16 March 2017

MITON GROUP PLC
FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

"Strong momentum in all Group KPIs"

Miton Group plc (the 'Company' or 'Group'), the AIM quoted asset management group, today announces its final results for the year ended 31 December 2016.

2016 Results

- £2,905 million closing Assets under Management (AuM), up from £2,784 million at the start of 2016.
- Average AuM up by 20% for the year at £2,783 million (2015: £2,319 million).
- Net management fee margin maintained.
- Adjusted profit before tax increased by 70% to £5.1 million for the year.
- Proposed dividend of 1.0p, up 49% reflecting confidence in future prospects and momentum in AuM.
- Group remains robustly financed with total cash of £21.0m up 51%.

Fund highlights

- The multi-asset fund range grew by 41% to end the year at £672 million.
- The CF Miton US Opportunities Fund reached its three-year track record in March 2016 and has maintained first quartile performance since inception. AuM increased by 85% to end the year at £238 million.
- The CF Miton European Opportunities Fund was launched on 14 December 2015 and saw strong performance and AuM generation, ending the year at £82 million.
- 86% of funds are first or second quartile*.

* Since launch or manager tenure up to 31 December 2016

Current Trading

- £3,097 million closing AuM at 28 February 2017.
- New launch of a global infrastructure income fund on 23 March 2017.

Ian Dighé, Chairman of Miton Group, said:

"The business has demonstrated its resilience with momentum regained since the half year. Gross sales during 2016 were in excess of £1.1bn which is a testament to the quality of our fund management team and a differentiated and attractive product offering".

"Over the past year, Miton has continued to build its distinctive identity as a genuinely active fund manager. The acceleration of our growth over recent quarters underlines our confidence in our prospects. Miton has an outstanding team, and along with a maturing range of funds, having reached £3,097m AuM at the end of February, we look forward to 2017 and beyond."

	2016 £m	2015 £m	%
Closing AuM	**2,905**	2,784	+4.3
Average AuM(1)	**2,783**	2,319	+20.0
Net revenue	**19.0**	15.7	+21.0
Adjusted Profit before tax(2)	**5.1**	3.0	+70.0
Profit before tax(3)	**4.3**	2.1	+104.8
Cash generated from operations	**8.5**	2.4	+254.3
Total cash	**21.3**	14.1	+51.0
	pence	pence	%
Adjusted earnings per share(4)	**2.67**	1.43	+86.7
Diluted adjusted earnings per share(5)	**2.40**	1.18	+103.4
Basic earnings per share	**2.14**	0.92	+132.6
Proposed dividend per share	**1.00**	0.67	+49.3

Notes

(1) Average AuM is based on the total month end closing AuM for each product managed by the Group.
(2) Adjusted Profit is calculated before the deduction of amortisation, exceptionals, VAT provision relating to prior years and associated taxation.
(3) Profit before tax includes exceptional operating expenses of £0.598m relating to the implementation of a new remuneration structure for the fund management team and the cancellation of the Growth Share Plan for those participants who had no value accrued in the scheme. In 2015 the exceptional items related to redundancy and restructuring costs.
(4) Adjusted earnings per share excludes charges for amortisation, exceptionals, VAT provision and associated taxation.
(5) Diluted adjusted earnings per share involves a dilution of 9.5% largely as a result of an estimate of the Miton Group plc shares which would be issued if all the Growth Share Plan shares with an accrued value at 31 December 2016 had vested and had been exchanged for Miton Group plc ordinary shares at that date.

ENDS

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Note to Editors:

Miton Group plc (referred to as the "Company" or "Group"), is a multi-asset and equity asset management specialist based in London. As at 28 February 2017 the Group managed £3.1 billion of assets including eight OEICs, two unit trusts and four investment trusts.

Chairman's Statement

Overview

In the past year, Adjusted Profit before tax increased by 70% driven by higher average Assets under Management than the previous financial year.

The business has demonstrated its resilience with momentum regained since the half year. As I reported in September 2016, progress was interrupted following the change of management on the CF Miton UK Value Opportunities Fund. However, under the new management of Andy Jackson, who we moved quickly to bring in as portfolio manager, the fund has delivered strong first quartile performance since he took over on 1 July 2016 in what were volatile market conditions following the Brexit referendum.

There has also been strong growth in our multi-asset funds. The combination of good outcome-driven performance coupled with a focused distribution effort has seen the funds grow from assets totalling £477m to £672m, an increase of over 41%.

Gross sales during 2016 were in excess of £1.1bn which is a significant achievement and testament to the quality of our fund management team and a differentiated and attractive product offering, combined with excellent distribution, operations and support capabilities.

Our approach of managing a range of differentiated single strategy funds and transparent multi-asset funds is one that gives the business greater resilience and the ability to deliver investment solutions to a wider range of clients.

Investment performance

Low bond yields imply that longer term returns on assets could be more limited. Whatever the markets have in store for 2017 and beyond, we believe that a genuinely active approach to investing will be advantageous for investors.

At 31 December the Group's product range continued to perform well with 8 out of 14 funds in the first quartile of their respective sectors over the tenures of the current managers.

Results and dividends

The substantial net inflows we experienced in quarters one and four in the year have placed the Group in a strong position moving into 2017. Average AuM as highlighted earlier has improved from last year and operating costs have been tightly controlled which has positively impacted both revenue and profitability.

The Board is proposing to increase the annual dividend by 49% to 1.00p per share (2015: 0.67p) payable on 4 May 2017 to shareholders registered as at 31 March 2017. This increase in dividend reflects the Board's continued confidence in the Group's future prospects and momentum in AuM.

The Group remains robustly financed for whatever the markets may hold, with £21.3m of cash on hand at 31 December 2016 (2015: £14.1m).

Board developments

Miton was refinanced in 2011 in a transaction led by myself and Gervais Williams. Under our leadership Miton has been transformed into a well-resourced and stable asset management business offering truly differentiated single strategy and multi-asset funds. The business is growing well, with a scalable operating platform, a strong balance sheet and an outstanding team of people including some of the UK's leading fund managers.

In November 2016 the Company announced that as part of the normal process of Board refreshment I would be moving from Executive to Non-Executive Chairman. This transition will be effective from 16 March 2017. David Barron assumes my executive responsibilities on an interim basis in the role of Chief Executive Officer, to continue building on the growing momentum within the Group.

It has always been my intention to initiate a search for a new Non-Executive Chairman at this stage and stand down from the Board following an orderly handover of responsibilities. The search for a new Non-Executive Chairman is now underway. The Company will also recruit a Chief Executive to lead the management team in the future.

I am delighted this annual report underlines the considerable progress made in recent years and the tremendous prospects for Miton looking forward. With the planned changes to our Board we will continue to build on the strong foundations that have been laid, focusing on delivering value for our clients and shareholders.

Our people

To develop the business requires a huge amount of work and co-ordination. Our team have been relentless in their efforts and commitment. I continue to be hugely appreciative of everyone's work.

We have, as previously announced, amended our remuneration scheme for fund managers to reflect evolving market expectations and to align incentives more closely to investment performance.

Prospects

We were delighted to announce that fund manager, Jim Wright, joined Miton on 16 January 2017 with a view to launching a global equity infrastructure income fund in early 2017. This is in line with our ambition to launch new products and identify talented managers who fit with our "genuinely active approach".

Jim has a tremendous track record in this area managing the infrastructure mandate of the British Steel Pension Fund for the past ten years. We believe this is an attractive asset class and one where our strongly differentiated approach will appeal to clients.

This latest launch announcement is a further step in bringing new and differentiated funds to market. Since 2011 Miton has launched five new equity funds. These funds now have client assets of £1,526m with an average age of just under three and a half years.

All five funds are top quartile performers since their respective launch dates and demonstrate our ability to identify strategies that can deliver superior returns and talented fund managers to run them. We believe we can launch new funds which are distinct and complementary to what we already offer.

The Group remains a well-capitalised and resourced business with significant expertise and a product range that we believe is increasingly relevant to clients. By continuing to build on the product launches of the last five years, offering a strongly differentiated approach and broadening our range of funds, we have confidence that we can deliver significant growth in the business.

Outlook

Recent election results point to a period of shifting political and economic trends. Regulatory and social expectations are also increasingly challenging. Our funds are well placed to navigate these changes with their focus on flexibility, access to a wider opportunity set and careful management of both risk and return. We believe they are relevant to clients through a range of market conditions.

We do not manage our business by trying to predict regulatory changes or by assuming markets will perform in a particular fashion. We offer a range of strategies that are genuinely distinctive in the eyes of clients. We aim to have diversification in our business, to offer both single strategy and multi-asset funds, delivering excellent client service with a robust operating platform and appropriate cost management. We are nimble and entrepreneurial and can take advantage of the opportunities that may arise from changes elsewhere in the fund management sector.

Over the past year, Miton has continued to build its distinctive identity as a genuinely active fund manager. The acceleration of our growth over recent quarters underlines our confidence in our prospects. Miton has an outstanding team, and along with a maturing range of funds, having reached £3,097m AuM at the end of February, we look forward to 2017 and beyond.

Ian Dighé
Executive Chairman
15 March 2017

Financial and Operational Review

Results for the year

Average Assets under Management (AuM) for 2016 was £2,783m (2015: £2,319m) representing an increase of 20% for the year. This increase has driven the rise in underlying profitability despite the Group's closing AuM ending the year only 4.3% ahead of the opening position at £2,905m.

Net revenues increased to £19.0m for the year (2015: £15.7m) and Adjusted Profit before tax was £5.1m (2015: £3.0m). Although administration expenses exhibited a similar upward trend, these did not increase at the same pace as Group revenues.

As noted in the half year report, the Group's significant net inflows in the first quarter were offset in the second quarter primarily as a result of outflows experienced on the CF Miton UK Value Opportunities Fund. The second half of the year saw momentum in asset gathering resume, resulting in net inflows for the year of £1m as detailed below.

AuM by asset class

	Opening AuM 1 January 2016 £m	Net Flows £m	Market / investment performance £m	**Closing AuM 31 December 2016 £m**
Equity funds	1,834	(181)	61	**1,714**
Multi-asset Funds	477	154	41	**672**
Investment Trusts	473	28	18	**519**
Total	2,784	1	120	**2,905**

The Group continues to focus on the diversification of the fund range. Pleasingly the European equity strategy launched on 14 December 2015 closed the year at £82m.

The CF Miton US Opportunities Fund continued to deliver first quartile performance as it has done since inception. AuM increased by 85% to end the year at £238m.

The multi-asset funds saw net inflows for the year totalling £154m, of which £152m related to the MI Miton Cautious Monthly Income Fund which saw its assets end the year at £210m.

Looking to 2017, the Group continues to broaden its fund range with the pending launch of a new fund specialising in listed global equity infrastructure assets.

Net management fees and margins

	2016	2015	% growth
Average AuM (£m)	**2,783**	2,319	20.0
Net management fees (£m)	**19.0**	15.7	21.0
Net management fee margin (bps)	**68.2**	67.7	

Net management fee margin rose slightly to 68.2bps for the year (2015: 67.7bps). The increase continues to reflect the maturing product mix and the higher margin contribution from Investment Trusts managed by the Group.

It is anticipated that these margins will reduce somewhat in future years as the Group continues to diversify and new strategies contribute at lower founder investor margins in their early asset gathering phases.

Costs

Administration expenses (excluding share-based payments) rose during the year to £13.1m, an increase of 15.9%. This is due largely to the introduction of a new fund manager remuneration scheme (discussed below).

Fixed personnel costs rose to £6.6m due to the addition of a full year of costs for the Group's European equity strategy, changes to the management of the UK value strategy and general increases in base salaries across the Group.

Overheads decreased by 5.6% reflecting a sharpened focus on the cost base in 2016 as a result of the cost review performed in Q4 2015. Included within overheads were recruitment costs totalling £0.4m relating to the Group's continued development and also arising from specific events that occurred during the year.

In 2016 project related costs reduced to £0.1m compared to £0.4m in 2015. The Group continues to streamline the business and build on the progress made in 2015.

Other costs consist principally of depreciation and irrecoverable VAT.

Adjusted Profit and Profit before Tax

	2016 £m	2015 £m
Net revenue	**19.0**	15.7
Administrative expenses	**(13.1)**	(11.3)
Share-based payments	**(0.7)**	(1.2)
VAT adjustment*	**–**	(0.2)
Adjusted Profit before tax	**5.1**	3.0
Amortisation	**(0.3)**	(0.8)
Exceptional costs	**(0.6)**	(0.3)
VAT adjustment*	**–**	0.2
Profit before tax	**4.3**	2.1

* Provision relating to prior year

The profit before tax of £4.3m (2015: £2.1m) arose after charging exceptional costs of £0.6m arising from the cancellation of the Growth Share Plan (GSP) for those participants who had no accrued value in the scheme as at 30 June 2016. It also includes costs associated with the implementation of the new remuneration structure for the fund management team. In 2015 the exceptional costs of £0.3m resulted from redundancy and associated legal costs.

Share-based payments

The share-based payment expense for the year was £0.7m (2015: £1.2m). The decrease during the year is due to two elements:

1. The forfeiture of awards by employees leaving the Group, resulting in a write-back of the cumulative expense recognised in prior periods totalling £0.43m. Of this, £0.21m is in relation to previous awards under the Management Incentive Plan (MIP) and Management Equity Incentive (MEI) schemes, the balance of £0.22m relates to awards under the GSP.
2. An accelerated charge recognised as an exceptional item for the cancellation of the GSP (which would have normally been included in share-based payments for 2016 and future years). This amounted to a non-cash IFRS 2 charge of £0.48m, shown below.

Reconciliation of share-based payment expense:

	2016 £m	2015 £m
Share-based payment: GSP	**0.85**	0.70
Share-based payment: MEI & MIP	**0.32**	0.54
Forfeiture of awards:	**(0.43)**	(0.04)
Share-based payment expense	**0.74**	1.20
Exceptional item: Acceleration of GSP share-based payment	**0.48**	–

New fund manager remuneration scheme

The GSP has been replaced as the primary mechanism to remunerate each fund manager with a new scheme which allows participants to share in the net revenue generated by their funds. The award in a given year will not exceed 25% of the net revenue generated. Any award under the scheme is adjusted for performance and risk metrics and deducts direct employment costs. A percentage of the award, over a de minimis amount, is required to be invested into funds managed by the Group and released to the participant over a three year deferral period.

With the introduction of the new scheme and more variable cash costs, there will be a reduction in future dilution as well as the resulting non-cash share-based payment expense.

Earnings per share

The adjusted earnings per share of 2.67p shows an increase of 86.7% on 1.43p achieved in 2015. The increase is due primarily to the increase in the Adjusted Profit after tax.

Basic earnings per share was 2.14p (2015: 0.92p).

Diluted adjusted earnings per share of 2.40p (2015: 1.18p) shows a theoretical dilution of 9.5% (2015: 20%) largely as a result of an estimate of the number of Miton Group plc shares which would have been issued if all the outstanding growth shares with accrued value at 31 December 2016 had been converted at that date.

The theoretical dilution has fallen significantly as a result of an exchange notice being served on 100 growth shares during the year and the subsequent issue of plc shares. In addition to this, a team with accrued value in the GSP as at 31 December 2015 departed during the year and as a consequence forfeited their growth shares.

There is also a dilution element arising from the Management Equity Incentive (MEI) and the Management Incentive Plan (MIP) where the exercise prices are below the average share price during the year of 27.32p (2015: 25.83p).

Dividend

The Board is proposing to increase the annual dividend by 49.3% to 1.00p per share (2015: 0.67p) payable on 4 May 2017 to shareholders registered as at 31 March 2017. The increase in the dividend reflects the Board's continued confidence in the Group's growth prospects and AuM progression now that the Group's operating platform has been established and the historic structural changes completed.

Balance sheet and cash management

As at the year end the cash balances of the Group were £21.3m (2015: £14.1m). The rise was driven by the increased profitability over the year coupled with positive working capital movements.

The Group believes in maintaining a healthy balance sheet, particularly in light of economic and political changes. The Group has not used capital retained in the business to seed new investment products.

On 22 December 2016 the Group announced that it would be utilising some of its cash resources to mitigate the dilution impact arising from conversions under the GSP. The Group provided an instruction to Peel Hunt to acquire up to 6,606,900 ordinary shares. The buyback commenced in January 2017 and was completed on 23 February 2017. At 15 March 2017 all the shares purchased as part of this process have been cancelled.

Piers Harrison
Chief Operating Officer

15 March 2017

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2016

	Notes	**2016 £000**	2015 £000
Revenue		**24,067**	22,031
Fees and commission expenses		**(5,079)**	(6,306)
Net revenue		**18,988**	15,725
Administration expenses		**(13,122)**	(11,319)
Share-based payment expense		**(739)**	(1,218)
Amortisation of intangible assets		**(290)**	(768)
Exceptional operating expenses	**3(c)**	**(598)**	(317)
Operating profit	**3(a)**	**4,239**	2,103
Finance revenue		**11**	22
Profit for the year before taxation		**4,250**	2,125
Taxation		**(1,002)**	(730)
Profit for the year after taxation and attributable to equity holders of the parent		**3,248**	1,395
		pence	pence
Basic earnings per share	**4(a)**	**2.14**	0.92
Diluted earnings per share	**4(a)**	**1.92**	0.75

No other comprehensive income was recognised during 2016 or 2015. Therefore, the profit for the year is also the total comprehensive income.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2016

	Share Capital £000	Share Premium £000	Employee Benefit Trust £000	Treasury Shares £000	Creditors' Reserve £000	Retained Earnings £000	Total £000
At 1 January 2015	171	2,661	(6,294)	(26)	3,057	57,171	56,740
Profit for the year	–	–	–	–	–	1,395	1,395
Release of Treasury shares	–	–	43	–	–	–	43
Purchase of Treasury shares	–	–	(17)	–	–	–	(17)
Purchase of Employee Benefit Trust Shares	–	–	(252)	–	–	–	(252)
Share-based payment	–	–	–	–	–	1,218	1,218
Release from Creditors' Reserve	–	–	–	–	(3,057)	3,057	–
Equity dividends paid	–	–	–	–	–	(910)	(910)
At 1 January 2016	**171**	**2,661**	**(6,520)**	**(26)**	**–**	**61,931**	**58,217**
Profit for the year	–	–	–	–	–	3,248	3,248
Release of Treasury shares	–	–	–	15	–	–	15
Purchase of Employee Benefit Trust Shares	–	–	(10)	–	–	–	(10)
Share-based payment	–	–	–	–	–	1,215	1,215
Settlement of options	–	–	–	–	–	(159)	(159)
Share issues on exchange of Growth Shares	7	–	–	–	–	(7)	–
Equity dividends paid	–	–	–	–	–	(1,012)	(1,012)
At 31 December 2016	**178**	**2,661**	**(6,530)**	**(11)**	**–**	**65,216**	**61,514**

Consolidated Statement of Financial Position

as at 31 December 2016

	Notes	2016 £000	2015 £000
Non-current assets			
Goodwill		**41,070**	41,070
Intangible assets		**817**	1,107
Other investments		**100**	–
Property and equipment		**86**	161
Deferred tax asset		**44**	61
		42,117	42,399
Current assets			
Trade and other receivables		**2,415**	4,620
Cash and cash equivalents	**5**	**21,288**	14,073
		23,703	18,693
Total assets		**65,820**	61,092
Current liabilities			
Trade and other payables		**(3,953)**	(2,554)
		(3,953)	(2,554)
Non-current liabilities			
Provisions		**(187)**	(89)
Deferred tax liability		**(166)**	(232)
		(353)	(321)
Total liabilities		**(4,306)**	(2,875)
Net assets		**61,514**	58,217
Equity			
Share capital		**178**	171
Share premium		**2,661**	2,661
Employee Benefit Trust		**(6,530)**	(6,520)
Treasury shares		**(11)**	(26)
Retained earnings		**65,216**	61,931
Total equity shareholders' funds		**61,514**	58,217

Consolidated Statement of Cash Flows

for the year ended 31 December 2016

	Notes	**2016 £000**	2015 £000
Operating activities			
Profit for the year after taxation		**3,248**	1,395
Adjustments to reconcile profit to net cash flow from operating activities:			
Tax on continuing operations		**1,002**	730
Finance revenue		**(11)**	(22)
Depreciation		**86**	88
Loss on disposal of fixed assets		**1**	3
Amortisation of intangible assets		**290**	768
Share-based payment expense		**1,215**	1,218
Decrease/(increase) in trade and other receivables		**1,661**	(1,205)
Increase/(decrease) in trade and other payables		**934**	(357)
Increase/(decrease) in provisions		**98**	(171)
Cash generated from operations		**8,524**	2,447
Income tax paid		**(42)**	(1,346)
Net cash flow from operating activities		**8,482**	1,101
Investing activities:			
Interest received		**11**	22
Purchase of property and equipment		**(12)**	(36)
Purchase of other investments		**(100)**	–
Acquisition of Darwin Investment Managers Limited		**–**	(420)
Purchase of Matterley management contract		**–**	(650)
Net cash flow from investing activities		**(101)**	(1,084)
Financing activities:			
Purchase of Treasury shares		**-**	(17)
Release of Treasury shares		**15**	43
Purchase of Employee Benefit Trust shares		**(10)**	(252)
Settlement of options		**(159)**	–
Dividend paid		**(1,012)**	(910)
Net cash flow from financing activities		**(1,166)**	(1,136)
Increase/(decrease) in cash and cash equivalents		**7,215**	(1,119)
Cash and cash equivalents at the beginning of the year		**14,073**	15,192
Cash and cash equivalents at the end of the year	**5**	**21,288**	14,073

Notes to the Consolidated Financial Statements

for the year ended 31 December 2016

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

The financial statements of Miton Group plc and its subsidiaries (the 'Group') for the year ended 31 December 2016 were authorised for issue by the Board of directors on 15 March 2017 and the Consolidated Statement of Financial Position was signed on the Board's behalf by Ian Dighé. Miton Group plc is a public limited company incorporated and domiciled in England and Wales. The Company's ordinary shares are traded on AIM.

This financial information does not constitute statutory accounts, but has been extracted from the statutory accounts for the years ended 31 December 2016 and 31 December 2015 on which unqualified audit reports, which did not contain a statement under s498(2) or s498(3) of the Companies Acts 2006, have been issued. The statutory accounts for the year ended 31 December 2015 were posted to shareholders on 1 April 2016 and delivered to the Registrar on 10 May 2016. The results announcement has been prepared on the same basis as that used in the preparation of the previous year's annual report and was approved for issue by the board of directors on 15 March 2017.

The statutory accounts will be delivered to the Registrar of Companies following the Company's Annual General Meeting which will be held at 10.30am on 27 April 2017 at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London, EC2M 7SH.

Copies of the Annual Report and Accounts and the Notice of Annual General Meeting will be published on the Group's website www.mitongroup.com on 16 March 2017 and posted to shareholders on or before 3 April 2017. They will be available to the public at the registered office from 3 April 2017.

2. Basis of preparation

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union as they apply to the financial statements of the Group for the year ended 31 December 2016. The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which have been measured at fair value. The consolidated financial statements are presented in Sterling and all values rounded to the nearest thousand pounds (£000). This results announcement contains certain forward looking statements with respect to the financial condition, results of operations and businesses and plans for Miton Group plc. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that have not yet occurred. There are a number of different factors that could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements. Nothing in this statement should be construed as a profit forecast.

Segmental reporting

The Group has only one operating segment, fund management, which is derived from clients in the United Kingdom and Europe. Therefore, no segmental reporting is presented. The Group has one cash-generating unit.

3. Group operating profit

(a) Operating profit is stated after charging:

	Notes	**2016 £000**	2015 £000
Auditors' remuneration	3(b)	**170**	241
Staff costs		**9,486**	7,634
Operating lease rentals – land and buildings		**487**	606
Depreciation		**86**	88
Loss on disposal of fixed assets		**1**	3
Amortisation of intangible assets		**290**	768
Exceptional operating expenses	3(c)	**598**	317

The operating lease rental charged to the Consolidated Statement of Comprehensive Income includes the service charges associated with each lease.

(b) Auditors' remuneration

The remuneration of the auditors is analysed as follows:

		2016 £000	2015 £000
Audit of the consolidated financial statements		**40**	77
Audit of the Company's subsidiaries		**77**	70
		117	147
Other fees to auditors	— tax compliance services	**38**	41
	— tax advisory services	**7**	32
	— other assurance services	**8**	21
		170	241

(c) Exceptional operating expenses

		2016 £000	2015 £000
Group restructuring costs		**–**	317
New fund manager remuneration plan	— implementation costs	**123**	–
	— acceleration of share-based payment (non-cash)	**475**	–
		598	317

The exceptional costs in 2016 totalling £598,000 arose from the cancellation of the GSP for those participants who had no accrued value in the scheme as at 30 June 2016 along with costs associated with the implementation of the new remuneration structure for the fund management team.

Restructuring costs in 2015 represented £312,000 of redundancy costs and £5,000 of associated legal costs.

4. Earnings per share

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

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 Trust. These shares have waived their dividend rights.

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

In January 2017 the Group undertook a share buyback that was completed on 23 February 2017. The Group acquired a total of 6,606,900 ordinary shares and as at 15 March 2017 these shares had been cancelled.

(a) Reported earnings per share

Reported basic earnings per share has been calculated as follows:

	2016			2015		
	Profit £000	**Shares No.**	**Basic earnings per share pence**	Profit £000	Shares No.	Basic earnings per share pence
Profit attributable to ordinary equity shareholders of the parent company for basic earnings	**3,248**			1,395		
Basic earnings per share	**3,248**	**152,037,715**	**2.14**	1,395	151,653,458	0.92

Diluted earnings per share has been calculated as follows:

	2016			2015		
	Profit £000	**Diluted Shares No.**	**Diluted earnings per share pence**	Profit £000	Diluted Shares No.	Diluted earnings per share pence
Profit attributable to ordinary equity shareholders of the parent company for diluted earnings	**3,248**			1,395		
Diluted earnings per share	**3,248**	**169,165,834**	**1.92**	1,395	184,819,738	0.75

Reconciliation of weighted average number of ordinary shares:

	2016 Shares No.	2015 Shares No.
Weighted average number of ordinary shares for basic EPS*	**152,037,715**	151,653,458
Effects of dilution from share options	**17,128,119**	33,166,280
Weighted average number of ordinary shares adjusted for the effect of dilution*	**169,165,834**	184,819,738

* The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year.

(b) Adjusted earnings per share

Adjusted earnings per share is based on Adjusted Profit after tax, where Adjusted Profit is stated after charging interest and share-based payments but before amortisation, exceptional items and items relating to previous years.

Adjusted Profit for calculating adjusted earnings per share:

	2016 £000	2015 £000
Profit before taxation for the year	**4,250**	2,125
Add back:		
Exceptional operating expenses	**598**	317
Amortisation	**290**	768
VAT provision relating to prior years	**–**	(185)
Adjusted Profit before tax	**5,138**	3,025
Taxation:		
Tax charge in the Consolidated Statement of Comprehensive Income	**(1,002)**	(730)
Tax effect of adjustments	**(81)**	(119)
Adjusted Profit after tax for the calculation of Adjusted earnings per share	**4,055**	2,176

Adjusted earnings per share was as follows using the number of shares calculated at note 4(a):

	2016 pence	2015 pence
Adjusted earnings per share	**2.67**	1.43

Diluted Adjusted earnings per share was as follows:

	2016 pence	2015 pence
Diluted Adjusted earnings per share	**2.40**	1.18

The dilution arises largely as a result of the Miton Group plc shares which would be issued if all the Growth Share Plan shares with an accrued value at 31 December 2016, which will not fully vest until September 2018, had vested and had been exchanged into Miton Group plc ordinary shares at 31 December 2016.

5. Cash and cash equivalents

	2016 £000	2015 £000
Cash at bank and in hand	21,288	14,073