

Pillar 3 disclosure

As at 30 September 2020

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1 Overview

1.1 Introduction

The European Union has established a framework governing the amount and nature of capital that investment firms must maintain. The Directive, commonly known as the Capital Requirements Directive IV ('CRD IV'), is directly binding on firms in the UK. The regulations associated with it are the Capital Requirements Regulation ('CRR'), and the UK Financial Conduct Authority ('FCA') Prudential sourcebook for investment firms ('IFPRU').

The framework consists of three 'pillars':

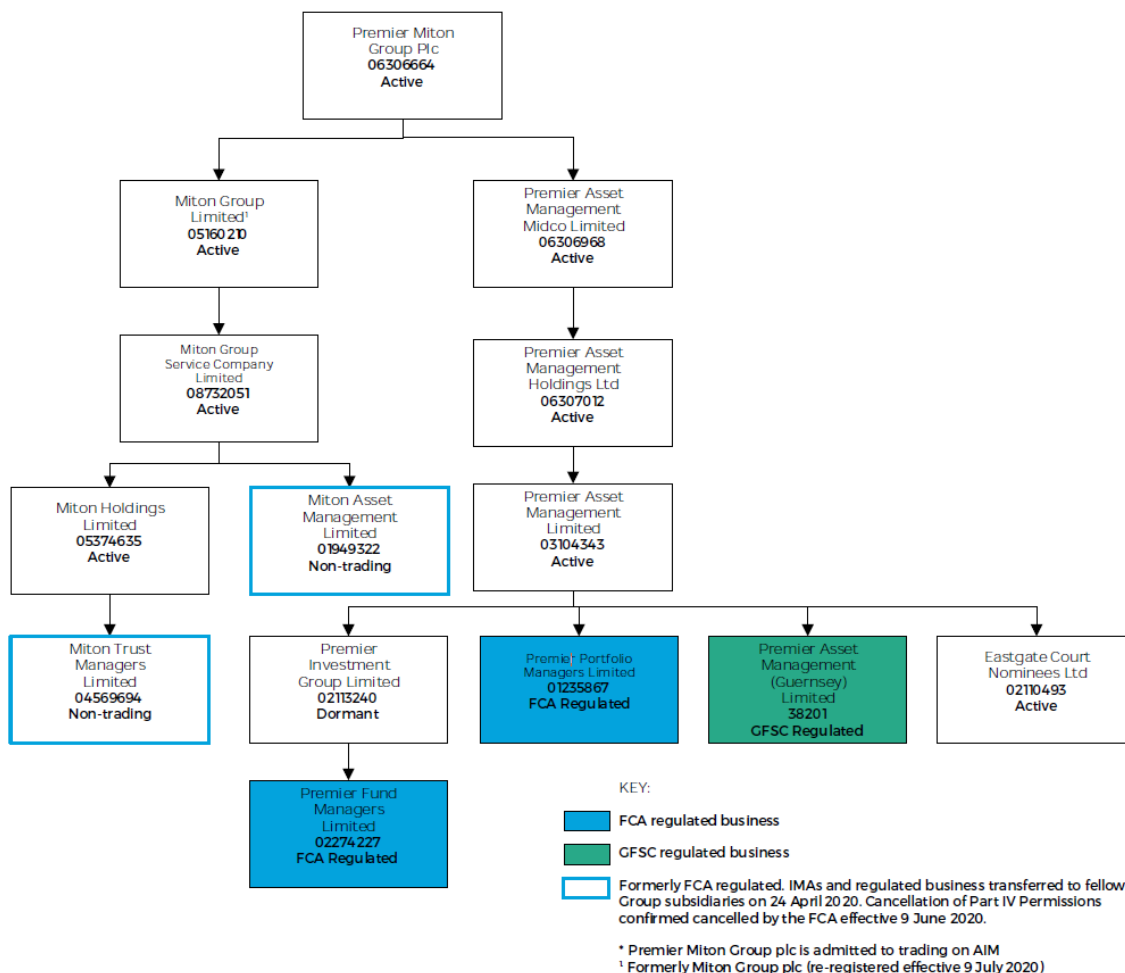
- Pillar 1 sets out a rule-based minimum regulatory capital comprising base capital resources requirements, credit risk and market risk capital requirements, and the fixed overhead requirement.
- Pillar 2 requires firms to undertake an internal assessment of their capital requirements taking into account all risks which the firm is exposed to and determining if additional capital should be held against risks not covered by Pillar 1. This assessment is achieved through the firm's Internal Capital Adequacy Assessment Process ('ICAAP').
- Pillar 3 requires public disclosure of information relating to a firm's capital, remuneration policy, risk exposures and management practice and is designed to improve market discipline through enhanced disclosures.

This document provides the Pillar III disclosures for Premier Miton Group plc and all of its subsidiaries ('Premier Miton') in particular the regulated entities, Premier Portfolio Managers Limited ('PPM') and Premier Fund Managers Limited ('PFM'). It provides information on capital held, risk exposures, risk assessment processes and the firm's capital adequacy.

The rules provide that a firm is not required to disclose information which is not material or which is considered to be proprietary or confidential.

1.2 Premier Miton structure

Premier Miton is an investment management firm based in the UK with 145 employees. The Premier Miton group structure (excluding subsidiaries which are dormant for accounting purposes) is as follows:



Premier Miton is regulated by the FCA and acts for its clients in a fiduciary capacity. It does not engage in proprietary trading activities that could conflict with the interests of its clients.

The two main operating companies are PFM and PPM, both are authorised and regulated by the FCA. PFM operates principally to provide investment management services and PPM acts as an authorised fund manager to open ended collective investment schemes. For regulatory purposes both PFM and PPM are IFPRU Investment Firms, while PFM is also an IFPRU €125,000 firm and PPM is a Collective Portfolio Management Investment Firm and an external managing Alternative Investment Management Firm.

Numerical Pillar III disclosures are shown in this document on a group consolidated basis.

1.3 Frequency, Media and Location of Disclosure

Premier Miton publishes its Pillar 3 information annually on the Premier Miton website (www.premiermiton.com) in the section 'Shareholder & corporate documents'. The firm will publish information more frequently if deemed necessary due to changes in the characteristics of the business including material changes in capital adequacy or risk exposures.

These Pillar III disclosures are based on information as at 30 September 2020, they are not audited and do not form part of the financial statements. They have been compiled to explain the basis of preparation and disclosure of certain specified capital requirements and to provide details of the management of certain risks and for no other purposes.

The disclosures have been approved by the Board of Directors of Premier Miton Group PLC..

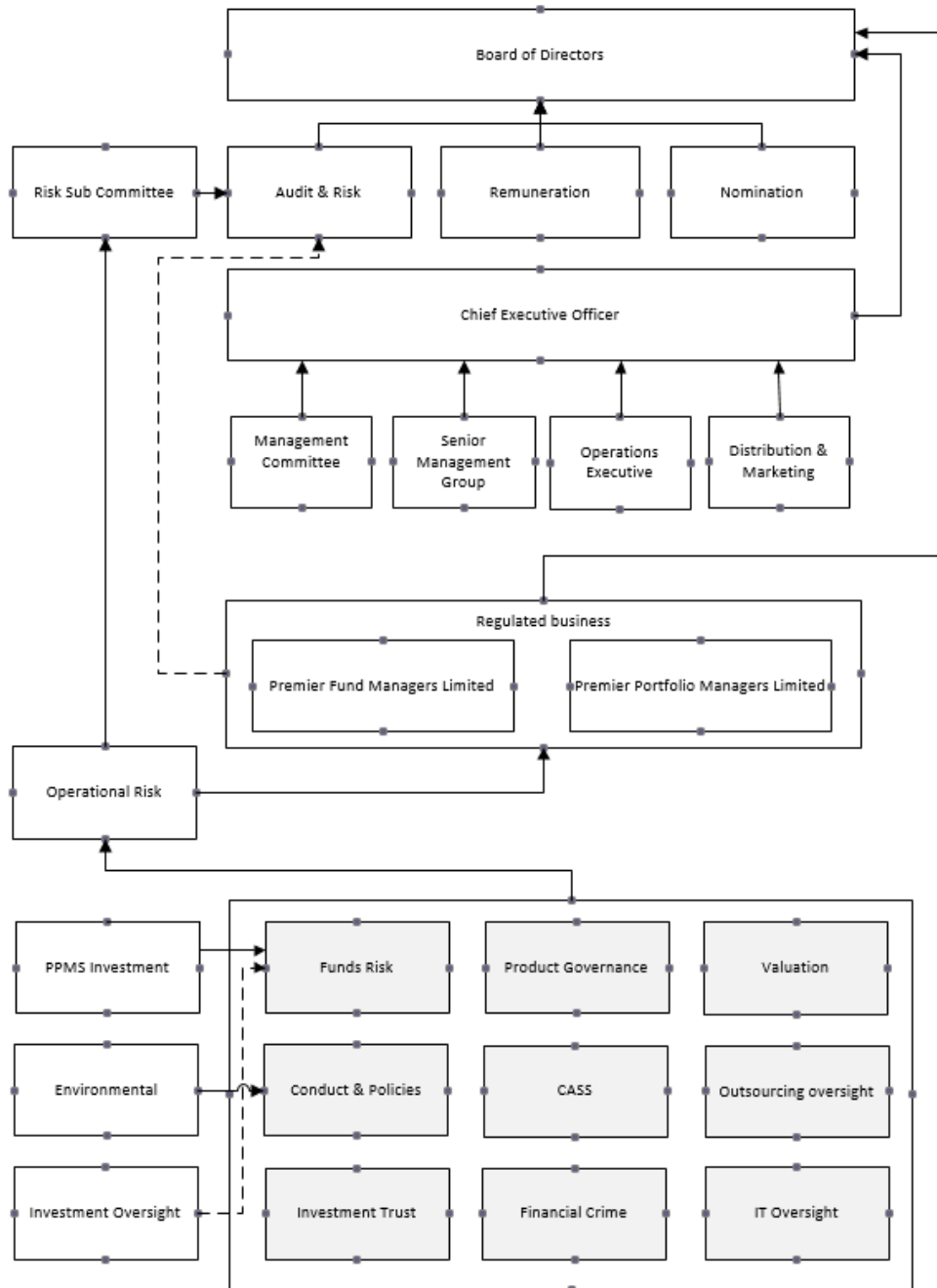
Disclosures required under CRR on remuneration policy, number of directorships held by members of the Supervisory Board, governance arrangements surrounding recruitment policy and the group's policy on diversity can be found separately on the Premier Miton website.

2 Risk Governance at Premier Miton

The Board of Premier Miton Group plc is the body with ultimate responsibility for the management of the business. The Board consists of two Executive Directors and five Non-Executive Directors, one of whom acts as Non-Executive Chairman.

2.1 Governance Committees

Premier Miton has a comprehensive structure of governance committee's which review, challenge and report risk information to the Board.



Details of the role of the key risk committees are as follows:

Board of Premier Miton Group Plc

The Board assesses and periodically reviews the effectiveness of the policies, arrangements and procedures put in place to manage Premier Miton's risk appetite, ensure compliance with changing regulatory best practices and takes appropriate measures to address any deficiencies. To enable it to carry out its regulatory responsibilities the Supervisory Board receives regular written reports, covering inter alia: compliance; finance; investments; operations; risk control; and sales. The Board undertakes an annual review and challenge of the ICAAP and approves the ICAAP documentation following its approval by the Operational Risk Committee, regulated firm boards and the Risk sub-committee. The Board delegates some of its supervisory functions to a number of committees.

Remuneration Committee

Information on the role of the Remuneration Committee is disclosed in the Annual report and financial statements.

Audit and Risk Committee

The Audit and Risk Committee provides a link between the Premier Miton management and the external auditors. It considers matters relating to the external audit and any major findings of internal investigations and management responses. The Audit and Risk Committee meets at least annually and consists of two Non-Executive directors of Premier Miton Group Plc.

Risk sub-committee

The Risk Sub-Committee's role is to advise the Board on the Group's overall risk appetite, tolerance and strategy. It is also tasked with keeping under review the effectiveness of the Group's financial controls, internal controls and risk management systems, and it reviews and approves the statements to be included in the annual report concerning internal controls, risk management and the ICAAP. The committee is chaired by a Non-Executive Director and is a sub-committee of, and reports to, the Audit & Risk Committee. It has not less than three meetings during each financial year.

PFM and PPM Boards

The Boards meet quarterly and are responsible for dealing with: budgeting and management accounts; business continuity and planning; compliance monitoring; financial resources; investment performance; financial crime and money laundering; risk management; sales data; systems and controls; treating customer fairly; and other regulatory matters.

The Boards use the reports provided for the above subjects to identify new and/or emerging risks and satisfy themselves as to whether these are being appropriately managed and within the risk appetite of the business. The Boards review the provisions of the ICAAP, the external factors which may impact it and the firms' capital requirements. They receive a report of the detailed review of the analysis of the operational risk scenarios, stress testing and reverse stress testing from the Operational Risk Committee.

Management Committee

The Management Committee meets fortnightly and has executive responsibility for running the business and for developing corporate strategy. Its main purpose is to review management issues including risk issues which arise during the day to day management of the business and to provide updates on projects and developments to the Management Board.

Operational Risk Committee

The Operational Risk Committee considers all areas of operational and liquidity risk within the group. It receives regular reports from all risk management and client services committees on the status of processes, any incidents which have occurred or new risks identified. It oversees stress testing of business processes considering any loss experience; ensures business continuity plans and testing are sufficient; and identifies key specific risks.

The committee receives the draft ICAAP document for consideration and challenge, is involved in setting the risk appetite, allocates capital charges to specific risks and more generally ensures that the group has a strong and compliant culture. The committee meets quarterly and provides reports to the PFM and PPM Boards as appropriate.

3 Risk Identification, Assessment and Management

Premier Miton has a comprehensive and documented Risk Management Framework, covering all areas of the business and incorporating risk identification, measurement, monitoring, risk systems and reporting. It is overseen and approved by the relevant Boards and Committees. Risk identification is initiated both with a top down process (starting with the definition of the Risk Universe and Risk Appetite) and bottom up (starting with operational risk incident logs and potential risks identified by the departments).

3.1 Risk Universe and Appetite

Risk Universe

Premier Miton's risk universe comprises the high level risk categories which it has identified the firm as being exposed to as it pursues its business strategy. The key strategic objectives drive the risks which Premier Miton is willing to expose itself to in order to meet its objectives. Premier Miton has documented its risk universe.

Risk Appetite

Risk appetite is the degree of risk that senior management are willing to accept in pursuit of business objectives without applying further resources to mitigate the risk. Premier Miton has agreed a risk appetite for each of the key risks that it has identified. The risk appetite and its supporting statement, key risk indicators and tolerance levels are defined, approved and monitored by senior management using a dashboard process.

3.2 Risk Management Framework

The Risk Management Framework outlines the policies, systems, processes and controls in place to identify, monitor, report on and manage risks across the Premier Miton Group and the funds it manages. This is a high level framework of which the below frameworks and policies form part.

Risk Appetite Policy

The risk appetite of the group is set by the Board, documented and disseminated.

Operational Risk Management Framework

The Operational Risk Management Framework outlines the processes, systems, controls and reporting in place to identify, measure and manage operational risks across the Premier Miton group of companies and funds.

Liquidity Risk Management Framework

The PMI Liquidity Risk Management Framework addresses the systems and processes surrounding the monitoring and management of the asset liability profile of PFM, PPM and the Premier Miton group of companies, with a focus on the monitoring of projected cash flows.

Funds Risk Management Policy, Derivatives Risk Management Policy, Funds Liquidity Risk Management Policy

These policies address the processes, systems and controls surrounding the management of business, operational and regulatory risk arising from the Premier Miton schemes. These policies incorporate a series of limits specified for each fund to facilitate the monitoring of risk.

Financial Crime Framework

The Financial Crime Framework is overseen by the Money Laundering Reporting Officer and Financial Crime Committee. It includes a suite of policies covering, inter alia, anti-bribery and corruption, anti-fraud, ethical and professional conduct, data security and anti-money laundering. The risks are monitored under the Compliance Monitoring Programme.

There are regular reviews of the findings of the monitoring programmes to ensure that new risks identified are correctly logged and addressed and monitoring resources are allocated efficiently.

3.3 Key Risks

Credit/Counterparty Risk

Credit risk is defined as the risk of loss caused by the failure of a counterparty to perform its contractual obligations. The main source of credit risk for Premier Miton is the firm's cash deposits held with major UK banks. A credit analysis based on the audited account of each bank is carried out on an annual basis. Credit risk also arises from the fee income received regularly from the collective investment schemes managed by Premier Miton and in relation to any prepayments made. Finally, Premier Miton holds investments in its own CIS in relation to deferred payments due to staff. The Chief Financial Officer, Director of Finance and the Financial Controller monitor and manage credit exposures on a daily basis. Diversification is used to reduce credit risk against a single counterparty.

Market Risk

Market risk arises from losses in on- and off- balance sheet positions arising from adverse movements in market prices.

- **Interest rate risk in the non-trading book**

Premier Miton has limited exposure to interest rate risk as it does not have any borrowings on which interest is paid.

- **Trading book position risk**

Premier Miton does not undertake proprietary trading and does not have a trading book.

- **Foreign Exchange risk**

Foreign exchange risk arises from time to time throughout the year as payments for services denominated in currency other than sterling arise.

Due to the low level of market risk to which Premier Miton is directly exposed, no specific hedging or other mitigation techniques are applied.

Liquidity Risk

Premier Miton plans its business to ensure that it does not run a negative maturity mismatch between assets and liabilities.

Leverage risk

As of 30 September 2020 Premier Miton had no outstanding borrowings.

Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, or people and systems or from external events. In line with most asset management firms which do not conduct any proprietary trading, Premier Miton is primarily exposed to operational risk. The Premier Miton operating model requires it to take a degree of operational risk across all business areas. Risks include those arising from the processing of significant volumes of transactions by outsourced administrators on its behalf and the fiduciary duties arising from the management of the funds and portfolio management services in line with their published mandates.

Heads of departments identify key operational risks and construct scenarios for their area around them. Scenarios are then subject to discussion and challenge by subject matter experts and the members of the relevant committees and/or boards. Premier Miton applies loss event type classifications to assist in identifying key operational risks. Individual risks are quantified and aggregated without any correlation offsets or diversification benefits. The results are then analysed and challenged in order for the Board to decide on the appropriate level of operational risk capital to hold.

Reputational risk

Premier Miton is heavily reliant upon its reputation for providing good performance outcomes for its clients and competent administrative processes.

3.4 Risk and Information Services Department

Premier Miton maintains a permanent risk management function, the 'Risk & Information Services Department'. The department is managed by the Chief Risk Officer ('CRO') and reports to the Chief Operating Officer ('COO'). The CRO and the COO are members of the Board of both PFM and PPM. The Risk team has responsibility for:

- Drafting and maintaining the Risk Management Framework, risk policies and procedures;
- Assisting drafting the ICAAP document and its associated policies and disclosures;
- Oversight of compliance with risk policies;
- Ensuring that risk systems are adequate;
- Monitoring, oversight and reporting on operational and business risks arising from the Premier Miton group of companies;
 - o Monitoring of market, credit, liquidity and operational risks arising from the collective investment schemes and portfolio management services managed by Premier Miton and/or for which Premier Miton holds Authorised Corporate Director responsibility.

3.5 Board declaration on the adequacy of the risk management arrangement

The Board is responsible for the effectiveness of Premier Miton's risk management arrangements and has implemented an appropriate governance and risk management structure. This is designed to determine what risks Premier Miton is willing to take and to manage those risks appropriately.

The Board considers that it has in place adequate risk management arrangements with regard to Premier Miton's risk tolerance and strategy.

4. Own Funds

Common Equity Tier 1 capital consists of permanent share capital, merger reserve, profit and loss and other reserves. Premier Miton only has one class of ordinary share capital. The deductions to tier one capital consist of intangible assets and goodwill primarily relating to the acquisition of collective investment schemes and business combinations. A summary of the Group's audited consolidated capital as at 30 September 2020 is shown in the table below.

Common Equity Tier 1 Capital £'000	
Capital instruments and related share premium accounts	79,723
Retained earnings	45,439
Previous years retained earnings	47,688
Profit or loss eligible	(2,249)
Other reserves	4,532
Common Equity Tier 1 capital before regulatory adjustments	129,694
Regulatory adjustments	
Goodwill	(70,948)
Other intangible assets	(28,115)
Common Equity Tier 1 ('CET1') capital	30,631

Premier Miton views capital resources as adequate if they exceed the capital requirements as calculated under Pillar I and Pillar II.

Transferability of Resources

Premier Miton maintains transferability of resources between group companies, with the limiting factors being the requirement to maintain sufficient regulatory capital in the regulated entities and the statutory accounting limitations on reserve distribution. There are no current or foreseen practical or legal impediments to the prompt transfer of funds among the Premier Miton companies other than the UK Companies Act requirements in respect of declaration and payment of dividends. Surplus distributable reserves are released by dividend payments up the chain of ownership to Premier Miton Group Plc. Conversely, in the event of an anticipated shortage of capital in a particular entity, there are no anticipated impediments to prevent re-capitalisation from the parent entity.

5. Capital Adequacy

It is Premier Miton policy that the combined group and all regulated entities maintain sufficient capital to meet their capital resource requirements and ongoing working capital requirements. Premier Miton's regulatory capital is calculated as the highest of the Pillar I capital requirement, the Pillar II capital requirement and the wind-down cost. The last being the estimated cost of an orderly wind down of the business.

INVESTORS**Pillar I**

The Pillar I capital requirement is calculated as the higher of the fixed overhead requirement and the sum of the market and credit risk requirements. The fixed overhead requirement is calculated as one quarter of the fixed overhead costs of the preceding year.

The standardised approach is used to calculate credit risk, whereby credit risk exposures are converted into risk weighted assets ('RWA') by applying the risk weight prescribed by CRR for the asset class. Credit risk capital requirements for significant asset classes are outlined in the table below. Premier Miton does not use an External Credit Assessment Institution to assign a credit risk weight and no credit risk mitigation techniques have been employed. It has had no past due or impaired credit exposures during the financial year, nor has it made any specific or general credit risk adjustments or applied any accounting offsets to credit risk. The Pillar I minimum credit risk capital requirement is assessed at 8% of RWA.

As at 30 September 2020, the capital requirement for Premier Miton under Pillar I was the Fixed Overhead Requirement. The CET1 Capital Ratio was 32.77%.

Premier Miton is not required to calculate an operational risk requirement under Pillar I but makes an assessment of operational risk under Pillar II.

Premier Miton Pillar I calculation		£'000
A	Credit Risk: institutions	576
	corporates	489
	collective investment undertakings	92
	other items	846
B	Market Risk	169
C	Fixed Overhead Requirement	7,477
	Pillar I Capital Requirement (higher of (A+B) or C)	7,477

Pillar II

In addition to the Pillar I calculations, Premier Miton undertakes a Pillar II assessment which includes the following:

- Consideration of the adequacy of the credit and market risk requirements with reference to all relevant balance sheet items in order to ascertain if there are additional risks that are not covered by Pillar I.
- An assessment of operational risks using a scenario analysis process. The potential capital requirements identified for the individual key risk scenarios are summed with no diversification benefit to generate an operational risk requirement.
- The overall Pillar II capital adequacy is calculated by summing the resulting requirement for credit risk, market risk and operational risk.

Finally, Premier Miton calculates the absolute impact of a number of severe stress scenarios (including a combination of negative events and severe market downturn) and business wind-down scenarios under both normal and stressed market conditions in relation to financial forecasts of the business over a three-year period and uses the results to assess the potential impact on capital. These tests are carried out at a consolidated group level but there is also consideration of the on-going regulatory capital requirements of PFM and PPM. If the Pillar II assessment is higher than the Pillar I requirement, the firm holds additional capital.

The level of the Pillar II assessment is outside the scope of this disclosure document.

Appendix 1.

Core Tier 1 Share Capital	Ordinary shares	Deferred Share
Issuer	Premier Miton Group plc	Premier Miton Group plc
Unique Identifier	ISIN GB00BZB2KR63	Private placement
Governing laws of the instrument	UK	UK
Regulatory treatment		
Transitional CRR rules	Common Equity Tier 1	Common Equity Tier 1
Post-transitional CRR rules	Common Equity Tier 1	Common Equity Tier 1
Eligible at solo/(sub)-consolidated /solo & (sub)-consolidated	Consolidated	Consolidated
Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Deferred Share
Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	£31,582.47	£28,839.74
Nominal amount of instrument	0.02 pence	£28,839.74
Issue Price	various	£28,839.74
Redemption price	N/A	N/A
Accounting classification	Ordinary shares	Deferred Share
Original date of issuance	7 October 2016	February 2018
Perpetual or dated	Perpetual	Perpetual
Original maturity date	N/A	N/A
Issuer call subject to prior supervisory approval	N/A	N/A
Optional call date, contingent call dates and redemption amount	N/A	N/A
Subsequent call dates, if applicable	N/A	N/A
Coupons/dividends		
Fixed or floating	Floating	N/A
Coupon rate and any related index	N/A	N/A
Existence of a dividend stopper	N/A	N/A
Fully discretionary, partially discretionary or mandatory (in terms	Fully discretionary	N/A
Fully discretionary, partially discretionary or mandatory (in terms	Fully discretionary	N/A
Existence of step up or other incentive to redeem	No	N/A
Noncumulative or cumulative	Noncumulative	N/A
Convertible or non-convertible	Non-convertible	N/A
If convertible. Conversion triggers	N/A	N/A
If convertible, fully or partially	N/A	N/A
If convertible, conversion rate	N/A	N/A
If convertible, mandatory or optional	N/A	N/A
If convertible, specify instrument type convertible ratio	N/A	N/A
If convertible, specify issuer or instrument it converts to	N/A	N/A
Write-down features	N/A	N/A
If write-down, full or partial	N/A	N/A
If write-down, permanent or temporary	N/A	N/A
If temporary write-down, description of write up mechanisms	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N/A	N/A
Non-compliant transitioned features	N/A	N/A
If yes, specify non-compliant features	N/A	N/A

Appendix 2.

OWN FUNDS TEMPLATE		Amount in own funds £000	Ref to balance sheet	Regulation
Common Equity Tier 1 (CET1) Capital				
1	Capital instruments and related share premium accounts	94,372		26 (1), 27, 28, 29, EBA List 26 (3)
	Of which: Instruments type 1	94,372	a	EBA List 26 (3)
	Of which: Instruments type 2			EBA List 26 (3)
	Of which: Instruments type 3			EBA List 26 (3)
2	Retained earnings	45,439	b	26 (1) c
3	Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	4,532	c	26 (1)
3a	Funds for general banking risk			26 (1) f
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET 1			486 (2)
	Public sector capital injections grandfathered until January 2018			483 (2)
5	Minority interest (amount allowed in consolidated CET1)			84, 479, 480
5a	Independently reviewed interim profits net of any foreseeable charge or dividend			26 (2)
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	144,343		Sum of rows 1 to 5a
Common Equity Tier 1 capital: regulatory adjustments				
7	Additional value adjustments (negative amount)			34, 105
8	Intangible assets (net of related tax liability) (negative amount)	(99,063)	d	36 (1) (b), 37, 472 (4)
10	Deferred tax assets that rely on future profitability excluding those that arise from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)			36 (1) (c), 38, 472 (5)
11	Fair value reserves related to gains or losses on cash flow hedges			33 (a)
12	Negative amount resulting from the calculation of expected loss amounts			36 (1) (d), 40, 159, 472 (6)
13	Any increase in equity resulting from securitised assets (negative amounts)			32 (1)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing			33 (b)
15	Defined benefit pension fund assets (negative amount)			36 (1) (e), 41, 472 (7)
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	(14,649)	e	36 (1) (f), 42, 472 (8)
17	Holdings of CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)			36 (1) (g), 44, 472 (9)
18	Direct and indirect holdings of CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)			36 (1) (h), 43, 45, 46, 49 (2) (3), 79, 472 (10)
19	Direct, indirect and synthetic holdings of CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)			36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79, 470, 472 (11)
20a	Exposure amount of the following items which qualify for a RW of 1250% where the institution opts for the deduction alternative			36 (1) (k)
20b	of which: qualifying holdings outside the financial sector (negative amount)			36 (1) (k) (i), 89 to 91

20c	of which: securitisation positions (negative amount)			36 (1) (k) (ii), 243 (1) (b), 244 (1) (b), 258
20d	of which: free deliveries (negative amount)			36 (1) (k) (iii), 379 (3)
21	Deferred tax asset arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in article 38 (3) are met) (negative amount)			36 (1) (c), 38, 48 (1) (a), 470, 472 (5)
22	Amount exceeding 15% threshold (negative amount)			48 (1)
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities			36 (1) (i), 48 (1) (b), 470, 472 (11)
25	of which: deferred tax assets arising from temporary differences			36 (1) (c), 38, 48 (1) (a), 470, 472 (5)
25a	Losses for the current financial year (negative amount)			36 (1) (a), 472 (3)
25b	Foreseeable tax charge relating to CET1 items (negative amount)			36 (1) (l)
26	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment			
26a	Regulatory adjustments relating to unrealised gains and losses pursuant to Article 467 and 468			
	Of which: filter for unrealised loss 1			467
	Of which: filter for unrealised loss 2			467
	Of which: filter for unrealised gain 1			468
	Of which: filter for unrealised gain 2			468
26b	Amount to be deducted or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR			481
27	Qualifying AT1 deductions that exceed the AT1 capital of the institutions (negative amount)			36 (1) (j)
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(113,712)		Sum of rows 7 to 20a, 21, 22 and 25a to 27
29	Common Equity Tier 1 (CET1) capital	30,631		Row 6 minus row 28
Additional Tier 1 (AT1) capital: instruments				
30	Capital instruments and related share premium accounts			51, 52
31	of which: classified as equity under applicable accounting standards			
32	of which: classified as liabilities under applicable accounting standards			
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1			486 (3)
	Public sector capital injections grandfathered until 1 January 2018			486 (3)
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interest not included in row 5) issued by subsidiaries and held by third parties			85, 86, 480
35	of which: instruments issued by subsidiaries subject to phase out agreements			486 (3)
36	Additional Tier 1 (AT1) capital before regulatory adjustments			Sum of rows 30, 33 and 34
Additional Tier 1 (AT1) capital: regulatory adjustments				
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)			52 (1) (b), 56 (a), 57, 475 (2)
38	Holdings of AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)			56 (b), 58, 475 (3)
39	Direct and Indirect holdings of AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)			56 (c), 59, 60, 79, 475 (4)
40	Direct and Indirect holdings of AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold net of eligible short positions) (negative amount)			56 (d), 59, 79, 475 (4)

41	Regulatory adjustments applied to additional Tier 1 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) 575/2013 (i.e. CRR residual amounts)			
41a	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) 575/2013			472, 472(3)(a), 472 (4), 472 (6), 472 (8)(a), 472 (9), 472 (10), 472 (11)(a)
	Of which: items to be detailed line by line e.g. material net interim losses, intangibles, shortfall of provisions to expected losses etc.			
41b	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to article 475 of Regulation (EU) 575/2013			477, 477 (3), 477 (4) (a)
	Of which: items to be detailed line by line e.g. reciprocal cross holdings in Tier 2 instruments, direct holdings of non- significant investments in the capital of other financial sector entities, etc			
41c	Amount to be deducted from or added to Additional Tier 1 capital with regard to additional filters and deductions required pre-CRR			467, 468, 481
	Of which: possible filter for unrealised losses			467
	Of which: possible filter for unrealised gains			468
42	Qualifying T2 deductions that exceed the T2 capital of the institutions (negative amount)			56 (e)
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital			Sum of rows 37 to 42
44	Additional Tier 1 (AT1) capital			Row 36 minus row 43
45	Tier 1 capital (T1 = CET1 + AT1)	30,631		Sum of row 29 and row 44
Tier 2 (T2) capital: instruments and provisions				
46	Capital instruments and related share premium accounts			62, 63
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2			486 (4)
	Public sector capital injections grandfathered until 1 January 2018			483 (4)
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties			87, 88, 480
49	of which: instruments issued by subsidiaries subject to phase out			486 (4)
50	Credit risk adjustments			62 (c) and (d)
51	Tier 2 (T2) capital before regulatory adjustments			Sum of rows 46 to 50
Tier 2 (T2) capital: regulatory adjustments				
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)			63 (b) (i), 66 (a), 67, 477 (2)
53	Holdings of T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution			66 (b), 68, 477 (3)
54	Direct and Indirect holdings of T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)			66 (c), 69, 70, 79, 477 (4)
54a	Of which new holdings not subject to transitional arrangements			
54b	Of which holdings existed before 1 January 2013 and subject to transitional arrangements			
55	Direct and indirect holdings of T2 instruments and subordinated debt of financial sector entities where with the institution has a significant investment in those entities (net of eligible short positions) (negative amount)			66 (d), 69, 79, 477 (4)
56	Regulatory adjustments applied to tier 2 in respect of amounts subject to pre- CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) 575/2013 (i.e. CRR residual amounts)			

56a	Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) 575/2013			472, 472(3)(a), 472(4), 472(6), 472(8)(a), 472(9),
	Of which: items to be detailed line by line e.g. material net interim losses, intangibles, shortfall of provisions to expected losses etc.			
56b	Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to			475, 475 (2), (a), 475 (3),
	Of which items to be detailed line by line e.g. reciprocal cross holdings in AT1 instruments, direct holdings of non significant investments in the capital of other financial sector entities			
56c	Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required per CRR			467, 468, 481
	Of which: ... possible filter for unrealised losses			467
	Of which: ... possible filter for unrealised gains			468
57	Total regulatory adjustments to Tier 2 (T2) capital			Sum of rows 52 to 56
58	Tier 2 (T2) capital			Row 51 minus row 57
59	Total capital (TC = T1 + T2)	30,631		Sum of row 45 and row 58
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject of phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)			
	Of which:.. Items not deducted from CET 1 (Regulation (EU) No 575/2013 residual amounts) Items to be detailed line by line e.g. deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc)			472, 472 (5), 472 (8) (b), 472 (10) (b), 472 (11) (b)
	Of which:.. items not deducted from AT1 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line e.g. Reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc)			475, 475 (2) (b), 475 (2) (c), 475 (4) (b)
	Of which:.. items not deducted from T2 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line e.g. Indirect holdings of own T2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, indirect holdings			477, 477 (2) (b), 477 (2) (c), 477 (4) (b)
60	Total risk weighted assets	95,572		
Capital ratios and buffers				
61	Common Equity Tier 1 (as a percentage of risk exposure amount)	32.05%		92 (2) (a), 465
62	Tier 1 (as a percentage of risk exposure amount)	32.05%		92 (2) (b), 465
63	Total capital (as a percentage of risk exposure amount)	32.05%		92 (2) (c)
64	Institution specific buffer requirement (CET 1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important	-		CRD 128,129,130
65	Of which: capital conservation buffer requirement	-		
66	Of which: countercyclical buffer requirement	-		
67	Of which: systemic risk buffer requirement	-		
67 (a)	Of which: Global Systemically Important Institution (G-SII) or Other	-		CRD 131
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	-		CRD 128
Amount below the threshold for deduction (before risk weighting)				
72	Direct and indirect holdings of capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold) and net of eligible short positions	-		36 (1) (h), 45, 46, 472 (10), 56 (c), 59, 60, 475 (4), 66 (c), 69, 70, 477
73	Direct and indirect holdings of CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-		36 (1) (i), 45, 48, 470, 472 (11)
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where conditions in Article 38 (3) are met)	-		36 (1) (c), 38, 48, 470, 472 (5)

Available caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to the standardised approach (prior to application of the cap)	-	62
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	62
78	Credit risk adjustments included in T2 in respect of exposures subject to the internal ratings based approach (prior to application of cap)	-	62
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings based approach	-	62
Capital instruments subject to phase out arrangements (only applicable between January 2013 and January 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	484 (3), 486 (2) & (5)
81	Amounts excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	484 (3), 486 (2) & (5)
82	Current cap on AT1 instruments subject to phase out arrangements	-	484 (4), 486 (3) & (5)
83	Amounts excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	484 (4), 486 (3) & (5)
84	Current cap on T2 instruments subject to phase out arrangements	-	484 (5), 486 (4) & (5)
85	Amounts excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	484 (5), 486 (4) & (5)

Appendix 3.

Balance sheet reconciliation as at 30 September 2020	Group balance sheet in the audited financial statements £000	Group own funds items £000	Referenc e to own funds	Comments
Assets				
<i>Non Current Assets</i>				
Intangible assets	32,234	99,063	d	Goodwill included in intangibles in the own funds format
Goodwill	70,948			
Property, plant and equipment	2,385			
Right-of-use assets	2,414			
Other investments	100			
Trade and other receivables	367			
Deferred tax asset	1,599			
Total non-current assets	110,047			
<i>Current Assets</i>				
Financial assets at fair value through p&l	2697			
Trade and other receivables	44,409			
Cash and cash equivalents	35,992			
Total current assets	83,098			
Total Assets	193,145			
Equity and Liabilities				
<i>Capital & reserves attributable to the equity holders</i>				
Share capital	60	94,372	a	share capital and share premium are combined in the own funds format
Merger reserve	94,312			
Capital redemption reserve	4,532	4,532	c	
Own shares held by an EBT	-14,649	-14,649	e	
Retained earnings	45,439	45,439	b	
Total Equity	129,694			
Trade and other payables	53,046			
Current tax liabilities	2,948			
Lease liabilities	857			
Total Current Liabilities	56,851			
Provisions	389			
Deferred tax liability	4,152			
Lease liabilities	2,059			
Total Current Liabilities	6,600			
Total Equity and liabilities	193,145			