170,000 4% Preference shares of £1 each and 606,425 Ordinary shares of 1p each.

The 8% and 4% Preference shares are cumulative redeemable preference shares of £1 each and have the right to a fixed cumulative preferential dividend of 8% and 4% per annum respectively. The Company shall redeem the 8% and 4% Preference shares on the earlier of an exit and, in the case of the 8% Preference shares, 31 December 2020 and in the case of the 4% Preference shares, 31 December 2021. The Company may redeem at any time all or any number of the 8% Preference shares by serving notice on the 8% Preference shareholders specifying the number of 8% Preference shares to be redeemed and a date between 14 and 28 days later on which the redemption is to take place. Provided that all the 8% Preference shares have been redeemed in full, the Company may at any time redeem all or any number of the 4% Preference shares by serving notice on the 4% Preference shareholders specifying the number of 4% Preference shares to be redeemed and a date between 14 and 28 days later on which the redemption is to take place.

17. PROVISIONS AND OTHER LIABILITIES

Analysis of total provisions:

	As at 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Interest on preference shares	12,941	176	2,743
VAT provision	–	361	530
	12,941	537	3,273

Interest on preference shares

The accrued interest relates to the preference shares. See for a description of the preference shares note 16 on borrowings. The entire interest accrual is non-current.

VAT provision

The Group is in discussion with HMRC regarding the operation of an agreed partial exemption special method. The VAT provision represents input tax which may be payable pending the outcome of the discussions with HMRC.

18. DEFERRED TAX

The deferred tax asset has been recognised on the items shown in the table below despite the losses in the current and preceding years as the Directors expect that there will be sufficient taxable profits within the Group to utilise the recognised deferred tax asset in future accounting periods. Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Directors believes recognition is probable because sufficient taxable profits are expected according to the output from the annual budgeting and forecasting process. It is expected that the deferred tax asset will decrease in future years due to reductions in the corporation tax charge charged by HMRC.

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of: 30 September 2015 20%, (2014: 20%, 2013: 20%).

Factors that may affect future tax charges:

The Group has both provided and unprovided deferred tax assets as outlined below. Deferred tax assets have been recognised in respect of losses as they will be used to offset taxable profits forecast in future years. The benefit of the unprovided deferred tax asset will be realised when the Group has sufficient taxable profits, the timing of which is currently uncertain.

		As at 30 September	
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Deferred tax asset at 1 October	944	944	944
Deferred tax charged in the profit and loss account for the year	–	–	858
Deferred tax asset at 30 September	944	944	1,802

The deferred tax asset is made up as follows:

		As at 30 September	
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Provided deferred tax asset			
Accelerated capital allowances			(69)
Pension accrued		–	8
Accrued bonuses	–	–	202
Non trade intangible fixed asset losses	–	–	33
Trading losses	944	944	1,628
	944	944	1,802

		As at 30 September	
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Unprovided deferred tax asset			
Pension accrued	6	8	–
Accrued bonuses	28	49	–
Trading losses	1,145	741	–
Non trade loan relationship losses	2,075	2,075	2,075
Excess management expenses	53	53	53
Non trade intangible fixed asset losses	47	460	420
Property, plant and equipment timing differences	10	(64)	–
	3,364	3,322	2,548

19. SHARE CAPITAL

	As at 30 September		
	2013	*2014*	*2015*
Authorised			
A Ordinary shares	200,000	–	–
B Ordinary shares	600,000	–	–
G Ordinary share	1	–	–
Ordinary shares	–	1,398,513	1,398,513
Deferred shares	106,502,741	532,513,706	532,513,706
Allotted, issued and fully paid			
A Ordinary shares	193,000	–	–
B Ordinary shares	452,237	–	–
G Ordinary share	1	–	–
Ordinary shares	–	1,328,593	1,357,052
Deferred shares	106,502,741	532,513,706	532,513,706

Year ended 30 September 2015

On 5 August 2015, following the approval of a written resolution, the nominal value of each deferred share was reduced from 1p per share to 0.1p per deferred share. In addition, the share premium account was cancelled. The surplus of £44,014 arising from this capital reduction has been credited to the retained earnings of the Group.

Year ended 30 September 2014

The 8% and 4% Preference shares were issued on 5th September 2014 as part of a capital reorganisation whereby the A and B Ordinary shares of 1p each were re-designated as Ordinary shares of 1p each, each Deferred share of 5p each was subdivided into five Deferred shares of 1p each, the G Ordinary share was re-designated as five Deferred shares of 1p each, and the B Preference shares, together with accumulated interest amounting to £46,890,000 were converted into 17,500,000 8% Preference shares of £1 each, 29,170,000 4% Preference shares of £1 each and 606,425 Ordinary shares of 1p each.

Year ended 30 September 2013

The B Preference shares in issue at the year end were issued as part of the capital reconstruction that took place in 2009, with 8,573,565 shares being issued as part consideration for the release of Tranche B of the private equity backer's loan; a further 11,098,523 B Preference shares were issued to Electra as part of the consideration following the injection of £23,798,523 from Electra; the balance of the consideration of £12,700,000 was in the form of an interest free loan which, on 14 July 2011 was converted into 12,365,585 B Preference shares and 334,416 B Ordinary shares.

20. OPERATING LEASE ARRANGEMENTS

Operating Lease Arrangements

The Group as lessee

	Year ended 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Lease payments recognised as an expense in the year	310	209	281

	As at 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Within one year	245	–	–
In second to fifth year inclusive	65	65	94
After five years	–	221	221
	310	286	315

Operating lease payments represent rentals payable by the Group for certain of its office properties.

21. NET CASH GENERATED FROM OPERATIONS

	Year ended 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Cash flows from operating activities			
Loss before taxation	(6,437)	(2,936)	(644)
Adjustments for:			
Interest received	(11)	(2)	(1)
Interest paid	485	490	160
Depreciation	120	136	213
Loss/(profit) on disposal of fixed assets	3	4	(12)
Gain on revaluation of current asset investments	–	(3)	–
Amortisation	5,243	5,135	5,128
Changes in working capital:			
Increase/(decrease) in trade and other receivables	2,566	(15,523)	(8,760)
Increase in trade payables	1,590	22,265	6,560
Increase in provisions	–	361	169
Net cash generated from operations	3,559	9,927	2,813

22. RELATED PARTY TRANSACTIONS

The Group manages, through its subsidiaries, a number of open ended investment companies (OEIC) and investment trusts. The subsidiary companies receive management fees from these entities for managing assets and in some instances receive performance fees. The Group acts as manager for 33 funds as at 30 September 2015; 33 as at 30 September 2014 and 37 as at 30 September 2013.

(a) ***Key Management compensation***

The key management personnel compensation for employee and director services during the year is shown below:

	Year ended 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Short-term employee benefits	1,181	1,565	2,206
Total	1,181	1,565	2,206

(b) ***Asset management vehicles***

The Group provides investment management services for a number of collective investment schemes where Group companies are investment advisers of underlying funds, which meet the criteria of related parties. In return the Group receives management fees for provision of these services.

	Year ended 30 September		
	2013	*2014*	*2015*
	£000	*£000*	*£000*
Management fees	25,897	29,287	34,764
Amounts outstanding at the year end	2,266	2,713	3,134

23. GROUP ENTITIES

Premier Asset Management Group Ltd (the "**Group**") is a Group incorporated in England. The Group was incorporated on 11 December 2012. The address of the registered office is Eastgate Court High Street Guildford Surrey GU1 3DE.

The Group's principal subsidiaries as at the end of 30 September 2015 are as follows:

Entity	*Class of share held*	*Proportion of voting rights and shares held*	*Nature of business*
(i) *Directly held*			
Premier Asset Management MidCo Limited	Ordinary	100%	Holding Group
(ii) *Indirectly held*			
Premier Asset Management Holdings Limited	Ordinary	100%	Holding Group
Premier Investment Group Limited	Ordinary	100%	Holding Group
Premier Portfolio Managers Limited	Ordinary	100%	Investment manager/ACD
PAM Plc	Ordinary	100%	Dormant
Premier Offshore Asset Management Limited	Ordinary	100%	Dormant
Premier Asset Management (Guernsey) Limited	Ordinary	100%	Fund manager
Eastgate Court Nominees Ltd	Ordinary	100%	Nominee Company
Premier Fund Managers Limited	Ordinary	100%	Fund manager
Premier Investment Administration Limited	Ordinary	100%	Dormant
Premier Discretionary Asset Management Plc	Ordinary	100%	Dormant
Premier Fund Services Limited	Ordinary	100%	Dormant
Premier Capital Management Limited	Ordinary	100%	Dormant
Premier Asset Management Limited	Ordinary	100%	Holding Group
IF Alliance Limited	Ordinary	100%	Dormant

24. POST BALANCE SHEET EVENTS

There have been no post balance sheet events.

25. First time adoption of International Financial Reporting Standards

Initial elections upon adoption

The Group has adopted International Financial Reporting Standards as adopted by the European Union (IFRS) for these financial statements for the year ended 30 September 2015. In order to show comparative balances, the year ended 30 September 2014 and 2013 are also shown under IFRS. The date of transition to IFRS is 1 October 2012.

In general, a company is required to determine its IFRS accounting policies and apply these retrospectively to determine its opening balance sheet under IFRS. However, International Financial Reporting Standard 1, First time adoption of International Financial Reporting Standards, (IFRS 1) allows a number of exemptions to this general principle upon adoption of IFRS. The Group has taken advantage of the following transitional arrangements.

IFRS Exemption Options

Business combinations

IFRS 3 need not be applied retrospectively to business combinations that took place before 1 October 2012. At the date of transition, no adjustment was made between UK GAAP and IFRS for any historical business combination.

Fair value measurement of financial assets or liabilities at initial recognition

The Group will determine the fair value of financial assets and liabilities that have observable market data or current market transactions at the initial recognition, and prospectively to transactions entered into after financial years beginning on or after 1 October 2012.

Leases

IFRS 1 permits arrangements to be examined to determine whether they contain a lease based on facts and circumstances, at the date of transition to IFRS. The Group has examined lease arrangements at the date of transition (1 October 2012) in order to determine whether it had any financial or operational leases. No changes to the classification were noted compared to previous GAAP.

IFRS Mandatory Exceptions

Estimates

Hindsight is not used to create or revise estimates. The estimates previously made by the Group under UK GAAP were not revised for application of IFRS.

Reconciliations of UK GAAP to IFRS

IFRS 1 requires an entity to reconcile equity, comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from UK GAAP to IFRS for the respective periods noted for equity, earnings and comprehensive income:

Reconciliation of Financial Position (including Equity)

The following tables show the reconciliation on the date of transition to IFRS (1 October 2012) and the end of the latest period presented based on UK GAAP (30 September 2015).

a) Deferred tax asset – reclassification of the deferred tax asset from trade and other receivables
b) Derivative liabilities – fair value adjustment of derivative financial instrument
c) Current liabilities – reclassification
d) Non-current liabilities – reclassification
e) Goodwill – goodwill not amortised under IFRS

	Note	*As at 1 October 2012 £000*	*IFRS adjustments Note £000*	*IFRS reclassifications Note £000*	*As at 1 October 2012 £000*
Assets					
Non-current assets					
Intangible assets		37,037	–	–	37,037
Goodwill		15,579	–	–	15,579
Property, Plant and Equipment		258	–	–	258
Deferred tax asset	a		–	944	944
		52,874	–	944	53,818
Current assets					
Financial assets at fair value through P&L		39	–	–	39
Trade and other receivables	a	17,803	–	(944)	16,859
Cash and cash equivalents		5,665	–	–	5,665
		23,507	–	(944)	22,563
Total assets		76,381	–	–	76,381
Equity					
Share capital		5,332	–	–	5,332
Share premium		38,940	–	–	38,940
Warrant reserve		146	–	–	146
Retained earnings	b	(40,188)	(50)	–	(40,238)
Total equity		4,230	(50)	–	4,180
Liabilities					
Current liabilities					
Trade and other payables	c	20,667	–	(2,247)	18,420
Current tax liabilities	c	–	–	43	43
Borrowings and overdraft	c	–	–	2,204	2,204
Derivative liabilities	b	–	50	–	50
Provisions and other liabilities		–	–	–	–
		20,667	50	–	20,717
Non-current liabilities					
Borrowings	d	51,484	–	(9,824)	41,660
Deferred Consideration	d	–	–	631	631
Provisions and other liabilities	d	–	–	9,193	9,193
		51,484	–	–	51,484
Total liabilities		72,151	50	–	72,201
Total equity and liabilities		76,381	–	–	76,381

	Note	As at 30 September 2013 £000	IFRS adjustments Note £000	IFRS reclassifications Note £000	As at 30 September 2013 £000
Assets					
Non-current assets					
Intangible assets		33,095	–	–	33,095
Goodwill	e	14,215	1,382	–	15,597
Property, Plant and Equipment		185	–	–	185
Deferred tax asset	a	–	–	944	944
		47,495	1,382	944	49,821
Current assets					
Financial assets at fair value through P&L		112	–	–	112
Trade and other receivables	a	15,253	–	(944)	14,309
Cash and cash equivalents		5,407	–	–	5,407
		20,772	–	(944)	19,828
Total assets		68,267	1,382	–	69,649
Equity					
Share capital		5,332	–	–	5,332
Share premium		38,948	–	–	38,948
Warrant reserve		146	–	–	146
Retained earnings	e	(48,007)	1,382	–	(46,625)
Total equity		(3,581)	1,382	–	(2,199)
Liabilities					
Current liabilities					
Trade and other payables	c	17,812	–	(1,494)	16,318
Current tax liabilities	c	–	–	44	44
Borrowings and overdraft	c	–	–	1,450	1,450
Provisions and other liabilities		–	–	–	–
Derivative liabilities		–	–		–
		17,812	–	–	17,812
Non-current liabilities					
Borrowings	d	54,036	–	(13,997)	40,039
Deferred Consideration	d	–	–	1,056	1,056
Provisions and other liabilities	d	–	–	12,941	12,941
		54,036	–	–	54,036
Total liabilities		71,848	–	–	71,848
Total equity and liabilities		68,267	1,382	–	69,649

	Note	As at 30 September 2014 £000	IFRS adjustments Note £000	IFRS reclassifications Note £000	As at 30 September 2014 £000
Assets					
Non-current assets					
Intangible assets		27,960	–	–	27,960
Goodwill	e	12,839	2,758	–	15,597
Property, Plant and Equipment		996	–	–	996
Deferred tax asset	a	–	–	944	944
		41,795	2,758	944	45,497
Current assets					
Financial assets at fair value through P&L		497	–	–	497
Trade and other receivables	a	30,956	–	(944)	30,012
Cash and cash equivalents		9,618	–	–	9,618
		41,071	–	(944)	40,127
Total assets		82,866	2,758	–	85,624
Equity					
Share capital		5,339	–	–	5,339
Share premium		39,211	–	–	39,211
Warrant reserve		–	–	–	–
Retained earnings	e	(52,391)	2,758	–	(49,633)
Total equity		(7,841)	2,758	–	(5,083)
Liabilities					
Current liabilities					
Trade and other payables	c	40,650	–	(3,542)	37,108
Current tax liabilities	c	–	–	181	181
Borrowings and overdraft	c	–	–	3,000	3,000
Provisions and other liabilities	c	–	–	361	361
		40,650	–	–	40,650
Non-current liabilities					
Borrowings	d	50,057	–	(1,137)	48,920
Deferred Consideration	d	–	–	961	961
Provisions and other liabilities	d	–	–	176	176
		50,057	–	–	50,057
Total liabilities		90,707	–	–	90,707
Total equity and liabilities		82,866	2,758	–	85,624

	Note	As at 30 September 2015 £000	IFRS adjustments £000 Note	IFRS reclassifications £000 Note	As at 30 September 2015 £000
Assets					
Non-current assets					
Intangible assets		22,832	–	–	22,832
Goodwill	e	11,462	4,135	–	15,597
Property, Plant and Equipment		959	–	–	959
Deferred tax asset	a	–	–	1,802	1,802
		35,253	4,135	1,802	41,190
Current assets					
Financial assets at fair value through P&L		551	–	–	551
Trade and other receivables	a	40,514	–	(1,802)	38,712
Cash and cash equivalents		8,852	–	–	8,852
		49,917	–	(1,802)	48,115
Total assets		85,170	4,135	–	89,305
Equity					
Share capital		546	–	–	546
Share premium		13	–	–	13
Warrant reserve		–	–	–	–
Retained earnings	e	(10,398)	4,135	–	(6,263)
Total equity		(9,839)	4,135	–	(5,704)
Liabilities					
Current liabilities					
Trade and other payables	c	45,403	–	(3,691)	41,712
Current tax liabilities	c	–	–	911	911
Borrowings and overdraft	c	–	–	2,250	2,250
Provisions and other liabilities	c	–	–	530	530
		45,403	–	–	45,403
Non-current liabilities					
Borrowings	d	49,606	–	(2,936)	46,670
Deferred Consideration	d	–	–	193	193
Provisions and other liabilities	d	–	–	2,743	2,743
		49,606	–	–	49,606
Total liabilities		95,009	–	–	95,009
Total equity and liabilities		85,170	–	–	89,305

Reconciliation of Comprehensive Income

	As at 30 September 2013 £000	*IFRS adjustments Note £000*	*IFRS reclassifications Note £000*	*As at 30 September 2013 £000*
Total Comprehensive income under UK GAAP				
Revenue	27,262	–	–	27,262
Administrative expenses	(8,597)	–	–	(8,597)
Amortisation	(6,625)	1,382	–	(5,243)
Other operating expenses	(14,580)	–	–	(14,580)
Exceptional items	(607)	–	–	(607)
Operating profit/(loss)	(3,147)	1,382	–	(1,765)
Net finance (costs) income	(4,672)	–	–	(4,672)
Loss before tax	(7,819)	1,382	–	(6,437)
Taxation	–	–	–	–
Loss for the financial period	(7,819)	1,382	–	(6,437)
Other comprehensive income	–	–	–	–
Total comprehensive income	(7,819)	1,382	–	(6,437)

	As at 30 September 2014 £000	*IFRS adjustments Note £000*	*IFRS reclassifications Note £000*	*As at 30 September 2014 £000*
Total Comprehensive income under UK GAAP				
Revenue	30,680	–	–	30,680
Administrative expenses	(9,008)	–	–	(9,008)
Amortisation	(6,511)	1,376	–	(5,135)
Other operating expenses	(16,393)	–	–	(16,393)
Exceptional items	(471)	–	–	(471)
Operating profit/(loss)	(1,703)	1,376	–	(327)
Net finance (costs) income	(2,471)	–	–	(2,471)
Loss before tax	(4,174)	1,376	–	(2,798)
Taxation	(138)	–	–	(138)
Loss for the financial period	(4,312)	1,376	–	(2,936)
Other comprehensive income	–	–	–	–
Total comprehensive income	(4,312)	1,376	–	(2,936)

	As at 30 September 2015 £000	*IFRS adjustments Note £000*	*IFRS reclassifications Note £000*	*As at 30 September 2015 £000*
Total Comprehensive income under UK GAAP				
Revenue	35,765	–	–	35,765
Administrative expenses	(10,146)	–	–	(10,146)
Amortisation	(6,505)	1,377	–	(5,128)
Other operating expenses	(17,825)	–	–	(17,825)
Exceptional items	(552)	–	–	(552)
Operating profit/(loss)	737	1,377	–	2,114
Net finance (costs) income	(2,886)	–	–	(2,886)
Loss before tax	(2,149)	1,377	–	(772)
Taxation	128	–	–	128
Loss for the financial period	(2,021)	1,377	–	(644)
Other comprehensive income	–	–	–	–
Total comprehensive income	(2,021)	1,377	–	(644)

Reconciliation of the Cash flow

	As at 30 September 2013 UK GAAP £000	*IFRS adjustments Note £000*	*IFRS reclassifications Note £000*	*As at 30 September 2013 IFRS £000*
Cash flows from operating activities				
Loss	(7,819)	1,382	–	(6,437)
Adjustments for:				
Interest received	(11)	–	–	(11)
Interest paid	485	–	–	485
Depreciation	120	–	–	120
(Profit)/loss on disposal of fixed assets	3	–	–	3
Gain on revaluation of current asset investments	–	–	–	–
Amortisation	6,625	(1,382)	–	5,243
Changes in working capital:				
Increase/(decrease) in trade and other receivables	2,566	–	–	2,566
(Decrease)/increase in trade payables	1,590	–	–	1,590
(Decrease)/increase in provisions	–	–	–	–
Net cash generated from operations	3,559	–	–	3,559

	As at 30 September 2014 UK GAAP £000	*IFRS adjustments Note £000*	*IFRS reclassifications Note £000*	*As at 30 September 2014 IFRS £000*
Cash flows from operating activities				
Loss	(4,312)	1,377	–	(2,936)
Adjustments for:				
Interest received	(2)	–	–	(2)
Interest paid	490	–	–	490
Depreciation	136	–	–	136
(Profit)/loss on disposal of fixed assets	4	–	–	4
Gain on revaluation of current asset investments	(3)	–	–	(3)
Amortisation	6,511	(1,377)	–	5,135
Changes in working capital:				
Increase/(decrease) in trade and other receivables	(15,523)	–	–	(15,523)
(Decrease)/increase in trade payables	22,265	–	–	22,265
(Decrease)/increase in provisions	361	–	–	361
Net cash generated from operations	9,927	–	–	9,927

	As at 30 September 2015 UK GAAP £000	*IFRS adjustments Note £000*	*IFRS reclassifications Note £000*	*As at 30 September 2015 IFRS £000*
Cash flows from operating activities				
Loss	(2,021)	1,377	–	(644)
Adjustments for:				
Interest received	(1)	–	–	(1)
Interest paid	160	–	–	160
Depreciation	213	–	–	213
(Profit)/loss on disposal of fixed assets	(12)	–	–	(12)
Gain on revaluation of current asset investments	–	–	–	–
Amortisation	6,505	(1,377)	–	5,128
Changes in working capital:				
Increase/(decrease) in trade and other receivables	(8,760)	–	–	(8,760)
(Decrease)/increase in trade payables	6,560	–	–	6,560
(Decrease)/increase in provisions	169	–	–	169
Net cash generated from operations	2,813	–	–	2,813

	As at 30 September 2013 UK GAAP £000	IFRS adjustments Note £000	IFRS reclassifications Note £000	As at 30 September 2013 IFRS £000
Cash generated from operations	3,559		–	3,559
Interest paid to third-parties	(485)	–	–	(485)
Interest received	11	–	–	11
Net cash inflow/(outflow) from operating activities	3,085	–	–	3,085
Cash flows from investing activities				
Purchases of intangible assets	(624)	–	–	(624)
Purchases of assets at fair value through P&L	(92)	–	–	(92)
Disposals of assets at fair value through P&L	18	–	–	18
Purchases of property, plant and equipment	(49)	–	–	(49)
Disposals of tangible assets	–	–	–	–
Net cash outflow from investing activities	(747)	–	–	(747)
Cash flows from financing activities				
Repayment of borrowings	(1,800)	–	–	(1,800)
Issue of ordinary shares	8	–	–	8
Net cash used in financing activities	(1,792)	–	–	(1,792)
Net increase in cash and cash equivalents	546	–	–	546
Cash and cash equivalents at beginning of the period	4,861	–	–	4,861
Cash and cash equivalents at the end of the period	5,407	–	–	5,407

	As at 30 September 2014 UK GAAP £000	*IFRS adjustments Note £000*	*IFRS reclassifications Note £000*	*As at 30 September 2014 IFRS £000*
Cash generated from operations	9,927		–	9,927
Interest paid to third-parties	(490)	–	–	(490)
Interest received	2	–	–	2
Net cash inflow/(outflow) from operating activities	9,439	–	–	9,439
Cash flows from investing activities				
Purchases of intangible assets	(450)	–	–	(450)
Purchases of assets at fair value through P&L	(384)	–	–	(384)
Disposals of assets at fair value through P&L	2	–	–	2
Purchases of property, plant and equipment	(974)	–	–	(974)
Disposals of tangible assets	23	–	–	23
Net cash outflow from investing activities	(1,783)	–	–	(1,783)
Cash flows from financing activities				
Repayment of borrowings	(3,451)	–	–	(3,451)
Issue of ordinary shares	6	–	–	6
Net cash used in financing activities	(3,445)	–	–	(3,445)
Net increase in cash and cash equivalents	4,211	–	–	4,211
Cash and cash equivalents at beginning of the period	5,407	–	–	5,407
Cash and cash equivalents at the end of the period	9,618	–	–	9,618

	As at 30 September 2015 UK GAAP £000	*IFRS adjustments Note £000*	*IFRS reclassifications Note £000*	*As at 30 September 2015 IFRS £000*
Cash generated from operations	2,813		–	2,813
Interest paid to third-parties	(160)	–	–	(160)
Interest received	1	–	–	1
Net cash inflow/(outflow) from operating activities	2,654	–	–	2,654
Cash flows from investing activities				
Purchases of intangible assets	(225)	–	–	(225)
Purchases of assets at fair value through P&L	(281)	–	–	(281)
Disposals of assets at fair value through P&L	227	–	–	227
Purchases of property, plant and equipment	(178)	–	–	(178)
Disposals of tangible assets	14	–	–	14
Net cash outflow from investing activities	(443)	–	–	(443)
Cash flows from financing activities				
Repayment of borrowings	(3,000)	–	–	(3,000)
Issue of ordinary shares	23	–	–	23
Net cash used in financing activities	(2,977)	–	–	(2,977)
Net increase in cash and cash equivalents	(766)	–	–	(766)
Cash and cash equivalents at beginning of the period	9,618	–	–	9,618
Cash and cash equivalents at the end of the period	8,852	–	–	8,852

SECTION C: UNAUDITED HISTORICAL FINANCIAL INFORMATION ON THE GROUP FOR THE NINE MONTHS ENDED 30 JUNE 2015 AND 30 JUNE 2016

Consolidated Statement of Comprehensive Income

	Note	*9 months to 30 June 2016 £000*	*9 months to 30 June 2015 £000*
Revenue	2	28,818	26,213
Administrative expenses		(9,332)	(7,515)
Amortisation		(3,848)	(3,847)
Other operating expenses	4	(12,011)	(13,506)
Exceptional items	4	(484)	(131)
Operating profit	4	3,143	1,214
Net finance costs	5, 6	(1,771)	(2,075)
Profit/(loss) before tax		1,372	(861)
Taxation	7	(1,025)	(376)
Profit/(loss) for the financial period		347	(1,237)
Other comprehensive income		–	–
Total comprehensive income		347	(1,237)
Basic earnings/(loss) per share	8	25.35p	(92.85)p
Diluted basic earnings/(loss) per share	8	25.35p	(92.85)p

Consolidated Statement of Financial Position

	Note	*As at 30 June 2016 £000*
Assets		
Non-current assets		
Intangible assets		18,984
Goodwill		15,597
Property, Plant and Equipment		820
Deferred tax asset	13	1,712
		37,113
Current assets		
Financial assets at fair value through P&L	9	1,027
Trade and other receivables	10	50,221
Cash and cash equivalents		8,513
		59,761
Total assets		96,874
Equity		
Capital and reserves attributable to equity holders		
Share capital		546
Share premium		25
Capital redemption reserve	16	4,000
Retained earnings		(9,916)
Total equity		(5,345)
Liabilities		
Current liabilities		
Trade and other payables	11	54,293
Current tax liabilities		979
		55,272
Non-current liabilities		
Borrowings	12	42,670
Deferred Consideration		193
Provisions and other liabilities		4,084
		46,947
Total liabilities		102,219
Total equity and liabilities		96,874

Consolidated Statement of Changes in Equity

	Share capital £000	*Share premium £000*	*Capital redemption reserve £000*	*Retained Earnings £000*	*Total £000*
At 1 October 2015	546	13	–	(6,263)	(5,704)
Shares issued during the year	–	12	–	–	12
Capital redemption reserve	–	–	4,000	(4,000)	–
Retained Profit for the year	–	–	–	347	347
At 30 June 2016	546	25	4,000	(9,916)	(5,345)

Consolidated Statements of Cash Flow

	Note	*9 months to 30 June 2016 £000*	*9 months to 30 June 2015 £000*
Cash generated from operations	14	6,784	(1,087)
Interest paid to third-parties		(428)	(97)
Interest received		(1)	–
Net cash inflow from operating activities		6,355	(1,184)
Cash flows from investing activities			
Purchases of assets at fair value through P&L		(542)	(305)
Disposals of assets at fair value through P&L		89	92
Purchases of property, plant and equipment		(3)	(183)
Sales of property, plant and equipment		–	13
Net cash outflow from investing activities		(456)	(383)
Cash flows from financing activities			
Repayment of borrowings		(6,250)	(1,500)
Issue of ordinary shares		12	10
Net cash used in financing activities		(6,238)	(1,490)
Net decrease in cash and cash equivalents		(339)	(3,057)
Cash and cash equivalents at beginning of the period		8,852	9,618
Cash and cash equivalents at the end of the period		8,513	6,561

Notes to the historical financial information

1. GENERAL INFORMATION

The principal activity of Premier Asset Management Group Ltd (the "**Company**") is that of a holding company and its subsidiaries (together the "**Group**") is the provision of asset management services.

Basis of preparation

This historical financial information presents the financial track record of the Group for the nine month ended 30 June 2016 and is prepared for the purposes of admission to the Alternative Investment Market ("**AIM**") operated by the London Stock Exchange. The set of financial statements included in this report has been prepared in accordance with the recognition and measurement requirements of IFRSs as adopted by the EU, consistent with the accounting policies that will be applied for the year ended 30 September 2016.

All amounts in this document are stated in thousands of Pounds Sterling unless stated otherwise.

Basis of consolidation

The Group financial statements consolidate those of the Company and of its subsidiary undertakings. The results of subsidiary undertakings acquired during a year are included from the date of acquisition. Profits or 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 a Group:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The results of subsidiaries acquired or disposed of during the period under review are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-Group transactions, balances income and expenses are eliminated on consolidation.

New standards, amendments and interpretations

As this is the first set of financial statements under IFRS all effective and EU endorsed standards have been implemented in these consolidated financial statements.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

- **IFRS 15 'Revenue from contracts with customers'** (effective 1 January 2018)
- **IFRS 9 'Financial instruments'** (effective 1 January 2018)
- **IFRS 16 'Leases'** (effective 1 January 2019)

The Group is assessing the impact of these Standards. There are no other IFRS or IFRIC interpretations that are not yet effective and would be expected to have a material impact on the Group.

Going concern

The Directors have, at the time of approving the consolidated historical financial information, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Goodwill and other intangible assets

Businesses are accounted for under the acquisition method. Any excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of identifiable net assets acquired is recognised as goodwill. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is not amortised but is tested annually for impairment or more frequently if events or changes in circumstances indicate potential impairment.

Goodwill is monitored at the Group level.

Investment management contracts purchased by the Group are capitalised as intangible fixed assets and stated at cost less a provision for amortisation. In calculating the cost, the total consideration, both actual and deferred, is taken into account. Where the deferred consideration is contingent and dependent upon future events, an estimate of the likely consideration payable is made. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability will be recognised in the profit and loss account. Amortisation is calculated to write off the cost of the asset on a straight line basis over its expected useful economic life. The useful economic life is determined at the time of the acquisition and reviewed at the end of each reporting period. Intangible fixed assets currently held are amortised over periods ranging from 7 to 20 years depending on the nature of the assets purchased.

The carrying amounts of non-financial assets are reviewed for impairment annually or whenever events and changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

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 value exceeds the recoverable amount; they are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

The Group does not hold any assets under finance lease arrangements.

Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

- Leasehold improvements – depreciated over term of lease
- Fixture and fittings – 15%
- Plant and machinery – 5 years
- IT equipment – 3 years
- Motor vehicles – 3 years

The residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date with the effect of any changes in the estimate accounted for on a prospective basis.

The carrying amount of an asset is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Trade and other receivables

Trade and other receivables are stated initially at fair value and subsequently at their amortised cost less impairment losses. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. 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.

Cash and cash equivalents

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

Provisions

Provisions are recognised when the Group has a present obligation or constructive obligation as a result of a past event, it is probable than an outflow of resources will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. 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.

Trade and other payables

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

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 income statement over the period of the borrowings using the effective interest method.

All other borrowing costs are recognised in income and expense in the period in which they are incurred.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. 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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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.

Exceptional items

Exceptional items include material items of expense which, because of the nature and expected infrequency of the events giving rise to them, promote separate presentation to allow better understanding of the financial performance in the year.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and such revenue can be reliably measured. Revenue includes commissions, fund management and advisory fees and performance fees, excluding value added tax, derived from the provision of services to clients.

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

Performance fees are recognised in the period in which they become due and collectable.

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

Pension obligations

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 when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Costs

The financial statements are prepared on the going concern basis, under the historical cost convention. Costs are expensed as incurred.

Leases

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

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

Financial instruments

(i) *Financial assets*

Classification
The Group classifies its financial assets as loans and receivables and financial assets at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments. They are recognised initially at fair value, and are subsequently stated at amortised cost using the effective interest method. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. Loans and receivables comprise mainly cash and cash equivalents and trade and other receivables.

Financial assets at fair value through profit or loss
A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Recognition and measurement
Regular purchases and sales of financial assets are recognised on the trade date, the date on which the Group commits to purchase or sell the asset or services. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Impairment of financial assets
Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms of the receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within other operating costs in the income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

(ii) *Financial liabilities and equity*

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

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

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the income statement as interest expense.

(iii) *Other financial liabilities*

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate 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.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

Foreign currency translation

The functional currency of the Group's entities is pound sterling as that is the currency of the primary economic environment in which the Group operates. The Group's presentation currency is pound sterling.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Related party transactions

All companies forming part of the consolidated Group are considered to be related parties as these companies are owned either directly or indirectly by Premier Asset Management Group Ltd. The consolidated Group's majority sole shareholder is Queripel Partners LP. Key management, being the Board of Directors are also identified as a related party.

Earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) 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 and held as treasury shares.

2. REVENUE

	9 months to 30 June 2016 £000	*9 months to 30 June 2015 £000*
Management fees	28,672	26,082
Commissions	56	69
Other income	90	62
Total revenue	28,818	26,213

3. EMPLOYEE EXPENSES

(a) Staff costs for the Group during the financial period:

	9 months to 30 June 2016 £000	*9 months to 30 June 2015 £000*
Wages, bonus & performance fee share	8,136	6,833
Social security costs	1,041	865
Defined contribution pension cost	298	274
Total employment cost expense	9,475	7,972

(b) Directors' emoluments were as follows:

The following table details the aggregate compensation paid in respect of the Directors.

	9 months to 30 June 2016 £000	*9 months to 30 June 2015 £000*
Remuneration	736	626
Pension contributions	23	33
	759	659

(c) Emoluments received by the highest paid Director were as follows:

	9 months to 30 June 2016 £000	*9 months to 30 June 2015 £000*
Remuneration	422	356
Pension contributions	14	20
	436	376

(d) The average number of employees of the Group during the period are:

	9 months to 30 June 2016	*9 months to 30 June 2015*
Directors	5	5
Fund management	26	21
Sales and marketing	28	23
Finance and systems	6	5
Legal and compliance	15	7
Administration	20	26
	100	87

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit and loss on ordinary activities before taxation is stated after charging:

	9 months to 30 June 2016 £000	*9 months to 30 June 2015 £000*
Operating leases – Rent	212	209
Depreciation	141	161
Amortisation	3,848	3,847
Exceptional items:		
Staff redundancy costs	121	110
Fund rationalisation, closures and mergers	17	27
Capital reduction	14	–
Corporate reconstruction	–	(6)
Irrecoverable VAT	332	–
	484	131
	4,685	4,348

Staff redundancy costs are in relation to the rationalisation and restructuring of various departments and functions.

Other operating costs, expenses by nature:

	9 months to 30 June 2016 £000	*9 months to 30 June 2015 £000*
Commission payable	834	931
Admin fees, trail commission & other	8,994	9,819
Marketing costs	1,747	2,322
Office costs	436	434
	12,011	13,506

Within the administrative expenses, the following audit and related fees are included:

	9 months to 30 June 2016 £000	*9 months to 30 June 2015 £000*
Audit	86	84
Tax and advisory	25	24
	111	108

5. FINANCE COSTS

Finance Costs

	9 months to 30 June 2016 £000	*9 months to 30 June 2015 £000*
Interest costs:		
Interest payable to third-parties	42	128
Other finance expense	27	27
Cash payable interest	69	155
Preference share dividends payable	1,701	1,920
Total Finance costs	1,770	2,075

Other finance expense includes the movement in the discounted value of deferred consideration, which is discounted using a discount factor, having adjusted for the deferred consideration payment made during the period.

6. FINANCE INCOME

Finance Income

	9 months to 30 June 2016 £000	*9 months to 30 June 2015 £000*
Interest income on short-term bank deposits	(1)	–
Finance income	(1)	–

7. TAXATION

Analysis of expense in the period

	9 months to 30 June 2016 £000	*9 months to 30 June 2015 £000*
Current tax on profits for the period	935	376
Adjustments in respect of prior periods	–	–
Total current tax	935	376
Deferred tax charge	90	–
Total deferred tax	90	–
Income tax expense/(credit)	1,025	376

8. EARNINGS PER SHARE

	9 months to 30 June 2016 £000	*9 months to 30 June 2015 £000*
Basic:		
Profit/(loss) attributable to equity holders of the Group	347	(1,237)
Weighted average number of ordinary shares in issue for the basic earnings per share	1,368,940	1,332,209
Basic earnings per share	25.35p	(92.85)p
Diluted:		
Profit/(loss) attributable to equity holders of the Group	347	(1,237)
Weighted-average number of shares in issue	1,368,940	1,332,209
Diluted earnings per share	25.35p	(92.85)p

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

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Assets and liabilities measured at fair value

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 and financial liabilities are:

Financial instruments

	As at 30 June 2016 £000	*As at 30 June 2015 £000*
Financial assets		
Other investments		
Quoted – level 1	772	455
Unquoted – level 3	255	255
	1,027	710

Quoted investments – level 1

The Group holds units in a fund for which quoted prices in an active market are available. The fair value measurement is based on level 1 in the fair value hierarchy.

Unquoted investments – level 3

The fair value of the unquoted investments cannot be reliably measured and are therefore stated at cost. There is no active market for the unit investments and there is no intention to dispose of the investments.

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

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

Trade debtors and trade creditors

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

Borrowings and overdraft

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

Preference shares

The fair value of preference shares is not materially different to their carrying value.

Financial risk management

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

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

Market risks

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

a) *Interest rate risk*

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

b) *Foreign exchange risk*

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

c) *Credit risk*

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

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

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

d) *Liquidity risk*

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

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

As at 30 June 2016	*Less than 3 months £000*	*Between 3 months and 1 year £000*	*Between 1 and 5 years £000*	*Over 5 years £000*
Borrowings	–	–	13,500	29,170
Trade and other payables	54,295	–	–	–
Deferred consideration	250	–	–	–
Other liabilities	–	–	1,963	2,121
	54,545	–	15,463	31,291

Capital Management

Working capital

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

Regulatory capital requirements

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

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

Offsetting financial assets and financial liabilities

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

10. TRADE AND OTHER RECEIVABLES

Trade and other receivables

	As at 30 June 2016 £000	*As at 30 June 2015 £000*
Amounts falling due within one year:		
Due from trustees/investors for open end fund redemptions/sales	45,784	34,218
Other trade debtors	53	245
Accrued income	3,453	3,327
Prepayments	610	576
Other taxes	65	425
Other receivables	256	213
Total current trade and other receivables	50,221	39,004

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

The carrying amounts of the Group's trade and other receivables are denominated in pound sterling.

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

	As at 30 June 2016	*As at 30 June 2015*
Days		
0 to 30 days	45,837	34,308
31 to 60 days	–	78
61 to 90 days	–	77
Over 90 days	–	–
	45,837	34,463

11. TRADE AND OTHER PAYABLES

Trade and other payables

	As at 30 June 2016 £000	*As at 30 June 2015 £000*
Due to trustees/investors for open end fund creations/redemptions	45,771	33,817
Other trade payables	976	914
Other tax and social security payable	709	567
Accruals	4,510	4,285
Pension contributions	47	48
Other payables	2,280	3,590
	54,293	43,221

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.

12. BORROWINGS

	As at 30 June 2016 £000	*As at 30 June 2015 £000*
Bank loan	–	750
Preference shares of £1 each	42,670	46,670
	42,670	47,420

Preference shares

The 8% and 4% Preference shares were issued on 5th September 2014 as part of a capital reorganisation whereby the A and B Ordinary shares of 1p each were re-designated as Ordinary shares of 1p each, each Deferred share of 5p each was subdivided into five Deferred shares of 1p each, the G Ordinary share was re-designated as five Deferred shares of 1p each, and the B Preference shares, together with accumulated interest amounting to £46,890,000 were converted into 17,500,000 8% Preference shares of £1 each, 29,170,000 4% Preference shares of £1 each and 606,425 Ordinary shares of 1p each.

The 8% and 4% Preference shares are cumulative redeemable preference shares of £1 each and have the right to a fixed cumulative preferential dividend of 8% and 4% per annum respectively. The Company shall redeem the 8% and 4% Preference shares on the earlier to occur of an exit and, in the case of the 8% Preference shares, 31 December 2020 and in the case of the 4% Preference shares, 31 December 2021. The Company may redeem at any timer all or any number of the 8% Preference shares by serving notice on the 8% Preference shareholders specifying the number of 8% Preference shares to be redeemed and a date between 14 and 28 days later on which the redemption is to take place. Provided that all the 8% Preference shares have been redeemed in full, the Company may at any time redeem all or any number of the 4% Preference shares by serving notice on the 4% Preference shareholders specifying the number of 4% Preference shares to be redeemed and a date between 14 and 28 days later on which the redemption is to take place.

In October 2015 £4,000,000 of the 8% Preference shares, plus £359,452 of accrued interest, was redeemed.

13. DEFERRED TAX

	2016 *£000*	*2015* *£000*
Balance as at 1 October	1,802	944
Movement in deferred tax on change in tax rate to 19%	(90)	–
Balance as at 30 June	1,712	944

With effect from 1 April 2017 the standard rate of corporation tax in the UK will change from 20% to 19%. Deferred tax has been recognised at 19% to reflect this reduction.

14. NET CASH GENERATED FROM OPERATIONS

	9 months to 30 June 2016 £000	*9 months to 30 June 2015 £000*
Cash flows from operating activities		
Profit/(loss) before taxation	1,372	(861)
Adjustments for:		
Interest received	1	–
Interest paid	428	97
Income tax paid	(867)	–
Depreciation	141	161
Profit on disposal of fixed assets	–	(11)
Gain on revaluation of current asset investments	(22)	–
Amortisation	3,848	3,847
Changes in working capital:		
Decrease in trade and other receivables	(14,365)	(8,761)
Increase in trade payables	16,248	4,441
Net cash generated from operations	6,784	(1,087)

15. RELATED PARTY TRANSACTIONS

The Group manages, through its subsidiaries, a number of open ended investment companies (OEIC) and investment trusts. The subsidiary companies receive management fees from these entities for managing assets and in some instances receive performance fees. The Group acts as manager for 27 funds as at 30 June 2016 (33 as at 30 June 2015).

(a) ***Key Management compensation***

The key management personnel compensation for employee and director services during the period is shown below:

	9 months to 30 June 2016 £000	*9 months to 30 June 2015 £000*
Short-term employee benefits	2,217	1,872
Total	2,217	1,872

(b) ***Asset management vehicles***

The Group provides investment management services for a number of collective investment schemes where Group companies are investment advisers of underlying funds, which meet the criteria of related parties. In return the Group receives management fees for provision of these services.

	9 months to 30 June 2016 £000	*9 months to 30 June 2015 £000*
Management fees	28,128	25,449
Amounts outstanding at the year end	3,262	3,123

16. CAPITAL REDEMPTION RESERVE

On the redemption of Preference shares a transfer is made from retained earnings to the capital redemption reserve equivalent to the nominal value of the Preference shares redeemed. In October 2015 £4,000,000 of the 8% Preference shares were redeemed.

17. POST BALANCE SHEET EVENTS

There have been no post balance events.

SECTION D: UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

Introduction

The unaudited pro forma financial information set out below has been prepared to illustrate the effect of the net proceeds raised through the Placing and the repayment of the principal and accrued dividend on the Preference Shares on the consolidated net assets of the Company as if those transactions had taken place on 30 June 2016. The unaudited pro forma financial information has been prepared on the basis of, and should be read in conjunction with, the notes set out below.

The unaudited pro forma statement of net assets of the Company is based on the consolidated net assets of the Company as at 30 June 2016 and has been prepared on the basis that the proceeds raised through the Placing and the repayment of the principal and accrued dividend on the Preference Shares were effective as of 30 June 2016. The unaudited pro forma statement of net assets has been prepared in a manner consistent with the accounting policies adopted by the Company for the year ended 30 September 2015.

Because of its nature, the unaudited pro forma financial information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position. It may not, therefore, give a true picture of the Company's financial position nor is it indicative of the results that may, or may not, be expected to be achieved in the future.

Unaudited pro forma statement of net assets

	Unaudited consolidated net assets of the Company at 30 June 2016	*Adjustment for net proceeds from the Placing*	*Pro forma*
	Note 1	*Note 2*	*Note 3*
	£'000	*£'000*	*£'000*
Non-current assets			
Intangible assets	18,984		18,984
Goodwill	15,597		15,597
Property, Plant and Equipment	820		820
Deferred tax asset	1,712		1,712
Total non-current assets	37,113		37,113
Current assets			
Financial assets at fair value through P&L	1,027		1,027
Trade and other receivables	50,221		50,221
Cash and cash equivalents	8,513	(3,100)	5,413
Total current assets	59,761	(3,100)	56,661
Total assets	96,874	(3,100)	93,774
Current liabilities			
Trade and other payables	54,293		54,293
Current tax liabilities	979		979
Borrowings and overdraft	–		–
Provisions and other liabilities	–		–
Total current liabilities	55,272		55,272
Non-current liabilities			
Borrowings	42,670	(42,670)	–
Deferred consideration	193		193
Provisions and other liabilities	4,084	(4,686)	(602)
Total non-current liabilities	46,947	(47,356)	(409)
Total liabilities	102,219	(47,356)	54,863
Net assets	(5,345)	44,256	38,911

Notes:

1. The consolidated net assets of the Company have been extracted, without material adjustment, from the historical financial information as at 30 June 2016 as set out under "Historical Financial Information" in Section B of Part 3 of this document.

2. The adjustment in Note 2 reflects the:

   (i) receipt of the net proceeds of the Placing comprising gross proceeds of £47.4 million and the repayment of the principal and accrued dividend on the Preference Shares described in paragraph 6.4 of Part 1 of this document.

   (ii) payment of the estimated costs of the Placing and Admission of £3.1 million.

3. No adjustment has been made to reflect the trading results of the Company or the Group since 30 June 2016 or of any other change in its financial position in that period.

4. No account has been taken of dividends accruing on the Preference Shares after 30 June 2016 in the 30 June 2016 balance sheet.

PART 4

ADDITIONAL INFORMATION

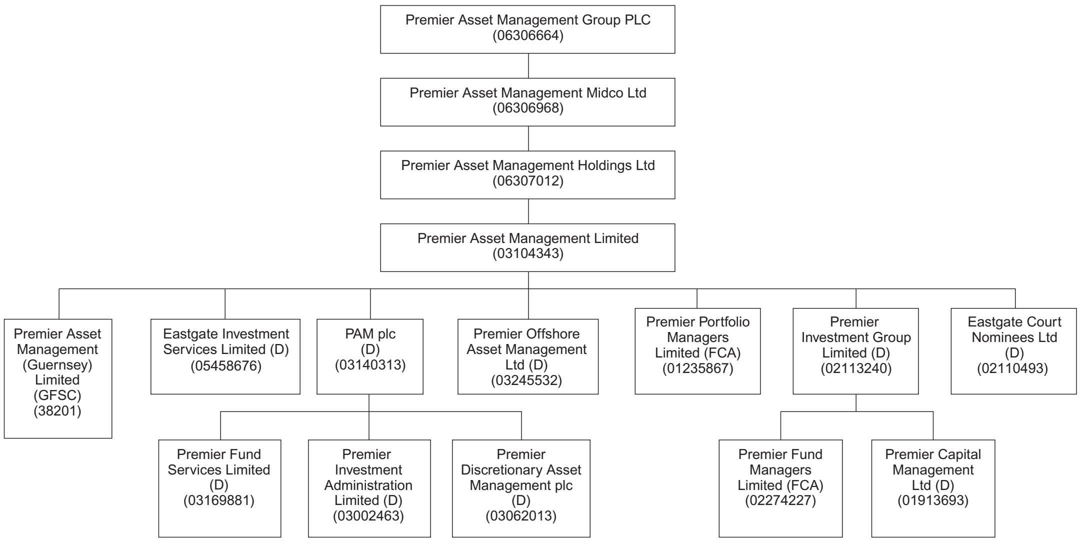
1. THE COMPANY AND ITS SUBSIDIARIES

1.1 The Company was incorporated and registered in England and Wales on 9 July 2007 with registered number 06306664 as a private company with limited liability under the Companies Act. The Company was re-registered as a public company on 29 September 2016.

1.2 The registered office of the Company is at Eastgate Court, High Street, Guildford, Surrey GU1 3DE and the telephone number of the registered office is +44 (0) 1483 306090. The ISIN for the Ordinary Shares is GB00BZB2KR63.

1.3 The principal legislation under which the Company operates and under which the Ordinary Shares were created is the Companies Act.

1.4 The following chart reflects the Group's corporate structure upon Admission:



Note:

(1) In the above chart the designation "(D)" signifies that the relevant company is dormant for accounting purposes.

1.5 All of the Company's subsidiaries are wholly owned.

2. SHARE CAPITAL

2.1 The Company was incorporated on 9 July 2007 with an authorised share capital of £1,000 represented by 1,000 ordinary shares of £1.00 each, of which one was issued to William Saunders.

2.2 The following alterations in the issued share capital of the Company have taken place since incorporation:

(a) by written resolution passed on 16 July 2007:

(i) each of the issued and unissued ordinary shares of £1.00 each in the capital of the Company were sub-divided into 20 ordinary shares of five pence each and as a consequence, the authorised share capital of the Company following the passing of the resolution was £1,000 divided into 20,000 ordinary shares of five pence each; and

(ii) the authorised share capital of the Company was increased from £1,000 to £6,200,000 by the creation of 9,980,000 ordinary shares of five pence each and by the creation of 6,000,000 cumulative redeemable A preference shares of 95 pence each;

(b) on 31 August 2007:

   (i) 898,081 ordinary shares of five pence each; and

   (ii) 898,081 A preference shares of 95 pence each,

   were issued and allotted to new shareholders of the Company, including certain of the Group's employees and Electra Private Equity Partners 2006 Scottish LP;

(c) on 6 September 2007 4,313,560 ordinary shares of five pence each and 4,313,560 A preference shares of 95 pence each were issued and allotted to the then shareholders of Premier Asset Management plc in consideration for the exchange of ordinary shares in Premier Asset Management plc pursuant to an exchange and subscription agreement dated 16 July 2007, with the exception that 1,693,649 ordinary shares and 1,693,649 A preference shares were issued for cash consideration only to Electra Private Equity Partners 2006 Scottish LP;

(d) on 1 September 2008:

   (i) 113,496 ordinary shares of five pence each; and

   (ii) 113,496 A preference shares of 95 pence each,

   were issued and allotted to new shareholders of the Company, being certain of the Group's employees;

(e) by written resolution passed on 3 December 2009:

   (i) the authorised share capital of the Company was increased from £6,200,000 (divided into 10,000,000 ordinary shares of five pence each and 6,000,000 A preference shares of 95 pence each) to £50,333,137.07 by the creation of:

      (A) 200,000 A ordinary shares of one pence each;

      (B) 600,001 B ordinary shares of one pence each;

      (C) 45,000,000 B preference shares of £1.00 each; and

      (D) 1 G ordinary share of one pence;

   (ii) each of the issued A preference shares of 95 pence each were sub-divided into 19 A preference shares of five pence each; and

   (iii) each of the issued ordinary shares of five pence each and each of the issued A preference shares of five pence each were re-designated as Deferred Shares of five pence each;

(f) on 4 December 2009:

   (i) 151,000 A ordinary shares of one pence each;

   (ii) 117,821 B ordinary shares of one pence each;

   (iii) one G ordinary share of one pence each; and

   (iv) 19,672,088 B preference shares of £1.00 each,

   were issued and allotted to certain existing shareholders of the Company and new shareholders of the Company, being certain employees of the Group;

(g) on:

   (i) 20 April 2010 10,000 A ordinary shares of one pence each;

   (ii) 14 July 2010 12,365,585 B preference shares of £1.00 each;

(iii) 14 July 2010 334,416 B ordinary shares of one pence each;

(iv) 30 April 2011 8,000 A ordinary shares of one pence each;

(v) 4 January 2012 16,000 A ordinary shares of one pence each;

(vi) 18 June 2013 8,000 A ordinary shares of one pence each;

(vii) 14 January 2014 7,000 A ordinary shares of one pence each,

were issued and allotted to certain existing shareholders of the Company, including Electra Private Equity Partners 2006 Scottish LP and Eastgate Court Nominees Limited;

(h) by written resolution passed on 5 September 2014:

(i) 32,037,673 B preference shares of £1.00 each in the capital of the Company were re-designated as 8% preference shares of £1.00 each in the capital of the Company and 4% preference shares of £1.00 each in the capital of the Company in the proportions set out in the resolution;

(ii) the authorised share capital of the Company was increased to £52,009,122.19;

(iii) all of the A ordinary shares of one pence each in the capital of the Company and all of the B ordinary shares of one pence each in the capital of the Company were re-designated as ordinary shares of one pence each in the capital of the Company;

(iv) each Deferred Share of five pence each in the capital of the Company was sub-divided into five Deferred Shares of one pence each in the capital of the Company; and

(v) the G ordinary share of one pence in the capital of the Company was re-designated as a Deferred Share of one pence in the capital of the Company;

(i) on 5 September 2014:

(i) 676,356 ordinary shares of one pence each; and

(ii) 14,632,327 4% preference shares of £1.00 each,

were issued and allotted to certain existing shareholders of the Company and to Electra Private Equity Partners 2012 LP;

(j) on 27 April 2015 15,187 ordinary shares of one pence each were issued and allotted to certain existing shareholders of the Company;

(k) by written resolution passed on 30 July 2015 the Company carried out a capital reduction and the nominal value of each issued Deferred Share was reduced from one pence each per Deferred Share to 0.1 pence each per Deferred Share;

(l) on 30 September 2015 13,172 ordinary shares were issued and allotted to certain of the existing shareholders of the Company;

(m) on 21 October 2015 4,000,000 8% preference shares of £1.00 each in the capital of the Company were redeemed by the Company; and

(n) on:

(i) 4 January 2016 18,350 ordinary shares of one pence each; and

(ii) 25 July 2016 23,211 ordinary shares of one pence each,

were issued and allotted to certain of the existing shareholders of the Company and to Rysaffe Trustee Company (C.I.) Limited (in its capacity as trustee of the EBT).

2.3 By resolutions of the Shareholders dated 28 September 2016:

(a) the Company was authorised to the repurchase of all of the Deferred Shares;

(b) the re-registration of the Company as a public limited company under the name Premier Asset Management Group PLC was approved; and

(c) conditional on Admission, the Articles were approved and adopted in substitution for and to the exclusion of the existing articles of association of the Company.

2.4 By resolutions of the Shareholders dated 3 October 2016:

(a) conditional on Admission, each of the Ordinary Shares was sub-divided into 50 new Ordinary Shares of 0.02p each;

(b) the Directors were generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot shares in the Company and/or grant rights to subscribe for or convert any securities into such shares up to an aggregate nominal amount of £7,175.13 in connection with the issue of the New Ordinary Shares to be issued pursuant to the Placing, such authority to expire on the earlier of immediately following Admission and 30 November 2016, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement for or to convert any securities into shares in pursuance of such an offer or agreement as if such authority had not expired;

(c) the Directors were generally empowered (pursuant to section 570 of the Companies Act) to allot equity securities pursuant to the authority referred to in paragraph 2.3(b) above as if section 561 of the Companies Act did not apply to any such allotment;

(d) the Directors were generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot shares in the Company and/or grant rights to subscribe for or convert any securities into such shares up to an aggregate nominal amount of £7,053.42 being equal to one third of the Company's issued share capital immediately following Admission, such authority to expire at the end of the next annual general meeting of the Company (or, if earlier, at the close of business on 31 December 2017), save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the allotment of shares or the grant of rights to subscribe for or to convert any securities into shares in pursuance of such an offer or agreement as if such authority had not expired;

(e) the Directors were empowered (pursuant to section 570 of the Companies Act) to allot equity securities as if section 561 of the Companies Act did not apply to any such allotment or sale, (A) pursuant to the authorities granted in the above paragraph 2.4(d) above, in connection with a pre-emptive offer to holders of Ordinary Shares in proportion (as nearly as may be practicable) to their respective holdings, but subject to such other exclusions or other arrangements as the Directors may consider necessary or appropriate to deal with fractional entitlements, record dates or legal, regulatory or practical difficulties which may arise under the laws of or the requirements of any regulatory body or stock exchange in any territory and (B) up to an aggregate nominal amount of £1,058.01, being equal to five per cent. of the Company's issued share capital immediately following Admission, such power to expire at the end of the next annual general meeting of the Company (or, if earlier, at the close of business on 31 December 2017), save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require equity securities to be allotted after the expiry of such power, and the Directors may allot equity securities in pursuance of such an offer or an agreement as if such power had not expired; and

(f) the Directors were empowered (pursuant to section 570 of the Companies Act), in addition to the authority referred to at paragraph 2.4(e) above, to allot equity securities as if section 561 of the Companies Act did not apply to any such allotment or sale, up to an aggregate nominal amount of £1,058.01, being equal to five per cent. of the Enlarged Share Capital, to be used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the circulation date of the resolution such power to expire at the end of the next annual general meeting of the Company (or, if earlier, at the close of business on 31 December 2017), save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require equity securities to be allotted after the expiry of such power, and the Directors may allot equity securities in pursuance of such an offer or an agreement as if such power had not expired.

2.5 The repurchase of the Deferred Shares referred to in paragraph 2.3 above was completed on 29 September 2016.

2.6 Immediately following Admission, the Company will repay the principal and accrued dividend on the Preference Shares so they will be redeemed.

2.7 The issued share capital of the Company (i) as at the date of this document and (ii) upon Admission is set out below:

(i) As at the date of this document			*(ii) Upon Admission*		
Class of shares	*Number of shares*	*Nominal amount*	*Class of shares*	*Number of shares*	*Nominal amount*
Ordinary Shares	69,925,650	£13,985.13	Ordinary Shares	105,801,310	21,160.26
4% Preference Shares	29,170,000	£29,170,000	4% Preference Shares	Nil	Nil
8% Preference Shares	13,500,000	£13,500,000	8% Preference Shares	Nil	Nil

2.8 As at 3 October 2016 (the latest practicable date prior to the date of this document), the Company held no treasury shares.

2.9 No capital of the Company is proposed to be issued or is under option or is agreed to be put under option.

3. ARTICLES OF ASSOCIATION

A summary of the main provisions of the Articles adopted by the Company, conditional upon Admission, is set out below.

3.1 ***Objects***

The Articles do not provide for any objects of the Company and accordingly the Company's objects are unrestricted.

3.2 ***Variation of rights***

Subject to the provisions of the Companies Act and every other statute for the time being in force concerning companies and affecting the Company (the "**Statutes**"), if at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated either with the consent in writing of the holders of at least three-quarters of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during, or in contemplation of, a winding-up. At every such separate general meeting the necessary quorum shall be two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question (but at any adjourned meeting any holder of shares of the class present in person or by proxy shall be a quorum). Every holder of shares of the class present in person or by proxy shall, on a poll, have one vote in respect of every share of the class held by him and shall be entitled to demand a poll. Where the rights of some only of the shares of any class are to be varied, the foregoing provisions apply as if each group of shares of the class differently treated formed a separate class whose rights are to be varied.

3.3 ***Alteration of share capital***

(a) The Company may, subject to the passing of a resolution authorising it to do so in accordance with the Companies Act:

(i) consolidate and divide all or any of its share capital into shares of a larger nominal amount than its existing shares;

(ii) subject to the provisions of the Companies Act, sub-divide its shares, or any of them, into shares of smaller nominal amount than its existing shares; and

(iii) determine that, as between the holders of the shares resulting from such a sub-division, one or more shares may have such preferred or other rights or may have such qualified or deferred rights or may be subject to such restrictions, as compared with the other or others, as the Company has power to attach to new shares.

3.4 ***Issue of shares***

Subject to the provisions of the Companies Act and the rights attaching to any existing shares, any share may be issued with, or have attached to it, such rights or restrictions as the Company may by ordinary resolution determine or, if the Company has not so determined, as the Directors may determine.

3.5 ***Pre-emption rights***

There are no rights of pre-emption under the Articles in respect of transfers of issued Ordinary Shares. In certain circumstances, the Shareholders may have statutory pre-emption rights under the Companies Act in respect of the allotment of new shares in the Company. These statutory pre-emption rights would require the Company to offer new shares for allotment to existing shareholders on a pro rata basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares would be offered to the Shareholders.

3.6 ***Dividends and other distributions***

(a) Subject to the provisions of the Companies Act and the Articles, the Company may by ordinary resolution declare dividends to be paid to Shareholders in accordance with their respective rights and interests in the profits of the Company. However, the dividends shall not exceed the amount recommended by the Directors. Subject to the provisions of the Companies Act and, so far as in the opinion of the Board the profits justify such payments, the Directors may declare and pay interim dividends, of fixed dividends payable as the Board sees fit.

(b) Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend as if paid. If any share is issued on terms providing that it shall rank for dividend as if paid up (in whole or in part) from a particular date, such share shall rank for dividend accordingly. In any other case, dividends shall be apportioned and paid *pro rata* according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

3.7 ***Voting rights***

(a) Subject to any rights or restrictions as to voting attached to any shares, on a show of hands every Shareholder present in person has one vote, every proxy present who has been duly appointed by one or more Shareholder entitled to vote has one vote and every corporate representative who has been duly authorised by a corporation has the same voting rights as the corporation would be entitled to.

(b) On a poll every Shareholder (whether present in person or by a duly appointed proxy or corporate representative) has one vote for every share of which he is the holder or in respect of which his appointment as proxy or corporate representative has been made. A Shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way. In the case of joint holders, only the vote of the most senior joint holder shall count (to the exclusion of any other joint holders), and seniority shall be determined by the order in which the names of the holders stand in the register of Shareholders of the Company.

(c) No Shareholder shall be entitled to vote at any general meeting or meeting of the holders of any class of shares of the Company either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company or of the holders of any class of shares of the Company if any call or other sum then payable by him in respect of that share remains unpaid to the Company.

3.8 ***Transfer of shares***

(a) A share in the Company in certificated form shall be transferred by instrument of transfer in any usual or common form, or in any other form approved by the Directors, signed by or on behalf of the transferor and, in the case of partly paid shares, by or on behalf of the transferee.

(b) All transfers of shares in uncertificated form shall be made in accordance with and be subject to the CREST Regulations and the facilities and requirements of the Relevant Electronic System concerned and in accordance with any arrangements made by the Board pursuant to the Articles.

(c) The Directors may, in their absolute discretion, refuse to register the transfer of a share which is not fully paid up provided that such refusal does not prevent dealings in the shares of that class from taking place in an open and proper basis. The Directors may also refuse to register a transfer of a share in certificated form unless the instrument of transfer:

(i) is duly stamped or duly certificated;

(ii) is delivered for registration at the registered office of the Company or such other place as the Directors may appoint and is accompanied by the certificate for the share to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

(iii) is in respect of only one class of share;

(iv) is not in favour of more than four transferees; and

(v) is for a share upon which the Company has no lien.

(d) The Directors may refuse to register a transfer of a share in uncertificated form in any case where the Company is entitled to refuse to register the transfer in such other circumstances as may be permitted by the CREST Regulations and the requirements of the Relevant Electronic System.

(e) If the Directors refuse to register a transfer of a share they shall send the transferee notice of the refusal within two months after the date on which the transfer was lodged with the Company or, in the case of an uncertificated share, the date on which the appropriate instruction was received by or on behalf of the Company in accordance with the CREST Regulations.

(f) No fees shall be charged for the registration of any instrument of transfer or other document or instruction relating to or affecting the title to any share.

3.9 ***Distribution of assets on a winding-up***

If the Company shall be wound up the liquidator may, with the sanction of a special resolution and with any other sanction required by the Insolvency Act 1986, divide among the Shareholders in specie or kind the whole or any part of the assets of the Company and for such purposes may set such value as he sees fair upon any assets and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. With the like sanction, the liquidator may vest the whole or any part of the assets in trustees upon such trusts for the benefit of the Shareholders as he shall think fit, but no Shareholder shall be compelled to accept any shares or other securities upon which there is a liability.

3.10 ***Restrictions on rights: failure to respond to a section 793 notice***

(a) If a Shareholder, or any other person appearing to be interested in any shares, fails to provide the information requested in a notice given to him under section 793 of the Companies Act by the Company in relation to his interest in shares (the "**default shares**") within 14 clear days after the notice has been given and the nominal value of the default shares represents at least 0.25 per cent. of their class, the holder of the default shares shall not be entitled:

(i) to attend or vote (whether in person or by representative or proxy) at any general meeting or annual general meeting of the Company;

(ii) to receive any dividend or other distribution; or

(iii) to transfer or agree to transfer any of the shares or rights in them.

(b) The restrictions set out in paragraph 3.9(a) shall continue for the period specified by the Board, being not more than seven clear days after the earlier of:

(i) the Company being notified that the default shares have been sold pursuant to an exempt transfer (an exempt transfer being a sale of the share on a recognised investment exchange as defined in FSMA in the United Kingdom or in any stock exchange outside the United Kingdom on which those shares are listed or normally traded, a sale of the whole beneficial interest in the share or an acceptance of a takeover offer) or;

(ii) due compliance, to the satisfaction of the Board, with the section 793 notice.

(c) The Board may waive these restrictions, in whole or in part, at any time.

3.11 ***Untraced Shareholders***

Subject to certain notice requirements, the Company shall be entitled to sell at the best price reasonably obtainable at the time of sale any share held by a Shareholder if and provided that, during a period of 12 years, at least three cash dividends have been declared in respect of the share in question and all dividend warrants and cheques have been sent by the Company in accordance with the Articles and, during that period of 12 years, no cash dividend payable in respect of the share has been claimed by presentation to the paying bank of the relevant cheque or warrant, or been satisfied by the transfer of funds to a bank account designated by the member or person entitled by transmission and no communication has been received by the Company from the Shareholder or the person entitled by transmission to the share.

3.12 ***Unclaimed Dividends***

Any dividend unclaimed after a period of 12 years from the date when it was declared or became due for payment shall be forfeited and shall revert to the Company.

3.13 ***Directors***

(a) Unless the Company determines otherwise by ordinary resolution, the number of Directors (other than alternate Directors) shall not be subject to any maximum but shall not be less than two.

(b) Subject to the Articles, the Board shall have the power at any time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Any Director so appointed shall retire at the Company's next annual general meeting and shall then be eligible for re-election.

(c) Any Director may appoint any other Director, or any other person approved by the Board to be his alternate and may remove such alternate and appoint another in his place.

(d) The business of the Company shall be managed by the Directors who, subject to the Companies Act, the provisions of the Articles and any directions of the Company may exercise all the powers of the Company.

(e) No business shall be transacted at any meeting of the Directors unless a quorum is present and unless otherwise determined, two Directors shall be a quorum. A Director shall not be counted in the quorum present in relation to a matter or resolution on which he is not entitled to vote but shall be counted in the quorum present in relation to all other matters or resolutions considered or voted on at the meeting. An alternative Director who is not himself a Director shall, if his appointor is not present, be counted in the quorum.

(f) Questions arising at a meeting of the Directors shall be decided by a majority of votes. in the case of an equality of votes, the chairman of the meeting shall not have a second or casting vote.

(g) Subject to any other provision of the Articles, a Director shall not vote or count at a meeting of the Directors on any resolution concerning a matter in which he has, directly or indirectly, a material interest (other than an interest in shares, debentures or other securities of, or otherwise in or through, the Company) and which may give rise to a conflict of interests, unless his interest arises only because the case falls within certain limited categories specified in the Articles.

(h) Each Director must declare any situation in which he has or can have a direct or indirect interest which conflicts (or may conflict) with the interests of the Company which, if not authorised would amount to a breach of section 175 of the Companies Act (a "**conflict**").

(i) For the purposes of section 175 of the Companies Act, the Board may authorise any matter proposed to it in accordance with the Articles which would, if not so authorised, involve a breach of duty by a Director under that section, including, without limitation, any matter which relates to a situation in which a Director has, or can have, an interest which conflicts, or possibly may conflict, with the interests of the Company. Any such authorisation will be effective only if (a) the meeting at which the matter is considered is quorate without counting the Director in question or any other interested Director; and (b) the matter was agreed to without the interested Director voting or, if the Director did vote, would have been passed if their vote was not counted.

(j) The Board may (whether while authorising or subsequently) make any such authorisation subject to any conditions or limits it expressly imposes but such authorisation is otherwise given to the fullest extent permitted. The Board may terminate or vary such authorisation at any time.

(k) The office of a Director shall be vacated if:

   (i) he ceases to be a Director by virtue of any provision of the Companies Act or the Articles or he is prohibited or disqualified by law from being a Director;

   (ii) a bankruptcy order is made against him or he makes any arrangement or composition with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;

(iii) a registered medical practitioner who is treating him gives a written opinion to the Company stating that he has become mentally or physically incapable of acting as a Director and may remain so for more than three months;

(iv) he resigns his office by notice in writing;

(v) having been appointed for a fixed term, that term expires and his resignation in writing is accepted by the Board;

(vi) he is absent for six consecutive months from meetings of the Directors and the Directors resolve that he ceases to be a Director; or

(vii) all the other Directors resolve that he be removed as a Director.

3.14 ***Indemnity***

(a) Subject to the provisions of, and so far as is permitted by and consistent with the Companies Act, every Director, company secretary or other officer of the Company shall be indemnified out of the assets of the Company against (a) any liability incurred by or attaching to him in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or any associated body; (b) any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office.

(b) To the extent permitted by law, the Directors may arrange insurance cover at the cost of the Company in respect of any liability, loss or expenditure incurred by any Director, the company secretary, or other officer of auditor of the Company in relation to anything done or omitted to be done or alleged to have been done or omitted to be done as Director, company secretary, officer or auditor.

3.15 ***General Meetings***

(a) In the case of the annual general meeting, at least 21 clear days' notice in writing shall be given to all the Shareholders and to the auditor. All other general meetings shall be convened by not less than 14 clear days' notice in writing.

(b) No business shall be transacted at any general meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a Shareholder or a proxy for a Shareholder or a duly authorised representative of a corporation (including for this purpose two persons who are proxies or corporate representatives of the same Shareholder), shall be a quorum.

(c) A Shareholder may appoint a proxy to act on his behalf. A proxy need not be a Shareholder of the Company. The appointment of a proxy to vote at a meeting shall be deemed to confer authority to demand or join in demanding a poll and to vote on any resolution put to the meeting as the proxy thinks fit and shall be deemed to confer the right to speak at the meeting.

(d) A Shareholder may appoint more than one proxy to attend on the same occasion and if he does so he shall specify the number of shares held by him in respect of which each proxy is entitled to exercise his rights. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share.

(e) Any corporation which is a Shareholder of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company, or at any meeting of any class of Shareholders of the Company.

(f) The appointment of a proxy shall not preclude a Shareholder from attending and voting in person at the meeting on a show of hands or on the poll concerned.

(g) A Director shall, notwithstanding that he may not be a Shareholder of the Company, be entitled to attend and speak at general meetings or separate meetings of the holders of any class of shares.

(h) Every resolution submitted to a general meeting shall be determined in the first instance by a show of hands of the Shareholders present in person. However, subject to the provisions of the Companies Act, a poll may be demanded (before or upon the declaration of the result of the show of hands) by (a) the chairman of the meeting; (b) not less than five Shareholders having the right to vote at the meeting; (c) a Shareholder or Shareholders representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or (d) a Shareholder or Shareholders holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

4. OTHER RELEVANT LAWS AND REGULATIONS

4.1 *Disclosure of interests in shares*

A Shareholder in a public limited company incorporated in the United Kingdom whose shares are admitted to trading on AIM is required pursuant to Rule 5 of the Disclosure and Transparency Rules to notify the Company of the percentage of his voting rights if the percentage of voting rights which he holds as a Shareholder or through his direct or indirect holding of financial instruments reaches, exceeds or falls below certain thresholds.

Pursuant to Part 22 of the Companies Act and the Articles, the Company is empowered by notice in writing to require any person who the Company knows, or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, within a reasonable time to disclose to the Company particulars of any interests, rights, agreements or arrangements affecting any of the shares held by that person or in which such other person as aforesaid is interested.

4.2 *Takeovers*

As a public limited company incorporated and centrally managed and controlled in the United Kingdom, the Company is subject to Takeover Code. Following the implementation of Part 28 of the Companies Act the Takeover Panel has statutory powers to enforce the Takeover Code in respect of companies whose shares are admitted to trading on AIM.

Under Rule 9 of the Takeover Code, a person who acquires, whether by a single transaction or by a series of transactions over a period of time, shares which (taken with shares held or acquired or acquired by persons acting in concert with him) carry 30 per cent. or more of the voting rights of a company, such person is normally required to make a general offer to all Shareholders of that company at not less than the highest price paid by him or them or any persons acting in concert during the offer period and in the 12 months prior to its commencement.

Further, pursuant to sections 979 to 982 of the Companies Act, where the offeror has by way of a takeover (as defined in section 974 of the Companies Act) acquired or unconditionally contracted to acquire not less than 90 per cent. in value of the shares to which an offer relates and where the shares to which the offer relates represent not less than 90 per cent. of the voting rights in the Company to which the offer relates, the offeror may give a compulsory acquisition notice to the holder of any shares to which the offer relates which the offeror has not acquired or unconditionally contracted to acquire and which he wishes to acquire and is entitled to so acquire, to acquire those shares on the same terms as the general offer.

Pursuant to sections 983 to 985 of the Companies Act, where an offeror makes a takeover offer as defined by section 974 of the Companies Act and, by virtue of acceptances of the offer and any other acquisitions holds not less than 90 per cent. of the shares in the target (or if the offer relates to a class of shares 90 per cent. of the shares in that class) and which carry not less than 90 per cent. of the voting rights in the target then a minority Shareholder may require the offeror to acquire his shares in the target.

5. EMPLOYEE INCENTIVE SCHEMES

5.1 *Premier Asset Management Group PLC 2016 Long Term Incentive Plan*

(a) The Company adopted the LTIP on 3 October 2016. Awards under the LTIP will take the form of non-tax advantaged nil or nominal cost options ("**Options**") to acquire fully paid Ordinary Shares. Awards may also take the form of a conditional right to receive Ordinary Shares (being awards which automatically deliver Ordinary Shares on vesting rather than providing for an option period) where the Remuneration Committee considers this to be appropriate having regard to tax, legal, regulatory or other considerations.

(b) **Administration.** The LTIP is administered by the Remuneration Committee. The Remuneration Committee may determine the number of Ordinary Shares subject to an Option, other terms and conditions of Options and the persons to whom Options will be granted.

(c) **Eligibility for Participation.** Employees and Executive Directors of the Group will be eligible to participate in the LTIP, at the Remuneration Committee's discretion. It is intended that participation will initially be limited to senior employees and Executive Directors.

(d) **Grant of Options.** Options may normally be granted within the period following the adoption of the LTIP and the termination date (being the 10th anniversary of the adoption date or such earlier date as determined by the Board of Directors of the Company), provided that Options may not be granted during a close period. Options granted under the LTIP will be granted by resolution of the Company acting by the Remuneration Committee or by the trustee of the EBT and evidenced with Option certificates and grant letters, which will set out any additional terms, conditions, limitations and/or restrictions covering the Option, including, any performance conditions which will apply (the "**Performance Conditions**").

(e) No payment will be required for the grant of an Option.

(f) The Options will be granted at an exercise price which shall be nil in the case Options which may be satisfied by the transfer of shares from the EBT or where Options will be satisfied by the issue of new Ordinary Shares by the Company, the nominal value of an Ordinary Share.

(g) **Performance Conditions.** The Remuneration Committee may, in its absolute discretion, grant Options which may be exercised subject to the attainment of Performance Conditions, stated on or before the date of grant. Any Performance Condition may be amended or substituted by the grantor of the Option if one of more events occur which cause the Remuneration Committee to consider that an amended or substituted Performance Condition would be more appropriate. Any amended or substituted Performance Condition would not be materially less difficult to satisfy. The Performance Conditions will be assessed over a period of three years.

(h) The Remuneration Committee will review and set appropriate Performance Conditions for future Options, taking into account relevant institutional investor guidelines and prevailing market practice. When setting the Performance Conditions, the Remuneration Committee will assess the appropriate metrics to align remuneration with the recipient's role within the Group. The Remuneration Committee will consider typical Group level performance metrics for the Executive Directors, including measures such as earnings per share and total shareholder returns.

(i) The Remuneration Committee will determine whether and to what extent any Performance Conditions or other conditions attaching to an Option have been satisfied.

(j) **Exercise of Options.** Options will become exercisable in whole or in part (subject to the vesting of any applicable Performance Conditions as discussed at paragraph (g) above) on an exercise date(s). The exercise date(s) will be specified by the Remuneration Committee at the date of grant, and Options will normally become exercisable from the date the Remuneration Committee makes its determination as to the satisfaction of any applicable Performance Conditions or from such other date or dates as may be specified in the Option certificate. It is proposed that the initial Options shall vest on the third anniversary of the date of grant. Where Performance Conditions apply, Options will only become exercisable to the extent such conditions have been met. Options may be satisfied by Ordinary Shares that are newly issued shares, shares held in treasury, or purchased in the market by the EBT or if the Remuneration Committee considers that the transfer of shares may have adverse consequences by the grantor of the Option making a payment in cash of an equivalent amount.

(k) **Cessation of employment.** If a participant ceases to be employed by the Group as a Good Leaver, his Options may generally be exercised on terms determined by the Remuneration Committee. A "**Good Leaver**" is a participant who ceases employment by reason of death; injury, ill-health or disability; redundancy; retirement; the participant's employing company ceasing to be a Group member; the participant's employment being transferred, as part of a business transfer, to a person which is not a Group member or under the control of a Group member; or any other reason that the Remuneration Committee in its discretion determines. If a participant who is not a Good Leaver ceases to be employed by the Group, his Options will lapse on the date of such cessation, unless the Remuneration Committee in its absolute discretion determines that the Good Leaver treatment will apply.

(l) **Overall Limits.** In any ten year period, the number of Ordinary Shares which may be issued in respect of Options granted after Admission under the LTIP and under any other employees' share plan adopted by the Company may not exceed 10 per cent. of the issued ordinary share capital of the Company from time to time. Ordinary Shares held in treasury will be treated as newly issued Ordinary Shares for the purpose of this limit for as long as guidelines published by institutional investors so recommend. Ordinary Shares purchased in the market and the existing shareholding in the EBT will not count towards this limit.

(m) **Individual limits.** The LTIP shall not contain any limits on the size of an individual's award. However the Remuneration Committee may in exceptional circumstances adopt limits which will apply as a matter of policy.

(n) **Corporate events.** In the event of a change of control (whether by way of takeover offer or a scheme of arrangement or compromise) or a voluntary winding-up of the Company, Options will be exercisable for a specified period following such change of control. In the event of an internal reorganisation, or by agreement with the company obtaining control of the Company, Options may be replaced by equivalent options over shares in a new holding company.

(o) **Variation of share capital.** In the event of a variation of the Company's share capital (whether by way of capitalisation or rights issue or open offer or sub-division or consolidation of the Ordinary Shares or a share capital reduction) or if there is a capital distribution or special dividend in specie or demerger or other event having a material impact on the value of the Ordinary Shares, the number of Ordinary Shares subject to an Option and/or exercise price may be adjusted by the Remuneration Committee in compliance, as applicable, with the relevant legislation.

(p) **Terms of Options.** Options granted under the LTIP are non-transferable, other than to a participant's personal representatives on the death of a participant. Any attempt to transfer will result in lapse of the Options. Participation in the LTIP will not be a term of a participant's contract of employment, and Options will not form part of a participant's pensionable earnings.

(q) **Shareholder Rights.** All Ordinary Shares allotted or transferred to a participant on the exercise of an Option will rank equally with other Ordinary Shares then in issue (except in respect of rights arising prior to the date on which the allottee or transferee is entered into the register of members of the Company). Application will be made for permission for any such Ordinary Shares to be admitted to trading on AIM.

(r) **Amendment.** The Board may amend the LTIP at any time, provided that no amendment may have a material adverse effect on a participant except with the consent of that participant or participants who hold a majority, by number of Ordinary Shares under award, of outstanding awards affected by the amendment.

(s) **Term.** The LTIP will terminate 10 years from its adoption date unless the Board resolves to terminate it earlier. Termination will not affect the outstanding rights of participants. No Option may be granted more than 10 years after the date the LTIP was adopted.

(t) At the discretion of the Remuneration Committee, the LTIP may be extended to overseas employees of the Group subject to such modifications as the Directors shall consider appropriate to take into account local tax, exchange control and securities law.

5.2 ***Employee Benefit Trust***

(a) The EBT was established on 25 July 2016 with Rysaffe Trustee Company (C.I.) Limited (an independent Guernsey professional trustee company) as the initial trustee (the "**Trustee**"). The EBT has been established for the benefit of the employees, former employees and their dependents of the Group.

(b) 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 and it is envisaged that awards of shares made under it will be made on the same terms as awards under the LTIP. The Company may provide funds to the Trustee by way of loan or gift to enable the Trustee to subscribe or purchase existing shares in the market in order to satisfy awards made under the LTIP.

6. DIRECTORS' AND OTHER INTERESTS

6.1 The interests of the Directors in the issued ordinary share capital of the Company, as at the date of publication of this document and as they are expected to be upon Admission, are as follows:

	As at the date of this document		*Upon Admission*	
Name	*Ordinary Shares*	*Per cent.*	*Ordinary Shares*	*Per cent.*
Robert Colthorpe	Nil	Nil	Nil	Nil
Neil Macpherson (5)	817,500	1.17	623,512	0.59
Michael O'Shea(2), (3), (5)	4,087,850	5.84	3,229,363	3.05
William Smith	Nil	Nil	Nil	Nil
Michael Vogel(1)	20,442,650	29.23	19,724,825	18.64
Luke Wiseman(4)	439,250	0.63	439,250	0.42

Notes:

(1) Including via The Elcot Fund Limited as a limited partner in Queripel Partners.

(2) Including via Eastgate Court Nominees in its capacity as a limited partner in Queripel Partners, and as a direct Shareholder, in each case as nominee.

(3) Including interest of his spouse.

(4) As a limited partner in Queripel Partners.

(5) Including via TM Trustees Limited, a provider of self-invested personal pensions.

6.2 The interests of the Directors in the non-equity share capital of the Company, as at the date of publication of this document are as follows. There will be no such interests following Admission:

	As at the date of this document	
Name	*4% Preference Shares*	*Per cent. of total number of 4% Preference Shares*
Robert Colthorpe	Nil	Nil
Neil Macpherson	Nil	Nil
Michael O'Shea[(2), (3)]	1,253,078	4.30
William Smith	Nil	Nil
Michael Vogel[(1)]	9,775,513	33.51
Luke Wiseman[(4)]	244,388	0.84

Notes:

(1) Via The Elcot Fund Limited as a limited partner in Queripel Partners.

(2) Via Eastgate Court Nominees, as a limited partner in Queripel Partners, as nominee.

(3) Including interest of his spouse.

(4) As a limited partner in Queripel Partners LP.

Michael O'Shea and Neil Macpherson are limited partners in Electra Private Equity Partners 2012 LP and will receive payments from that limited partnership following Admission. It is estimated that the amounts payable to Michael O'Shea and Neil Macpherson from such arrangements will be approximately £1.3 million and £0.1 million respectively.

Queripel Partners acts by its general partner, Queripel Partners GP Limited, which has delegated the management of Queripel Partners to Elcot Capital. Elcot Capital is entitled to an annual management charge together with a performance fee of 12.5 per cent. of the returns to the limited partners of Queripel Partners in excess of a hurdle of 6 per cent. per annum. Three of the Directors participate in this performance fee; Michael O'Shea as to 1.5 per cent., Luke Wiseman as to 2 per cent., and Michael Vogel as to 3 per cent., in each case of the total returns.

6.3 The Company has not made any loans to the Directors or senior management of the Group which are outstanding, nor has it ever provided any guarantees for the benefit of any Director (or the Directors collectively) or senior management of the Group.

6.4 In addition to their directorships in any member of the Group, the Directors have held the following directorships and/or been a partner in the following partnerships within the five years prior to the date of this document:

Name	*Current Directorships/Partnerships*	*Past Directorships/Partnerships*
(i) Robert Colthorpe	LLP designated member of Colthorpe Associates LLP LLP member Aves Enterprises LLP	LLP member of Leathwaite International LLP LLP member of The Europa Partnership LLP
(ii) Neil Macpherson	Electra Private Equity Partners 2012 LP	LE (UK) Limited
(iii) Michael O'Shea	The Investment Association Electra Private Equity Partners 2012 LP	None

Name	*Current Directorships/Partnerships*	*Past Directorships/Partnerships*
(iv) William Smith	George Hattersley (1985) Limited LLP designated member of Westbeck Capital Management LLP LLP member of BMB Battersea LLP	Mendill Limited
(v) Michael Vogel	Otas Technologies Holdings Limited Otas Technologies Limited Elcot Capital Management Limited The Elcot Fund The Elia Fund	Olivetree Financial Group Limited Olivetree Group Limited
(vi) Luke Wiseman	Otas Technologies Holdings Ltd Otas Technologies Limited LLP designated member of Exton Partners LLP Queripel Partners	Steel Partners (UK) Limited API Group PLC Olivetree Financial Group Limited Olivetree Group Limited Olivetree Financial Limited Barbican Holdings (UK) Limited Barbican Corporate Member Limited Barbican Underwriting Limited

6.5 No Director:

(a) has any unspent convictions in relation to indictable offences; or

(b) has been bankrupt or the subject of an individual voluntary arrangement, or has had a receiver appointed to any asset of such Director; or

(c) (save as provided below) has been a director of any company which, while he or she was a director or within 12 months after he or she ceased to be a director, had a receiver appointed or went into compulsory liquidation, creditors' voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its creditors generally or with any class of its creditors; or

(d) (save as provided below) has been a partner of any partnership which, while he or she was a partner or within 12 months after he or she ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset; or

(e) has had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or

(f) has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

Michael O'Shea was a director of Framlington Split Income Trust plc ("**FSIT**") and its wholly owned subsidiary Framlington Split Income Securities plc ("**FSIS**"). FSIT was placed into administrative receivership on 16 August 2002 and was wound up on 15 May 2006. FSIS was wound up on 18 April 2006.

Robert Colthorpe was a member of The Europa Partnership LLP until January 2013. The Europa Partnership LLP was placed into administration on 21 August 2013 and subsequently into liquidation on 7 May 2014; it was dissolved on 12 September 2015.

6.6 Save as disclosed in paragraph 6.1 above, and as set out below, the Directors are not aware of any person who, directly or indirectly had an interest in three per cent. or more of the voting rights of the Company which is notifiable to the Company under the Disclosure and Transparency Rules as at 3 October 2016, being the latest practicable date prior to the date of this document and immediately following Admission:

Name	As at the date of this document Ordinary Shares	Per cent.	Upon Admission Ordinary Shares	Per cent.
Electra	17,289,900	24.73	8,523,109	8.06
Queripel Partners[(1)]	35,142,700	50.26	35,142,700	33.22
Eastgate Court Nominees[(1)]	6,144,600	8.79	5,300,550	5.01
Southbrook Group Limited[(1)]	3,074,950	4.40	3,074,950	2.91
David Hambidge[(2)(3)]	2,303,150	3.29	1,718,825	1.62
BlackRock Advisors (UK) Limited	Nil	Nil	9,651,514	9.12
SEB Investment Management	Nil	Nil	7,575,757	7.16
Hargreave Hale Limited	Nil	Nil	5,474,999	5.17
Franklin Templeton Investment Management Limited	Nil	Nil	4,090,909	3.87

Notes:

(1) The interest of Queripel Partners includes 2,196,400 of the Ordinary Shares (prior to Admission) in which Eastgate Court Nominees is interested and all of the Shares in which Southbrook Group Limited is interested.

(2) Including interest of his spouse.

(3) Including via TM Trustees Limited, a provider of self-invested personal pensions.

6.7 All Shareholders have the same voting rights in respect of the share capital of the Company.

6.8 None of the Directors nor any members of a Director's family is dealing in any related financial product (as defined in the AIM Rules for Companies) whose value in whole or in part is determined directly or indirectly by reference to the price of the Ordinary Shares, including a contract for differences or a fixed odds bet.

6.9 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

7. DIRECTORS' SERVICE AGREEMENTS AND TERMS OF OFFICE

7.1 ***Executive Directors***

(a) On 3 October 2016, the Company entered into a service agreement with Michael O'Shea as Chief Executive Officer to take effect conditionally upon Admission. The annual base salary payable to him is £225,000. In addition to the normal eight bank and public holidays, he is entitled to 30 days' paid holiday each holiday year and to Company sick pay of salary and contractual benefits for up to 26 weeks in any period of 52 weeks. The service agreement may be terminated by either party by twelve months' written notice.

(b) On 3 October 2016, the Company entered into a service agreement with Neil Macpherson as Group Finance Director to take effect conditionally upon Admission. The annual base salary payable to him is £150,000. In addition to the normal eight bank and public holidays, he is entitled to 30 days' paid holiday each holiday year and to Company sick pay of salary and contractual benefits for up to 26 weeks in any period of 52 weeks. The service agreement may be terminated by either party by six months' written notice.

(c) Each of the two above named individuals are entitled to private medical expenses insurance cover and life insurance cover at four times gross annual salary. In respect of pensions, the Company will contribute an amount equal to 12.5% of basic salary into the Company's pension scheme. Aside from pension contributions during employment no member of the Group has any liability to pay benefits upon termination of employment.

(d) Each of the two above named individuals is subject to confidentiality restrictions without limitation in time, and restrictive covenants including non-competition, non-solicitation and non-poaching restrictions. The restrictions are for a period of 12 months post termination of employment.

(e) The Company may terminate each of the service agreements by making a payment in lieu of notice.

(f) The Company may terminate the employment of any of the two above named individuals with immediate effect and without notice or payment of any compensation if such individual:

(i) fails to become or ceases to be an "approved person" for the purposes of FSMA;

(ii) by his actions or omissions calls into question in the reasonable opinion of the Board his suitability, fitness or propriety as assessed in accordance with FSMA;

(iii) is guilty of a serious breach of FSMA or the rules or regulations from time to time or any relevant regulatory authorities or any code of practice of the Company;

(iv) commits any serious or persistent breach of his obligations under the service agreement;

(v) commits an act of gross misconduct, serious negligence or neglect in the performance of, or fails to perform, any of his duties under his service agreement;

(vi) by his acts or omissions bring, in the reasonable opinion of the Board, himself, the Company, the Group or any member of the Group, into disrepute or prejudices the interest of the Company, the Group or member of the Group;

(vii) has a bankruptcy or an interim order made against him, or makes any arrangement or composition with his creditors;

(viii) becomes prohibited by law or by any decision of any regulatory body from being a director or taking part in the management of the Group;

(ix) becomes of unsound mind or a patient for the purposes of any statute relating to mental health;

(x) is convicted of an offence under any statutory enactment or regulation relating to insider dealing;

(xi) is in breach of the Company's anti-corruption and bribery policy or procedure or engages in any activity, practice or conduct which would constitute or result in an offence under applicable anti-bribery laws or regulations;

(xii) is convicted of a criminal offence other than one which, in the opinion of the Board, does not affect his position as an employee;

(xiii) resigns as a director of the Company or any member of the Group otherwise than at the request of the Company or member of the Group or in accordance with the Articles or articles of association of the relevant member of the Group, or are removed as a director of the Company or any member of the Group; or

(xiv) ceases to be eligible to work in the UK.

7.2 ***Non-Executive Directors***

(a) Michael Vogel has been appointed as Non-Executive Chairman of the Board by a letter of appointment dated 3 October 2016. Michael Vogel is entitled to an annual fee of £75,000.

Robert Colthorpe has been appointed as a Non-Executive Director and Senior Independent Director of the Company by a letter of appointment dated 3 October 2016, such appointment is to take effect from the date of, and is conditional upon, the Admission. Robert Colthorpe is entitled to an annual fee of £40,000.

William Smith has been appointed as a Non-Executive Director of the Company by a letter of appointment dated 3 October 2016, such appointment is to take effect from the date of, and is conditional upon, the Admission. William Smith is entitled to an annual fee of £35,000.

Luke Wiseman has been appointed as a Non-Executive Director of the Company by a letter of appointment dated 3 October 2016. Luke Wiseman is entitled to an annual fee of £50,000. The Company may reimburse the Non-Executive Directors for all properly documented expenses reasonably incurred in the performing of their duties.

(b) The appointments of the Non-Executive Directors will continue unless terminated earlier by either party giving to the other three months' prior written notice. The appointments are subject to the Articles. No member of the Group has any obligation to provide benefits to any Non-Executive Director upon termination of their appointments.

(c) The Company may terminate the appointment with immediate effect if a Non-Executive Director has:

(i) not been re-elected by shareholders or retires from office in accordance with the Articles; or (ii) committed a material breach of obligations under the appointment letter; or (iii) committed any serious or repeated breach or non-observance of obligations to the Company (which include an obligation not to breach statutory, fiduciary or common-law duties); or (iv) been guilty of any fraud or dishonesty or acted in any manner which, in the opinion of the Company, brings or is likely to bring the Non-Executive Director or the Company into disrepute or is materially adverse to the interests of the Company; or (v) been convicted of an arrestable criminal offence, other than a road traffic offence for which a fine or non-custodial penalty is imposed; or (vi) been declared bankrupt or has made an arrangement with or for the benefit of his creditors, or if he has a county court administration order made against him under the County Court Act 1984; or (vii) been disqualified from acting as a director; or (viii) not complied with the Company's anti-corruption and bribery policy and procedures and/or the Bribery Act 2010.

8. RELATED PARTY TRANSACTIONS

8.1 No member of the Group is, nor has been, a party to any transactions with related parties which were material to the Group, except:

(a) as described in Part 3 of this document; and

(b) pursuant to the Capital Reorganisation and the other transactions described in paragraph 2 of this Part 4.

9. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and/or its subsidiaries during the two years preceding the date of this document and are or may be material:

9.1 *Northern Trust Agreement*

On 11 November 2015 PPM and Northern Trust entered into an amended and restated investment funds services agreement (the "**Northern Trust Agreement**").

Pursuant to the terms of the Northern Trust Agreement, PPM (in its capacity as authorised corporate director, investment manager and/or operator of certain funds) procures the fund accounting, registrar and other administrative services from Northern Trust in respect of the Group's funds (including Premier Energy and Water Trust PLC ("**PEWT PLC**")).

The Northern Trust Agreement contains warranties from PPM that it has carried out appropriate due diligence (i) on the records of the previous supplier of administration services; and (ii) to ensure that any money laundering records are in compliance with current laws and guidance.

In addition, PPM has agreed to indemnify Northern Trust against any reasonable and proper costs and expenses incurred by Northern Trust in effecting any remediation of the money laundering records as a consequence of a breach of the above warranty.

9.2 ***Northern Trust Depositary Agreements***

On 3 September 2016 PPM, Northern Trust and each of the following funds entered into separate depositary agreements (the "**Depositary Agreements**"):

(a) Premier Funds;

(b) Premier Growth Funds;

(c) Premier Income Funds;

(d) Premier Liberation Funds;

(e) Premier Multi-Asset Fund;

(f) Premier Multi-Asset Fund 2;

(g) Premier UK Money Market Fund;

(the "**Funds**").

Pursuant to the terms of each of the Depositary Agreements, the Funds have each requested that Northern Trust acts as depositary to the Funds and to provide custody, cash monitoring, asset verification and oversight services.

The Depositary Agreements contain warranties, provided by the PPM and the Funds that (i) all assets deposited with Northern Trust are and shall at all times remain free from any and all encumbrances which might prevent Northern Trust from freely exercising its duties under the Depositary Agreements and (ii) in the ordinary course of investment trading activities in respect of the assets of the account, the Fund and PPM shall not incur or allow any other financial indebtedness of any nature whatsoever over or in respect of the assets of the account unless expressly permitted by Northern Trust (such consent not be unreasonably withheld or delayed).

The Depositary Agreements may be terminated at any time upon six months' written notice from the Fund to Northern Trust or from Northern Trust to the Fund. In the event that Northern Trust indicates that it wishes to retire as depositary then the Funds have each agreed to use best endeavours promptly to appoint a duly qualified replacement for Northern Trust and, if no such person has been appointed after the expiry of three months from the end of the written notice period then the Funds will co-operate with Northern Trust in seeking to expedite a prompt solution.

On 20 January 2015, PEWT PLC, PPM and Northern Trust entered into a depositary agreement (the "**PEWT Depositary Agreement**").

Pursuant to the terms of the PEWT Depositary Agreement PEWT PLC requested that Northern Trust act as depositary to PEWT PLC and to provide custody, cash monitoring, asset verification and oversight services.

By entering into the PEWT Depositary Agreement, PEWT PLC represents and warrants at all times that it is incorporated as a public limited company under the Companies Act 2006, is registered as an investment company under section 833 of the Companies Act 2006, is qualified as an investment trust for the purposes of Chapter 4 of Part 24 of the Corporation Tax Act 2010 and shall be managed at all times with a view to maintaining its status as an investment trust for the Purposes of Chapter 4 of Part 24 of the Corporation Tax Act 2010.

The PEWT Depositary Agreement may be terminated at any time upon six months' written notice from PEWT PLC to Northern Trust or from Northern Trust to PEWT PLC. In the event that Northern Trust indicates that it wishes to retire as depositary then PEWT PLC has agreed to use its best endeavours promptly to appoint a duly qualified replacement for Northern Trust and, if no such person has been appointed after the expiry of three months from the end of the written notice period then PEWT PLC will co-operate with Northern Trust in seeking to expedite a prompt solution.

9.3 ***Placing Agreement***

On 4 October 2016, the Company, the Selling Shareholders, the Directors and Joint Bookrunners entered into the Placing Agreement.

Pursuant to the terms of the Placing Agreement:

- the Joint Bookrunners have agreed, subject to certain conditions, to act as agent for the Company and the Selling Shareholders and to use their reasonable endeavours to procure places to subscribe for and purchase the Placing Shares at the Placing Price;
- the Company has agreed to issue the New Ordinary Shares and the Selling Shareholders have agreed to sell the Sale Shares in the Placing at the Placing Price in each case subject to certain conditions; and
- the Placing Agreement is conditional upon, *inter alia*, Admission occurring on or before 8:00am on 7 October 2016 (or such later date as the Company and the Joint Bookrunners may agree).

The Placing Agreement contains warranties from the Company and the Directors in favour of each Joint Bookrunner in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group and its business. It also contains warranties from the Selling Shareholders in favour of each Joint Bookrunner in relation to, amongst other things, title to Sale Shares. In addition, the Company has given an indemnity to each Joint Bookrunner on customary terms. Each Joint Bookrunner has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular in the event of a breach of the warranties or a force majeure event.

Under the terms of the Placing Agreement the Directors, certain senior management and Queripel Partners have undertaken that, subject to certain exceptions, they will not sell or otherwise dispose of, or agree to dispose of, any of their respective interests in the Ordinary Shares held immediately following Admission (the "**Retained Interests**") as follows (the "**Lock-in Arrangements**"):

- in the case of the Executive Directors and certain senior management, whose Retained Interests will represent in aggregate 7.00 per cent. of the Enlarged Share Capital:
  - for a period of 12 months from Admission and subject to certain exemptions, they will not dispose of any of their Retained Interests without the consent of the Joint Bookrunners;
  - for a subsequent period of 12 months thereafter and subject to certain exemptions, they will not dispose of 50 per cent. of their Retained Interests without the consent of the Joint Bookrunners and will only dispose of the remaining 50 per cent. of their interests through the Joint Bookrunners in order to maintain an orderly market; and
  - for a further period of 12 months after that and subject to certain exemptions, they will not dispose of the remainder of their then Retained Interest other than through the Joint Bookrunners in order to maintain an orderly market.
- in the case of the Non-Executive Directors, Queripel Partners and Electra, whose Retained Interests will represent in aggregate 43.31 per cent. of the Enlarged Share Capital:

- for a period of six months from Admission and subject to certain exemptions, they will not dispose of any of their Retained Interests without the consent of the Joint Bookrunners; and
- for a subsequent period of six months thereafter and subject to certain exemptions, they will only dispose of their Retained Interests through the Joint Bookrunners in order to maintain an orderly market.

10. UNITED KINGDOM TAXATION

10.1 *General*

The following statements are intended to apply only as a general guide to certain United Kingdom tax considerations, and are based on current United Kingdom tax law and current published practice of HM Revenue and Customs ("**HMRC**") (which may not be binding on HMRC), each of which may change at any time, possibly with retrospective effect.

The statements relate only to certain limited aspects of the United Kingdom taxation treatment of Shareholders who are resident and, in the case of individuals, domiciled in (and only in) the United Kingdom for United Kingdom tax purposes (except to the extent that the position of non-United Kingdom resident Shareholders is expressly referred to), who hold the Ordinary Shares as investments (other than under an individual savings account or a self-invested personal pension) and who are the beneficial owners of the Ordinary Shares (and any dividends paid on them).

The statements may not apply to certain classes of Shareholders such as (but not limited to) persons acquiring their Ordinary Shares in connection with an office or employment, dealers in securities, insurance companies, collective investment schemes, persons who own more than 10 per cent. of the Ordinary Shares or persons making or holding their investment in the Ordinary Shares with the purpose of obtaining a United Kingdom tax advantage.

Prospective subscribers for, or purchases of, Ordinary Shares who are in any doubt as to their tax position regarding the acquisition, ownership and disposition of the Ordinary Shares or who are subject to tax in a jurisdiction other than the United Kingdom are strongly recommended to consult their own tax advisers.

10.2 *Dividends*

The Company will not be required to withhold tax at source from dividend payments it makes.

(a) *United Kingdom resident individual Shareholders*

From 6 April 2016, individuals are entitled to an annual dividend tax allowance of £5,000. Individuals will pay no income tax on dividend income (from any source) that is covered by the allowance. The rates of income tax on dividend income above the allowance for the tax year 2016/17 are:

Dividends taxed in the basic rate band (at the dividend ordinary rate)	7.5%
Basic Rate band	£0-£32,000*
Dividends taxed in the higher rate band (at the dividend upper rate)	32.5%
Higher Rate band	£32,001-£150,000*
Dividends taxed in the additional rate band (at the dividend additional rate)	38.1%
Additional Rate band	£150,001 and over*

*Subject to other reliefs and allowances, which may include the personal allowance.

(b) *Companies*

A Shareholder within the charge to United Kingdom corporation tax will generally be exempt from United Kingdom corporate tax on any dividend received from the Company so long as the dividends fall within an exempt class and certain conditions are met.

10.3 ***Capital Gains***

A disposal or deemed disposal of Ordinary Shares by a Shareholder who is resident in the United Kingdom for tax purposes may, depending on the Shareholder's circumstances and subject to any available exemptions and reliefs (such as the annual exempt amount for individuals and indexation allowance for corporate Shareholders), give rise to a chargeable gain or an allowable loss for the purposes of United Kingdom taxation of capital gains.

An individual Shareholder who ceases to be resident in the United Kingdom for tax purposes for a period of five years or less and who disposes of Ordinary Shares during that period may potentially be liable on their return to the United Kingdom to United Kingdom taxation on any capital gain realised (subject to detailed rules and any available exemption or relief).

Where an individual Shareholder disposes of Ordinary Shares and becomes liable to United Kingdom capital gains tax, the applicable rate in the 2016/17 tax year will be 10 per cent. to the extent that the gain falls within the Shareholder's basic rate band and 20 per cent. to the extent that the gain falls within the higher rate or additional rate band. In each case, these rates are subject to any available exemptions or reliefs.

10.4 ***Stamp duty and stamp duty reserve tax***

No United Kingdom stamp duty will be payable on the issue by the Company of Ordinary Shares. For as long as Ordinary Shares are admitted to trading on AIM (provided AIM continues to be accepted as a recognised growth market) and not listed on a recognised stock exchange, their transfer will be exempt from stamp duty and agreements for their transfer will be exempt from stamp duty reserve tax (SDRT). Otherwise, transfers of Ordinary Shares for value will generally give rise to a liability to pay United Kingdom *ad valorem* stamp duty, or SDRT, at the rate of 0.5 per cent. of the amount or value of the consideration (rounded up in the case of stamp duty to the nearest £5).

It is not expected that stamp duty or SDRT will be payable on the purchase of the Sale Shares. If any stamp duty or SDRT is payable on the purchase of any Sale Shares it will be for the account of the relevant Selling Shareholders.

10.5 ***Inheritance tax***

The Ordinary Shares will be assets situated in the United Kingdom for the purposes of United Kingdom inheritance tax. However, a holding of unquoted shares in an unquoted company can be eligible for 100 per cent. business property relief from inheritance tax provided that the business of the company does not consist wholly or mainly of dealing in stocks or shares, land or buildings or the making of holding of investments, that the investor holds the shares for the relevant qualifying period (normally two years) and other conditions for relief are satisfied.

The Company will be unquoted for these purposes for so long as its shares are admitted to trading on AIM but are not listed on any recognised stock exchange.

Shareholders of Ordinary Shares should consult an appropriate tax adviser as to any inheritance tax implications if they intend to make a gift or transfer of Ordinary Shares at less than market value or envisage that the Ordinary Shares may form part of their estate on death.

11. PREMISES

11.1 ***The Group's principal establishments are as follows:***

Name and location	*Tenure*
Eastgate Court, Guildford	Leasehold
1 Catherine Place, London	Leasehold
Midshires Business Park, Aylesbury	Leasehold

12. WORKING CAPITAL

12.1 In the opinion of the Directors, having made due and careful enquiry, the working capital available to the Company and the Group will be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

13. LITIGATION

13.1 There are no, and during the 12 month period prior to the date of this document there have not been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had in the recent past, significant effects on the Company's or the Group's financial position or profitability.

13.2 It should be noted that the Group was in discussion with HMRC regarding the operation of an agreed partial exemption special method in relation to the payment of VAT. The Company has agreed to pay (and has paid) to HMRC an amount claimed as being over recovered. The Company has been notified by HMRC that penalties amounting to £146,560 have been assessed, however, HMRC have also confirmed that the full amount of penalties has been suspended. The Directors believe that such penalty would not have a significant effect on the Company's or Group's financial position or profitability were it to become payable.

14. GENERAL

14.1 Except as disclosed in Part 1 (Information on the Group) of this document, there are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Company's business.

14.2 The expenses of the Placing and Admission payable by the Company are estimated to be £3.1 million, excluding VAT and are payable by the Company.

14.3 Except for fees payable to the professional advisers whose names are set out on page 5 above or payments to trade suppliers, no person has received any fees, securities in the Company or other benefit to a value of £10,000 or more, whether directly or indirectly, from the Company within the 12 months preceding the application for Admission, or has entered into any contractual arrangement to receive from the Company, directly or indirectly, any such fees, securities or other benefit on or after Admission.

14.4 Save as disclosed in this document, there has been no significant change in the financial or trading position of the Group since 30 June 2016, the date to which the financial information set out in Section B of Part 3 has been drawn up.

14.5 Where information has been sourced from a third party, the Company confirms that this information has been accurately reproduced and as far as the Company is aware and is able to ascertain form the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

14.6 The financial information contained in this document does not constitute full statutory accounts as referred to in section 434 of the Companies Act. Statutory consolidated audited accounts of the Company, on which the auditor has given unqualified reports and which contained no statement under section 498(2) or (3) of the Companies Act, have been delivered to the Registrar of Companies in respect of the three accounting periods ended 30 September 2013, 30 September 2014 and 30 September 2015.

14.7 KPMG LLP has given and has not withdrawn its written consent to the inclusion in this document of its report set out in Section A of Part 3 of this document in the form and context in which it appears and has authorised its report for the purposes of the AIM Rules for Companies.

14.8 The auditors of the Company are KPMG LLP who are regulated by the Institute of Accountants of England and Wales.

14.9 Stifel has given and not withdrawn its written consent to the issue of this document and the references to them in the form and context in which such references are included.

14.10 Numis has given and not withdrawn its written consent to the issue of this document and the references to them in the form and context in which such references are included.

15. SELLING SHAREHOLDERS

15.1 The names and business addresses of each of the Selling Shareholders are set out below:

Name	*Business address*	*Relationship with Company*	*Number of Sale Shares*
Michael Vogel	Eastgate Court, High Street, Guildford, Surrey GU1 3DE	Non-Executive Chairman	717,825
Michael O'Shea	Eastgate Court, High Street, Guildford, Surrey GU1 3DE	Chief Executive Officer	858,487
Neil Macpherson	Eastgate Court, High Street, Guildford, Surrey GU1 3DE	Group Finance Director	193,988
David Hambidge	Eastgate Court, High Street, Guildford, Surrey GU1 3DE	Head of Multi-Asset Funds	509,325
Mark Friend	Eastgate Court, High Street, Guildford, Surrey GU1 3DE	Chief Operating Officer	153,900
Mike Hammond	Eastgate Court, High Street, Guildford, Surrey GU1 3DE	Sales Director	131,350
Simon Wilson	Eastgate Court, High Street, Guildford, Surrey GU1 3DE	Marketing Director	118,750
Nigel Sidebottom	Eastgate Court, High Street, Guildford, Surrey GU1 3DE	Employee	12,500
Amanda Hambidge	c/o Eastgate Court, High Street, Guildford, Surrey GU1 3DE	David Hambidge's spouse	75,000
Eastgate Court Nominees	Eastgate Court, High Street, Guildford, Surrey GU1 3DE	Nominee on behalf of certain Directors and employees of the Company, and a wholly owned subsidiary of the Company	844,000

Name	*Business address*	*Relationship with Company*	*Number of Sale Shares*
Electra Private Equity Partners 2006 Scottish LP	50 Lothian Road, Festival Square, Edinburgh EH3 9WJ	Investor	8,107,991
Electra Private Equity Partners 2012 LP	Paternoster House, 65 St Paul's Churchyard, London EC4M 8AB	Investor	658,800

16. AVAILABILITY OF DOCUMENT

16.1 Copies of this document will be available free of charge to the public at the registered office of the Company during normal business hours on any weekday (Saturdays and public holidays excepted) until the date falling one month after the date of Admission and also on the Company's website *www.premierfunds.co.uk/corporate* in accordance with Rule 26 of the AIM Rules for Companies.

PART 5

TERMS AND CONDITIONS OF THE PLACING

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THE TERMS AND CONDITIONS SET OUT IN THIS PART 5 ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE QUALIFIED INVESTORS AS DEFINED IN SECTION 86(7) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED, ("**QUALIFIED INVESTORS**") BEING PERSONS FALLING WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE EU PROSPECTUS DIRECTIVE (WHICH MEANS DIRECTIVE 2003/71/EC AND INCLUDES ANY RELEVANT IMPLEMENTING DIRECTIVE MEASURE IN ANY MEMBER STATE) (THE "**PROSPECTUS DIRECTIVE**"); (B) IN THE UNITED KINGDOM, QUALIFIED INVESTORS WHO ARE PERSONS WHO (I) FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "**ORDER**"); (II) FALL WITHIN ARTICLE 49(2)(A) TO (D) ("**HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC**") OF THE ORDER; OR (III) ARE PERSONS TO WHOM IT MAY OTHERWISE BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "**RELEVANT PERSONS**"). THE TERMS AND CONDITIONS SET OUT IN THIS PART 5 MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THE TERMS AND CONDITIONS SET OUT IN THIS PART 5 RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO LEGAL, TAX, BUSINESS AND RELATED ASPECTS OF AN INVESTMENT IN PLACING SHARES. THE PRICE OF SHARES IN THE COMPANY AND THE INCOME FROM THEM (IF ANY) MAY GO DOWN AS WELL AS UP AND INVESTORS MAY NOT GET BACK THE FULL AMOUNT INVESTED ON DISPOSAL OF SHARES.

Persons who are invited to and who choose to participate in the Placing, by making (or on whose behalf there is made) an oral or written offer to subscribe for or purchase Placing Shares (the "**Placees**"), will be deemed to have read and understood this Part 5 in its entirety and to be making such offer on the terms and conditions, and to be providing the representations, warranties, acknowledgements, and undertakings contained in this Part 5. In particular, each such Placee represents, warrants and acknowledges that:

1. it is a Relevant Person (as defined above) and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;

2. in the case of any Placing Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Placing Shares acquired by it have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Member State of the European Economic Area ("**EEA**") which has implemented the Prospectus Directive other than Qualified Investors or in circumstances in which the prior consent of the Joint Bookrunners has been given to the offer or resale; or (ii) where Placing Shares have been acquired by it on behalf of persons in any Member State of the EEA other than Qualified Investors, the offer of those Placing Shares to it is not treated under the Prospectus Directive as having been made to such persons; and/or

3. (a) (i) it is not in the United States and (ii) it is not acting for the account or benefit of a person in the United States, (b) it is a dealer or other professional fiduciary in the United States acting on a discretionary basis for a non-US person (other than an estate or trust) in reliance on Regulation S under the Securities Act; or (c) it is otherwise acquiring the Placing Shares in an "offshore transaction" meeting the requirements of Regulation S under the Securities Act.

The Company and each of the Joint Bookrunners will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

In this Part 5, unless the context otherwise requires, "Placee" means a Relevant Person (including individuals, funds or otherwise) by whom or on whose behalf a commitment to subscribe for or purchase Placing Shares has been given.

The admission document and any supplementary admission document constitutes objective information about the Company or the Placing Shares and nothing contained in it should be construed as constituting any form of investment advice or recommendation, guidance or proposal of a financial nature in respect of any investment issued by the Company or any transaction in relation to the Company or the Placing Shares. Any investor contemplating making an investment in the Placing Shares should determine its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment, and should consult its professional advisors in this regard.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this admission document and any supplementary admission document should seek appropriate advice before taking any action.

Details of the Placing

The Joint Bookrunners have entered into the Placing Agreement with the Company, Directors and Selling Shareholders under which the Joint Bookrunners have severally, on the terms and subject to the conditions set out therein, undertaken to use their respective reasonable endeavours to procure, as agents for the Company and the Selling Shareholders, subscribers for or purchasers of the Placing Shares at the Placing Price.

The Placing is conditional upon, amongst other things, Admission becoming effective and the Placing Agreement not being terminated in accordance with its terms.

The New Ordinary Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing issued Ordinary Shares, including the right to receive all dividends and other distributions (if any) declared, made or paid on or in respect of the Ordinary Shares after the date of issue of the Placing Shares.

The Company, subject to certain exceptions, has agreed not to allot, issue or grant any rights in respect of its Ordinary Shares in the period of 365 days from the date of Admission without the prior written consent of each of the Joint Bookrunners.

Application for admission to trading

Application will be made to the London Stock Exchange for Admission. It is expected that settlement of any such shares and Admission will become effective on or around 7 October 2016 and that dealings in the Placing Shares will commence at that time.

Participation in, and principal terms of, the Placing

1. The Joint Bookrunners (whether through themselves or any of their respective affiliates) are arranging the Placing as placing agents of the Company and the Selling Shareholders for the purpose of using reasonable endeavours to procure Placees at the Placing Price for the Placing Shares.

2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by one of the Joint Bookrunners. The Joint Bookrunners and their respective affiliates may participate in the Placing as principals.

3. This Part 5 gives details of the terms and conditions of, and the mechanics of participation in, the Placing. No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

4. The Placing Price will be a fixed price of 132 pence per new Ordinary Share.

5. Each Placee's allocation will be confirmed to Placees orally by one of the Joint Bookrunners, and a trade confirmation or contract note will be dispatched as soon as possible thereafter. The oral confirmation to such Placee will constitute an irrevocable legally binding commitment upon such person (who will at that point become a Placee) in favour of each of the Joint Bookrunners and the Company, under which it agrees to acquire the number of Placing Shares allocated to it at the Placing Price on the terms and conditions set out in this Part 5 and in accordance with the Company's Articles of Association. The allocation of Placees' allocations as between New Ordinary Shares and Sale Shares will be at the absolute discretion of the Joint Bookrunners.

6. Except as required by law or regulation, no press release or other announcement will be made by either of the Joint Bookrunners or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.

7. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and settlement".

8. All obligations under the Placing will be subject to fulfilment or (where applicable) waiver of, amongst other things, the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Right to terminate under the Placing Agreement".

9. By participating in the Placing, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.

10. To the fullest extent permissible by law, none of the Company, KBW, Numis or any of their respective affiliates shall have any liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise of these terms and conditions). In particular, none of the Company, KBW, Numis or any of their respective affiliates shall have any liability (including to the fullest extent permissible by law, any fiduciary duties) in respect of the Joint Bookrunners' conduct of the Placing. Each Placee acknowledges and agrees that the Company is responsible for the allotment of the New Ordinary Shares to the Placees and neither of the Joint Bookrunners shall have any liability to the Placees for the failure of the Company to fulfil those obligations.

Conditions of the Placing

The Joint Bookrunners' obligations under the Placing Agreement in respect of the Placing Shares are conditional on, *inter alia*:

(a) the Company allotting, subject only to Admission, the New Ordinary Shares in accordance with the Placing Agreement; and

(b) Admission taking place not later than 8.00 a.m on 7 October 2016.

If (i) any of the conditions contained in the Placing Agreement in relation to the Placing Shares are not fulfilled or waived by each of the Joint Bookrunners by the respective time or date where specified (or such later time or date as the Company and each of the Joint Bookrunners may agree not being later than 8.30 a.m. on 28 October 2016 (the "**Final Date**")), or (ii) the Placing Agreement is terminated as described below, the Placing in relation to the Placing Shares will lapse and the Placee's rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof.

The Joint Bookrunners may, at their absolute discretions and upon such terms as each thinks fit, waive, or extend the period (up to the Final Date) for compliance by the Company with the whole or any part of any of the Company's obligations in relation to the conditions in the Placing Agreement, save that the condition relating to Admission taking place may not be waived. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

Neither of the Joint Bookrunners nor the Company shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally and by participating in the Placing each Placee agrees that any such decision is within the absolute discretion of the Joint Bookrunners.

Right to terminate under the Placing Agreement

Each of the Joint Bookrunners is entitled, at any time before Admission, to terminate the Placing Agreement by giving notice to the Company and the other Joint Bookrunner in certain circumstances, including, *inter alia*:

(a) in the opinion of that Joint Bookrunner (acting in good faith), the warranties given by the Company to the Joint Bookrunners are not true and accurate or have become misleading (or would not be true and accurate or would be misleading if they were repeated at any time before Admission) by reference to the facts subsisting at the time when the notice referred to above is given, in each case in a way that is material in the context of the Placing; or

(b) in the opinion of that Joint Bookrunner (acting in good faith), the Company fails to comply with any of its obligations under the Placing Agreement and that failure is material in the context of the Placing; or

(c) in the opinion of that Joint Bookrunner (acting in good faith), there has been a development or event (or any development or event involving a prospective change of which the Company is, or might reasonably be expected to be, aware) which will or is reasonably likely to have a material adverse effect on or affecting the operations, the condition (financial or otherwise), prospects, management, results of operations, financial position, business or general affairs of the Company or of the Company's group (taken as a whole) respectively whether or not foreseeable and whether or not arising in the ordinary course of business, which in each case is material in the context of the Placing; or

(d) there has been a change in national or international financial, political, economic or stock market conditions (primary or secondary); an incident of terrorism, outbreak or escalation of hostilities, war, declaration of martial law or any other calamity or crisis; a suspension or material limitation in trading of securities generally on any stock exchange; any change in currency exchange rates or exchange controls or a disruption of settlement systems or a material disruption in commercial banking, in each case as would be likely in the opinion of that Joint Bookrunner (acting in good faith) to materially prejudice the success of the Placing.

Following Admission, the Placing Agreement is not capable of termination to the extent that it relates to the Placing of the Placing Shares.

The rights and obligations of the Placees shall terminate only in the circumstances described in these terms and conditions and in the Placing Agreement and will not be subject to termination by the Placee or any prospective Placee at any time or in any circumstances. By participating in the Placing, Placees agree that the exercise by either or both of the Joint Bookrunners of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of the Joint Bookrunners, and that neither need make any reference to Placees and that neither shall have liability to Placees whatsoever in connection with any such exercise or decision not to exercise. Placees will have no rights against KBW, Numis, the Company or any of their respective directors or employees under the Placing Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999 (as amended).

No Prospectus

The Placing Shares are being offered to a limited number of specifically invited persons only and will not be offered in such a way as to require a prospectus in the United Kingdom or in any other jurisdiction. No offering document or prospectus has been or will be submitted to be approved by the FCA or submitted to the London Stock Exchange in relation to the Placing, and Placees' commitments will be made solely on the basis of the information contained in this document (including this Part 5) and any supplementary admission document. Each Placee, by accepting a participation in the Placing, agrees that the content of this document is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information, representation, warranty, or statement made by or on behalf of the Company or either Joint Bookrunner or any other person and neither Joint Bookrunner nor the Company nor any other person will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placees may have obtained or received and, if given or made, such information, representation, warranty or statement must not be relied upon as having been authorised by KBW, Numis, the Company, or their respective officers, directors, employees or agents. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Neither the Company, nor either Joint Bookrunner are making any undertaking or warranty to any Placee regarding the legality of an investment in the Placing Shares by such Placee under any legal, investment or similar laws or regulations. Each Placee should not consider any information in this document and any supplementary admission document to be legal, tax or business advice. Each Placee should consult its own solicitor, tax adviser and financial adviser for independent legal, tax and financial advice regarding an investment in the Placing Shares. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Registration and settlement

Settlement of transactions in the Placing Shares (ISIN: GB00BZB2KR63) following Admission will take place within CREST provided that, subject to certain exceptions, the Joint Bookrunners reserve the right to require settlement for, and delivery of, the Placing Shares (or a portion thereof) to Placees by such other means that they deem necessary if delivery or settlement is not possible or practicable within CREST within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in any Placee's jurisdiction.

Each Placee allocated Placing Shares in the Placing will be sent a trade confirmation or contract note stating the number of Placing Shares allocated to it at the Placing Price, the aggregate amount owed by such Placee to the relevant Joint Bookrunner (as agent for the Company) and settlement instructions. Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with either the CREST or certificated settlement instructions that it has in place with Numis.

It is expected that settlement in respect of the Placing Shares will be on 7 October 2016 on a T+3 basis in accordance with the instructions set out in the trade confirmation.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above LIBOR as determined by the Joint Bookrunners.

Each Placee is deemed to agree that, if it does not comply with these obligations, either Joint Bookrunner may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for such Joint Bookrunner's account and benefit (as agent for the Company), an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable and shall indemnify the Joint Bookrunners on demand for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax or securities transfer tax (together with any interest or penalties) which may arise upon the sale of such Placing Shares on such Placee's behalf. By communicating a bid for Placing Shares, each Placee confers on the Joint Bookrunners all such authorities and powers necessary to carry out any such sale and agrees to ratify and confirm all actions which either of the Joint Bookrunners lawfully takes in pursuance of such sale.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the trade confirmation or contract note is copied and delivered immediately to the relevant person within that organisation.

Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax or securities transfer tax. Placees will not be entitled to receive any fee or commission in connection with the Placing.

Representations, warranties and further terms

By participating in the Placing each Placee (and any person acting on such Placee's behalf) makes the following representations, warranties, acknowledgements, agreements and undertakings (as the case may be) to the Company and each of the Joint Bookrunners, namely that each Placee (and any person acting on such Placee's behalf):

1. represents and warrants that it has read and understood this document, including this Part 5, and any supplementary admission document in its entirety and that its subscription and/or purchase of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained herein;

2. acknowledges that this document and any supplementary admission document has been prepared in connection with Admission and no offering document or prospectus has been prepared in connection with the Placing and represents and warrants that it has not received and will not receive a prospectus or other offering document in connection therewith;

3. acknowledges that none of KBW, Numis, the Company, any of their respective affiliates or any person acting on behalf of any of them has provided it, and will not provide it, with any material regarding the Placing Shares or the Company other than this document and any supplementary admission document; nor has it requested any of KBW, Numis, the Company, their respective affiliates or any person acting on behalf of any of them to provide it with any such information;

4. acknowledges that the content of this document and any supplementary admission document is exclusively the responsibility of the Company, and that none of KBW, Numis, their respective affiliates or any person acting on its or their behalf has or shall have any liability for any information, representation or statement contained in this document and/or any supplementary admission document or any information previously or concurrently published by or on behalf of the Company, and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this document and any supplementary admission document or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire the Placing Shares is contained in this document and any supplementary admission document, such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given or representations, warranties or statements made by KBW, Numis, the Company or any of their respective directors, officers or employees or any person acting on behalf of any of them, or, if received, it has not relied upon any such information, representations, warranties or statements (including any management presentation that may have been received by any prospective Placee or any material prepared by the respective Research Departments of KBW and/or Numis (the views of such Research Departments not representing and being independent from those of the Company and the respective Corporate Finance Departments of KBW and Numis and not being attributable to the same)), and neither of the Joint Bookrunners nor the Company will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement. Each Placee further acknowledges and agrees that it has relied solely on its own investigation of the business, financial or other position of the Company in deciding to participate in the Placing and it

will not rely on any investigation that KBW, Numis, their respective affiliates or any other person acting on its or their behalf has or may have conducted;

5. represents and warrants that it has neither received nor relied on any confidential price sensitive information concerning the Company in accepting this invitation to participate in the Placing;

6. acknowledges that neither of KWB nor Numis has any duties or responsibilities to it, or its clients, similar or comparable to the duties of "best execution" and "suitability" imposed by the Conduct of Business Sourcebook in the FCA's Handbook of Rules and Guidance and that neither KBW nor Numis is acting for it or its clients and that neither KBW nor Numis will be responsible for providing protections to it or its clients;

7. acknowledges that none of KBW, Numis, any of their respective affiliates or any person acting on behalf of it or them has or shall have any liability for any publicly available or filed information or any representation relating to the Company, provided that nothing in this paragraph excludes the liability of any person for fraudulent misrepresentation made by that person;

8. that, save in the event of fraud on the part of KBW (and to the extent permitted by the Rules of the FCA), neither KBW, its ultimate holding company nor any direct or indirect subsidiary undertakings of that holding company, nor any of their respective directors and employees shall be liable to Placees for any matter arising out of KBW's role as placing agent or otherwise in connection with the Placing and that where any such liability nevertheless arises as a matter of law Placees will immediately waive any claim against any of such persons which they may have in respect thereof;

9. that, save in the event of fraud on the part of Numis (and to the extent permitted by the Rules of the FCA), neither Numis, its ultimate holding company nor any direct or indirect subsidiary undertakings of that holding company, nor any of their respective directors and employees shall be liable to Placees for any matter arising out of Numis' role as placing agent or otherwise in connection with the Placing and that where any such liability nevertheless arises as a matter of law Placees will immediately waive any claim against any of such persons which they may have in respect thereof;

10. represents and warrants that (i) it is not in the United States and (ii) it is not acting for the account or benefit of a person in the United States;

11. acknowledges that the Placing Shares are being offered and sold only pursuant to Regulation S under the Securities Act in a transaction not involving a public offering of securities in the United States and the Placing Shares have not been and will not be registered under the Securities Act or with any state or other jurisdiction of the United States, nor approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, and that the offer and sale of the Placing Shares to it has been made outside of the United States in an 'offshore transaction' (as such term is defined in Regulation S under the Securities Act) and agrees not to reoffer, resell, pledge or otherwise transfer the Placing Shares except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and otherwise in accordance with any applicable securities laws of any state or jurisdiction of the United States;

12. unless otherwise specifically agreed in writing with either KBW or Numis, represents and warrants that neither it nor the beneficial owner of such Placing Shares will be a resident of Canada, Australia, New Zealand, Japan or the Republic of South Africa;

13. acknowledges that the Placing Shares have not been and will not be registered under the securities legislation of Canada, Australia, New Zealand, Japan or the Republic of South Africa and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within those jurisdictions;

14. represents and warrants that the issue to it, or the person specified by it for registration as holder, of Placing Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depositary receipts and clearance services) and that the Placing Shares are not being

acquired in connection with arrangements to issue depositary receipts or to transfer Placing Shares into a clearance system;

15. represents and warrants that: (i) it has complied with its obligations under the Criminal Justice Act 1993, Part VIII of FSMA and the Market Abuse Regulation (EU No. 596/2014); (ii) in connection with money laundering and terrorist financing, it has complied with its obligations under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000 (as amended), the Terrorism Act 2006 and the Money Laundering Regulations 2007; and (iii) it is not a person: (a) with whom transactions are prohibited under the Foreign Corrupt Practices Act of 1977 or any economic sanction programmes administered by, or regulations promulgated by, the Office of Foreign Assets Control of the U.S. Department of the Treasury; (b) named on the Consolidated List of Financial Sanctions Targets maintained by HM Treasury of the United Kingdom; or (c) subject to financial sanctions imposed pursuant to a regulation of the European Union or a regulation adopted by the United Nations (together, the "**Regulations**"); and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations and has obtained all governmental and other consents (if any) which may be required for the purpose of, or as a consequence of, such purchase, and it will provide promptly to the Joint Bookrunners such evidence, if any, as to the identity or location or legal status of any person which either Joint Bookrunner may request from it in connection with the Placing (for the purpose of complying with such Regulations or ascertaining the nationality of any person or the jurisdiction(s) to which any person is subject or otherwise) in the form and manner requested by that Joint Bookrunner on the basis that any failure by it to do so may result in the number of Placing Shares that are to be purchased by it or at its direction pursuant to the Placing being reduced to such number, or to nil, as the Joint Bookrunners may decide at their respective sole discretions;

16. if a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, represents and warrants that the Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a Member State of the EEA which has implemented the Prospectus Directive other than Qualified Investors, or in circumstances in which the prior consent of one of the Joint Bookrunners has been given to the offer or resale;

17. represents and warrants that it has not offered or sold and will not offer or sell any Placing Shares to persons in the EEA prior to Admission except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted in and which will not result in an offer to the public in any member state of the EEA within the meaning of the Prospectus Directive (including any relevant implementing measure in any member state);

18. represents and warrants that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;

19. represents and warrants that it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;

20. if in a Member State of the EEA, unless otherwise specifically agreed with one of the Joint Bookrunners in writing, represents and warrants that it is a Qualified Investor within the meaning of the Prospectus Directive;

21. if in the United Kingdom, represents and warrants that it is a person (i) who has professional experience in matters relating to investments falling within Article 19(1) of the Order; (ii) falling within Article 49(2)(A) to (D) ("High Net Worth Companies, Unincorporated Associations, etc") of the Order; or (iii) to whom this Announcement may otherwise be lawfully communicated;

22. represents and warrants that it and any person acting on its behalf is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions and that it has all necessary capacity and has obtained all necessary consents and authorities and taken any other necessary actions to enable it to commit to this participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Announcement) and will honour such obligations;

23. where it is acquiring Placing Shares for one or more managed accounts, represents and warrants that it is authorised in writing by each managed account: (a) to acquire the Placing Shares for each managed account; (b) to make on its behalf the representations, warranties, acknowledgements, undertakings and agreements in this Appendix and the Announcement of which it forms part; and (c) to receive on its behalf any investment letter relating to the Placing in the form provided to it by the Joint Bookrunners;

24. undertakes that it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with this Announcement on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other subscribers or sold as the Joint Bookrunners may in their respective sole discretions determine and without liability to such Placee and it will remain liable and will indemnify the Joint Bookrunners on demand for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear the liability for any stamp duty or stamp duty reserve tax or security transfer tax (together with any interest or penalties due pursuant to or referred to in these terms and conditions) which may arise upon the placing or sale of such Placee's Placing Shares on its behalf;

25. acknowledges that none of KBW, Numis, any of their respective affiliates, or any person acting on behalf of any of them, is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing and that participation in the Placing is on the basis that it is not and will not be treated for these purposes as a client of KBW or Numis and that neither KBW nor Numis have any duties or responsibilities to it for providing the protections afforded to their respective clients or customers or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of their rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;

26. undertakes that the person whom it specifies for registration as holder of the Placing Shares will be (i) itself or (ii) its nominee, as the case may be. Neither KBW, Numis nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to participate in the Placing and it agrees to indemnify the Company, KBW and Numis in respect of the same on the basis that the Placing Shares will be allotted to the CREST stock account of KBW and/or Numis who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;

27. acknowledges that these terms and conditions and any agreements entered into by it pursuant to these terms and conditions and any non-contractual obligations arising out of or in connection with such agreement shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter (including non-contractual matters) arising out of any such contract, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Company or Numis in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange;

28. acknowledges that time shall be of the essence as regards to obligations pursuant to this Appendix;

29. agrees that the Company, KBW, Numis and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to the Joint Bookrunners on their own behalves and on behalf of the Company and are irrevocable and are irrevocably authorised to produce this document or a copy thereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby;

30. agrees to indemnify on an after-tax basis and hold the Company, KBW, Numis and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Part 5 and further agrees that the provisions of this Part 5 shall survive after completion of the Placing;

31. acknowledges that no action has been or will be taken by any of the Company, KBW, Numis or any person acting on behalf of the Company, KBW or Numis that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required;

32. acknowledges that it is an institution that has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for or purchasing the Placing Shares. It further acknowledges that it is experienced in investing in securities of this nature and in this sector and is aware that it may be required to bear, and it, and any accounts for which it may be acting, are able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing. It has relied upon its own examination and due diligence of the Company and its associates taken as a whole, and the terms of the Placing, including the merits and risks involved;

33. acknowledges that its commitment to subscribe for Placing Shares on the terms set out herein and in the trade confirmation or contract note will continue notwithstanding any amendment that may in future be made to the terms of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's conduct of the Placing;

34. acknowledges that either or both of the Joint Bookrunners or any of their respective affiliates acting as an investor for its own account may take up shares in the Company and in that capacity may retain, purchase or sell for its own account such shares and may offer or sell such shares other than in connection with the Placing;

35. represents and warrants that, if it is a pension fund or investment company, its purchase of Placing Shares is in full compliance with all applicable laws and regulation; and

36. to the fullest extent permitted by law, it acknowledges and agrees to the disclaimers contained in this document, including this Part 5.

The representations, warranties, acknowledgments and undertakings contained in this Part 5 are given to KBW, Numis and the Company and are irrevocable and shall not be capable of termination in any circumstances.

The agreement to settle a Placee's subscription (and/or the subscription of a person for whom such Placee is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to a subscription by it and/or such person direct from the Company for the Placing Shares in question. Such agreement assumes that the Placing Shares are not being subscribed for in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other subsequent dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable, for which none of the Company, KBW nor Numis will be responsible, and the Placee to whom (or on behalf of whom, or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such UK stamp duty or stamp duty reserve tax undertakes to pay such UK stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the

Company, KBW and Numis in the event that any of the Company and/or KBW and/or Numis has incurred any such liability to UK stamp duty or stamp duty reserve tax. If this is the case, each Placee should seek its own advice and notify the Joint Bookrunners accordingly.

In addition, Placees should note that they will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto) payable outside the UK by them or any other person on the subscription by them of any Placing Shares or the agreement by them to subscribe for or purchase any Placing Shares.

Each Placee, and any person acting on behalf of the Placee, acknowledges that neither KBW nor Numis owes any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement.

When a Placee or person acting on behalf of the Placee is dealing with a Joint Bookrunner, any money held in an account with that Joint Bookrunner on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA made under FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from that Joint Bookrunner's money in accordance with the client money rules and will be used by that Joint Bookrunner in the course of its own business and the Placee will rank only as a general creditor of that Joint Bookrunner.

Dated 4 October 2016