

*Embargoed until 0700 hours, Thursday 18 June 2015*

**LIONTRUST ASSET MANAGEMENT PLC**  
**FULL YEAR RESULTS FOR THE YEAR ENDED 31 MARCH 2015**

Liontrust Asset Management PLC (“Liontrust”, the “Company”, or the “Group”), the independent fund management group, today announces its results for the year ended 31 March 2015.

**Results:**

- Revenues up 30% compared to the same period last year
- Adjusted profit before tax of £12.1 million (2014: £8.4 million), an increase of 45%
- Profit before tax of £7.3 million (2014: £3.2 million), an increase of 125%, includes costs of £4.8 million (2014: £5.1 million) relating to the amortisation of the related intangible asset and other non-cash and non-recurring costs (see note 5 below)

**Dividend:**

- Second Interim dividend per share of 6.0 pence (2014: 2.0 pence) brings the total dividend per share for the financial year ending 31 March 2015 to 8.0 pence (2014: 3.0 pence), an increase of 167%

**Assets under management:**

- On 31 March 2015, assets under management were £4.5 billion (2014: £3.6 billion), an increase of 24%
- Assets under management as at close of business on 16 June 2015 were £4.492 billion

**Flows:**

- Net inflows for the year to 31 March 2015 of £667 million (2014: £381 million), an increase of 75%

**Commenting on the results, John Ions, Chief Executive, said:**

“Liontrust has continued to grow and develop the business over the past year with net inflows of £667 million and an increase in our assets under management of 24% to £4.5 billion. Our accomplishments and confidence in the business are reflected in the fact we are declaring a Second Interim dividend per share of 6.0 pence.

“The key to the success of the business has been, and will continue to be, the strength of our fund management teams and long-term performance, the increasing breadth of our distribution capability both in the UK and internationally, the distinctiveness and visibility of the Liontrust brand and the robustness of the business’ infrastructure to support and help drive fund management, sales and marketing.

“Nothing is ever as straightforward as it seems and there are rarely shortcuts to success. Instead, it is achieved from strong foundations and with a clear vision and strategy going forward. I have great confidence, therefore, that we can take advantage of the many tailwinds behind the fund management industry. These include demographic and regulatory changes that mean we are all

going to have to take more responsibility for saving for our retirement. I am also encouraged by our increased distribution in continental Europe which offers significant potential for growing our AuM.

“We continue to focus on adding value to our clients’ investments through strict adherence to our investment processes and always striving to ensure we offer the highest client servicing standards. This has been and will continue to be the corner stone of our success.”

**For further information please contact:**

**Liontrust Asset Management**

John Ions, Vinay Abrol

Simon Hildrey – Head of Marketing & Distribution Strategy

**020 7412 1700**

**[www.liontrust.co.uk](http://www.liontrust.co.uk)**

**Numis Securities Limited**

Charles Farquhar, Andrew Holloway

**020 7260 1000**

**Chairman’s Statement**

Introduction

I am delighted to report that our company has enjoyed a very successful year. We have delivered significant increases in revenues, profits, earnings and assets under management (“AuM”). This has enabled us to declare a Second Interim dividend per share of 6.0 pence, which brings the total dividend per share for the financial year ending 31 March 2015 to 8.0 pence. This represents 42% of adjusted earnings per share on a diluted basis (excluding performance fees).

We have met our strategic objectives this year, including outperformance, effective distribution and being a profitable business in pursuit of realising our vision of becoming one of the leading fund management companies in the UK and internationally, renowned for consistently adding value to clients’ investment portfolios.

This success has been achieved through the hard work of everyone at Liontrust, the continued excellence of our fund management performance, further diversifying our client base in the UK and internationally and our burgeoning brand.

This is not to deny that we have faced a number of challenges. Investors were nervous about the UK stock market in the run-up to the General Election in May as politicians ratcheted up their populist rhetoric. We are now confronted with the prospect of up to two years of campaigning before the referendum to decide whether the UK stays in the EU. Of course, such uncertainty produces winners as well as losers and we aim to help our investors navigate such periods.

As ever, there are investors who are anxious about the future direction of investment markets, especially in regards to the liquidity of bond markets. This is an example of why we are continuing to diversify our fund management capability, particularly into alternative investments as we have done with the recent recruitment of a new Global Equities team. This enables us to meet the different demands across our client base through the market cycle.

There is also an increasing focus on short-term investment views, with the average length of time that investors hold on to an investment having decreased significantly over the years. We believe that investors should look beyond the short-term “noise” surrounding stock markets to make investment decisions based on companies’ fundamentals and with a long-term view. All

our fund management teams have rigorous investment processes that ensure the way we manage money is predictable and repeatable and the track records of our funds show the benefit of this approach.

This is a very exciting time for fund management as we believe the industry is set to benefit from long-term demographic support as the mid-40s to mid-60s age group is set to expand significantly in the coming years. This group has both the greatest capacity and greatest incentive of any age group to save and invest. The removal of the compulsion for retirees to purchase an annuity by the age of 75, for example, is creating a significant pool of assets that require investment solutions and advice. We are well placed to meet these needs given our equity income and multi-asset propositions.

Thank you for your investment in and support of Liontrust Asset Management PLC.

## Results

Adjusted profit before tax was £12.102 million (2014: £8.352 million). Adjusted profit before tax is disclosed in order to give shareholders an indication of the profitability of the Group excluding non-cash (depreciation, intangible asset amortisation and share incentivisation related) expenses and non-recurring (professional fees relating to acquisition, cost reduction, restructuring, share incentivisation and severance compensation related) expenses ("Adjustments"), see note 5 below for a reconciliation of adjusted profit (or loss) before tax.

Profit before tax of £7.265 million (2014: £3.225 million) includes a loss of £4.837 million (2014: £5.127 million) of Adjustments.

## Dividend

The success in fund performance and distribution has resulted in an increase in revenues of 30% and a 45% increase in our adjusted profit before tax to £12.1 million. This has enabled the Board to declare a Second Interim dividend of 6.0 pence per share (2014: 2.0 pence) which will be payable on 23 July 2015 to shareholders who are on the register as at 25 June 2015, the shares going ex-dividend on 24 June 2015. The total dividend for the financial year ending 31 March 2015 is 8.0 pence per share (2014: 3.0 pence per share).

Adrian Collins  
Chairman  
17 June 2015

## **Chief Executive's Statement**

### Introduction

It has been another good year for Liontrust. Our Adjusted Profit before Tax has risen by 45% to £12.1 million, our AuM has increased by 24%, our Retail AuM now exceeds £3 billion and our Institutional AuM is more than £1.1 billion.

Our fund management teams have continued to deliver long-term outperformance for our investors. Seven out of our eight actively managed unit trusts are in the first quartile of their respective sectors since launch or the current fund managers were appointed.

We are mindful of the ongoing debate about the level of charges levied by the fund management industry and the view that there will be continued downward pressure on margins over the next

few years. We focus on offering high-quality active management that delivers what investors expect. We do this through each team having rigorous investment processes so that investors know how their investments will be managed and how these approaches will be impacted by different market environments. This has led to a high degree of loyalty from investors even during challenging periods that all processes and fund managers endure. There will always be a place for active management that is able to add value to investors' portfolios over the long term.

We have further diversified our fund management capability through the recruitment of Kristof Bulkai, Patrick Cadell and Hugo Rogers. We are launching the Dublin-based Global Strategic Equity fund and then a global water and agriculture fund later this year. The enhancement of our alternative investments offering is important to meet clients' changing asset allocation and diversification requirements. We are building a range of funds and solutions that meet investors' needs throughout the market cycle.

One of our key objectives is to build a brand with strong awareness, which investors trust and which is associated with excellent performance. Achieving this will go a long way to enabling us to capture a significant proportion of the growing savings market.

#### Assets under Management

On 31 March 2015, our assets under management ("AuM") stood at £4,494 million and were broken down by type and process as follows:-

| <u>Process</u>     | <u>Total</u> | <u>Institutional</u> | <u>UK Retail</u> | <u>DPMS</u> | <u>Offshore Funds</u> |
|--------------------|--------------|----------------------|------------------|-------------|-----------------------|
|                    | <u>(£m)</u>  | <u>(£m)</u>          | <u>(£m)</u>      | <u>(£m)</u> | <u>(£m)</u>           |
| Cashflow Solution  | 859          | 564                  | 284              | -           | 11                    |
| Economic Advantage | 2,226        | 95                   | 2,100            | -           | 31                    |
| Macro Thematic     | 1,037        | 403                  | 621              | -           | 13                    |
| Global Credit      | 30           | -                    | -                | -           | 30                    |
| Asia               | 31           | -                    | 31               | -           | -                     |
| Multi-Asset        | 255          | 99                   | -                | 156         | -                     |
| Indexed            | 56           | -                    | 56               | -           | -                     |
| <b>Total</b>       | <b>4,494</b> | <b>1,161</b>         | <b>3,092</b>     | <b>156</b>  | <b>85</b>             |

#### Fund Flows

Liontrust has recorded net inflows of £667 million in the year (2014: £381 million). A reconciliation of net flows and AuM over the year is as follows:-

|                                    | <u>Total</u> | <u>Institutional</u> | <u>UK Retail</u> | <u>DPMS</u> | <u>Offshore Funds</u> |
|------------------------------------|--------------|----------------------|------------------|-------------|-----------------------|
|                                    | <u>£m</u>    | <u>£m</u>            | <u>£m</u>        | <u>£m</u>   | <u>£m</u>             |
| <b>Opening AuM - 1 April 2014</b>  | <b>3,613</b> | <b>657</b>           | <b>2,752</b>     | <b>114</b>  | <b>90</b>             |
| Net flows                          | 667          | 402                  | 236              | 32          | (3)                   |
| Market and Investment performance  | 214          | 102                  | 104              | 10          | (2)                   |
| <b>Closing AuM - 31 March 2015</b> | <b>4,494</b> | <b>1,161</b>         | <b>3,092</b>     | <b>156</b>  | <b>85</b>             |

#### People

A key strength of our business are our people. We strive to achieve a culture of excellence and best practice at Liontrust, appreciating that creating a positive, open and dynamic working environment enables us to attract and retain the best people. I would like to thank everyone at Liontrust for their hard work and contribution to the success of the business.

## Outlook

I am excited about the future outlook for Liontrust given the development of the business and the long-term savings market. The reforms to the post-retirement market are potentially very beneficial for the wealth and fund management industry beyond the opportunities produced by changing demographics.

My optimism also comes from the fact we now have seven talented fund management teams, we have been diversifying our fund management capability into alternatives, we have excellent long-term fund performance, we have built a strong distribution capability in the UK and internationally and have been broadening further our client base.

John Ions  
Chief Executive  
17 June 2015

## **Extracts from the Strategic Report**

### UK Retail fund performance

Detailed quartile rankings by fund over one, three and five years and since launch or the fund manager was appointed are shown in the table below:

|                                     | Quartile<br>ranking<br>- 1 year | Quartile<br>ranking<br>- 3 year | Quartile<br>ranking<br>- 5 year | Quartile<br>ranking –<br>Since<br>Manager<br>tenure | Launch /<br>Manager<br>appointed |
|-------------------------------------|---------------------------------|---------------------------------|---------------------------------|-----------------------------------------------------|----------------------------------|
| Liontrust Macro Equity Income Fund  | 2                               | 3                               | 2                               | 1                                                   | 31/10/2003                       |
| Liontrust Macro UK Growth Fund      | 1                               | 2                               | 2                               | 1                                                   | 01/08/2002                       |
| Liontrust UK Growth Fund            | 1                               | 3                               | 1                               | 1                                                   | 25/03/2009                       |
| Liontrust Special Situations Fund   | 2                               | 2                               | 1                               | 1                                                   | 10/11/2005                       |
| Liontrust UK Smaller Companies Fund | 3                               | 2                               | 2                               | 1                                                   | 08/01/1998                       |
| Liontrust European Growth Fund      | 4                               | 4                               | 2                               | 1                                                   | 15/11/2006                       |
| Liontrust Asia Income Fund          | 3                               | 2                               | -                               | 1                                                   | 05/03/2012                       |
| Liontrust Global Income Fund        | 4                               | -                               | -                               | 3                                                   | 03/07/2013                       |

Source: Financial Express, total return, bid to bid, to 31 March 2015 unless otherwise stated. The above funds are all UK authorised unit trusts (retail share class). Liontrust FTSE 100 Tracker Fund (index fund) not included. Liontrust Global Income Fund's investment objective changed to Global Income on 3 July 2013. Past performance is not a guide to the future; the value of investments and the income from them can fall as well as rise. Investors may not get back the amount originally subscribed.

## **Consolidated Statement of Comprehensive Income For the year ended 31 March 2015**

|               |               |
|---------------|---------------|
| Year<br>ended | Year<br>ended |
| 31-Mar-15     | 31-Mar-14     |

|                                           | Notes | £'000        | (restated)<br>£'000 |
|-------------------------------------------|-------|--------------|---------------------|
| Revenue                                   |       | 36,821       | 28,459              |
| Cost of sales                             |       | (57)         | (87)                |
| <b>Gross profit</b>                       | 3     | 36,764       | 28,372              |
| Realised loss on sale of financial assets |       | 2            | -                   |
| Administration expenses                   | 4     | (29,522)     | (25,089)            |
| <b>Operating profit</b>                   |       | 7,244        | 3,283               |
| Interest receivable                       |       | 21           | 23                  |
| Interest payable                          |       | -            | (81)                |
| <b>Profit before tax</b>                  |       | 7,265        | 3,225               |
| Taxation                                  |       | (1,058)      | (1,104)             |
| <b>Profit for the year</b>                |       | <b>6,207</b> | <b>2,121</b>        |
| Other comprehensive income                |       | -            | -                   |
| <b>Total comprehensive income</b>         |       | <b>6,207</b> | <b>2,121</b>        |
|                                           |       | <i>Pence</i> | <i>Pence</i>        |
| <b>Earnings per share</b>                 |       |              |                     |
| Basic                                     | 6     | 14.61        | 5.64                |
| Diluted                                   | 6     | 13.58        | 4.58                |

There has been a restatement of the 2014 financial statements as detailed in note 10.  
The notes 1 to 10 form an integral part of this condensed consolidated financial information.

## Consolidated Balance Sheet

### As at 31 March 2015

|                                                   | 31-Mar-15<br>£'000 | 31-Mar-14<br>(restated)<br>£'000 | 31-Mar-13<br>(restated)<br>£'000 |
|---------------------------------------------------|--------------------|----------------------------------|----------------------------------|
| <b>Assets</b>                                     |                    |                                  |                                  |
| <b>Non current assets</b>                         |                    |                                  |                                  |
| Intangible assets                                 | 4,998              | 7,446                            | 10,098                           |
| Property, plant and equipment                     | 277                | 265                              | 184                              |
| Deferred tax assets                               | 1,088              | 1,228                            | 1,757                            |
| <b>Total non current assets</b>                   | <b>6,363</b>       | <b>8,939</b>                     | <b>12,039</b>                    |
| <b>Current assets</b>                             |                    |                                  |                                  |
| Trade and other receivables                       | 32,405             | 31,328                           | 31,123                           |
| Financial assets                                  | 242                | 703                              | 131                              |
| Cash and cash equivalents                         | 16,393             | 15,273                           | 10,483                           |
| <b>Total Current assets</b>                       | <b>49,040</b>      | <b>47,304</b>                    | <b>41,737</b>                    |
| <b>Liabilities</b>                                |                    |                                  |                                  |
| <b>Non current liabilities</b>                    |                    |                                  |                                  |
| Convertible unsecured loan stock - Loan component | -                  | -                                | (2,621)                          |

|                                                                  |                 |                 |                 |
|------------------------------------------------------------------|-----------------|-----------------|-----------------|
| <b>Current liabilities</b>                                       |                 |                 |                 |
| Trade and other payables                                         | (30,969)        | (35,635)        | (34,402)        |
| Corporation tax payable                                          | (686)           | (437)           | -               |
| <b>Total Current liabilities</b>                                 | <b>(31,655)</b> | <b>(36,072)</b> | <b>(34,402)</b> |
| <b>Net current assets</b>                                        | <b>17,385</b>   | <b>11,232</b>   | <b>7,335</b>    |
| <b>Net assets</b>                                                | <b>23,748</b>   | <b>20,171</b>   | <b>16,753</b>   |
| <b>Shareholders' equity attributable to owners of the parent</b> |                 |                 |                 |
| Ordinary shares                                                  | 454             | 424             | 398             |
| Share premium                                                    | 17,692          | 17,692          | 14,692          |
| Capital redemption reserve                                       | 19              | 19              | 15              |
| Convertible unsecured loan stock - Equity component              | -               | -               | 479             |
| Retained earnings                                                | 11,395          | 14,263          | 13,371          |
| Own shares held                                                  | (5,812)         | (12,227)        | (12,202)        |
| <b>Total equity</b>                                              | <b>23,748</b>   | <b>20,171</b>   | <b>16,753</b>   |

There has been a restatement of the 2013 and 2014 financial statements as detailed in note 10.  
The notes 1 to 10 form an integral part of this condensed consolidated financial information.

### Consolidated Cash Flow Statement For the year ended 31 March 2015

|                                                                              | Year<br>ended<br>31-Mar-15<br>£'000 | Year<br>ended<br>31-Mar-14<br>£'000 |
|------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Cash flows from operating activities</b>                                  |                                     |                                     |
| Cash received from operations                                                | 41,411                              | 35,581                              |
| Cash paid in respect of operations                                           | (33,477)                            | (28,789)                            |
| Net cash (paid)/received from changes in unit trust receivables and payables | (2,964)                             | 311                                 |
| Net cash used in operations                                                  | 4,970                               | 7,103                               |
| Interest received                                                            | 21                                  | 23                                  |
| Tax paid                                                                     | (657)                               | -                                   |
| Net cash generated from operating activities                                 | 4,334                               | 7,126                               |
| <b>Cash flows from investing activities</b>                                  |                                     |                                     |
| Purchase of property and equipment                                           | (103)                               | (146)                               |
| Purchase of ICIs                                                             | (694)                               | -                                   |
| Acquisitions                                                                 | -                                   | (228)                               |
| Purchase of seeding investments                                              | (180)                               | (42)                                |
| Sale of seeding investments                                                  | 4                                   | -                                   |
| Net cash used in investing activities                                        | (973)                               | (416)                               |
| <b>Cash flows from financing activities</b>                                  |                                     |                                     |
| Issue of new shares                                                          | 30                                  | 3,030                               |



|                                                                            |            |               |           |          |               |                 |               |
|----------------------------------------------------------------------------|------------|---------------|-----------|----------|---------------|-----------------|---------------|
| <b>Balance at 1 April 2013<br/>brought forward</b>                         | 398        | 14,692        | 15        | 479      | 13,371        | (12,202)        | 16,753        |
| Profit for the year                                                        | -          | -             | -         | -        | 2,121         | -               | 2,121         |
| Total comprehensive income for the period                                  | -          | -             | -         | -        | 2,121         | -               | 2,121         |
| Dividends paid                                                             | -          | -             | -         | -        | (750)         | -               | (750)         |
| Net losses as part of the acquisition of North Investment Partners Limited | -          | -             | -         | -        | (202)         | -               | (202)         |
| Conversion of Convertible unsecured loan stock - Equity component          | -          | 479           | -         | (479)    | -             | -               | -             |
| Shares issued                                                              | 26         | 2,521         | 4         | -        | -             | -               | 2,551         |
| Purchase of own shares                                                     | -          | -             | -         | -        | (994)         | (25)            | (1,019)       |
| Equity share options issued                                                | -          | -             | -         | -        | 717           | -               | 717           |
| <b>Balance at 31 March 2014</b>                                            | <b>424</b> | <b>17,692</b> | <b>19</b> | <b>-</b> | <b>14,263</b> | <b>(12,227)</b> | <b>20,171</b> |

There has been a restatement if the 2014 financial statements as detailed in note 10.  
The notes 1 to 10 form an integral part of this condensed consolidated financial information.

## Notes to the Financial Statements

### 1. Accounting policies

The Group's accounting policies are consistent with those set out in the Annual Report and Accounts for the year ended 31 March 2014.

### 2. Segmental reporting

The Group's operates only in one business segment - Investment management.

The Group offers different fund products through different distribution channels. All financial, business and strategic decisions are made centrally by the Board, which determines the key performance indicators of the Group. The Group reviews financial information presented at a Group level. The Board, is therefore, the chief operating decision-maker for the Group. The information used to allocate resources and assess performance is reviewed for the Group as a whole. On this basis, the Group considers itself to be a single-segment investment management business.

### 3. Revenue (Gross Profit)

|                           | Year<br>Ended<br>31-Mar-15<br>£'000 | Year<br>ended<br>31-Mar-14<br>£'000 |
|---------------------------|-------------------------------------|-------------------------------------|
| - Revenue                 | 33,574                              | 28,459                              |
| - Performance fee revenue | 3,190                               | -                                   |
| <b>Gross Profit</b>       | <b>36,764</b>                       | <b>28,459</b>                       |

#### 4. Administration expenses from Continuing Operations

|                                                                       | <i>Year ended<br/>31-Mar-15<br/>£'000</i> | <i>Year ended<br/>31-Mar-14<br/>(restated)<br/>£'000</i> |
|-----------------------------------------------------------------------|-------------------------------------------|----------------------------------------------------------|
| <b>Employee related expenses</b>                                      |                                           |                                                          |
| Director and employee costs                                           | 3,145                                     | 2,375                                                    |
| Pensions                                                              | 141                                       | 122                                                      |
| Share incentivisation expense                                         | 562                                       | 1,320                                                    |
| Severance compensation                                                | 31                                        | 99                                                       |
|                                                                       | 3,879                                     | 3,916                                                    |
| <b>Non-employee related expenses</b>                                  |                                           |                                                          |
| Members drawings charged as an expense                                | 14,502                                    | 11,312                                                   |
| Professional services (restructuring, acquisition related and other)* | 1,840                                     | 576                                                      |
| Acquisition related expenses                                          | -                                         | 333                                                      |
| Depreciation and Intangible asset amortisation                        | 2,539                                     | 2,717                                                    |
| Convertible loan repurchase                                           | -                                         | 82                                                       |
| Financial Services Compensation Scheme Levy                           | (135)                                     | -                                                        |
| Other administration expenses                                         | 6,897                                     | 6,153                                                    |
|                                                                       | 29,522                                    | 25,089                                                   |

\* Includes legal expense relating to a claim made by a former member (see note 8)

#### 5. Adjusted profit before tax

Adjusted profit before tax is disclosed in order to give shareholders an indication of the profitability of the Group, non-cash (depreciation, intangible asset amortisation and share incentivisation related) expenses and non-recurring (acquisition, cost reduction, restructuring, share incentivisation and severance compensation related) expenses ("Adjustments"), and is reconciled in the table below.

|                                                     | <i>Year ended<br/>31-Mar-15<br/>£'000</i> | <i>Year ended<br/>31-Mar-14<br/>£'000</i> |
|-----------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Profit for the year                                 | 6,207                                     | 2,121                                     |
| Taxation                                            | 1,058                                     | 1,104                                     |
| Profit/(loss) before tax from Continuing Operations | 7,265                                     | 3,225                                     |
| Share incentivisation expense                       | 562                                       | 1,320                                     |
| Severance compensation                              | 31                                        | 99                                        |

|                                                                                     |        |       |
|-------------------------------------------------------------------------------------|--------|-------|
| Professional services (restructuring, acquisition related and other) <sup>(1)</sup> | 1,840  | 576   |
| Acquisition related costs                                                           | -      | 333   |
| Financial Services Compensation Scheme Levy                                         | (135)  | -     |
| Convertible loan repurchase                                                         | -      | 82    |
| Depreciation and Intangible asset amortisation                                      | 2,539  | 2,717 |
| Adjustments                                                                         | 4,837  | 5,127 |
| Adjusted profit before tax                                                          | 12,102 | 8,352 |
| Interest receivable                                                                 | (21)   | (23)  |
| Interest payable                                                                    | -      | 81    |
| Adjusted operating profit                                                           | 12,081 | 8,410 |
| Adjusted basic earnings per share <sup>(2)</sup>                                    | 22.51  | 17.10 |
| Adjusted basic earnings per share (excluding performance fees) <sup>(2)(3)</sup>    | 20.56  | 17.10 |
| Adjusted diluted earnings per share <sup>(2)</sup>                                  | 20.92  | 13.90 |
| Adjusted diluted earnings per share (excluding performance fees) <sup>(2)(3)</sup>  | 19.10  | 13.90 |

(1) Includes legal expense relating to a claim made by a former member (see note 8)

(2) Assumes a tax rate of 21% (2014: 23%)

(3) Performance fee revenues contribution calculated in line with operating margin of 32.9% (2014: 29.4%)

## 6. Earnings per share

The calculation of basic earnings per share is based on profit after taxation for the year and the weighted average number of Ordinary Shares in issue for each period. The weighted average number of Ordinary Shares was 42,472,053 for the year (2014: 37,617,940). Shares held by the Liontrust Asset Management Employee Trust are not eligible for dividends and are treated as cancelled for the purposes of calculating earnings per share.

Diluted earnings per share are calculated on the same bases as set out above, after adjusting the weighted average number of Ordinary Shares for the effect of options to subscribe for new Ordinary Shares or Incentive Capital Interests or Ordinary Shares held in the Liontrust Asset Management Employee Trust that were in existence during the year ended 31 March 2015. The adjusted weighted average number of Ordinary Shares so calculated for the year was 45,700,575 (2014: 46,269,702). This is reconciled to the actual weighted number of Ordinary Shares as follows:

|                                                                   | 2015<br>number | 2014<br>number |
|-------------------------------------------------------------------|----------------|----------------|
| Weighted average number of Ordinary Shares                        | 42,472,053     | 37,617,940     |
| Weighted average number of dilutive Ordinary shares under option: |                |                |
| - to the Liontrust Senior Incentive Plan                          | 745,012        | 2,986,487      |
| - to the Liontrust Incentive Plan                                 | 66,587         | 199,099        |
| - to the Liontrust Option Plan                                    | 39,358         | 34,884         |
| - to the Liontrust Members Incentive Plan                         | 2,346,713      | 4,069,178      |
| - to the Deferred Bonus and Variable Allocation Plan              | 30,852         | 10,552         |
| Dilutive effect of shares from Convertible unsecured loan stock   | -              | 1,351,562      |
| Adjusted weighted average number of Ordinary Shares               | 45,700,575     | 46,269,702     |

Management have added the weighted average number of dilutive ordinary shares related to the Liontrust Members Incentive Plan and have adjusted the 2014 calculations accordingly.

Based on the total profit for the year of £6,207,000 (2014: £2,121,000)

|                            | <i>2015</i><br><i>pence</i> | <i>2014</i><br><i>pence</i><br><i>(restated)</i> |
|----------------------------|-----------------------------|--------------------------------------------------|
| Basic earnings per share   | 14.61                       | 5.64*                                            |
| Diluted earnings per share | 13.58                       | 4.58*                                            |

\* Prior to the restatement the 2014 Basic earnings per share was 6.57 pence and the Diluted earnings per share was 5.85 pence.

## **7. Financial assets**

The Group holds financial assets that have been categorised within one of three levels using a fair value hierarchy that reflects the significance of the inputs into measuring the fair value. These levels are based on the degree to which the fair value is observable and are defined as follows:

- a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities;
- b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- c) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

As at the balance sheet date all financial assets are categorised as Level 1.

Assets held as available-for-sale:

The Group's assets held as available-for-sale represent shares in Liontrust GF Global Strategic Bond Fund, Liontrust GF Special Situations Fund, Liontrust GF Macro Equity Income Fund, Liontrust GF European Strategic Equity Fund, Liontrust GF UK Growth Fund and Liontrust GF Global Income Fund (all sub-funds of Liontrust Global Funds Plc) and are valued at bid price). The gain on the fair value adjustments during the year net of tax was £nil (2014: £nil). Foreign currency assets are translated at rates of exchange ruling at the balance sheet date.

## **8. Contingent assets and liabilities**

The Group can earn performance fees on some of the segregated and fund accounts that it manages. In some cases a proportion of the fee earned is deferred until the next performance fee is payable or offset against future underperformance on that account. As there is no certainty that such deferred fees will be collectable in future years, the Group's accounting policy is to include performance fees in income only when they become due and collectable and therefore the element (if any) deferred beyond 31 March 2015 has not been recognised in the results for the year.

A contingent liability has arisen during the normal course of business which relates to a claim made by a former member against Liontrust Asset Management PLC, Liontrust Investment Partners LLP, Liontrust Investment Services Limited and the individual members of the LLP

(together, the “Respondents”). As the timing and amount of any potential liability cannot be reliably estimated at this stage they are not disclosed.

## 9. Key risks

The Directors have identified the risks and uncertainties that affect the Group’s business and believe that they are substantially the same for this year as the current risks as identified in the 2014 Annual Report and Accounts. These can be broken down into risks that are within the management’s influence and risks that are outside it.

Risks that are within management’s influence include areas such as the expansion of the business, prolonged periods of under-performance, loss of key personnel, human error, poor communication and service leading to reputational damage and fraud.

Risks outside the management’s influence include falling markets, terrorism, a deteriorating UK economy, investment industry price competition and hostile takeovers.

Management monitor all risks to the business, they record how each risk is mitigated and have warning flags to identify increased risk levels. Management recognise the importance of risk management and view it as an integral part of the management process which is tied into the business model.

## 10. Prior period adjustment

In preparing the accounts to 31 March 2015, the Directors have adjusted the accounting for the prior period. On 1 February 2011, 3 million share options were awarded by the Company under the Liontrust Senior Incentive Plan with a three year vesting period. These vested on 1 February 2014. As at the Company's financial year end on 31 March 2014 the options had not been exercised and a contingent liability was disclosed for the National Insurance Contribution ('NIC') which would become payable on exercise. The options were all exercised on 1 July 2014.

Having reviewed the accounting treatment of the potential liability to pay NIC, the Directors have concluded that it would more appropriately be accounted for in accordance with IFRS2 'Share based payments' with a liability being accrued from the grant date by reference to the fair value of the underlying options together with related corporation tax adjustment. Accordingly the financial statements have been restated to reflect the liability and expense as set out below:

| <b>Consolidated Statement of Comprehensive Income</b> | <b>31-Mar-14<br/>Adjustment<br/>£'000</b> |                                           |
|-------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Administration expenses - Share option NIC expense    | 453                                       |                                           |
| Profit before tax from continuing operations          | (453)                                     |                                           |
| Taxation                                              | 104                                       |                                           |
| Profit for the period                                 | (349)                                     |                                           |
| Basic Earnings per share                              | (0.93)                                    |                                           |
| Diluted earnings per share                            | (0.82)                                    |                                           |
| <b>Consolidated Balance Sheet</b>                     | <b>31-Mar-14<br/>Adjustment<br/>£'000</b> | <b>01-Apr-13<br/>Adjustment<br/>£'000</b> |

|                          |       |       |
|--------------------------|-------|-------|
| Trade and other payables | (990) | (537) |
| Corporation tax payable  | 233   | 129   |
| Retained earnings        | (757) | (408) |

As the adjusted profit calculation removes the effect of the share option awards, this is unaffected by the adjustment. There is no impact on the cash flows of the Group or the Company in prior periods.

## 11. Directors responsibility statement

To the best of their knowledge and belief, the Directors confirm that:

The consolidated financial statements of Liontrust Asset Management PLC, prepared on a going concern basis in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of Liontrust Asset Management PLC and the undertakings included in the consolidation taken as a whole;

the announcement includes a fair summary of the development and performance of the business and the position of Liontrust Asset Management PLC and the undertakings included in the consolidation taken as a whole and a description of the principal risks and uncertainties that they face;

- a) so far the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- b) they have each taken all the steps that ought to have been taken by them as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

## Forward Looking Statements

This preliminary announcement constitutes non-statutory accounts under section 435 of the Companies Act 2006. The financial information for the year ended 31 March 2014 and 31 March 2013 has been abridged from the financial statements which received an unqualified audit report and which has been filed with the Registrar of Companies and did not contain a statement under section 498(2) or (3) of the Companies Act, 2006.

The Annual Report and Accounts is expected to be posted to shareholders on or around 24 June 2015.

The release, publication, transmission or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore persons in such jurisdictions into which this announcement is released, published, transmitted or distributed should inform themselves about and observe such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction.

This Full Year Results announcement contains certain forward-looking statements with respect to the financial condition, results of operations and businesses and plans of the Group. 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 factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. As a result, the Group's actual future financial condition, results of operations and business and plans may differ materially from the plans,

goals and expectations expressed or implied by these forward-looking statements. Liontrust undertakes no obligation publicly to update or revise forward-looking statements, except as may be required by applicable law and regulation (including the Listing Rules of the Financial Conduct Authority). Nothing in this announcement should be construed as a profit forecast or be relied upon as a guide to future performance.

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