

MITON GROUP PLC FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

“Momentum continues for Miton after strong inflows in 2015”

Miton Group plc (the ‘Company’ or ‘Group’), the AIM quoted fund management group, today announces its final results for the year ended 31 December 2015.

2015 Results

- £2,784 million Assets under Management (AuM), up from £2,050 million at the start of 2015 (an increase of 35.8%).
- Significant momentum with £463 million of net inflows supplemented by good performance.
- Net management fee margin maintained.
- Launch of two new products:
 - Miton UK MicroCap Trust plc
 - CF Miton European Opportunities Fund
- Miton Multi-Asset fund range was repositioned for future growth and continued to deliver good performance in the year.
- The Darwin Multi Asset Fund was relaunched to become the PFS Miton Cautious Monthly Income Fund to take advantage of opportunities that arise from new pension freedoms following regulatory change.
- Miton Income Fund saw continued performance improvement – top quartile over one and two years.
- Both the CF Miton UK Value Opportunities Fund and the CF Miton UK Multi Cap Income Fund experienced outstanding performance.

Current Trading

- Momentum continues with £185 million of net inflows in the two months to 29 February 2016 and a closing AuM of £2,907 million.

	2015 £m	2014 £m	%
Closing AuM	2,784	2,050	35.8
Average AuM ⁽¹⁾	2,319	2,637	(12.1)
Net revenue	15.7	17.2	(8.7)
Adjusted Profit before tax ⁽²⁾	3.0	5.3	(43.4)
Profit/(loss) before tax ⁽³⁾	2.1	(5.5)	–
Cash generated from operations	2.4	4.2	(42.9)
Total cash	14.1	15.2	(7.2)
	pence	pence	
Adjusted earnings per share ⁽⁴⁾	1.43	2.78	
Diluted adjusted earnings per share ⁽⁵⁾	1.18	2.53	
Basic earnings/(loss) per share	0.92	(3.27)	
Proposed dividend per share	0.67	0.60	

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, exceptional items, VAT provision relating to prior years and taxation.
- (3) Profit/(loss) before tax includes exceptional operating expenses of £0.32m relating to redundancy and restructuring completed during the year. In 2014 this figure included the loss on the sale of Miton Capital Partners Limited of £12.0m, which arose as a result of the write-off of goodwill and intangible assets and a credit of £3.2m arising from a fair value adjustment for the deferred consideration for the acquisition of PSigma.
- (4) Adjusted earnings per share excludes charges for amortisation, exceptional items, VAT provision and associated taxation.
- (5) Diluted adjusted earnings per share involves a dilution of 20% 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 2015 had vested and had been exchanged for Miton Group plc ordinary shares at that date.

Ian Dighé, Chairman, stated, “I am delighted to report that the business made significant progress during 2015 growing assets under management by 35.8% to £2,784m. This reflected strong momentum in the second half as we saw a marked acceleration in gross sales coupled with a significant decline in redemptions.

This momentum has continued into 2016 despite markets being particularly unsettled. We believe many of our strategies continue to be well positioned to generate attractive returns for investors and endeavour to take advantage of changing market trends. As a business we have much to look forward to and started 2016 from a higher AuM base which had further increased to £2,907m as at 29 February 2016.”

ENDS

For further information, please contact:

Miton Group plc

Ian Dighé (Executive Chairman)
Gervais Williams (Managing Director)

020 3714 1500

MHP Communications

Reg Hoare / Simon Hockridge / Charlie Barker

miton@mhpc.com

020 3128 8100

Peel Hunt (Nominated adviser and Broker)

Guy Wiehahn

020 7418 8893

Note to Editors:

Miton Group plc (referred to as the “Company” or “Group”), is an equity and multi-asset fund management specialist based in London. As at 29 February 2016 the Group manages £2.9 billion of assets including nine OEICs, two unit trusts and four investment trusts. Members of the fund management team invest in their own funds and are significant shareholders in the Company.

Chairman’s Statement

Assets under Management

I am delighted to report that the business made significant progress growing assets under management from £2,050m at the start of the year to £2,784m at the year end, an increase of 35.8%.

We reported at the half year that net inflows to the business at that point were £10m following a challenging first quarter for the business and an improving second quarter. This momentum continued in the second half of the year, as we saw a marked acceleration in gross sales coupled with a significant decline in redemptions.

This increase in assets was a combination of both good performance across our fund range and a focused approach to distribution. Gross sales of over £1bn and a reduction in redemptions saw us increase our net inflows to £463m for the year. CF Miton UK Value Opportunities Fund (including the FP Miton Undervalued Assets Fund) achieved outstanding growth and performance, with the combined strategy starting the year at £211m and ending at £783m. Increasingly, this product is seen as an important component of clients’ portfolios. The CF Miton UK Multi Cap Income Fund also saw significant inflows over the year. The Fund was a first quartile performer for the year and saw assets grow from £378m to £586m at the year end.

The Miton UK MicroCap Trust plc was launched on 30 April 2015 raising gross proceeds of £50m. The focus on the very smallest companies has generated a great deal of interest and sound performance afforded us the opportunity to raise a further £5m in August. After the year end, on 19 February 2016, I am pleased to report that the Trust undertook an issue of C shares and raised further gross proceeds of £28m.

We continue as ever to look at our product range in the context of the marketplace and the needs of investors.

Investment performance

The Group’s product range has continued to deliver with eight of our funds or investment trusts in the first quartile of their respective sectors since launch or since the current managers took over the management of the strategy.

Results and Dividends

The significant inflows in the final two quarters of the year were pleasing to see and although our average AuM for 2015 was down on the previous year, the renewed momentum puts the Group in a good position as we move into 2016. Consequently revenue was lower than last year and this impacted our profitability. Operating costs were maintained despite a number of structural projects completed during the year. The Group’s adjusted profit for the year was lower than achieved in 2014 as a result of the lower average AuM in 2015.

The Board is proposing to increase the annual dividend by 11.7% to 0.67p (2014: 0.60p) per share payable on 18 May 2016 to shareholders registered at 1 April 2016. The dividend reflects the Board’s continued confidence in the Group’s future prospects, momentum in AuM and growth initiatives completed in 2015. The Group remains soundly financed with £14.1m of cash on hand at 31 December 2015.

Investment in the wider community

In addition to Miton’s responsibilities to clients, shareholders and staff the Group is also cognisant of its wider community responsibilities. In 2014 we agreed to sponsor NYAS - the National Youth Advocacy Service (Registered Charity 1012485). Our thinking is that if we are purposeful we can make a real difference to a small charity.

NYAS ensures that children and young peoples’ voices are heard when important decisions are being made about them, particularly when they are at difficult stages in their lives. NYAS provides socio-legal services - essentially information, advice, advocacy and legal representation through a network of dedicated paid workers and volunteers throughout England and Wales.

Staff

All our staff have worked tirelessly and the achievements for the year reflect their diligence and commitment to the Group. I am hugely appreciative of their efforts.

Board changes

I was particularly pleased to appoint Piers Harrison as Chief Operating Officer on 11 September 2015. He has additional responsibility for the finance function and is assisted in this role by Bart Edgar, the Director of Finance. The changes have brought a renewed focus on the control of costs and the operational effectiveness within our business activities. Ian Chimes, Director of Sales & Marketing also joined the Board on 11 September 2015. His contribution to the quality of our channels of distribution has been significant and we welcome his input to the Board.

Shareholders will remember Lord Wade notified us of his intention to stand down from the Board at our last AGM and he resigned from the Board on 11 January 2016. I would like to record the Board's immense gratitude to him for his wise counsel since 2008. He has been an exemplary advocate of shareholders' interests. We wish him well.

Prospects

Our multi asset range is a core element of our business. We re-named two of our funds CF Miton Defensive Multi Asset Fund (formerly CF Miton Strategic Portfolio) and CF Miton Cautious Multi Asset Fund (formerly CF Miton Special Situations Portfolio) and moved them into more appropriate Investment Association sectors to help improve the visibility and clarity of these two products.

At the start of the fourth quarter, we re-positioned and re-named the PFS Darwin Multi Asset Fund to PFS Miton Cautious Monthly Income Fund. We believe this Fund will become increasingly popular with investors looking for a diversified source of monthly income in light of pension regulation changes. We are delighted with the significant progress David Jane and his team have made over the past year in developing this critical part of our business.

In December, we launched the CF Miton European Opportunities Fund. This Fund has been designed as a complementary and differentiated offering for investors looking for European exposure or indeed wanting to diversify their existing European exposure. The Fund is able to invest in stocks across the market cap spectrum although it has a bias to medium sized European companies. We welcomed two fund managers, Carlos Moreno and Thomas Brown, during the year to establish this European equity capability.

Miton has highly effective operations, sales and marketing, compliance and finance structures, and the business is now set to benefit from the positive effects of operational gearing. The focus remains on revenue generation to further increase profitability while keeping a tight control over costs.

Outlook

Markets have been particularly unsettled since the start of 2016. However many of our funds and investment trusts continue to be well positioned to generate attractive returns for investors and endeavour to take advantage of changing market trends. As a business we have much to look forward to and start 2016 from a higher AuM base. We operate in an extremely competitive industry but through our continued hard work and distinctiveness we have every reason to be optimistic as we seek to grow the business further.

Ian Dighé

Executive Chairman
18 March 2016

Financial and Operational Review

Results for the year

The average Assets under Management (AuM) decreased by 12.1% reflecting the lower opening AuM figure of £2,050m (2014: £3,098m). Consequently, Adjusted Profit before tax fell by 43% to £3.0m (2014: £5.3m) arising from the costs being spread over a smaller revenue base.

However in terms of AuM growth, it has been a year of significant progress for the Group. On 31 December 2015 the Group's AuM stood at £2,784m, an increase of 35.8% on the opening position as detailed below.

2015 AuM by asset class

	Opening AuM 1 January 2015 £m	Net flows £m	Market/ investment performance £m	Closing AuM 31 December 2015 £m
Equity funds	1,081	573	180	1,834
Multi-asset funds	602	(162)	37	477
Investment trusts	367	52	54	473
Total	2,050	463	271	2,784

Net flows gathered momentum in the latter half of 2015 resulting in a higher base for average AuM as the Group enters 2016. The Group has a continued focus on the diversification of its investment strategies. Miton's value and multi-cap strategies in particular saw strong growth during the year, buoyed by good investment performance. On 14 December 2015 a new European equity strategy was established.

Net management fees and margins

	2015	2014	%
Average AuM (£m)	2,319	2,637	(12.1)
Net management fees (£m)	15.7	17.2	(8.7)
Net management fee margin (bps)	67.7	65.2	

Net management fee margins increased to 67.7bps (2014: 65.2bps, 2013: 61.3bps). The increase is as a result of a higher opening proportion of investment trust business at the start of the year largely due to the outflows experienced in the open ended funds during 2014. The Group also saw strategies it launched in 2013 mature in scale and increase their net margin contribution. In addition to this, the margin was positively impacted by the outflow experienced in October 2014 of a lower margin segregated mandate. Looking to 2016 we anticipate that margins will return to 2014 levels as the Group's product mix evolves and the new strategies come on line at lower founder investor margins.

Costs

Administrative expenses (excluding share-based payments) remained flat at £11.3m. This however includes a number of non-recurring costs arising from the structural changes undertaken during the year. Notably, office costs increased during 2015 as a result of the move to centralised London offices at Paternoster House in April 2015.

The significant infrastructure changes for the Group have now been completed. In addition to the London office the Group maintains a fully operational disaster recovery site in Reading to ensure continuity of operations should an issue occur at the principal office.

Overheads totalling £3.6m (2014: £3.5m) comprise IT, administration, sales and marketing, insurance and occupancy costs.

Other costs of £0.6m consist principally of depreciation and irrecoverable VAT. These costs for the year fell by £0.3m primarily as a result of the release of the VAT provision of £0.2m from prior years.

The Group initiated and completed a number of projects during the year and incurred £0.42m (2014: £0.14m) in related costs. These continue the progress in streamlining the business. A number of projects are planned for 2016 but are not expected to be at the same level as in 2015. The significant projects in the year were:

- Change of name and IA sector for the CF Miton Defensive Multi Asset Fund *Completed 16 May 2015*
- Change of name, objective and IA sector for the CF Miton Cautious Multi Asset Fund *Completed 16 May 2015*
- Change of name, objective and manager on the PFS Miton Cautious Monthly Income Fund *Completed 30 September 2015*
- Closure of the Miton American Fund *Completed 31 October 2015*
- Closure of the Miton Global Equity Fund *Completed 31 October 2015*
- Launch of the CF Miton European Opportunities Fund *Completed 14 December 2015*
- Merger of the FP Miton Undervalued Assets Fund *Completed 8 February 2016*
- Change of the service providers and unit trust manager on the Miton Income Fund *Completed 15 February 2016*
- Liquidation of PSigma Asset Management Ltd *Commenced and ongoing*
- Proposed liquidation of Miton (Hong Kong) Limited *Commenced and ongoing*

Fixed personnel costs of £6.1m rose by 3.4% in the year. The semi-variable personnel costs totalling £0.6m fell by 33% reflecting lower bonuses associated with the fall in Adjusted Profit for the year.

The increase in the share-based payments charge reflects the charge associated with the Group's Growth Share Plan. The amount that is charged to the Statement of Comprehensive Income increases in line with the probability of vesting.

Cash

The Group remains soundly financed with £14.1m (2014: £15.2m) in cash on the Consolidated Statement of Financial Position at the year end.

The Group has no long term debt. Cash generated from operations for the year reduced to £2.4m (2014: £4.2m) reflecting the fall in net revenue coupled with an increase in trade receivables at the year end resulting from a significant portion of the November management fees being received in January 2016.

Following court approval on 21 December 2015 the Group released the creditors' reserve which arose from a capital reduction in 2013.

Adjusted Profit and Profit/(loss) before Tax

	2015 £m	2014 £m
Net revenue	15.7	17.2
Administrative expenses	(11.3)	(11.3)
Share-based payments	(1.2)	(0.9)
Interest	–	0.1
VAT adjustment*	(0.2)	0.2
Adjusted Profit before tax	3.0	5.3
Amortisation	(0.8)	(1.2)
Exceptional costs	(0.3)	(9.4)
VAT adjustment*	0.2	(0.2)
Profit/(loss) before tax	2.1	(5.5)

*provision relating to prior years

Earnings per share

The adjusted earnings per share of 1.43p show a decrease of 48.6% on 2.78p achieved in 2014. This is due to a 47.1% decrease in the Adjusted Profit after tax and an increase in the weighted average number of shares due to the shares issued in 2014.

The Basic earnings per share was 0.92p (2014: loss 3.27p).

Diluted Adjusted earnings per share of 1.18p (2014: 2.53p) show a theoretical dilution of 20.0% (2014: 9.0%) largely as a result of an estimate of the number of Miton Group plc shares which would have been issued if all the Growth Share Plan shares with accrued value at 31 December 2015 had been converted at that date. 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 25.8p (2014: 38.9p).

Profit/(loss) before tax

The profit before tax of £2.1m (2014: loss £5.5m) arose after charging exceptional costs of £0.32m in respect of redundancy and associated legal costs arising from restructuring completed in the year. In 2014 the exceptional costs of £9.4m related to:

- Loss on sale of Miton Capital Partners Ltd of £12.0m;
- A write-back of £3.2m of deferred consideration on the acquisition of PSigma;
- One-off costs of £0.3m relating to the implementation of the Growth Share Plan; and
- Acquisition costs of £0.3m relating to the Darwin and Matterley transactions.

Dividend

The Board is proposing to increase the annual dividend by 11.7% to 0.67p (2014: 0.60p) per share payable on 18 May 2016 to shareholders registered at 1 April 2016. The dividend reflects the Board's continued confidence in the Group's future prospects, momentum in AuM and the structural changes that have been completed in 2015. Since 2011 the dividend has increased steadily.

Performance

The Group's product range has continued to deliver strong performance. Eight of the Group's funds and investment trusts are in the first quartile of their respective sectors ⁽¹⁾ since launch or since the current managers took over.

(1) Source: Financial Express as at 31.12.2015. Total Return in GBP based on the A Accumulation share class for all Funds apart from the FP Miton Undervalued Assets Fund whose main share class is the Institutional Accumulation. For the Investment Trusts this is based on share price data. Quartile positions are based on the IA or AIC sectors in which the funds or investment trusts are classified.

Piers Harrison

Chief Operating Officer
18 March 2016

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2015

	Notes	2015 £000	2014 £000
Revenue		22,031	26,952
Fees and commission expenses		(6,306)	(9,732)
Net revenue		15,725	17,220
Administration expenses		(11,319)	(11,297)
Share-based payment charge		(1,218)	(905)
Amortisation of intangible assets		(768)	(1,218)
Exceptional operating expenses	3(c)	(317)	(9,364)
Operating profit/(loss)	3(a)	2,103	(5,564)
Finance revenue		22	58
Profit/(loss) for the year before taxation		2,125	(5,506)
Taxation		(730)	679
Profit/(loss) for the year after taxation and attributable to equity holders of the parent		1,395	(4,827)
		pence	pence
Basic earnings/(loss) per share	4(a)	0.92	(3.27)
Diluted basic earnings per share	4(a)	0.75	–

No other comprehensive income was recognised during 2015 or 2014. Therefore the profit/(loss) for the year is also the total comprehensive income.

No diluted earnings per share amount was disclosed for 2014 as the Group's reported figure was a loss.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2015

	Share Capital £000	Share Premium £000	Employee Benefit Trust £000	Treasury Shares £000	Creditors Reserve £000	Retained Earnings £000	Total £000
At 1 January 2014	164	–	(6,294)	–	3,799	62,464	60,133
Loss for the year	–	–	–	–	–	(4,827)	(4,827)
Shares issued for the acquisition of PSigma Asset Management Holdings	3	1,254	–	–	–	–	1,257
Shares issued for the acquisition of Darwin Investment Managers	2	700	–	–	–	–	702
Purchase of Treasury shares	–	–	–	(26)	–	–	(26)
Shares issued on exercise of options	2	707	–	–	–	(377)	332
Share-based payment expense	–	–	–	–	–	905	905
Deferred tax direct to equity	–	–	–	–	–	(953)	(953)
Release from Creditors' Reserve	–	–	–	–	(742)	742	–
Equity dividends paid	–	–	–	–	–	(783)	(783)
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 expense	–	–	–	–	–	1,218	1,218
Release from Creditors' Reserve	–	–	–	–	(3,057)	3,057	–
Equity dividends paid	–	–	–	–	–	(910)	(910)
At 31 December 2015	171	2,661	(6,520)	(26)	–	61,931	58,217

Consolidated Statement of Financial Position

as at 31 December 2015

	Notes	2015 £000	2014 £000
Non-current assets			
Goodwill		41,070	41,070
Intangible assets		1,107	1,575
Property and equipment		161	216
		42,338	42,861
Current assets			
Trade and other receivables		4,620	2,871
Deferred tax asset		61	109
Cash and cash equivalents	5	14,073	15,192
		18,754	18,172
Total assets		61,092	61,033
Current liabilities			
Trade and other payables		2,554	3,690
Provisions		–	260
		2,554	3,950
Non-current liabilities			
Provisions		89	–
Deferred tax liability		232	343
		321	343
Total liabilities		2,875	4,293
Net assets		58,217	56,740
Equity			
Share capital		171	171
Share premium		2,661	2,661
Employee Benefit Trust		(6,520)	(6,294)
Treasury shares		(26)	(26)
Creditors' reserve		–	3,057
Retained earnings		61,931	57,171
Total equity shareholders' funds		58,217	56,740

Consolidated Statement of Cash Flows

for the year ended 31 December 2015

	Notes	2015 £000	2014 £000
Operating activities			
Profit/(loss) for the year after taxation		1,395	(4,827)
Adjustments to reconcile profit/(loss) to net cash flow from operating activities:			
Tax on continuing operations		730	(679)
Net finance revenue		(22)	(58)
Depreciation		88	99
Loss on disposal of fixed assets		3	10
Amortisation of intangible assets		768	1,218
Share-based payment expense		1,218	905
Loss on disposal of Miton Capital Partners Limited		–	11,990
Change in fair value of deferred contingent consideration payable		–	(3,410)
Increase in trade and other receivables		(1,205)	(83)
Decrease in trade and other payables		(357)	(737)
Decrease in provisions		(171)	(258)
Cash generated from operations		2,447	4,170
Income tax paid		(1,346)	(1,245)
Net cash flow from operating activities		1,101	2,925
Investing activities:			
Interest received		22	58
Purchase of property and equipment		(36)	(72)
Acquisition of PSigma Asset Management Holdings Limited		–	(1,672)
Acquisition of Darwin Investment Managers Limited		(420)	(645)
Consideration received on disposal of Miton Capital Partners Limited		–	4,614
Purchase of Matterley management contract		(650)	(750)
Net cash flow from investing activities		(1,084)	1,533
Financing activities:			
Purchase and release of Treasury shares and Employee Benefit Trust shares		(226)	(26)
Proceeds from shares issued		–	332
Dividend paid		(910)	(783)
Net cash flow from financing activities		(1,136)	(477)
(Decrease)/increase in cash and cash equivalents		(1,119)	3,981
Cash and cash equivalents at the beginning of the year		15,192	11,211
Cash and cash equivalents at the end of the year	5	14,073	15,192

Notes to the Consolidated Financial Statements

for the year ended 31 December 2015

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

The financial statements of Miton Group plc and its subsidiaries (the "Group") for the year ended 31 December 2015 were authorised for issue by the Board of directors on 18 March 2016 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 2015 and 31 December 2014 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 2014 were posted to shareholders on 15 April 2015 and delivered to the Registrar on 24 June 2015. 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 18 March 2016.

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 12 May 2016 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 21 March 2016 and posted to shareholders on or before 8 April 2016. They will be available to the public at the registered office from 8 April 2016.

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 2015. 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 one revenue stream: fund management fees, which are derived from Europe.

3. Group operating profit/(loss)

(a) Operating profit/(loss) is stated after charging:

	Notes	2015 £000	2014 £000
Auditors' remuneration	3(b)	241	327
Staff costs		7,634	7,078
Operating lease rentals – land and buildings		606	400
Depreciation		88	99
Loss on disposal of fixed assets		3	10
Amortisation of intangible assets		768	1,218
Exceptional operating expenses	3(c)	317	9,364

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:

	2015 £000	2014 £000
Audit of the consolidated financial statements	77	70
Audit of the Company's subsidiaries	70	70
	147	140
Other fees to auditors		
— tax compliance services	41	25
— tax advisory services	32	97
— other assurance services	21	65
	241	327

(c) Exceptional operating expenses

	2015 £000	2014 £000
Loss on disposal of Miton Capital Partners Limited	–	11,990
Movement in fair value of deferred contingent consideration	–	(3,210)
Growth Share Plan implementation costs	–	309
Acquisition costs	–	275
Group restructuring costs	317	–
	317	9,364

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

The 2014 movement in fair value of deferred contingent consideration includes a charge of £430,000 arising from renegotiating the terms of the settlement of Tranche 1 of the deferred contingent consideration and a credit of £3,750,000 arising from a fair value adjustment for Tranche 2 of the deferred contingent consideration for PSigma.

The 2014 acquisition costs includes additional contractual payments due in respect of the acquisition of PSigma and costs relating to the acquisition of Darwin Investment Managers Limited ('Darwin').

4. Earnings per share

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

At the year end the issued ordinary share capital of the Company totalling 170,921,274 is reduced by the weighted average number of shares held by the Group's Employee Benefit Trust. These shares do not participate in dividend rights.

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

(a) Reported earnings per share

Reported basic earnings per share has been calculated as follows:

	2015			2014		
	Profit £000	Shares No.	Basic earnings per share pence	Loss £000	Shares No.	Basic earnings per share pence
Net earnings attributable to ordinary equity shareholders of the parent company for basic earnings	1,395			(4,827)		
Basic earnings per share	1,395	151,653,458	0.92	(4,827)	147,701,855	(3.27)

Diluted basic earnings per share has been calculated as follows:

	2015			2014		
	Profit £000	Diluted Shares No.	Diluted Basic earnings per share pence	Loss £000	Diluted Shares No.	Diluted Basic earnings per share pence
Net earnings attributable to ordinary equity shareholders of the parent company for diluted basic earnings	1,395			(4,827)		
Diluted Basic earnings per share	1,395	184,819,738	0.75	(4,827)	162,307,233	(2.97)

(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:

	2015 £000	2014 £000
Profit/(loss) before taxation for the year	2,125	(5,506)
Add back:		
Exceptional operating expenses	317	9,364
Amortisation	768	1,218
VAT provision relating to prior years	(185)	185
Adjusted Profit before tax	3,025	5,261
Taxation:		
Tax (charge)/credit in the Consolidated Statement of Comprehensive Income	(730)	679
Tax effect of adjustments	(119)	(1,829)
Adjusted Profit after tax for the calculation of Adjusted earnings per share	2,176	4,111

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

	2015	2014
	pence	pence
Adjusted earnings per share	1.43	2.78

Diluted Adjusted earnings per share was as follows:

	2015	2014
	pence	pence
Diluted Adjusted earnings per share	1.18	2.53

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 2015, which will not fully vest until 2018, had vested and had been exchanged into Miton Group plc ordinary shares at 31 December 2015.

5. Cash and cash equivalents

	2015	2014
	£000	£000
Cash at bank and in hand	14,073	15,192

Within cash at bank is £Nil (2014: £3,057,000) held for the account of creditors to the Company. This amount was held in a separate escrow account.