

WHAT WE STAND FOR

OUR PURPOSE
IS TO ACTIVELY AND
RESPONSIBLY
MANAGE OUR
CLIENTS' INVESTMENTS
FOR A BETTER FINANCIAL
FUTURE.



www.premiermiton.com

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

2021 INTERIM HIGHLIGHTS

Product and performance

74%

of funds and investment trusts are first or second quartile at 31 March 2021 since launch/tenure ¹

50

products managed at 31 March 2021

Assets under Management ('AuM')

£12,602m

closing AuM versus £9,145m at 31 March 2020

£359m

net inflows across the product range for the period
(2020 HY: £(389)m outflows)

Results and profitability

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

£11.9m

(2020 HY: £12.2m)

Profit before tax

£6.2m

(2020 HY: £5.3m)

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¹ See footnote 7 on page 11

² This is an Alternative Performance Measure ('APM'). See page 16 for further detail

COMPANY OVERVIEW

WHAT WE DO

Premier Miton provides funds managed by active, independent minds that are designed to meet the needs of today's investors.

The objectives of our products are clearly defined.

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

We focus on our core investment strengths and we understand investing also has a substantial impact on wider society.

WHO WE ARE

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

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

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

COMBINATION OF DIFFERENT INVESTMENT EXPERTISE

Absolute return 1%

Fixed income 7%

UK equity 25%

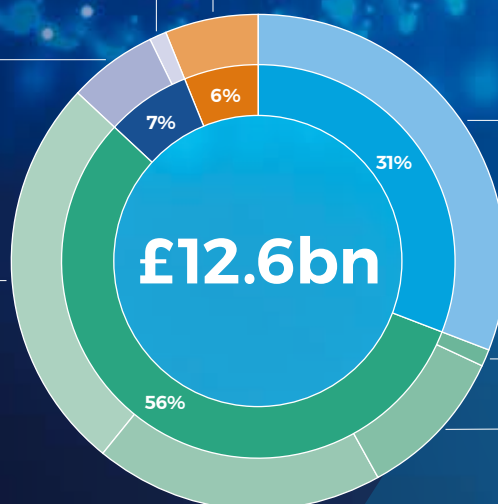
European equity 19%

Investment trusts 6%

Multi-asset funds 30%

Global equity 1%

North American equity 11%



● Multi-asset
● Single strategy
● Fixed income
● Investment trusts

As at 31 March 2021:

18 Equity funds

£7.1bn

8 UK equity funds

6 Global equity funds

2 US equity funds

2 European equity funds

20 Multi-asset funds

£3.9bn

8 Multi-manager funds

11 Directly invested funds

1 Managed index fund

5 Investment trusts

£0.7bn

3 UK focused investment trusts

1 Global renewables investment trust

1 Global trust of investment trusts

5 Fixed income funds

£0.5bn

2 Sterling bond funds

1 Contingent capital securities fund

1 Money market fund

1 Defensive growth fund

2 Segregated mandates

£0.4bn

1 Corporate bond mandate

1 Diversified bond mandate

50 products managed, total AuM:

£12.6bn

CHAIRMAN'S STATEMENT

ACTIVELY AND RESPONSIBLY MANAGING OUR CLIENTS' INVESTMENTS



We have a resilient and well considered business platform which is highly scalable and designed to support significant growth in AuM.

Robert Colthorpe
Chairman

I was delighted to be appointed Chairman of the Group in February and am pleased to introduce these Interim Report and Accounts. The Group has made considerable progress over the past half year and is well placed for further success.

Financial results

These are set out in more detail below and show a strong story with Assets under Management ('AuM') standing at £12.6 billion at 31 March 2021, an increase of 19% on the opening position for the period. AuM at the period end is split between single-strategy 56%, multi-asset 31%, fixed income 4%, investment trusts 6% and segregated mandates 3%.

This position reflects overall improving investment markets and a return to positive net flows for the Group. Net inflows for the period totalled £359 million (2020 HY: £(389) million outflow), marking a real turn for the business.

We know that our clients have choices for their savings and will only invest with us if we perform as they expect. We seek to charge a fair fee for our services and keep a strong cost discipline to balance the interests of our clients with those of our other stakeholders. I am pleased that we are doing so and that our profit before tax for the period was £6.2 million, up by 17% against the comparative period last year.

We have declared an interim dividend of 3.7p per share representing an increase of 48% on the comparative period and I thank our shareholders for their ongoing support. The final dividend for 2020 of 4.5p per share was paid on 12 February 2021 following Shareholder approval at the Group's Annual General Meeting on 3 February 2021.

Our strong capital position protects the Group through market cycles and allows us to take a long-term view of business development. The Group has no external bank debt and held net cash of £34.4 million as at 31 March 2021.

Strategy

Asset management is a large and fast-changing global industry with attractive opportunities for growth. The UK remains well placed to continue as an important centre for the industry and we look forward to the future with confidence. Our clients are mainly in the UK although many of our funds invest globally. We have a resilient and well designed business platform which is highly scalable and designed to support significant growth in AuM. We are targeting a greater market share within the UK without material change to our operating model or the immediate need to increase the breadth of our product range, although of course we are always interested in adding to our investment and distribution talent.

We have now successfully completed the merger of Premier and Miton and our Group is far stronger and better placed. I believe that our leadership team did an excellent job on the merger and has accumulated valuable acquisition and integration experience.

The asset management industry is going through a period of extensive strategic change which will mean good businesses, teams and individuals becoming available. We continue to look for new strategic or tactical opportunities to grow and add value to the Group, using sensible and thought through criteria for pursuing ideas.

Culture

I know that asset management firms need a healthy culture to be successful over time. Put simply, we must do the right things, in the right way and for the right reasons. As our business grows and changes, we pay close attention to our own culture to make sure we understand if and where any adjustments are needed. Our most recent review which was led at Board level shows that overall our culture is distinctive, healthy and valuable. We intend to keep it this way through careful and thoughtful leadership.

Environmental, Social and Governance ('ESG')

I expect we are all feeling our way to a better understanding of ESG matters and what we need to do as a Group. This is an essential matter for a responsible asset management firm and, next to fund performance, is increasingly relevant to determining our success as a business. I believe we are taking the right steps, especially so in the investment models for several of our funds, yet we have much more to learn and do. I look forward to saying more on this in future.

People

As at 31 March 2021, we employed 151 people and over the past months their working lives have not been easy, yet I am proud of how hard they have worked and how well they have coped. The coming months are likely to be challenging as we decide together how a modern, successful workplace will look and what this means for our people. I am optimistic that, whatever the broader environment, we will find ways to attract, retain and motivate our talented people.

We know that managing other people's savings well gives everyone in Premier Miton a strong purpose and carries broad responsibilities. I thank our people for all that they do.

Board

Mike Vogel was Chairman of the Group for 13 years and instrumental in our success and the healthy position we are now in. We thank him deeply for his stewardship. Since announcing his departure, the Nomination Committee led the process of developing our Board composition, with particular regard to opportunities to improve diversity, as well as fulfill the requirement to identify a suitable candidate to chair the Audit & Risk Committee. We set out to find candidates who would bring a full contribution to the role, especially in view of the changing nature of the industry and our ambitions. We have met several excellent candidates and expect shortly to announce on appointment.

Outlook

Premier Miton is a successful and ambitious business. We have a clear plan for growth and profitability and an experienced management team with the energy to achieve this. The market outlook is still rather clouded and volatile yet there are encouraging signs for us. I am confident that our Group will make the most of our strong platform and distinctive investment styles as we, hopefully, emerge from the wretched pandemic. I look forward, alongside the other members of the Board, to making my own contribution as your Chairman.

Robert Colthorpe
Chairman
27 May 2021

CHIEF EXECUTIVE OFFICER'S STATEMENT

GROWING OUR BUSINESS AND DELIVERING STRONG OUTCOMES FOR OUR INVESTORS



With the completion of the operational aspects of the merger in December 2020, we are now realising the benefits of our combined platform and the hard work put in over the past 12 months.

Mike O'Shea
Chief Executive Officer

The half year ended 31 March 2021 has been an important period for Premier Miton. Despite the challenging circumstances of the global pandemic, the business has continued to grow, we have seen a return to net positive fund flow across the Group, and our people have successfully delivered on our goals of business continuity and strong outcomes for our investors.

Business performance

The Group's AuM increased by 19% in the period, to £12.6 billion as at 31 March 2021. The average AuM was £11.8 billion versus £9.9 billion for the comparative period, an increase of 19%.

Net inflows for the period were £359 million (2020 HY: £(389) million outflow).

Pleasingly, the business demonstrated robust profitability with adjusted profit before tax of £11.9 million and a resulting profit before tax of £6.2 million.

During the period we saw continued growth from several of our single strategy funds. The Premier Miton European Opportunities Fund, launched in 2015, passed the milestone of £2 billion, ending the period with AuM of £2.4 billion. Also growing strongly was the Premier Miton US Opportunities Fund demonstrating a consistent, active investment approach. It surpassed an important AuM milestone ending the half year with £1.1 billion of AuM.

It was also pleasing to see a strong recovery for our UK smaller companies fund, which has been one of the strongest performers in its sector. AuM for this fund have now reached £234 million and we have recently taken steps to restrict flows into the fund in order to protect the long-term interests of investors in the fund. Performance of the UK micro-cap investment trust has been similarly impressive.



We see growth opportunities across many of our funds, particularly where there has been top quartile investment performance. Over the medium term, we believe that UK equities are likely to reverse their long-term underperformance against global equities. As investor interest in UK equities returns, our UK-focused funds, which have very strong relative performance records, are, we believe, well placed to capture significant market share.

Our multi-asset multi-manager funds also have significant exposure to UK equities in order to meet their income requirements for investors. Whilst this exposure has been a headwind in performance terms, although not in income generating terms, a return to form for UK equities will be helpful looking forward.

It is also our belief that as we emerge from the pandemic the long deflationary down wave that has been in place since the financial crisis of 2008 will likely give way to a more reflationary environment. This could persist for much longer than many people expect with a significant impact on bond yields, interest rates and inflation. In this environment, we believe that genuinely active management will come to the fore, as investors will have to work much harder to achieve their financial objectives. Premier Miton's range of high active share, alpha focused funds are well placed to help deliver for investors in this environment.

Product development

During the period our funds maintained strong investment performance, with 64% of AuM in first quartile and 75% performing above median within their respective IA sectors since the tenure of the fund manager. Shorter-term numbers also look promising and we believe that this will support future fund flows. Over three years, we have 63% above median. Over one year, we have 80% above median and 78% in the first quartile.

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

In January 2021 we made changes to our multi-asset multi-manager fund range, driven by the aim to reduce the costs borne by investors. This team, led by David Hambidge and head of research, Ian Rees, now offers nine funds covering all outcome objectives – income, risk-targeted, growth and wealth preservation. Recently Wayne Nutland, manager of the Premier Miton Managed Index Balanced Fund, joined the multi-manager team. Wayne is an experienced fund manager in asset allocation, portfolio construction and ETF selection and the team will leverage his expertise to assist in the multi-manager portfolios.

Further to these changes and with effect from 1 February 2021, David Jane and Anthony Rayner assumed the management of Premier Miton Multi-Asset Growth & Income Fund and the Premier Miton Multi-Asset Conservative Growth Fund.

Neil Birrell, our Chief Investment Officer and manager of the successful Diversified multi-asset fund range, became manager of the Premier Miton Balanced Multi Asset Fund from 1 March 2021. Building on the success of the Premier Miton Diversified Growth Fund, the fund will have similar asset allocation but with a planned focus on sustainable investments.

I am also pleased to report on the successful launch of the Premier Miton Global Smaller Companies Fund. The fund launched on the 22 March 2021 and is managed by the investment team of Alan Rowsell and Imogen Harris who both joined us from Aberdeen Standard Investments in 2020. This fund fits in well with our ethos and offers investors active stock selection in the global smaller companies universe. At the period end, this fund had £15 million in AuM.

Lastly, in terms of product development, the new Premier Miton European Sustainable Leaders Fund launched on 10 May 2021. The fund is managed by the highly regarded investment team of Carlos Moreno and Thomas Brown together with Russell Champion, who will be joining the Group later in 2021. This fund broadens the team's investment offering and builds on their successful Premier Miton European Opportunities Fund.

CHIEF EXECUTIVE OFFICER'S STATEMENT

CONTINUED

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

Responsible investing

During the period, we have continued to develop our focus on responsible investing. This includes integration of ESG factors into our investment processes, the development of specialist investment products in this area and building clearer responsible investing reporting for our clients. We believe it is important that we offer responsible investment products to our clients and, as part of this, to actively and responsibly consider ESG issues with the companies we invest in.

As a Group, we currently manage five funds with specific sustainable, ESG or ethical objectives designed to meet increasing demand for a specialist responsible investing approach from our investors. These funds include our top-performing ethical fund managed by Benji Dawes and Jon Hudson.

Additionally, we have announced the launch of a further sustainable product during 2021. I am delighted that we will be offering such a strong range of sustainable and responsible focused funds. I would like to thank Helene Winch, our head of responsible investing, and the many people involved in the launch or transition of these funds. There is more for us to do in this area, but we are making good progress.

Distribution

Our distribution team has adapted well to the challenges of working remotely and moving to a virtual world of meetings and client contact. It is pleasing to see that high levels of client contact have been maintained throughout the period and that we have been able to effectively communicate the key features of our funds to investors and their advisers.



The Group purposely structures its distribution to be relationship-centric, split according to the key focus areas of the discretionary and advisory intermediary markets. Our sales team consists of 21 people and is geographically structured to provide comprehensive coverage throughout the United Kingdom. The distribution team has a detailed approach to sales data and this has been enhanced through the successful integration of the databases used by both the former Premier and Miton areas of the business.

Our marketing team continued to focus on a broad range of activities to build awareness of the Premier Miton brand and familiarity across our investment range, as well as to keep our clients informed. This work has included organising many digital events, such as webinars, for existing and potential professional investors. The Group's new website was launched in March 2021 reflecting our brand and offering enhanced information for our different client groups, including financial advisers and wealth managers.

COVID-19

It has been a challenging period during lockdown and the welfare of our people has been our highest priority. I have been impressed with the adaptability and resilience our staff have shown across all areas of the business.

The current indications are that the roadmap for easing restrictions remains on target. We have been thinking carefully about our working arrangements and the availability of ongoing workspace flexibility to our staff.

As a Group we believe the office is a place of collaboration, engagement and thought leadership. We also recognise the many positive elements to working from home and the benefits of not commuting every day. It is safe to say that we will endeavour to adopt a more flexible approach to office-based working in the future and create an arrangement that successfully combines the benefits of home working with a dynamic office environment.

Outlook

With the completion of the operational aspects of the merger in December 2020, we are now realising the benefits of our combined platform and the hard work put in over the past 12 months.

Our operational platform has been streamlined to support significant growth in AuM and our investment teams, with their genuinely active ethos, are very well positioned to navigate market trends as we hopefully emerge from the pandemic. We have an experienced, effective distribution team working diligently to communicate the benefits of our funds and deliver excellent client service.

Mike O'Shea
Chief Executive Officer
27 May 2021

PRODUCT OVERVIEW

Strategy	AuM 30 Sept 2019 £m	AuM 31 Mar 2020 £m	AuM 30 Sept 2020 £m	AuM 31 Mar 2021 £m	Fund manager(s)	Year of launch/ tenure	Quartile ⁷
Equity funds							
Premier Miton UK Multi Cap Income Fund ¹		756	837	935	Gervais Williams/Martin Turner	2011	1
Premier Miton UK Smaller Companies Fund ¹		35	66	234	Gervais Williams/Martin Turner	2012	1
Premier Miton US Opportunities Fund ¹		576	834	1,089	Nick Ford/Hugh Grieves	2013	1
Premier Miton US Smaller Companies Fund ¹		125	219	349	Nick Ford/Hugh Grieves	2018	1
Premier Miton UK Value Opportunities Fund ¹		326	347	623	Andrew Jackson	2016	1
Premier Miton European Opportunities Fund ¹		1,052	1,897	2,416	Carlos Moreno/Thomas Brown	2015	1
Premier Miton Global Infrastructure Income Fund ¹		30	43	49	Jim Wright	2017	3
Premier Miton Worldwide Opportunities Fund ¹		43	44	56	Nick Greenwood	2003	2
FP Miton Income Fund		123					
Premier Miton Income Fund ^{2,3}	302	197	184	192	Emma Mogford	2020	4
Premier Miton Monthly Income Fund ^{2,3}	190	130	250	258	Emma Mogford	2020	4
Premier Miton Optimum Income Fund ^{2,3}	96	63	56	62	Emma Mogford/Geoff Kirk	2020	3
Premier Miton Ethical Fund ²	146	121	160	209	Jon Hudson/Benji Dawes	2019	1
Premier Miton UK Growth Fund ²	121	105	132	219	Jon Hudson/Benji Dawes	2017	1
Premier Miton Pan European Property Share Fund ²	262	218	176	173	Alex Ross	2005	n/a
Premier Miton Global Sustainable Growth Fund ⁴	107	82	101	111	Duncan Goodwin	2020	1
Premier Global Infrastructure Income Fund	66	50	43	41	Jim Wright	2020	4
Premier Miton Global Sustainable Optimum Income Fund ⁴	22	18	15	17	Duncan Goodwin/Geoff Kirk	2020	1
Premier Miton Global Smaller Companies Fund ⁵				15	Alan Rowsell/Imogen Harris	2021	n/a
	1,312	4,050	5,404	7,048			
Fixed income funds							
Premier Miton Corporate Bond Monthly Income Fund ²	48	44	82	136	Lloyd Harris/Simon Prior	2020	1
Premier Miton UK Money Market Fund ²	215	192	185	165	Chun Lee/Hoy Wan	2019	3
Premier Miton Financials Capital Securities Fund			64	73	Lloyd Harris/Rob James	2020	n/a
Premier Miton Strategic Monthly Income Bond Fund			55	72	Lloyd Harris/Simon Prior	2020	2
Premier Miton Defensive Growth Fund ²	313	147	100	74	Robin Willis/Daniel Hughes	2019	n/a
	576	383	486	520			
Investment trusts							
The Diverse Income Trust plc		293	322	396	Gervais Williams/Martin Turner	2011	2
Miton Global Opportunities plc		58	71	88	Nick Greenwood	2003	3
Miton UK MicroCap Trust plc		57	70	107	Gervais Williams/Martin Turner	2015	2
Acorn Income Fund Limited	96	76	81	93	Lee/Willis/Unicorn AM	1999	1
Premier Miton Global Renewables Trust plc ⁶	54	47	55	47	James Smith	2012	1
	150	531	599	731			

Strategy	AuM 30 Sept 2019 £m	AuM 31 Mar 2020 £m	AuM 30 Sept 2020 £m	AuM 31 Mar 2021 £m	Fund manager(s)	Year of launch/ tenure	Quartile ⁷
Multi-asset funds							
Premier Miton Cautious Multi Asset Fund ¹		400	431	377	David Jane/Anthony Rayner	2014	1
Premier Miton Defensive Multi Asset Fund ¹		52	56	124	David Jane/Anthony Rayner	2014	2
Premier Miton Balanced Multi Asset Fund ^{1,8}		1	2	3	Neil Birrell	2021	2
Premier Miton Cautious Monthly Income Fund		202	200	124	David Jane/Anthony Rayner	2011	1
Premier Miton Multi-Asset Absolute Return Fund ²	207	162	146	138	Multi-manager team	2009	n/a
Premier Miton Multi-Asset Conservative Growth Fund ^{2,9}	131	111	112	88	David Jane/Anthony Rayner	2021	4
Premier Miton Multi-Asset Monthly Income Fund ²	737	579	560	552	Multi-manager team	2009	1
Premier Miton Multi-Asset Distribution Fund ²	1,517	1,184	1,165	1,052	Multi-manager team	1999	3
Premier Miton Multi-Asset Growth & Income Fund ^{2,9}	885	658	657	618	David Jane/Anthony Rayner	2021	2
Premier Miton Multi-Asset Global Growth Fund ²	202	150	156	127	Multi-manager team	2012	1
Premier Miton Liberation No. IV Fund ^{2,11}	154	120	121	111	Multi-manager team	2012	n/a
Premier Miton Liberation No. V Fund ^{2,11}	179	141	144	138	Multi-manager team	2012	n/a
Premier Miton Liberation No. VI Fund ^{2,11}	103	74	71	70	Multi-manager team	2012	n/a
Premier Miton Liberation No. VII Fund ^{2,11}	41	30	31	32	Multi-manager team	2012	n/a
Premier Miton Diversified Growth Fund ²	180	154	185	245	Neil Birrell	2013	1
Premier Miton Diversified Income Fund ²	33	27	29	34	Neil Birrell	2017	1
Premier Miton Diversified Balanced Growth Fund ²	16	14	16	29	Neil Birrell	2019	1
Premier Miton Diversified Cautious Growth Fund ²	17	15	16	33	Neil Birrell	2019	1
Premier Miton Diversified Dynamic Growth Fund ²	19	15	18	39	Neil Birrell	2019	1
Premier Miton Managed Index Balanced Fund ²		1	1	1	Wayne Nutland	2019	3
Premier Portfolio Management Service	2	2	2	2	PPMS Investment Committee		
	4,423	4,092	4,119	3,937			
Segregated mandates							
Sentinel Universal Portfolio	95	89					
Quilter Investors Corporate Bond Fund ¹⁰				230			
Quilter Investors Diversified Bond Fund ¹⁰				136			
	95	89		366			
Total AuM	6,556	9,145	10,608	12,602			

- 1 The Authorised Corporate Director ('ACD') to these funds changed from Link Fund Solutions Limited to Premier Portfolio Managers Ltd ('Premier Miton') on 27 November 2020. On the same date, the fund names were changed from 'LF' to 'Premier Miton' to reflect the change in the ACD
- 2 On 27 November 2020, 'Miton' was added to the name of the fund to reflect the Premier Miton Group following the merger in November 2019
- 3 On 19 November 2020, Emma Mogford was appointed as the fund manager to this fund
- 4 On 1 February 2021, the fund names changed from Premier Global Alpha Growth Fund and Premier Global Optimum Income Fund to Premier Miton Global Sustainable Growth Fund and Premier Miton Global Sustainable Optimum Income Fund to reflect the sustainable focused investment approach
- 5 Premier Miton Global Smaller Companies Fund was launched on 22 March 2021
- 6 Premier Miton Global Renewables Trust plc changed its name on 16 November 2020 to reflect the Company's amended investment policy
- 7 The quartile performance rankings are based on Investment Association sector classifications where applicable, with data sourced from FE Analytics using the main representative post-RDR share class, based on a total return, UK Sterling basis. The performance rankings above could be shown on a combination of bid, mid or offer prices, depending on the period of reporting. All data is as at 31 March 2021 and the performance period relates to when the fund launched or the assumed tenure of the fund manager(s). Performance for investment trusts is calculated on Net Asset Value ('NAV'), ranked against the relevant Morningstar category for each investment trust, and is sourced from Morningstar Direct. Performance for Miton Global Opportunities plc and Acorn Income Fund is quoted over ten years
- 8 On 1 March 2021, Neil Birrell was appointed as the fund manager to this fund
- 9 On 1 February 2021, David Jane and Anthony Rayner were appointed as the fund managers to this fund
- 10 On 22 October 2020, Premier Fund Managers Limited was appointed as investment manager to these external mandates
- 11 On 5 January 2021, the Premier Miton Liberation funds were moved in to the IA volatility managed sector which is designed to make it easier for investors to identify funds that aim to deliver outcomes based around volatility and risk. As a result, the IA believes that investors should not use the sector for comparing fund performance as this would not give a like-for-like comparison and asset managers are therefore not permitted to show performance of funds against the sector

PEOPLE AND CULTURE CASE STUDY

ENGAGING AND SUPPORTING THROUGHOUT COVID-19

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

Mike O'Shea
Chief Executive Officer

- Our priority during the pandemic has been the welfare of our people and their ability to manage clients' capital actively and responsibly.
- The Group moved swiftly to remote working for all staff in March 2020.
- There have been no redundancies or furlough arrangements as a result of the pandemic.
- We have maintained communication with all staff on a regular basis and worked to ensure all our people are set up effectively at home.

COVID-19 IMPACT TIMELINE

- On 5 March 2020 the Group established a COVID-19 committee, meeting on a weekly basis.
- From 16 March 2020 the Group transitioned to remote working. No material business expenditure was required for the transition.
- Reduction in senior management team salaries.
- No disruption to the operating model of the business due to COVID-19.

MARCH

- Assessment of third-party providers (such as our external ACDs, Bloomberg, various counterparties and research providers) to ensure we understand their COVID-19 business continuity plans.
- Corporate donation to the National Emergencies Trust to help those most affected by the pandemic.

MAY

- Appointment of an external third-party virtual mental support service and virtual counselling service.
- Completion of second firmwide survey on flexible working, welfare of our people and support required.

JULY

2020

APRIL

- All funds transition to one corporate umbrella, representing a key post-merger milestone delivered on time.

JUNE

- Completion of a firmwide survey to gain insight into working from home, welfare of our people, support required and concerns about returning to the office.
- Appointment of external specialist health and safety adviser, including detailed risk assessments, to assess the potential of returning to the office.

AUGUST

- Continual assessment of office safety and return to office arrangements in line with government advice.

As we emerge from the pandemic, we can be encouraged by the opportunities the post COVID-19 world will present. We believe it will be a positive environment for active managers, and importantly, for our clients. As a Group, we are well placed to deliver high levels of service and investment outcomes for our clients.

Looking to the future, current indications are that the Government's roadmap for easing of the restrictions remains on target. As a management team, we have been carefully considering what the working arrangements will look like and the availability of ongoing workplace flexibility to our staff.

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



- Completion of third firmwide survey covering wellbeing, working as a team and improvements to current working environment.
- Continual review of our work from home model given the increases in cases.

OCTOBER

- Appointment of third-party physical fitness coaching.
- Successful completion of merger, on time despite the disruption of the pandemic.

DECEMBER

2021

- Assessment of post-pandemic office environment commences focused on combining the benefits of being able to work from home with a dynamic office atmosphere.

FEBRUARY

NOVEMBER

- Release of full-year results and reporting to shareholders on business continuity and the impact of COVID-19.
- Established flexibility with regards to annual leave for 2020 and 2021.

JANUARY

- Completion of fourth firmwide staff survey on wellbeing, support required and remote working conditions.

MARCH

- Launch of virtual firmwide event series entitled 'Insights' focused on transparent communication with the entire Group.

FINANCIAL REVIEW

DELIVERING A SCALABLE BUSINESS MODEL



Piers Harrison
Chief Financial Officer

Assets under Management *

£12.6bn

2020 HY: £9.1bn

Assets under Management * ('AuM')

AuM	Opening AuM 1 October 2020 £m	Half year net flows £m	Market / investment performance £m	Closing AuM 31 March 2021 £m
Equity funds	5,404	621	1,023	7,048
Multi-asset funds	4,119	(627)	445	3,937
Fixed income funds	486	20	14	520
Investment trusts	599	(18)	150	731
Segregated mandates	–	363	3	366
Total	10,608	359	1,635	12,602

AuM ended the half year at £12,602 million, an increase of 19% on the opening position for the period.

In the six months to 31 March 2021 the Group saw a return to net inflows totalling £359 million (2020 HY: £(389) million outflows).

The equity fund range experienced strong client demand driven primarily by the European and US funds. Toward the end of the period, the Group saw increased interest for the UK-focused funds with inflows across these funds totalling £162 million.

The multi-asset funds continued to see outflows, £(627) million (2020 HY: £(325) million outflows), however, in the second quarter the level of outflows reduced to £(243) million. During the period, the Group completed a number of changes to the multi-asset multi-manager funds with the objective of reducing overall costs for investors. These funds have also returned to delivering strong investment performance over the last 12 months.

The fixed income team performed well during the period and continued to gather AuM. At 31 March 2021, the two new funds launched on 14 September 2020 had combined AuM of £145 million. In addition to this, on 22 October 2020 the team were appointed to manage two external mandates with AuM of £366 million at 31 March 2021.

Adjusted profit before tax *

£11.9m

2020 HY: £12.2m

Net revenue

£38.5m

2020 HY: £33.4m

Financial performance

Profit before tax was £6.2 million (2020 HY: £5.3 million). The Group completed the operational aspects of the merger with a further £1.2 million of non-recurring costs recognised during the period (2020 HY: £3.0 million).

Adjusted profit before tax*, which is after adjusting for amortisation, share-based payments, merger-related costs and exceptional costs was £11.9 million (2020 HY: £12.2 million).

	Unaudited six months to 31 March 2021 £m	Unaudited six months to 31 March 2020 £m	% Change
Adjusted profit and profit before tax			
Net revenue	38.5	33.4	+15
Administrative expenses	(26.6)	(21.3)	+25
Adjusted profit before tax *	11.9	12.2	-2
Amortisation	(2.4)	(2.1)	
Share-based payments	(2.1)	(1.6)	
Merger-related costs	(1.2)	(3.0)	
Exceptional costs	(0.1)	(0.1)	
Profit before tax	6.2	5.3	+17

* These are Alternative Performance Measures ('APMs'). See page 16 for further detail

	Unaudited six months to 31 March 2021 £m	Unaudited six months to 31 March 2020 £m	% Change
Net revenue			
Net management fees ¹ *	37.9	33.5	
Other income	0.6	(0.1)	
Net revenue	38.5	33.4	+15
Average AuM ²	11,819	9,928	+19
Net management fee margin³ (bps) *	64.2	67.4	-5

1 Being gross management fee income less trail/rebate expenses and the cost of fund accounting and external Authorised Corporate Director ('ACD') fees for the former Miton fund range where applicable

2 Average AuM is calculated on a daily basis

3 Net management fee margin represents net management fees divided by the average AuM

The Group's net management fee margin for the period was 64.2 basis points (2020 HY: 67.4 basis points). As noted in the 2020 Annual Report and Accounts, the merger with Miton Group plc introduced a lower average margin business. The resulting change in the business mix and the impact of flows and markets on our existing business has driven the change in the net management fee margin.

Administration expenses

	Unaudited six months to 31 March 2021 £m	Unaudited six months to 31 March 2020 £m	% Change
Fixed staff costs	9.1	8.3	+10
Variable staff costs	7.8	3.9	+100
Overheads and other costs	9.0	8.4	+7
Depreciation	0.7	0.6	+17
Administration expenses	26.6	21.3	+25

Administration expenses (excluding share-based payments) totalled £26.6 million (2020 HY: £21.3 million). The increase reflects the inclusion of an additional one and a half months of costs associated with the former Miton business, when compared to the comparative period. This has, in part, been offset by synergies realised post-merger.

FINANCIAL REVIEW

CONTINUED

Staff costs continue to be the largest component of administration expenses, these consist of both fixed and variable elements. Fixed staff costs, which includes salaries and associated national insurance, employers' pension contributions and other indirect costs of employment, increased to £9.1 million (2020 HY: £8.3 million).

The Group continues to invest in new products and teams where it believes it can generate good investment outcomes for clients. The results for the period include a full six months of costs for the fixed income and global smaller companies teams.

Amortisation

The amortisation of intangible assets increased to £2.4 million (2020 HY: £2.1 million). The charge for the period includes a full six months of amortisation relating to the intangible assets recognised on completion of the merger.

Share-based payments

The share-based payment charge for the period was £2.1 million (2020 HY: £1.6 million).

As at 31 March 2021 the Group's Employee Benefit Trusts ('EBTs') held 10,421,565 ordinary shares representing 6.6% of the issued ordinary share capital (2020 FY: 9,921,565 shares).

At the period end the outstanding awards totalled 13,213,920 (2020 FY: 9,329,115). The increase reflects 3,980,000 awards granted during the period. See note 12 for further detail.

Exceptional costs and non-recurring merger-related costs

Merger-related and exceptional costs incurred in the period amounted to £1.3 million (2020 HY: £3.1 million).

Of this balance, £1.2 million related to the merger (2020 HY: £3.0 million). On 27 November 2020 the Group completed the onboarding of all open-ended funds onto the in-house ACD platform. The majority of the Group's funds are now named 'Premier Miton'.

Capital management and dividends

At 31 March 2021 the Group held £34.4 million in cash (2020 HY: £29.3 million). The Group has no debt.

Dividends totalling £6.7 million were paid in the period (2020 HY: £10.6 million), see note 3 for further detail.

The Board is recommending an interim dividend payment of 3.7p per share (2020 HY: 2.5p interim dividends). The interim dividend will be paid on 13 August 2021 to shareholders on the register at the close of business on 23 July 2021.

The Group seeks to maintain a dividend policy that targets an ordinary dividend pay-out of approximately 50 to 65% of profit after tax, adjusted for exceptional costs, share-based payments and amortisation.

Piers Harrison
Chief Financial Officer
27 May 2021

Alternative Performance Measures ('APMs')

APM	Unit	Definition	Purpose	Reconciliation
Adjusted profit before tax	£	Profit before taxation, amortisation, share-based payments, merger-related costs and exceptional costs.	Except for the noted costs, this encompasses all operating expenses in the business, including fixed and variable staff cash costs. Provides a proxy for cash generated and is the key measure of profitability for management decision making.	Page 15
AuM	£	The value of external assets that are managed by the Group.	Management fee income is calculated based on the level of AuM managed. The AuM managed by the Group is used to measure the Group's relative size against the industry peer group.	Page 14
Net management fee	£	The net revenue of the Group. Calculated as gross management fee income, less the cost of fund accounting, external ACDs, OCF caps and any enhanced fee arrangements.	Provides a consistent measure of the profitability of the Group and its ability to grow and retain clients, after removing amounts paid to third-parties.	Page 15
Net management fee margin	bps	Net management fees divided by average AuM.	A measure used to demonstrate the blended fee rate earned from the AuM managed by the Group. A basis point ('bps') represents one hundredth of a percent, this measure is used within the asset management sector and provides comparability of the Group's net revenue generation.	Page 15
Adjusted earnings per share (basic)	p	Profit after tax excluding amortisation, share-based payments, merger-related costs and exceptional costs, divided by the weighted average number of shares in issue in the period.	Provides a clear measure to shareholders of the profitability of the Group from its underlying operations. The exclusion of amortisation, share-based payments, merger-related costs and exceptional items provides a consistent basis for comparability of results year on year.	Page 24

INDEPENDENT REVIEW REPORT TO PREMIER MITON GROUP PLC

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly report for the six months ended 31 March 2021 which comprises the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly report for the six months ended 31 March 2021 is not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and the AIM Rules.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

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

Directors' responsibilities

The half-yearly report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly report in accordance with the AIM Rules.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The Directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

Our responsibility

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

The purpose of our review work and to whom we owe our responsibilities

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

Alison Allen

for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London E14 5GL
27 May 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 March 2021

	Notes	Unaudited six months to 31 March 2021 £000	Unaudited six months to 31 March 2020 £000	Audited year to 30 September 2020 £000
Revenue	4	43,878	38,514	77,721
Fees and commission expenses		(5,386)	(5,117)	(10,948)
Net revenue		38,492	33,397	66,773
Administration expenses		(26,573)	(21,251)	(44,408)
Share-based payment expense	12	(2,067)	(1,636)	(3,581)
Amortisation of intangible assets	8	(2,379)	(2,055)	(4,517)
Merger-related costs	5	(1,213)	(2,982)	(4,467)
Exceptional items	5	(64)	(145)	(216)
Operating profit		6,196	5,328	9,584
Finance revenue		-	17	20
Profit for the period before taxation		6,196	5,345	9,604
Taxation	6	(1,041)	(2,140)	(3,714)
Profit for the period after taxation attributable to equity holders of the parent		5,155	3,205	5,890
		pence	pence	pence
Basic earnings per share	7(a)	3.48	2.35	4.14
Diluted basic earnings per share	7(a)	3.30	2.27	4.00

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

All of the amounts relate to continuing operations.

The notes on pages 22 to 28 form an integral part of these unaudited Condensed Consolidated Interim Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 March 2021

	Notes	Share capital £000	Merger reserve £000	Employee Benefit Trust £000	Capital redemption reserve £000	Retained earnings £000	Total £000
At 1 October 2020		60	94,312	(14,649)	4,532	45,439	129,694
Profit for the period		-	-	-	-	5,155	5,155
Purchase of own shares held by an EBT	12(a)	-	-	(724)	-	-	(724)
Share-based payment expense	12	-	-	-	-	2,067	2,067
Other amounts direct to equity		-	-	-	-	(134)	(134)
Deferred tax direct to equity		-	-	-	-	70	70
Equity dividends paid	3	-	-	-	-	(6,660)	(6,660)
At 31 March 2021 (Unaudited half year)		60	94,312	(15,373)	4,532	45,937	129,468
At 1 October 2019		50	-	(6,944)	4,532	47,688	45,326
Profit for the period		-	-	-	-	3,205	3,205
Issue of share capital on merger		10	94,312	-	-	-	94,322
Purchase of own shares held by an EBT	12(a)	-	-	(2,669)	-	-	(2,669)
Shares issued to EBT as part of the merger		-	-	(5,178)	-	-	(5,178)
Exercise of options		-	-	142	-	(15)	127
Share-based payment expense	12	-	-	-	-	1,636	1,636
Deferred tax direct to equity		-	-	-	-	(4)	(4)
Equity dividends paid	3	-	-	-	-	(10,589)	(10,589)
At 31 March 2020 (Unaudited half year)		60	94,312	(14,649)	4,532	41,921	126,176
At 1 October 2019		50	-	(6,944)	4,532	47,688	45,326
Profit for the year		-	-	-	-	5,890	5,890
Issue of share capital on merger		10	94,312	-	-	-	94,322
Purchase of own shares held by an EBT		-	-	(2,669)	-	-	(2,669)
Shares issued to EBT as part of the merger		-	-	(5,178)	-	-	(5,178)
Exercise of options		-	-	142	-	(15)	127
Share-based payment expense		-	-	-	-	3,581	3,581
Deferred tax direct to equity		-	-	-	-	(6)	(6)
Equity dividends paid		-	-	-	-	(11,699)	(11,699)
At 30 September 2020 (Audited)		60	94,312	(14,649)	4,532	45,439	129,694

The notes on pages 22 to 28 form an integral part of these unaudited Condensed Consolidated Interim Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2021

	Notes	Unaudited 31 March 2021 £000	Unaudited 31 March 2020 £000	Audited 30 September 2020 £000
Non-current assets				
Goodwill	8	70,948	71,478	70,948
Intangible assets	8	29,855	34,057	32,234
Other investments		100	100	100
Property and equipment		2,021	2,683	2,385
Right-of-use assets		2,091	2,777	2,414
Deferred tax asset		1,400	793	1,599
Trade and other receivables		791	152	367
		107,206	112,040	110,047
Current assets				
Financial assets at fair value through profit and loss		3,319	1,618	2,697
Trade and other receivables		167,816	66,969	44,409
Cash and cash equivalents	9	34,402	29,259	35,992
		205,537	97,846	83,098
Total assets		312,743	209,886	193,145
Current liabilities				
Trade and other payables		(175,169)	(74,021)	(53,046)
Current tax liabilities		(1,471)	(1,924)	(2,948)
Lease liabilities		(871)	(784)	(857)
		(177,511)	(76,729)	(56,851)
Non-current liabilities				
Provisions	10	(389)	(389)	(389)
Deferred tax liability	8	(3,793)	(4,104)	(4,152)
Lease liabilities		(1,582)	(2,488)	(2,059)
Total liabilities		(183,275)	(83,710)	(63,451)
Net assets		129,468	126,176	129,694
Equity				
Share capital	11	60	60	60
Merger reserve	8	94,312	94,312	94,312
Own shares held by an Employee Benefit Trust	12	(15,373)	(14,649)	(14,649)
Capital redemption reserve		4,532	4,532	4,532
Retained earnings		45,937	41,921	45,439
Total equity shareholders' funds		129,468	126,176	129,694

Mike O'Shea
Chief Executive Officer
27 May 2021

The notes on pages 22 to 28 form an integral part of these unaudited Condensed Consolidated Interim Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 31 March 2021

	Notes	Unaudited six months to 31 March 2021 £000	Unaudited six months to 31 March 2020 £000	Audited year to 30 September 2020 £000
Cash flows from operating activities:				
Profit after taxation		5,155	3,205	5,890
Adjustments to reconcile profit to net cash flow from operating activities:				
- Tax on continuing operations	6	1,041	2,140	3,714
- Finance revenue		-	(17)	(20)
- Interest payable on leases		51	34	93
- Depreciation - fixed assets		371	301	617
- Depreciation - leases		285	327	689
- Gain on sale of financial asset at fair value through profit and loss		-	(13)	(13)
- (Gain)/loss on revaluation of financial assets at fair value through profit and loss		(242)	241	6
- Increase in employee benefits liability		970	1,182	1,182
- Purchase of plan assets (held for employee benefits liability)		(970)	(1,182)	(1,182)
- Amortisation of intangible assets	8	2,379	2,055	4,517
- Share-based payment expense	12	2,067	1,636	3,581
- (Increase)/decrease in trade and other receivables		(123,967)	(13,866)	8,479
- (Increase)/(decrease) in trade and other payables		122,123	1,419	(19,533)
Cash generated from operations		9,263	(2,538)	8,020
Income tax paid		(2,607)	(1,791)	(3,226)
Net cash flow from operating activities		6,656	(4,329)	4,794
Cash flows from investing activities:				
Interest received		-	17	20
Acquisition of assets at fair value through profit and loss		(1,216)	(11,308)	(12,166)
Proceeds from disposal of assets at fair value through profit and loss		836	10,290	10,304
Purchase of property and equipment		(7)	(120)	(138)
Cash acquired on merger		-	27,296	27,296
Net cash flow from investing activities		(387)	26,175	25,316
Cash flows from financing activities:				
Lease payments		(475)	(145)	(566)
Exercise of options		-	127	127
Purchase of own shares held by an EBT	12(a)	(724)	(2,669)	(2,669)
Equity dividends paid	3	(6,660)	(10,589)	(11,699)
Net cash flow from financing activities		(7,859)	(13,276)	(14,807)
(Decrease)/increase in cash and cash equivalents		(1,590)	8,570	15,303
Opening cash and cash equivalents		35,992	20,689	20,689
Closing cash and cash equivalents	9	34,402	29,259	35,992

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 31 March 2021

1. Basis of accounting

These interim unaudited Condensed Consolidated Financial Statements do not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006. They have been prepared on the basis of the accounting policies as set out in the Group's Annual Report for the year ended 30 September 2020.

The interim unaudited Condensed Consolidated Financial Statements to 31 March 2021 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and the Listing Rules of the Financial Conduct Authority.

Premier Miton Group plc (the 'Group') is the Parent Company of a group of companies which provide a range of investment management services in the United Kingdom and Channel Islands.

The Group's 2020 Annual Report is prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union, and is available on the Premier Miton Group plc website (www.premiermiton.com).

The Group has considerable financial resources and ongoing investment management contracts. As a consequence, the Directors believe that the Group demonstrates the financial resilience required to manage its business risks successfully. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least twelve months after the date the interim financial statements are signed. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the interim unaudited Condensed Consolidated Financial Statements. The Directors note that the Group has no external borrowings and maintains significant levels of cash reserves. The Group has conducted financial modelling at materially lower levels of AuM with the business remaining cash generative. The Directors have also reviewed and examined the financial stress testing inherent in the Internal Capital Adequacy Assessment Process ('ICAAP').

These interim unaudited Condensed Consolidated Financial Statements were approved and authorised for issue by the Board acting through a duly authorised committee of the Board of Directors on 27 May 2021.

The full-year accounts to 30 September 2020 were approved by the Board of Directors on 25 November 2020 and have been delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. The figures for the six months ended 31 March 2021 and the six months ended 31 March 2020 have not been audited.

The interim unaudited Condensed Consolidated Financial Statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except where otherwise indicated.

Forward looking statements

These interim unaudited Condensed Consolidated Financial Statements are made by the Directors in good faith based on information available to them at the time of their approval of the accounts. Forward looking statements should be treated with caution due to the inherent uncertainties, including economic, regulatory and business risk factors underlying any such statement. The Directors undertake no obligation to update any forward looking statement whether as a result of new information, future events or otherwise. The interim unaudited Condensed Consolidated Financial Statements have been prepared to provide information to the Group's shareholders and should not be relied upon by any other party or for any other purpose.

IFRS 16 'Leases'

The Directors have applied the IFRS 16 modified retrospective approach with the cumulative effect of adopting IFRS 16 being recognised as an adjustment to the opening balance of retained earnings as at 1 October 2019. In the comparative period, the adoption of IFRS 16 resulted in an increase in depreciation of £326,730 and finance costs of £33,695. Other administration expenses decreased by £184,425.

2. Segmental reporting

The Group has only one business operating segment, asset management for reporting and control purposes.

IFRS 8 'Operating Segments' requires disclosures to reflect the information which the Group's management uses for evaluating performance and the allocation of resources. The Group is managed as a single asset management business and as such, there are no additional operating segments to disclose. Under IFRS 8, the Group is also required to make disclosures by geographical segments. As Group operations are solely in the UK and Channel Islands, there are no additional geographical segments to disclose.

3. Dividend

The final dividend for the year ended 30 September 2020 of 4.5p per share was paid on 12 February 2021 resulting in a distribution of £6,659,616. This is reflected in the Consolidated Statement of Changes in Equity (2020 HY: £10,588,834).

4. Revenue

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

	Unaudited six months to 31 March 2021 £000	Unaudited six months to 31 March 2020 £000	Audited year to 30 September 2020 £000
Management fees	43,306	38,591	77,506
Commissions	267	3	7
Other income	305	(80)	208
Total revenue	43,878	38,514	77,721

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

5. Exceptional items and merger-related costs

Recognised in arriving at operating profit from continuing operations:

	Unaudited six months to 31 March 2021 £000	Unaudited six months to 31 March 2020 £000	Audited year to 30 September 2020 £000
Fund development costs	–	51	52
Connect development costs	64	94	164
Total exceptional costs	64	145	216
Merger-related costs	667	2,091	2,560
Merger employment restructuring costs	546	891	1,907
Total merger-related costs	1,213	2,982	4,467

Exceptional items are those items of income or expenditure that are considered significant in size and/or nature to merit separate disclosure and which are non-recurring.

Merger-related costs in the period totalling £667,026 (2020 HY: £2,091,208) represented legal and professional fees associated with the merger with Miton Group plc of £25,496 and merger integration costs of £641,530.

Employment restructuring costs arising as a result of the merger totalled £546,057 (2020 HY: £891,103).

6. Taxation

	Unaudited six months to 31 March 2021 £000	Unaudited six months to 31 March 2020 £000	Audited year to 30 September 2020 £000
Corporation tax charge	1,130	1,760	4,244
Deferred tax (credit)/charge	(89)	380	(530)
Tax charge reported in the Consolidated Statement of Comprehensive Income	1,041	2,140	3,714

An increase in the UK corporation tax rate from 19% to 25% was announced in the Budget on 3 March 2021 and the Finance Bill on 11 March 2021 and expected to be effective from 1 April 2023. Deferred tax has been calculated on the current rate, had the new rates been applied the impact would be to increase the deferred tax asset by £523,317 and increase in the deferred tax liability by £771,300.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

for the six months ended 31 March 2021

7. Earnings per share

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

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

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

(a) Reported earnings per share

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

	Unaudited six months to 31 March 2021 £000	Unaudited six months to 31 March 2020 £000	Audited year to 30 September 2020 £000
Profit attributable to ordinary equity shareholders of the Parent Company for basic earnings	5,155	3,205	5,890
	No.000	No.000	No.000
Issued ordinary shares at 1 October	157,913	105,801	105,801
- Effect of own shares held by an EBT	(9,928)	(8,517)	(9,220)
- Effect of shares issued	-	39,297	45,705
Weighted average shares in issue	147,985	136,581	142,286
- Effect of movement in share options	8,067	4,610	5,056
Weighted average shares in issue - diluted	156,052	141,191	147,342
Basic earnings per share (pence)	3.48	2.35	4.14
Diluted earnings per share (pence)	3.30	2.27	4.00

(b) Adjusted earnings per share

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

Adjusted profit for calculating adjusted earnings per share:

	Unaudited six months to 31 March 2021 £000	Unaudited six months to 31 March 2020 £000	Audited year to 30 September 2020 £000
Profit before taxation	6,196	5,345	9,604
Add back:			
- Share-based payment expense	2,067	1,636	3,581
- Amortisation of intangible assets	2,379	2,055	4,517
- Merger-related costs	1,213	2,982	4,467
- Exceptional items	64	145	216
Adjusted profit before tax	11,919	12,163	22,385
Taxation:			
- Tax in the Consolidated Statement of Comprehensive Income	(1,041)	(2,140)	(3,714)
- Tax effect of adjustments	(1,118)	(71)	(936)
Adjusted profit after tax for the calculation of adjusted earnings per share	9,760	9,952	17,735

7. Earnings per share (continued)

(b) Adjusted earnings per share (continued)

Adjusted earnings per share was as follows using the number of shares calculated at note 7(a):

	Unaudited six months to 31 March 2021 pence	Unaudited six months to 31 March 2020 pence	Audited year to 30 September 2020 pence
Adjusted earnings per share	6.60	7.29	12.46
Diluted adjusted earnings per share	6.25	7.05	12.04

8. Goodwill and other intangible assets

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

	Unaudited six months to 31 March 2021 £000	Unaudited six months to 31 March 2020 £000	Audited year to 30 September 2020 £000
Goodwill			
Cost:			
At 1 October	77,927	22,576	22,576
Additions	-	55,881	55,351
At 31 March/30 September	77,927	78,457	77,927
Amortisation and impairment:			
At 1 October	6,979	6,979	6,979
Amortisation during the period	-	-	-
At 31 March/30 September	6,979	6,979	6,979
Carrying amount:			
At 31 March/30 September	70,948	71,478	70,948
Other intangible assets			
Cost:			
At 1 October	81,025	56,231	56,231
Additions	-	24,155	24,794
At 31 March/30 September	81,025	80,386	81,025
Accumulated amortisation and impairment			
At 1 October	48,791	44,274	44,274
Amortisation during the period	2,379	2,055	4,517
At 31 March/30 September	51,170	46,329	48,791
Carrying amount:			
At 31 March/30 September	29,855	34,057	32,234

The additions to goodwill and intangible assets in the comparative period relate solely to the acquisition of Miton Group plc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

for the six months ended 31 March 2021

8. Goodwill and other intangible assets (continued)

Intangible assets acquired in the business combination related to the investment management agreements between Miton Group plc and the funds to which it was the investment manager and the value arising from the underlying client relationships.

The Group has determined that it has a single cash-generating unit ('CGU') for the purpose of assessing the carrying value of goodwill. Impairment testing is performed at least annually whereby the recoverable amount of the goodwill is analysed via the value-in-use method and compared to the respective carrying value. During the period no impairment was identified.

9. Cash and cash equivalents

	Unaudited six months to 31 March 2021 £000	Unaudited six months to 31 March 2020 £000	Audited year to 30 September 2020 £000
Cash at bank and in hand	34,402	29,259	35,992

10. Provisions

	£000
At 1 October 2020	389
Additions	-
At 31 March 2021 (Unaudited)	389
Current	-
Non-current	389
	389
At 1 October 2019	-
Arising on merger	389
At 31 March 2020 (Unaudited) and 30 September 2020 (Audited)	389

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

11. Share capital

Allotted, called up and fully paid: Number of shares	Ordinary shares 0.02 pence each Number	Deferred shares Number
At 1 October 2020	157,913,035	1
Issued	-	-
At 31 March 2021 (Unaudited)	157,913,035	1
At 1 October 2019	105,801,310	1
Issued on merger	52,111,725	-
At 31 March 2020 (Unaudited) and 30 September 2020 (Audited)	157,913,035	1

Allotted, called up and fully paid: Value of shares	Ordinary shares 0.02 pence each £000	Deferred shares £000	Total £000
At 1 October 2020	31	29	60
Issued	-	-	-
At 31 March 2021 (Unaudited)	31	29	60
At 1 October 2019	21	29	50
Issued on merger	10	-	10
At 31 March 2020 (Unaudited) and 30 September 2020 (Audited)	31	29	60

On 14 November 2019 the Company completed an all-share merger with Miton Group plc. The Company issued 52,111,725 new ordinary shares on 15 November 2019 ranked pari passu in all respects with the Company's existing ordinary shares in issue.

12. Share-based payment

The total expense recognised for share-based payments in respect of employee services received during the period to 31 March 2021 was £2,067,110 (2020 HY: £1,636,455).

During the period 3,980,000 (2020 HY: 2,075,000) nil cost contingent share rights over ordinary shares of 0.02p in the Company were granted to 36 employees (2020 HY: nine). Of the total award, 550,000 (2020 HY: 150,000) nil cost contingent share rights were awarded to Executive Directors. The awards will be satisfied from the Group's EBTs.

The share-based payment expense is calculated in accordance with the fair value of the contingent share rights on the date of grant. The price per right at the date of grant was £1.44 on 10 March 2021 for 3,680,000 and £1.42 on 17 March 2021 for 300,000, resulting in a fair value of £5,725,200 to be expensed over the vesting periods of three to five years.

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

After the period end on 12 April 2021, 664,795 nil cost contingent share rights over ordinary shares of 0.02p in the Company were exercised by 30 employees; of the total nil were exercised by an Executive Director.

(a) Employee Benefit Trusts

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

for the six months ended 31 March 2021

12. Share-based payment (continued)

(a) Employee Benefit Trusts (continued)

During the period 500,000 (2020 HY: 1,894,043) shares were acquired and held by the Group's EBTs at a cost of £723,670 (2020 HY: £2,668,525).

At 31 March 2021 10,421,565 (2020 HY: 9,921,565) shares are held by the Group's EBTs, all shares (2020 HY: 7,324,487) relate to outstanding awards.

At 31 March 2021, the cost of the shares held by the EBTs of £15,372,639 (2020 HY: £14,648,840) has been disclosed as own shares held by an EBT in the Consolidated Statement of Changes in Equity and the Consolidated Statement of Financial Position.

13. Subsequent events post balance sheet

(a) COVID-19

As at 27 May 2021 the ongoing coronavirus ('COVID-19') pandemic is being kept under review by the Group. Premier Miton Group plc continues to carefully manage its cost base and communicate regularly with employees, shareholders, clients, IFAs and intermediaries and other suppliers. COVID-19 is monitored in the context of the Group's risk and control framework.

(b) Employee Benefit Trust

After the period end and as at 25 May 2021, the last practicable date prior to publication of this Interim Report, 1,981,572 shares were acquired and held by the Group's EBTs at a cost of £3,073,367.

On 10 May 2021 226,395 Management Equity Incentive ('MEI') awards over ordinary shares of 0.02p in the Company held by an Executive Director lapsed.

Management currently assesses these events to represent non-adjusting subsequent events as at the interim reporting date of 31 March 2021.

SHAREHOLDER INFORMATION

Financial calendar

2021 full-year results announced	December 2021
Annual General Meeting	February 2022
2022 half-year results announced	May 2022
Closing price on 31 March 2021	144.5p
Stock code	PMI
Listing details	The Company's ordinary shares are quoted on the Alternative Investment Market ('AIM') of the London Stock Exchange.

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Directors and Secretary

Directors

Robert Colthorpe
Non-Executive Chairman
Mike O'Shea
Chief Executive Officer
Piers Harrison
Chief Financial Officer
David Barron
Non-Executive Director
Alison Fleming
Non-Executive Director
William Smith
Non-Executive Director
Senior Independent Director

Company Registration Number:

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Company Secretary and Registered Office

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