Premier Miton Group plc
Interim Report 2023

Active and responsible investment management

Premier Miton
INVESTORS

our purpose

What we stand for

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

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

www.premiermiton.com

2023 Interim highlights

Product and performance

76%

of funds and investment trusts are first or second quartile at 31 March 2023 since launch/tenure [1]

47

products managed at 31 March 2023

Assets under Management ('AuM')

£11.0bn

closing AuM versus £12.8bn at 31 March 2022 [2]

Net outflows of

£(32)m

across the product range for the period (2022 HY: £401m outflows)

Results and profitability

Profit before tax

£2.4m

(2022 HY: £9.9m)

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

£7.9m

(2022 HY: £14.6m)

1 See footnote 3 on page 09
2 This is an Alternative Performance Measure ('APM'). See page 17 for further detail

Company overview

What we do

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

The objectives of our products are clearly defined.

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

We focus on our core strengths.

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

Who we are

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

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

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

Our values

Independent

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

Dedicated

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

Collegiate

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

Passionate

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

Responsible

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

Diversified investment expertise

As at 31 March 2023:

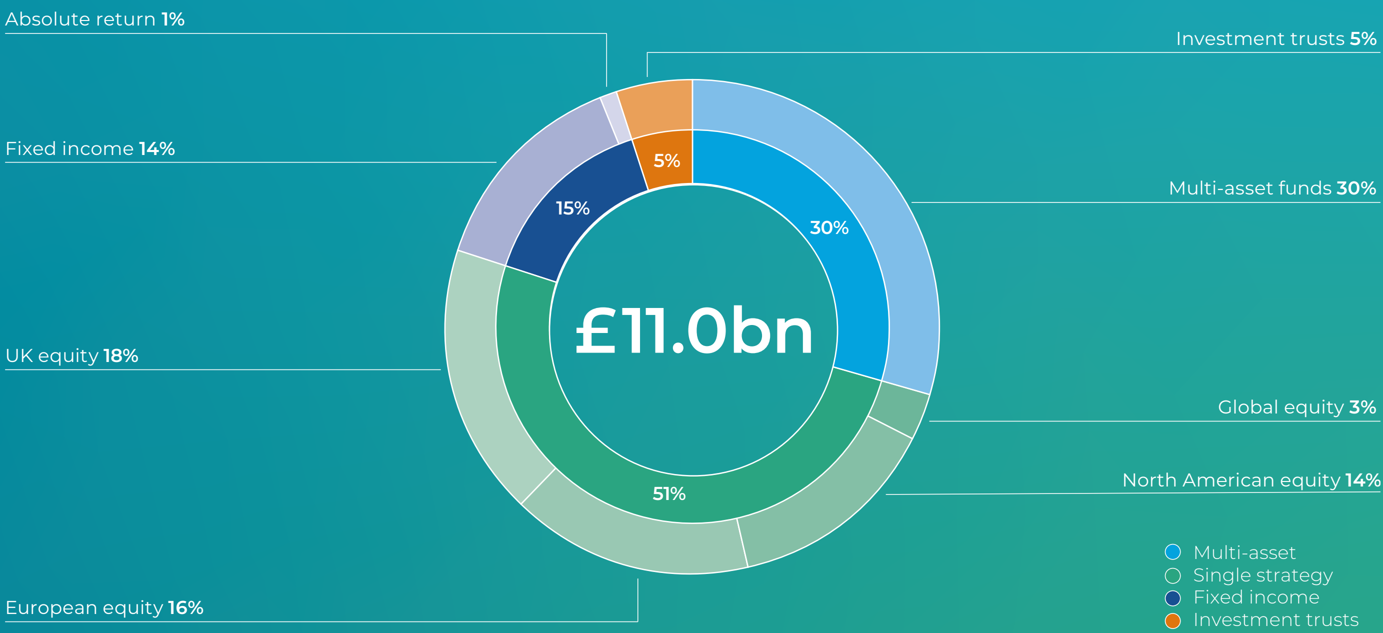
Equity funds
£5.6bn

Investment trusts
£0.5bn

Multi-asset funds
£3.3bn

Fixed income funds
£1.6bn

Total:
£11.0bn



Chairman's statement

Actively and responsibly managing our clients' investments.

The political, economic and social outlook is still clouded with challenges, yet there is a huge need for good management of long term savings and we believe a valuable and significant role for genuinely active investment management.

Robert Colthorpe
Chairman

Our performance in the first half of the year reflects the continuing challenges facing investment markets in general and the UK's savings industry in particular. This said, I am pleased with how well our business has handled itself in the interests of all our stakeholders through these times.

The political and financial turmoil in the UK in late 2022 has revealed, with brutal clarity, some deep problems affecting the structure of the UK savings market, especially for longer term savings and access to capital and investment support in public markets. A healthy, successful and efficiently functioning capital market is vital for the UK's strategic and business interests. I am pleased to see there are many initiatives now under way to identify what can be done to create better conditions for the future.

Well thought through changes will also, if implemented soon, provide us with a much more attractive environment for our business and, more importantly, for our clients. We will continue to do what we can to encourage positive and well implemented changes and to successfully navigate these testing times.

I met several of our shareholders following the announcement of our results for 2022 to discuss their thoughts and views on our business, and to listen to the issues that they raise. I value these exchanges and am always impressed by the care and attention they give to their investment. Their focus and issues are varied and I appreciate the support of our shareholders for the business we are building, and the recognition that we are seeking to do our very best for all stakeholders in these challenging times for our industry.

During the period we again held a Board strategy day to review our markets, our industry, our ambitions, plans and resources, taking a clear look at what we can do to improve our business. While I am sure that we are working as hard as we can, with discipline and focus, and that there are always things that can be improved or adjusted, we are to a great extent dependent on the overall market environment improving.

We are continuing with our ambitious organic growth plans, and I am pleased that good progress is being made here especially in our overall client, distribution and marketing initiatives.

We have also been active in reviewing several strategic ideas which have the potential to materially advance our business, contributing to shareholder value. We have an experienced team and focused approach as to how we assess these strategic ideas and we will need to continue to apply this focus as the industry is going through a period of potentially deep change.

I continue to be impressed by the hard work and dedication of our people. We all feel that the responsibility of looking after other people's savings is something to be proud of and we seek to do so to the best of our abilities. Businesses like ours which have a strong and healthy culture should be able to prosper relative to others and I believe this is happening.

Of course, it isn't easy and the leadership group has a clear focus on managing Premier Miton to achieve our purpose, while remembering that, essentially, the business of business is business! From this, other positive things can flow.

Our financial performance has been broadly flat over the period, with AuM standing at £11 billion at period end and adjusted profit before tax of £7.9 million.

These are challenging and, we believe, unusual times for the whole UK asset management market, affecting savings flows and investment market levels and performance. The Board is confident that we have a well-considered and coherent strategy supported by a business model and resources that promote long term shareholder value creation and growth. We recognise that we need to navigate these times with great care and that our management team must actively and confidently manage the business to position us for success. This means we closely examine and make decisions on the mix, focus and financial management of all our activities.

The business is fundamentally cash generative and has operational gearing which should allow for improved profit and cash creation as markets and savings flows improve and our financial results recover. We know it is important to manage our capital resources prudently, not just to cover our regulatory capital requirements but also to maintain a strong balance sheet which allows us to navigate more difficult times, to be agile, invest for future growth, and, critically, to focus leadership energies on creating a valuable business.

We have a clearly stated dividend policy of paying a total annual dividend in a range of 50-65% of adjusted profit after tax, in line with our peer group. Our dividend payments are a key part of our overall approach to generate shareholder value and we intend to keep to this policy over time. However, reflecting the inherent strengths of our business and our overall approach to capital management, we are willing to exceed this policy if appropriate to do so and within the bounds of prudence. Indeed, we did so for the dividend for the last financial year. I should say that we are highly reluctant to pay an uncovered dividend except in exceptional circumstances, specifically these would include where both the market and business outlook are obviously both clearer and brighter. And shareholders will understand that paying an uncovered dividend for an extended period of time is neither prudent nor a sustainable policy.

We will consider the position more closely at year end, reflecting business results and outlook, and overall trading and market conditions, conscious that there is plenty of potential for a range of developments to affect our business. We are always mindful of the reasonable near-term income expectations of shareholders and a need to balance these with longer term interests of the business as a whole. We are also confident that we have a high quality, attractively positioned and well managed business and that in due course markets, investment flows and business performance will recover. However, it is not clear when this will be. Accordingly we have decided to pay an interim dividend of 3.0p equal to approximately 68% of interim adjusted EPS of 4.4p and we believe that this reflects all these matters in the round. In the current market conditions, our shareholders ought not to infer that the split between interim and final dividend will be consistent with prior years.

The political, economic and social outlook is still clouded with challenges, yet there is a huge need for good management of long term savings and we believe there is a valuable and significant role for genuinely active investment management, in both retail and institutional markets. With our breadth of product, our strong performance and experienced teams, we are well placed to continue building a successful business in the interests of all our stakeholders.

Robert Colthorpe
Chairman
30 May 2023

Chief Executive Officer's statement

Gross inflows

£1.7bn

2022 HY: £1.7 billion

Net outflows

£(32)m

2022 HY: £(0.4) billion outflows

Focused on delivering strong outcomes for our investors.

The current financial year has seen a recovery in equity and fixed income markets after the difficult period experienced in the last financial year. Despite this, we have seen a continuation of the more challenging environment for the UK's long term savings industry.

Investors appear to have been shaken by the events of 2022 and are reluctant to commit to new investments. This has been reflected in industry data which continues to show large outflows from actively managed funds – particularly in areas like UK equities and European equities – during the six months. There has, however, been an uptick in demand for fixed income strategies where we are well placed to serve our clients.

It is some comfort that our own performance is slightly better than the wider industry with net outflows from our funds of £32 million in total over the six months. Whilst it is disappointing that our strong investment performance record has not allowed us able to make more positive headway, this must be set against the overall industry backdrop.

Business performance

At the end of March 2023 Assets under Management ('AuM') stood at £11.0 billion representing an increase of 4% on the beginning of the year. Average AuM stood at £11.2 billion for the period, which is 17% lower than in the previous period. The drop in AuM has been driven by falling markets during 2022 and a reluctance on the part of investors to invest during market turbulence and the continuation of uncertain macro-conditions.

Although this has been a tougher period for our investors as indeed it has for our shareholders, we remain convinced that the work we have done in building a diversified active manager that can offer products across equities, fixed income and multi-asset will bear fruit in the long term.

The net management fee margin (the retained revenue margin of the firm after deducting the costs of OCF caps, direct research costs and any enhanced fee arrangements) was 62.5bps compared with 65.1bps last year.

The adjusted operating margin decreased from 33% to 23% reflecting the lower level of AuM and our continuing strategic investment in the fixed cost base of the business via new fund management teams and the launch of new funds, which in turn will enhance the Group's long term growth profile.

Over the six months, the Group generated £7.9 million of adjusted profit before tax for the year and had a closing cash position of £31.5 million.

Investment flows

For the first half of the current financial year, we saw inflows into our largest US equity strategy although these were more than offset by outflows from our European and UK equity strategies.

In total, our equity strategies had £360 million of outflow during the period. Our fixed income strategies saw net inflows of £380 million during the six months mainly driven by flows into our Strategic and Corporate bond funds. We also saw small inflows into our segregated fixed income mandates. In multi-asset, we continued to see good levels of interest in our Diversified funds, although continued outflow from our multi-manager and macro-thematic funds meant that in total we saw £69 million of outflow across our multi-asset strategies.

Investment performance

Across our equity strategies we invest across the market capitalisation with a number of our strategies often favouring mid and smaller capitalisation stocks. This is because we believe that these companies will deliver strong long term returns for our investors. There are periods, however, when these sectors of the market perform less well relative to the very largest companies. We have been through just such a period in the last six months or so and this has impacted our very short-term performance. We expect this to reverse in our favour in due course.

It is pleasing to note that our longer-term numbers remain attractive across our equity, fixed income and multi-asset strategies with 83% of our assets under management (where a sector comparison is appropriate) performing ahead of median since manager inception.

Fund range

We have made no significant changes to our portfolio of funds during the last six months. We have been preparing, however, for the launch of a new Global Emerging Markets Sustainable fund that will be managed by Fiona Manning and William Scholes who joined us from abrdn in the second half of last year.

We believe that a product investing in the fast-growing emerging markets will be attractive to investors, particularly with Fiona and Will's strong investment process that focuses on identifying companies offering exposure to sustainable growth themes and a positive influence on society and the environment, as identified through a material alignment to the UN Sustainable Development Goals. In the longer term it will also help to further diversify the asset mix within Premier Miton, increasing our exposure to global equities alongside our existing global sustainable, global smaller companies and global infrastructure funds.

Distribution

During the last six months we were delighted to welcome Jonathan Willcocks to the team as Head of Global Distribution. Jonathan brings a wealth of experience to Premier Miton gained during his time in a similar role at M&G and before that with MFS, abrdn, Prolific and Hambros.

Since joining he has created a unified distribution and marketing team that can bring our full product range of equity, fixed income and multi-asset funds into our key markets of wealth manager, independent adviser and institutional fund buyers.

Strategy

Looking forwards we have a well-diversified product offering that is managed by experienced and talented investment managers.

We cover around 82% of the key demand pools in terms of assets under management within the UK market according to Investment Association data. This means that there is a sizeable market for us to take our products to, and to capture increased market share within. We know that investors will continue to seek out strategies where they believe managers can add long term value over and above investing in a simple index strategy. And we know that our managers have demonstrated an ability to deliver this for investors over the long term.

Our distribution team has been restructured and reinvigorated and can cover the key fund buyer markets in the UK. As and when market sentiment improves and fund buyers return, we are confident of growing our business organically once more. We are also mindful of the opportunities that exist outside our home market and continue to investigate ways in which our funds and our services can be brought to a wider audience in Europe and beyond.

And of course, having successfully completed the merger of Premier and Miton, we are open minded about the prospects to grow our business through further merger and acquisition activity should the opportunity present itself.

Closing

Although this has been a tougher period for our investors, as indeed it has for our shareholders, we remain convinced that the work we have done in building a diversified active manager that can offer products across equities, fixed income and multi-asset will bear fruit in the long term.

Our investment performance record is good, we have a strong distribution and marketing capability, a strong balance sheet and an operational platform that can handle many times the current level of assets we manage. As confidence returns to markets and to investors, we are well placed to return to growth.

Mike O'Shea
Chief Executive Officer
30 May 2023

Product overview

Strategy	AuM 30 Sept 2021 £m	AuM 31 Mar 2022 £m	AuM 30 Sept 2022 £m	**AuM 31 Mar 2023 £m**	Fund manager(s)	Year of launch/ tenure	Quartile [3]
Equity funds							
Premier Miton UK Multi Cap Income Fund	1,166	990	765	**695**	G Williams/M Turner	2011	1
Premier Miton UK Smaller Companies Fund	141	110	70	**66**	G Williams/M Turner	2012	2
Premier Miton US Opportunities Fund	1,290	1,336	1,381	**1,462**	N Ford/H Grieves	2013	2
Premier Miton US Smaller Companies Fund	347	234	168	**117**	N Ford/H Grieves	2018	3
Premier Miton UK Value Opportunities Fund	724	596	357	**399**	M Tillett	2022	1
Premier Miton European Opportunities Fund	2,903	2,484	1,569	**1,583**	C Moreno/T Brown	2015	1
Premier Miton Global Infrastructure Income Fund	92	118	124	**105**	J Wright	2017	3
Premier Miton Worldwide Opportunities Fund	58	47	43	**43**	N Greenwood	2003	2
Premier Miton Income Fund [2]	186	187	171		E Mogford	2020	n/a
Premier Miton Monthly Income Fund	262	259	231	**431**	E Mogford	2020	2
Premier Miton Optimum Income Fund	62	67	57	**62**	E Mogford/G Kirk	2020	2
Premier Miton Responsible UK Equity Fund	252	213	172	**166**	J Hudson/B Dawes	2019	1
Premier Miton UK Growth Fund	299	261	192	**197**	J Hudson/B Dawes	2017	1
Premier Miton Pan European Property Share Fund	178	174	100	**93**	A Ross	2005	n/a
Premier Miton Global Sustainable Growth Fund	116	116	100	**99**	D Goodwin	2020	2
Premier Miton Global Sustainable Optimum Income Fund	21	25	23	**23**	D Goodwin/G Kirk	2020	2
Premier Miton Global Smaller Companies Fund	41	49	45	**33**	A Rowsell/I Harris	2021	4
Premier Miton European Sustainable Leaders Fund	76	88	55	**54**	C Moreno/T Brown	2021	4
Premier Miton European Equity Income Fund	9	23	8	**9**	W James	2021	3
	8,223	7,377	5,631	**5,637**			
Fixed income funds							
Premier Miton Corporate Bond Monthly Income Fund	159	157	172	**272**	L Harris/S Prior	2020	1
Premier Miton UK Money Market Fund [1]	201	210	188	**262**	L Harris/H Wan	2019	3
Premier Miton Financials Capital Securities Fund	79	76	74	**115**	L Harris/R James	2020	n/a
Premier Miton Strategic Monthly Income Bond Fund	77	177	190	**369**	L Harris/S Prior	2020	1
Premier Miton Defensive Growth Fund	78	88	126	**110**	R Willis/D Hughes	2019	n/a
	594	708	750	**1,128**			
Investment trusts							
The Diverse Income Trust plc	423	396	326	**328**	G Williams/M Turner	2011	1
MIGO Opportunities Trust plc	100	95	82	**79**	N Greenwood	2003	2
Miton UK MicroCap Trust plc	106	97	62	**59**	G Williams/M Turner	2015	3
Acorn Income Fund Limited	102						
Premier Miton Global Renewables Trust plc	53	53	49	**47**	J Smith	2012	2
	784	641	519	**513**			
Segregated mandates							
Quilter Investors Corporate Bond Fund	263	254	254	**283**			
Quilter Investors Diversified Bond Fund	148	145	148	**160**			
	411	399	402	**443**			

Multi-asset funds

Strategy	AuM 30 Sept 2021 £m	AuM 31 Mar 2022 £m	AuM 30 Sept 2022 £m	**AuM 31 Mar 2023 £m**	Fund manager(s)	Year of launch/ tenure	Quartile [3]
Macro thematic							
Premier Miton Cautious Multi Asset Fund	383	367	336	**320**	Macro thematic team	2014	1
Premier Miton Defensive Multi Asset Fund	181	163	139	**134**	Macro thematic team	2014	1
Premier Miton Cautious Monthly Income Fund [1]	124	126	126	**130**	Macro thematic team	2011	1
Premier Miton Multi-Asset Growth & Income Fund	570	517	393	**338**	Macro thematic team	2021	4
Diversified							
Premier Miton Diversified Balanced Growth Fund	42	52	60	**98**	Diversified team	2019	2
Premier Miton Diversified Cautious Growth Fund	42	45	50	**71**	Diversified team	2019	1
Premier Miton Diversified Dynamic Growth Fund	44	47	45	**58**	Diversified team	2019	1
Premier Miton Diversified Growth Fund	330	374	372	**423**	Diversified team	2013	1
Premier Miton Diversified Income Fund	40	48	67	**95**	Diversified team	2017	1
Premier Miton Diversified Sustainable Growth Fund	5	8	15	**29**	Diversified team	2021	1
Multi-manager							
Premier Miton Multi-Asset Absolute Return Fund	137	139	126	**116**	Multi-manager team	2009	n/a
Premier Miton Multi-Asset Monthly Income Fund	542	496	413	**391**	Multi-manager team	2009	1
Premier Miton Multi-Asset Distribution Fund	1,015	924	758	**717**	Multi-manager team	1999	3
Premier Miton Multi-Asset Global Growth Fund	130	120	105	**102**	Multi-manager team	2012	1
Premier Miton Liberation No. IV Fund	106	94	82	**80**	Multi-manager team	2012	n/a
Premier Miton Liberation No. V Fund	127	111	98	**97**	Multi-manager team	2012	n/a
Premier Miton Liberation No. VI Fund	67	61	53	**51**	Multi-manager team	2012	n/a
Premier Miton Liberation No. VII Fund	32	28	24	**23**	Multi-manager team	2012	n/a
Premier Miton Managed Index Balanced Fund [4]	1	1					
Premier Portfolio Management Service	1	1	1	**1**	PPMS Investment Committee		
	3,919	3,722	3,263	**3,274**			
Total AuM	13,931	12,847	10,565	**10,995**			

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

1 Denotes a unit trust
2 Premier Miton Income Fund merged into the Premier Miton Monthly Income Fund on 14 October 2022
3 The quartile performance rankings are based on Investment Association sector classifications where applicable, with data sourced from FE Analytics FinXL using the main representative post-RDR share class, based on a total return, UK Sterling, mid-to-mid basis for OEIC funds and bid-to-bid for unit trusts (Premier Miton Cautious Monthly Income Fund and Premier UK Money Market Fund). All data is as at 31 March 2023 and the performance period relates to when the fund launched or the assumed tenure of the fund manager(s). Performance for investment trusts is calculated on Net Asset Value ('NAV'), ranked against the relevant Association of Investment Companies ('AIC') sector for each trust, apart from Premier Miton Global Renewables Trust plc which is ranked according to its relevant Morningstar category, sourced from Morningstar Direct. Performance for MIGO Opportunities Trust plc is quoted over ten years
4 Premier Miton Managed Index Balanced Fund was closed on 9 June 2022

Responsible investing

investing responsibly

We strive to invest responsibly and build successful, resilient investment propositions that embrace innovative thinking in the face of significant challenges.

Over the last six months significant global challenges from physical climate impacts to accelerating inflation, shifting supply chains and socioeconomic inequality fundamentally altered the world in complex ways.

There were delays and uncertainty to regulations and challenges to investment returns leading to decreasing flows into dedicated responsible and sustainable investment products. This is despite sustainable fund flows showing greater resilience than that of the broader market.

Undeterred by these events, our purpose remains the same: to actively and responsibly manage our clients' investments for a better financial future.

We understand that sustainability is inextricably linked to our future success and our aim is to lead by example, championing high standards in the way we manage our business as well as our impact on the economy, environment and society.

We strive to invest responsibly and build successful, resilient investment propositions that embrace innovative thinking in the face of these significant challenges.

Our approach comprises the following core elements:

Integration of environmental, social and governance ('ESG') factors in our investment decision making.

We consider ESG related factors alongside financial analysis in our investment decision making. This is undertaken by the fund managers in a way that is appropriate for, and proportionate to, our various investment strategies whether they have non-financial objectives or not.

We are firm believers in the link between responsible investing and good financial performance. We are pleased that 85% of our AuM is in funds with at least an 'A' rating from MSCI and 59% of our AuM is in funds with at least three Morningstar Sustainability Globes. 46% of our AuM is in funds with a Low Carbon Designation from Morningstar.

Responsible investing continued

Responsible stewardship through voting and engagement activity

We take our stewardship responsibilities seriously by actively voting and engaging with the companies in which we invest.

We do so with the aim of strengthening our knowledge and making a positive influence where possible.

Over the six month period fund managers attended 1,644 company meetings. Of these meetings 54% included discussions on ESG related matters covering a broad variety of topics including climate-related disclosures, energy transition, staff culture and retention and remuneration among others. We voted on 99.3% of resolutions across all asset classes. 2.7% of our votes were against management, highlighting that we generally support management in the companies in which we invest. 4.6% of votes were contrary to ISS recommendations. We supported eight shareholder resolutions where we felt the requests would enhance long term value.

Our annual Stewardship and Responsible Investing report covering activities for the 2022 calendar year is available on our website and highlights voting and engagement activities from across the investment team.

Collaboration to promote well-functioning financial markets

We are actively involved in industry wide initiatives such as the Investment Association, United Nations supported Principles for Responsible Investment, Net Zero Asset Manager's initiative, Institutional Investors Group on Climate Change, CDP, Investor Forum and Climate Action 100+, amongst others.

Our fund managers are encouraged to share investment ideas, where appropriate, and meet on a formal basis both monthly and ad hoc basis to share market news, views and analysis.

The Responsible Investing Forum, led by our Head of Responsible Investing, is held on a quarterly basis to discuss ESG issues more widely. Over 2022 these topics included portfolio mapping to the United Nations Sustainable Development Goals ('SDGs'), consultation on FCA Sustainability Disclosure Requirements, ESG thresholds monitored by the Responsible Investing Oversight Committee and collaborative engagement opportunities, amongst others.

Training over the year included supporting the fund managers to access and use various ESG risk management tools including third-party ESG and climate data and research as well as how to enter votes at AGMs.

Offering dedicated responsible and sustainable investment products

We offer one global renewables investment trust and six dedicated responsible or sustainable investment funds covering a variety of different asset classes and geographies. After the period end we extended our range with the launch of the Premier Miton Emerging Markets Sustainable Fund.

We published an annual sustainability report on the global equity sustainable funds, providing an update on their sustainable growth themes that the fund uses as well as showcasing a number of example holdings.

Ensuring robust oversight of all responsible investing activities

Monitoring, reporting and internal assurance of our responsible investing activities is led by our Responsible Investing Oversight Committee ('RIOC') which meets quarterly, chaired by our Chief Investment Officer ('CIO').

Our key achievements

- Worked towards the launch of the Premier Miton Emerging Markets Sustainable Fund;
- Formalised the ESG integration process for Premier Miton fixed income funds;
- Enhanced our internal Responsible Investing Oversight Committee and Net Zero Working Group;
- Further developed our approach to managing climate related risk and opportunities as we develop our Net Zero strategy;
- Subscribed to a new ESG research and dataset to provide global coverage that is available to our fund managers, supporting wider ESG integration;
- Continued to educate our investment teams on responsible investing through an internal Responsible Investing Forum and fund manager participation in the CFA Certificate in ESG Investing;
- Increased transparency and reporting on responsible investing activities; and
- Published frequent Responsible Thinking and Sustainable Times insight notes.

Environmental Committee

The committee continues to meet quarterly and is chaired by the Head of Responsible Investing. The committee has focused on a number of activities such as renewing support of the Surrey and London Wildlife Trusts, monitoring and working to reduce operational carbon emissions as well as exploring suitable carbon offsetting projects and supporting environmental initiatives which increase awareness across the offices such as a Veganuary lunch.

Highlights in numbers

£396m

managed across our dedicated responsible and sustainable funds.

Strong relative investment performance with

49%

of responsible and sustainable fund AuM in the first quartile of their respective sectors since manager inception.

99.3%

of all votable resolutions voted.

1,644

investment meetings with company management, 54% of which included discussion of ESG matters.

85%

of our AuM is managed in funds with at least an ‘A’ rating from MSCI.

59%

of our AuM is managed in funds with at least three Morningstar Sustainability Globes.

46%

of our AuM is managed in funds with a Low Carbon Designation from Morningstar.

B

We achieved a score of ‘B’ in our third year of climate-related disclosure to the CDP. This is above the ‘C’ global average and ‘B-‘ average for financial services companies.

Looking ahead

Implement the FCA’s Sustainable disclosure regulations (‘SDR’) when they are finalised later in 2023.

Deliver our net zero strategy including defining appropriate stewardship activities which will support us in reducing our portfolio emissions.

Prepare for mandatory fund level TCFD reporting with associated engagement focused on encouraging climate reporting across both third-party funds and smaller companies.

Develop our ability to track progress with company engagement activities.

Focus on the topics of biodiversity and climate resilience across the sustainable investment portfolios.

Financial review

Delivering a scalable platform and a more diversified business.

Through targeted investment, the Group continues to focus on the delivery of long-term growth opportunities.

Piers Harrison
Chief Financial Officer

Financial performance

Profit before tax for the period was £2.4 million (2022 HY: £9.9 million). The decrease in profitability is due to the lower average level of assets being managed by the Group when compared to the comparative period, detailed below.

Adjusted profit before tax *, which is stated before amortisation, share-based payments, merger related costs and exceptional costs decreased to £7.9 million (2022 HY: £14.6 million).

Adjusted profit and profit before tax

	Unaudited six months to 31 March 2023 £m	Unaudited six months to 31 March 2022 £m	% Change
Net revenue	35.0	43.7	
Administrative expenses	(27.1)	(29.1)	
Adjusted profit before tax *	7.9	14.6	(45.9)
Amortisation	(2.4)	(2.4)	
Share-based payments	(2.6)	(2.2)	
Merger related costs	–	–	
Exceptional costs	(0.5)	–	
Profit before tax	2.4	9.9	(75.8)

Assets under Management * ('AuM')

AuM at 31 March 2023 was £10,995 million (2022 HY: £12,847 million) representing a 4% increase from the opening position for the period of £10,565 million.

Despite this, the Group's average AuM decreased by 17% over the comparative period to £11,194 million (2022 HY: £13,453 million) reflecting the lower opening AuM position.

Whilst there were early signs of returning confidence amongst fund buyers in the latter stages of 2022 this did not follow through into 2023 and the banking shocks that unfolded towards the end of the period appear to have dented risk appetite.

The Group saw continued inflows into the fixed income, US equity and Diversified multi-asset funds and outflows from the European equity and UK equity funds which broadly reflects what the wider industry data is showing. The net outflows for the period were £32 million (2022 HY: £(401) million).

Movement in AuM by asset class

	Audited 30 September 2022 £m	Net flows £m	Market / investment performance £m	Unaudited 31 March 2023 £m
Equity funds	5,631	(360)	366	5,637
Multi-asset funds	3,263	(69)	80	3,274
Fixed income funds	750	380	(2)	1,128
Investment trusts	519	(2)	(4)	513
Segregated mandates	402	19	22	443
	10,565	(32)	462	10,995

* These are Alternative Performance Measures ('APMs'). See page 17 for further detail

Profit before tax

£2.4m

2022 HY: £9.9m

Group cash balance

£31.5m

2022 HY: £36.0m

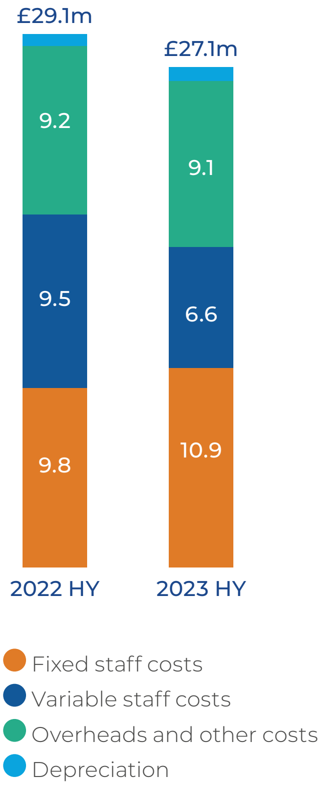
Adjusted earnings per share *

4.41p

2022 HY: 8.10p

Financial review continued

Administration expenses



Net revenue

	Unaudited six months to 31 March 2023 £m	Unaudited six months to 31 March 2022 £m	% Change
Management fees	38.8	48.5	(20.0)
Fees and commission expenses	(3.9)	(4.8)	(18.8)
Net management fees [1] *	34.9	43.7	(20.1)
Other income	0.1	–	
Net revenue	35.0	43.7	(19.9)
Average AuM [2] *	11,194	13,453	(16.8)
Net management fee margin [3] * (bps)	62.5	65.1	(4.0)

1 Being management fee income less trail/rebate expenses
2 Calculated using the daily AuM adjusted for the monthly closing AuM invested in other funds managed by the Group
3 Net management fee margin represents annualised net management fees divided by the average AuM
* These are Alternative Performance Measures ('APMs'). See page 17 for further detail

The Group's revenue represents management fees generated on the assets being managed by the Group. The net management fee margin for the period was 62.5 basis points. The decrease from the comparative period primarily reflects the change in the Group's product mix.

Net management fees decreased by 20% to £34.9 million (2022 HY: £43.7 million) reflecting the lower level of average AuM compared to the comparative period.

Administration expenses

Administration expenses for the period (excluding share-based payments) totalled £27.1 million (2022 HY: £29.1 million), a decrease of 7%.

Staff costs continue to be the largest component of administration expenses, consisting of both fixed and variable elements. The fixed staff costs, which includes salaries and associated national insurance, employers' pension contributions and other indirect costs of employment increased to £10.9 million (2022 HY: £9.8 million). At the period end the Group had 167 full time staff including Non-Executive Directors (2022 HY: 163).

Variable staff costs totalled £6.6 million (2022 HY: £9.5 million). Included within this are general discretionary bonuses, sales bonuses and bonuses in respect of the fund management teams, plus associated employers' national insurance. These costs move with the net revenues of the Group and the adjusted profit before tax.

Overheads and other costs were broadly flat at £9.1 million (2022 HY: £9.2 million).

Administration expenses

	Unaudited six months to 31 March 2023 £m	Unaudited six months to 31 March 2022 £m	% Change
Fixed staff costs	10.9	9.8	11.2
Variable staff costs	6.6	9.5	(30.5)
Overheads and other costs	9.1	9.2	(1.1)
Depreciation – fixed assets	0.2	0.3	(33.3)
Depreciation – leases	0.3	0.3	–
Administration expenses	27.1	29.1	(6.9)

Exceptional costs

During the period the Group incurred exceptional costs totalling £0.5 million. These comprise of £0.21 million relating to restructuring of the Group's distribution activities and £0.25 million following the strategic review to cease development of the Group's online portal 'Connect'.

Share-based payments

The share-based payment charge for the period was £2.6 million (2022 HY: £2.2 million). Of this charge, £2.2 million related to nil cost contingent share rights ('NCCSR').

During the period 1,577,500 NCCSR awards were issued (2022 HY: 1,902,500).

On 13 January 2023, the Group granted 2,651,034 long-term incentive plan ('LTIP') awards (2022 HY: nil). The cost of the awards is the estimated fair value at the date of grant of the estimated entitlement to ordinary shares. At each reporting date the estimated number of ordinary shares that may be ultimately issued is assessed.

At 31 March 2023 the Group's Employee Benefit Trusts ('EBTs') held 11,469,161 ordinary shares representing 7.3% of the issued ordinary share capital (2022 HY: 12,692,553 shares). See note 12 for further detail.

Balance sheet, capital management and dividends

Total shareholders' equity as at 31 March 2023 was £121.4 million (2022 HY: £127.7 million). At the period end the cash balances of the Group totalled £31.5 million (2022 HY: £36.0 million). The Group has no external bank debt.

Dividends totalling £9.1 million were paid in the period (2022 HY: £9.3 million). The Board is recommending an interim dividend payment of 3.0p per share (2022 HY: 3.7p). The interim dividend will be paid on 4 August 2023 to shareholders on the register at the close of business on 7 July 2023.

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

Piers Harrison
Chief Financial Officer
30 May 2023

Alternative Performance Measures ('APMs')

APM	Unit	Definition	Purpose	Reconciliation
Adjusted profit before tax	£	Profit before interest, 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 15**
Net management fee	£	The net management fee revenue of the Group. Calculated as gross management fee income, less the cost of OCF caps, direct research costs 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 16**
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 16**
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 period on period.	**Page 26**

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 2023 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 2023 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the UK and the AIM Rules.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ('ISRE (UK) 2410') issued 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.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the Directors have inappropriately adopted the going concern basis of accounting, or that the Directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

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 UK-adopted international accounting standards. The Directors are responsible for preparing the condensed set of financial statements included in the half-yearly report in accordance with IAS 34 as adopted for use in the UK.

In preparing the condensed set of financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

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
30 May 2023

Unaudited Condensed Consolidated Statement of Comprehensive Income

for the six months ended 31 March 2023

	Notes	**Unaudited six months to 31 March 2023 £000**	Unaudited six months to 31 March 2022 £000	Audited year to 30 September 2022 £000
Revenue	4	**38,838**	48,503	90,233
Fees and commission expenses		**(3,868)**	(4,789)	(9,062)
Net revenue		**34,970**	43,714	81,171
Administration expenses		**(27,067)**	(29,140)	(56,818)
Share-based payment expense	12	**(2,581)**	(2,240)	(4,505)
Amortisation of intangible assets	8	**(2,424)**	(2,424)	(4,861)
Merger related costs	5	**(25)**	(25)	(51)
Exceptional items	5	**(462)**	–	–
Operating profit		**2,411**	9,885	14,936
Finance income/(expense)		**5**	(7)	(23)
Profit for the period before taxation		**2,416**	9,878	14,913
Taxation	6	**(776)**	(4,062)	(5,346)
Profit for the period after taxation attributable to equity holders of the Parent		**1,640**	5,816	9,567

		pence	pence	pence
Basic earnings per share	7(a)	**1.12**	3.97	6.54
Diluted basic earnings per share	7(a)	**1.05**	3.71	6.12

No other comprehensive income was recognised during 2023 or 2022. Therefore, the profit for the period is also the total comprehensive income.

All of the amounts relate to continuing operations.

The notes on pages 23 to 29 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 2023

	Notes	Share capital £000	Merger reserve £000	Employee Benefit Trust £000	Capital redemption reserve £000	Retained earnings £000	Total £000
At 1 October 2022		**60**	**94,312**	**(16,744)**	**4,532**	**44,604**	**126,764**
Profit for the period		**–**	**–**	**–**	**–**	**1,640**	**1,640**
Purchase of own shares held by an EBT	12(c)	**–**	**–**	**(381)**	**–**	**–**	**(381)**
Exercise of options		**–**	**–**	**1,617**	**–**	**(1,617)**	**–**
Share-based payment expense	12	**–**	**–**	**–**	**–**	**2,581**	**2,581**
Other amounts direct to equity						**(17)**	**(17)**
Deferred tax direct to equity		**–**	**–**	**–**	**–**	**(9)**	**(9)**
Equity dividends paid	3	**–**	**–**	**–**	**–**	**(9,147)**	**(9,147)**
At 31 March 2023 (Unaudited half year)		**60**	**94,312**	**(15,508)**	**4,532**	**38,035**	**121,431**
At 1 October 2021		60	94,312	(15,790)	4,532	49,110	132,224
Profit for the period		–	–	–	–	5,816	5,816
Purchase of own shares held by an EBT	12(c)	–	–	(3,222)	–	–	(3,222)
Exercise of options		–	–	393	–	(393)	–
Share-based payment expense	12	–	–	–	–	2,240	2,240
Deferred tax direct to equity		–	–	–	–	(103)	(103)
Equity dividends paid	3	–	–	–	–	(9,269)	(9,269)
At 31 March 2022 (Unaudited half year)		60	94,312	(18,619)	4,532	47,401	127,686
At 1 October 2021		60	94,312	(15,790)	4,532	49,110	132,224
Profit for the year		–	–	–	–	9,567	9,567
Purchase of own shares held by an EBT		–	–	(4,492)	–	–	(4,492)
Exercise of options		–	–	3,538	–	(3,538)	–
Share-based payment expense		–	–	–	–	4,505	4,505
Deferred tax direct to equity		–	–	–	–	(344)	(344)
Equity dividends paid		–	–	–	–	(14,696)	(14,696)
At 30 September 2022 (Audited)		60	94,312	(16,744)	4,532	44,604	126,764

The notes on pages 23 to 29 form an integral part of these unaudited Condensed Consolidated Interim Financial Statements.

Unaudited Condensed Consolidated Statement of Financial Position

as at 31 March 2023

	Notes	Unaudited 31 March 2023 £000	Unaudited 31 March 2022 £000	Audited 30 September 2022 £000
Non-current assets				
Goodwill	8	**70,688**	70,688	70,688
Intangible assets	8	**20,092**	24,953	22,516
Other investments		**100**	100	100
Property and equipment		**488**	1,561	1,192
Right-of-use assets		**646**	1,411	908
Deferred tax asset		**1,757**	2,431	1,928
Finance lease receivables		**1**	–	77
Trade and other receivables		**563**	803	1,081
		94,335	101,947	98,490
Current assets				
Financial assets at fair value through profit and loss		**1,171**	3,458	2,089
Finance lease receivables		**176**	–	197
Trade and other receivables		**167,513**	114,395	136,052
Cash and cash equivalents	9	**31,520**	36,038	45,764
		200,380	153,891	184,102
Total assets		**294,715**	255,838	282,592
Current liabilities				
Trade and other payables		**(167,250)**	(120,241)	(148,820)
Lease liabilities		**(651)**	(868)	(887)
		(167,901)	(121,109)	(149,707)
Non-current liabilities				
Provisions	10	**(374)**	(374)	(374)
Deferred tax liability		**(4,950)**	(5,958)	(5,485)
Lease liabilities		**(59)**	(711)	(262)
Total liabilities		**(173,284)**	(128,152)	(155,828)
Net assets		**121,431**	127,686	126,764
Equity				
Share capital	11	**60**	60	60
Merger reserve		**94,312**	94,312	94,312
Own shares held by an Employee Benefit Trust	12(c)	**(15,508)**	(18,619)	(16,744)
Capital redemption reserve		**4,532**	4,532	4,532
Retained earnings		**38,035**	47,401	44,604
Total equity shareholders' funds		**121,431**	127,686	126,764

Mike O'Shea
Chief Executive Officer
30 May 2023

The notes on pages 23 to 29 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 2023

	Notes	**Unaudited six months to 31 March 2023 £000**	Unaudited six months to 31 March 2022 £000	Audited year to 30 September 2022 £000
Cash flows from operating activities:				
Profit after taxation		**1,640**	5,816	9,567
Adjustments to reconcile profit to net cash flow from operating activities:				
– Tax on continuing operations	6	**776**	4,062	5,346
– Finance (income)/expense		**(5)**	7	23
– Interest payable on leases		**18**	34	60
– Depreciation – fixed assets		**220**	282	580
– Depreciation – leases		**263**	337	621
– Gain on derecognition of right-of-use asset		**–**	–	(115)
– Receivable for the net investment in sub-lease		**–**	–	334
– (Gain)/loss on revaluation of financial assets at fair value through profit and loss		**(98)**	18	345
– Loss on disposal of property and equipment		**500**	–	171
– Amortisation of intangible assets	8	**2,424**	2,424	4,861
– Share-based payment expense	12	**2,581**	2,240	4,505
– (Increase)/decrease in trade and other receivables		**(30,650)**	32,157	10,800
– Increase/(decrease) in trade and other payables		**18,430**	(42,980)	(14,403)
Cash generated from operations		**(3,901)**	4,397	22,695
Income tax paid		**(1,363)**	(3,008)	(5,352)
Net cash flow from operating activities		**(5,264)**	1,389	17,343
Cash flows from investing activities:				
Interest received/(paid)		**5**	(7)	(23)
Acquisition of assets at fair value through profit and loss		**–**	(55)	(85)
Proceeds from disposal of assets at fair value through profit and loss		**1,016**	107	1,180
Purchase of property and equipment		**(16)**	(106)	(207)
Net cash flow from investing activities		**1,005**	(61)	865
Cash flows from financing activities:				
Lease payments		**(457)**	(474)	(931)
Purchase of own shares held by an EBT	12(c)	**(381)**	(3,222)	(4,492)
Equity dividends paid	3	**(9,147)**	(9,269)	(14,696)
Net cash flow from financing activities		**(9,985)**	(12,965)	(20,119)
Decrease in cash and cash equivalents		**(14,244)**	(11,637)	(1,911)
Opening cash and cash equivalents		**45,764**	47,675	47,675
Closing cash and cash equivalents	9	**31,520**	36,038	45,764

Notes to the unaudited Condensed Consolidated Financial Statements

for the six months ended 31 March 2023

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 2022.

The interim unaudited Condensed Consolidated Financial Statements to 31 March 2023 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 2022 Annual Report is prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the United Kingdom, 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 12 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 and Risk Assessment ('ICARA').

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 30 May 2023.

The full-year accounts to 30 September 2022 were approved by the Board of Directors on 1 December 2022 and have been delivered to the Registrar of Companies. The report of the auditor 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 2023 and the six months ended 31 March 2022 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.

Notes to the unaudited Condensed Consolidated Financial Statements continued

for the six months ended 31 March 2023

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 2022 of 6.3p per share was paid on 10 February 2023 resulting in a distribution of £9,147,109. This is reflected in the unaudited Condensed Consolidated Statement of Changes in Equity (2022 HY: £9,268,748).

4. Revenue

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

	Unaudited six months to 31 March 2023 £000	Unaudited six months to 31 March 2022 £000	Audited year to 30 September 2022 £000
Management fees	**38,737**	48,516	90,570
Commissions	**2**	2	4
Other income/(loss)	**99**	(15)	(341)
Total revenue	**38,838**	48,503	90,233

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 2023 £000	Unaudited six months to 31 March 2022 £000	Audited year to 30 September 2022 £000
Restructuring	**212**	–	–
Closure of connect	**250**	–	–
Total exceptional costs	**462**	–	–
Merger related costs	**25**	25	51
Total merger related costs	**25**	25	51

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.

£211,185 of employment related redundancy costs were incurred arising from the restructuring of the Group's distribution activities undertaken in the period (2022 HY: £nil).

Exceptional items, net of associated income were incurred in relation to the cessation of the development of the Group's online portal 'Connect'. This resulted in net expenditure of £250,000.

There were £25,496 of merger related legal and professional costs in the period (2022 HY: £25,496).

6. Taxation

	Unaudited six months to 31 March 2023 £000	Unaudited six months to 31 March 2022 £000	Audited year to 30 September 2022 £000
Corporation tax charge	1,150	2,708	4,203
Deferred tax liability arising on historic business combination	–	2,066	2,066
Deferred tax credit	(374)	(712)	(923)
Tax charge reported in the unaudited Condensed Consolidated Statement of Comprehensive Income	776	4,062	5,346

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

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 ('EBTs'). Dividend waivers are in place over shares held in the Group's EBTs.

In calculating diluted earnings per share, IAS 33 'Earnings Per Share' requires that the profit is divided by the weighted average number of ordinary shares outstanding during the 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 2023 £000	Unaudited six months to 31 March 2022 £000	Audited year to 30 September 2022 £000
Profit attributable to ordinary equity shareholders of the Parent Company for basic earnings	1,640	5,816	9,567
	No.000	No.000	No.000
Issued ordinary shares at 1 October	157,913	157,913	157,913
– Effect of own shares held by an EBT	(12,111)	(11,571)	(11,677)
Weighted average shares in issue	145,802	146,342	146,236
– Effect of movement in share options	10,936	10,259	10,184
Weighted average shares in issue – diluted	156,738	156,601	156,420
Basic earnings per share (pence)	1.12	3.97	6.54
Diluted earnings per share (pence)	1.05	3.71	6.12

Notes to the unaudited Condensed Consolidated Financial Statements continued

for the six months ended 31 March 2023

7. Earnings per share (continued)

(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 2023 £000	Unaudited six months to 31 March 2022 £000	Audited year to 30 September 2022 £000
Profit before taxation	**2,416**	9,878	14,913
Add back:			
– Share-based payment expense	**2,581**	2,240	4,505
– Amortisation of intangible assets	**2,424**	2,424	4,861
– Merger related costs	**25**	25	51
– Exceptional items	**462**	–	–
Adjusted profit before tax	**7,908**	14,567	24,330
Taxation:			
– Tax in the unaudited Condensed Consolidated Statement of Comprehensive Income	**(776)**	(4,062)	(5,346)
– Tax effect of adjustments	**(697)**	1,344	1,176
Adjusted profit after tax for the calculation of adjusted earnings per share	**6,435**	11,849	20,160

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

	Unaudited six months to 31 March 2023 pence	Unaudited six months to 31 March 2022 pence	Audited year to 30 September 2022 pence
Adjusted earnings per share	**4.41**	8.10	13.79
Diluted adjusted earnings per share	**4.11**	7.57	12.89

8. Goodwill and other intangible assets

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

Goodwill	**Unaudited six months to 31 March 2023 £000**	Unaudited six months to 31 March 2022 £000	Audited year to 30 September 2022 £000
Cost:			
At 1 October	**77,927**	77,927	77,927
Additions	**–**	–	–
At 31 March/30 September	**77,927**	77,927	77,927
Amortisation and impairment:			
At 1 October	**7,239**	7,239	7,239
Impairment during the period	**–**	–	–
At 31 March/30 September	**7,239**	7,239	7,239
Carrying amount:			
At 31 March/30 September	**70,688**	70,688	70,688

Other intangible assets	Unaudited six months to 31 March 2023 £000	Unaudited six months to 31 March 2022 £000	Audited year to 30 September 2022 £000
Cost:			
At 1 October	**81,025**	81,025	81,025
Additions	**–**	–	–
At 31 March/30 September	**81,025**	81,025	81,025
Accumulated amortisation and impairment			
At 1 October	**58,509**	53,648	53,648
Amortisation during the period	**2,424**	2,424	4,861
At 31 March/30 September	**60,933**	56,072	58,509
Carrying amount:			
At 31 March/30 September	**20,092**	24,953	22,516

Other intangible assets relate to the investment management agreements acquired in business combinations between the funds to which they were 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 2023 £000	Unaudited six months to 31 March 2022 £000	Audited year to 30 September 2022 £000
Cash at bank and in hand	**31,520**	36,038	45,764

10. Provisions

	£000
At 1 October 2022	**374**
Disposals	**–**
At 31 March 2023 (Unaudited)	**374**
Current	**–**
Non-current	**374**
	374
At 1 October 2021	389
Disposals	(15)
At 31 March 2022 (Unaudited) and 30 September 2022 (Audited)	374

Provisions relate to dilapidations for the offices at 6th Floor, Paternoster House, London, the lease on this property runs to 28 November 2028 and the provision for dilapidations has been disclosed as non-current.

Notes to the unaudited Condensed Consolidated Financial Statements continued

for the six months ended 31 March 2023

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 2022	**157,913,035**	**1**
Issued	**–**	**–**
At 31 March 2023 (Unaudited)	**157,913,035**	**1**
At 1 October 2021	157,913,035	1
Issued	–	–
At 31 March 2022 (Unaudited) and 30 September 2022 (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 2022	**31**	**29**	**60**
Issued	**–**	**–**	**–**
At 31 March 2023 (Unaudited)	**31**	**29**	**60**
At 1 October 2021	31	29	60
Issued	–	–	–
At 31 March 2022 (Unaudited) and 30 September 2022 (Audited)	31	29	60

12. Share-based payment

The total expense recognised for share-based payments in respect of employee services received during the period to 31 March 2023 was £2,580,666 (2022 HY: £2,240,420), of which £2,208,196 related to nil cost contingent share rights (2022 HY: £2,176,867).

(a) Nil cost contingent share rights ('NCCSRs')

During the period, 1,577,500 (2022 HY: 1,902,500) NCCSRs over ordinary shares of 0.02p in the Company were granted to 19 employees (2022 HY: 32 employees). Of the total award, nil (2022 HY: 375,000) NCCSRs 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 NCCSRs on the date of grant. The price per right at the date of grant was £1.045 on 14 December 2022, resulting in a fair value of £1,648,488 to be expensed over the relevant vesting period of between two to five years.

The key features of the awards include: automatic vesting at the relevant anniversary date with the delivery of the shares to the participant within 30 days of the relevant vesting date.

During the period, 1,251,668 NCCSRs over ordinary shares of 0.02p in the Company were exercised by 14 employees. Of the total, 150,000 were exercised by an Executive Director.

After the period end 2,016,661 NCCSRs over ordinary shares of 0.02p in the Company that vested on 14 April 2023, were exercised by 37 employees. Of the total, 400,000 were exercised by an Executive Director.

(b) Long-Term Incentive Plan ('LTIP')

On 13 January 2023 the Group granted 2,651,034 LTIP awards (2022 HY: nil). Of the total award, 811,541 were awarded to Executive Directors.

Vesting of awards is subject to continued employment and performance conditions based on Total Shareholder Return ('TSR'), Earnings Per Share ('EPS'), fund performance and other operational conditions, all measured over a three-year performance period.

The cost of the awards is the estimated fair value at the date of grant of the estimated entitlement to ordinary shares of 0.02p in the Company. At 13 January 2023 the cost was estimated at £797,961 and is to be expensed over the vesting period of three years. At each reporting date the estimated number of ordinary shares that may be ultimately issued is assessed.

The fair value of the LTIP awards was estimated using a Monte Carlo Simulation ('MCS') and the prepaid forward share price, adjusting the loss of dividends over the vesting period. The following table lists the inputs to the model used for the period ended 31 March 2023.

	13 January 2023
Dividend yield (%)	**2.24**
Nominal risk-free rate (%)	**3.27**
Expected share price volatility (%)	**40.00**
Discount for lack of marketability ('DLOM') (%)	**12.00**
Share price (£)	**1.19**
Performance period (months)	**36**
Holding period post vesting (months)	**24**

(c) Employee Benefit Trusts ('EBTs')

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

During the period, 364,525 (2022 HY: 1,902,500) shares were acquired and held by the Group's EBTs at a cost of £380,804 (2022 HY: £3,222,043).

At 31 March 2023, 11,469,161 (2022 HY: 12,692,553) shares are held by the Group's EBTs.

At 31 March 2023, the cost of the shares held by the EBTs of £15,508,385 (2022 HY: £18,619,283) has been disclosed as own shares held by an EBT in the unaudited Condensed Consolidated Statement of Changes in Equity and the unaudited Condensed Consolidated Statement of Financial Position.

13. Subsequent events post balance sheet

At 30 May 2023, there were no subsequent events to report.

Shareholder information

Financial calendar

2023 full year results announced	December 2023
Annual General Meeting	February 2024
2024 half year results announced	May 2024
Closing share price on 31 March 2023	102.0p
Stock code	PMI
Listing details	The Company's ordinary shares are quoted on the Alternative Investment Market ('AIM') of the London Stock Exchange.

Corporate information

Directors
Robert Colthorpe, Non-Executive Chairman
Mike O'Shea, Chief Executive Officer
Piers Harrison, Chief Financial Officer
David Barron, Non-Executive Director
Alison Fleming, Non-Executive Director
Sarah Mussenden, Non-Executive Director
Sarah Walton, Non-Executive Director

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Notes

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