Embargoed until 0700 hours, Thursday 23 November 2017

LIONTRUST ASSET MANAGEMENT PLC
HALF YEARLY REPORT FOR THE SIX MONTHS ENDED
30 SEPTEMBER 2017

Liontrust Asset Management Plc ("**Liontrust**", the "**Company**", or the "**Group**"), the independent fund management group, today announces its Half Yearly Report for the six months ended 30 September 2017.

Results:

- Adjusted profit before tax of £12.0 million (2016: £6.8 million), an increase of 76%

- Profit before tax of £3.6 million (2016: £2.2 million), an increase of 61%. This includes costs of £8.4 million (2016: £4.6 million) relating to the amortisation of the related intangible asset and other non-cash and non-recurring costs (see note 5 below)

- Revenues of £35 million (2016: £22 million), an increase of 57%.

Dividend:

- First Interim dividend per share of 5.0 pence (2016: 4.0 pence), which will be payable on 12 January 2018, the shares going ex-dividend on 30 November 2017.

Assets under management:

- On 30 September 2017, assets under management ("**AuM**") were £9.6 billion. The acquisition of Alliance Trust Investments Limited ("**ATI**") completed on 1 April 2017, adding £2.5 billion to AuM.

- Assets under management as at close of business on 21 November 2017 were £10.1 billion

Flows:

- Net inflows for the period to 30 September 2017 of £178 million (2016: £92 million)

MiFID II:

- Liontrust has decided that with effect from January 2018 the cost of external research will be absorbed by the Group. The estimated annualised impact of this change on the Group's revenues is expected to be £1.0 to £1.5 million

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

"Our assets under management are now in excess of £10 billion, with net inflows of £178 million in the first half of the financial year. This is a testament to the determination and talent that exists within Liontrust. I have said before that there are no quick routes to success, but by doing the basics as well as we can each day and paying strict adherence to our core beliefs and investment processes, we will succeed.

We have generated these net inflows despite the uncertainty caused by the ongoing Brexit negotiations and the fact UK All Companies has been the worst selling sector by net retail flows in seven of the past 13 months to the end of September 2017, according to the IA. It shows the resilience of investor demand for active fund management with proven long-term track records and robust investment processes despite a challenging environment.

This is demonstrated by Anthony Cross, who celebrates 20 years of active fund management at Liontrust at the start of next year. He has run the UK Smaller Companies Fund since 8 January 1998. From launch, the Fund has returned 1,121% against 282% by the FTSE Small Cap (ex IT) Index and 612% by the average fund in the IA UK Smaller Companies sector[1].

The Liontrust Sustainable Investment team has bedded in well in the first six months, with assets growing and performance strong across its range of funds. Sustainable investing is grabbing a lot of headlines, and with our team having critical mass and a long track record this puts us in an enviable position to benefit from the growth.

The success of our approach to managing money and the business is reflected in the independent recognition we have received this year. We have won three industry awards in recent months for Specialist Group of the Year, while Special Situations, European Growth and GF European Strategic Equity have won individual fund awards.

In the first quarter of 2018, we will further diversify our fund management capability through David Roberts and Phil Milburn joining from Kames. David and Phil are very highly regarded fixed income fund managers with excellent long-term performance records.

They will add to the experienced and talented group of fund management teams that we already have at Liontrust. We trust our fund managers and provide the environment to enable them to focus on running money and not get distracted by day-to-day aspects of running a business. Having documented investment processes also provides greater predictability of how our funds will be managed and what are likely to be the more challenging market environments for them.

We are in great shape after a successful 2017 and I look forward with optimism, safe in the knowledge that we have the skill and dedication within the business to continue our growth."

[1] Source: Financial Express, total return (income reinvested and net of fees), bid to bid, since launch (8 January 1998) to 31 October 2017, based on primary share class.

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Chairman's Statement

<u>Introduction</u>

Digitalisation has been transforming communications and the speed at which information spreads around the world. We live in a world in which the news cycle moves at an ever increasing pace and people want instant responses to and views of events.

It is vital that we embrace digitalisation to enhance our business and better service our clients and investors. It is equally important that we retain our core values and focus on what has made us successful. We take a long-term approach to managing money at Liontrust, with each team applying their distinct investment processes to running funds and portfolios and not getting distracted by the increasing levels of market noise that is a feature of our 24-hour news cycle.

We continually face many other opportunities and challenges, whether it is through political or economic uncertainty, regulatory developments or changing competitors. Like our fund managers, it is key that we as a company focus on what is in our power to control and determine.

The success of Liontrust's approach is shown by the strong set of results for the first half of our financial year. We have grown our revenue, profits and dividend. This has been driven by the continued increase in our AuM, which has gone through £10 billion since the end of September. We are also further diversifying our fund management capability, with the addition of the Liontrust Sustainable Investment team from Alliance Trust Investments in April 2017 along with David Roberts and Phil Milburn joining from Kames in January 2018.

Sophia Tickell is a strong addition for Liontrust, joining the Board on 1 October 2017 as an Independent Non-executive Director. She brings vast and valuable experience, having worked with asset managers for more than 15 years as well as in other sectors and on academic and charitable boards.

I would like to thank our shareholders, investors and staff for all their support and loyalty to Liontrust. We are in a very strong position to continue to expand and grow the business.

Results

Adjusted profit before tax was £12.002 million (2016: £6.838 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 is £3.344 million (2016: £2.245 million).

Dividend

In accordance with the Company's dividend policy, the Board is declaring a First Interim dividend of 5.0 pence per share (2016: 4.0 pence) which will be payable on 12 January 2018 to shareholders who are on the register as at 1 December 2017, the shares going ex-dividend on 30 November 2017.

The Company has a Dividend Reinvestment Plan ("DRIP") that allows shareholders to reinvest dividends to purchase additional shares in the Company. For shareholders to apply the proceeds of this and future dividends to the DRIP, application forms must be received by the Company's Registrars by no later than 15 December 2017. Existing participants in the DRIP will automatically have the dividend reinvested. Details on the DRIP can be obtained from Link Asset Services on 0371 664 0381 or at www.signalshares.com. (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales).

Funds under Management

On 30 September 2017, our AuM stood at £9,640 million and were broken down by type and process as follows:-

Process	Total (£m)	Institutional (£m)	UK Retail (£m)	Multi-Asset (£m)	Offshore Funds (£m)
Cashflow Solution	**947**	507	322	-	118
Economic Advantage	**4,404**	283	4,046	-	75
Macro Thematic	**459**	124	308	-	27
European Income	**244**	-	244	-	-
Asia	**111**	-	99	-	12
Sustainable Investment	**2,792**	52	2,542	-	198
Multi-Asset	**634**	-	-	634	-
Indexed	**49**	-	49	-	-
Total	**9,640**	**966**	**7,610**	**634**	**430**

On 21 November 2017, our AuM was £10.126 billion.

Funds Flows

The net inflows over the six months to 30 September 2017 are £178 million (2016: £92 million). A reconciliation of fund flows and AuM over the half year is as follows:-

	Total £m	Institutional £m	UK Retail £m	Multi-Asset £m	Offshore Funds £m
Opening AuM - 1 April 2017	**6,523**	**1,044**	**4,648**	**612**	**219**
Net flows	**178**	(160)	303	2	33
Acquisitions	**2,518**	49	2,316	-	153
Market and Investment performance	**421**	33	343	20	25
Closing AuM - 30 September 2017	**9,640**	**966**	**7,610**	**634**	**430**

Fund Performance (Quartile ranking)

	Quartile ranking – Since Launch/Manager Appointed	Quartile ranking - 5 year	Quartile ranking - 3 year	Quartile ranking - 1 year	Launch Date/Manager Appointed
Liontrust UK Growth Fund	1	2	1	3	25/03/2009
Liontrust Special Situations Fund	1	2	1	2	10/11/2005
Liontrust UK Smaller Companies Fund	1	1	1	3	08/01/1998
Liontrust UK Micro Cap Fund	3	-	-	3	09/03/2016

Liontrust Macro Equity Income Fund	1	3	4	3	31/10/2003
Liontrust Macro UK Growth Fund	2	4	4	3	01/08/2002
Liontrust European Growth Fund	1	2	1	4	15/11/2006
Liontrust Asia Income Fund	2	2	2	4	05/03/2012
Liontrust European Income Fund	3	4	4	4	15/12/2005
Liontrust European Enhanced Income Fund (Hedged)	4	4	4	4	30/04/2010
Liontrust Global Income Fund	4	-	4	3	03/07/2013
Liontrust Monthly Income Bond Fund	1	1	1	1	12/07/2010
Liontrust SF Absolute Growth Fund	4	1	1	1	19/02/2001
Liontrust SF Corporate Bond Fund	1	1	1	1	20/08/2012
Liontrust SF Cautious Managed Fund	1	-	1	1	23/07/2014
Liontrust SF Defensive Managed Fund	1	-	1	1	23/07/2014
Liontrust SF European Growth Fund	2	2	1	2	19/02/2001
Liontrust SF Global Growth Fund	4	2	2	1	19/02/2001
Liontrust SF Managed Fund	3	1	1	1	19/02/2001
Liontrust UK Ethical Fund	2	1	1	1	01/12/2000
Liontrust SF UK Growth Fund	2	1	1	1	19/02/2001

Source: Financial Express, total return (income reinvested and net of fees), bid to bid, to 30 September 2017 unless otherwise stated, based on primary share classes. The above funds are all UK authorised unit trusts or UK authorised ICVCs (primary share class). Liontrust FTSE 100 Tracker Fund (index fund) not included. 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. Quartile rankings correct as at 03/10/2017.

Outlook

We have made further progress in developing and growing Liontrust over the past six months. With the addition of the Liontrust Sustainable Investment team and the arrival of David Roberts and Phil Milburn early in 2018, we are expanding our fund management capability and diversifying our potential client base, both in the UK and internationally. We have delivered another six months of positive net inflows, breaking through £10 billion in AuM since the end of September 2017.

We have a much stronger infrastructure at Liontrust, ensuring it can support the further expansion of our business. We are also focused on continuing to deliver a first-class service to our investors as we grow our funds and proposition.

The depth of talent at Liontrust gives me great confidence that we can thrive for the benefit of investors and shareholders.

Adrian Collins

Non-executive Chairman

Consolidated Statement of Comprehensive Income
Six months ended 30 September 2017

	Notes	Six months to 30-Sep-17 (unaudited) *£'000*	Six months to 30-Sep-16 (unaudited) *£'000*	Year ended 31-Mar-17 (audited) *£'000*
Revenue	4	34,572	22,043	51,508
Cost of sales		(25)	(25)	(50)
Gross profit		34,547	22,018	51,458
Realised profit on sale of financial assets		2	104	6
Unrealised profit on financial assets		-	-	134
Administration expenses	5	(30,957)	(19,886)	(42,506)
Operating profit		3,592	2,236	9,092
Interest receivable		2	9	11
Profit before tax		3,594	2,245	9,103
Taxation	7	(954)	(496)	(2,275)
Profit for the period		**2,640**	**1,749**	**6,828**
Total comprehensive income		**2,640**	**1,749**	**6,828**
		Pence	*Pence*	*Pence*
Basic earnings per share	8	5.37	3.88	15.15
Diluted earnings per share	8	5.21	3.80	14.75

Consolidated Balance Sheet
As at 30 September 2017

	Notes	30-Sep-17 (unaudited) *£'000*	30-Sep-16 (unaudited) *£'000*	31-Mar-17 (audited) *£'000*
Assets				
Non current assets				
Intangible assets	9	14,530	5,273	3,640
Goodwill		9,872	-	-
Property, plant and equipment		263	191	195
Deferred tax assets		-	1,052	964
Total non current assets		**24,665**	**6,516**	**4,799**
Current assets				
Trade and other receivables		48,564	49,058	68,066
Financial assets	10	1,545	1,757	1,404
Cash and cash equivalents		22,619	18,333	16,956
Total current assets		**72,728**	**69,148**	**86,426**
Liabilities				

Non current liabilities			
DBVAP liability	(788)	-	(322)
Deferred tax liabilities	(998)	-	-
Total non current liabilities	**(1,786)**	**-**	**(322)**
Current liabilities			
Trade and other payables	(51,831)	(52,304)	(63,960)
Corporation tax payable	(58)	(907)	(393)
Total current liabilities	**(51,889)**	**(53,211)**	**(64,353)**
Net current assets	**20,839**	**15,937**	**22,073**
Net assets	**43,718**	**22,453**	**26,550**
Shareholders' equity			
Ordinary shares	495	454	454
Share premium	15,796	17,692	-
Deferred consideration	3,959	-	-
Capital redemption reserve	19	19	19
Retained earnings	27,133	7,323	28,936
Own shares held	(3,684)	(3,035)	(2,859)
Total equity	**43,718**	**22,453**	**26,550**

Consolidated Cash Flow Statement
Six months ended 30 September 2017

	Six months to 30-Sep-17 (unaudited) *£'000*	Six months to 30-Sep-16 (unaudited) *£'000*	Year ended 31-Mar-17 (audited) *£'000*
Cash flows from operating activities			
Cash inflow from operations	48,944	29,365	56,460
Cash outflow from operations	(38,835)	(21,177)	(42,489)
Cash inflow/(outflow) from changes in unit trust receivables and payables	4,233	2,535	(363)
Net cash from operations	14,342	10,723	13,608
Interest received	2	9	11
Tax paid	(1,403)	(500)	(2,705)
Net cash from operating activities	12,941	10,232	10,914
Cash flows from investing activities			
Purchase of property, plant and equipment	(146)	(8)	(73)
Acquisition of investment management contracts	-	(4,083)	(4,083)
Acquisition of Alliance Trust Investments net of cash	(929)	-	-
Purchase of ICI's	-	-	(95)
Purchase of DBVAP Financial Asset	-	(940)	(940)
Purchase of seeding investments	-	(110)	(252)
Sale of seeding investments	54	85	151
Net cash used in investing activities	(1,021)	(5,056)	(5,292)
Cash flows from financing activities			
Purchase of own shares	(848)	(1,718)	(1,738)

Dividends paid	(5,409)	(4,092)	(5,895)
Net cash used in financing activities	(6,257)	(5,810)	(7,633)
Net increase/(decrease) in cash and cash equivalents	5,663	(634)	(2,011)
Opening cash and cash equivalents*	16,956	18,967	18,967
Closing cash and cash equivalents	**22,619**	**18,333**	**16,956**

* Cash and cash equivalents consists only of cash balances.

Consolidated Statement of Change in Equity
Six months ended 30 September 2017

	Share capital £ '000	*Share premium £ '000*	*Deferred Consideration £'000*	*Capital Redemption £ '000*	*Retained earnings £ '000*	*Own shares held £ '000*	*Total Equity £ '000*
Balance at 1 April 2017 brought forward	454	-	-	19	28,936	(2,859)	26,550
Profit for the period	-	-	-	-	2,640	-	2,640
Total comprehensive income for the period	-	-	-	-	2,640	-	2,640
Dividends paid	-	-	-	-	(5,409)	-	(5,409)
Deferred consideration ATI	-	-	3,959	-	-	-	3,959
Shares issued	41	15,796	-	-	-	-	15,837
Purchase of own shares	-	-	-	-	-	(825)	(825)
Equity share options issued	-	-	-	-	966	-	966
Balance at 30 September 2017	**495**	**15,796**	**3,959**	**19**	**27,133**	**(3,684)**	**43,718**

Consolidated Statement of Change in Equity
Six months ended 30 September 2016

	Share capital £ '000	*Share premium £ '000*	*Capital redemption £ '000*	*Retained earnings £ '000*	*Own shares held £ '000*	*Total Equity £ '000*
Balance at 1 April 2016 brought forward	454	17,692	19	9,330	(1,317)	26,178
Profit for the period	-	-	-	1,749	-	1,749
Total comprehensive income for the period	-	-	-	1,749	-	1,749
Dividends paid	-	-	-	(4,092)	-	(4,092)
Purchase of own shares	-	-	-	-	(1,718)	(1,718)
Equity share options issued	-	-	-	336	-	336

Balance at 30 September 2016	**454**	**17,692**	**19**	**7,323**	**(3,035)**	**22,453**

Consolidated Statement of Change in Equity
Year ended 31 March 2017

	Ordinary shares	*Share premium*	*Capital redemption*	*Retained earnings*	*Own shares held*	*Total Equity*
	£ '000	*£ '000*	*£ '000*	*£ '000*	*£ '000*	*£ '000*
Balance at 1 April 2016 brought forward	454	17,692	19	9,330	(1,317)	26,178
Profit for the year	-	-	-	6,828	-	6,828
Total comprehensive income for the year	-	-	-	6,828	-	6,828
Dividends paid	-	-	-	(5,895)	-	(5,895)
Capital reduction	-	(17,692)	-	17,692	-	-
Purchase of own shares	-	-	-	-	(1,738)	(1,738)
Purchase of ICI’s	-	-	-	(95)	-	(95)
EBT share option settlement	-	-	-	(133)	196	63
Equity share options issued	-	-	-	1,209	-	1,209
Balance at 31 March 2017	**454**	**-**	**19**	**28,936**	**(2,859)**	**26,550**

Notes to the Financial Statements

1. Principal accounting policies

This Half Yearly Report is unaudited and does not constitute statutory accounts within the meaning of s434 of the Companies Act 2006. The financial information for the half years ended 30 September 2017 and 2016 has not been audited or reviewed by the auditors pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information. The statutory accounts for the year ended 31 March 2017, which were prepared in accordance with International Financial Reporting Standards, comprising standards and interpretations approved by either the International Accounting Standards Board or the International Financial Reporting Interpretations Committee or their predecessors, as adopted by the European Union ("**IFRS**"), and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, have been delivered to the Registrar of Companies. The auditors' opinion on these accounts was unqualified and did not contain a statement made under s498 of the Companies Act 2006.

The financial statements have been prepared in accordance with the Disclosure Guidance and Transparency Sourcebook and with IAS 34 'Interim Financial Reporting'.

The accounting policies applied in this Half Yearly Report are consistent with those applied in the Group's most recent annual accounts other than the amendment of the 'intangible assets' policy. Assets are amortised over their useful lives on a straight line basis. Their useful lives are determined by management at either 5 years or 10 years depending on the type of contracts and underlying investors.

Forthcoming accounting standards applicable to the Group:
IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers' will become applicable from 1 January 2018. The expected impact of these standards is being assessed and further quantitative information will be included within the Group's 2018 Annual Report and Accounts.

2. Alternative Performance Measures

The Group assess its performance using a variety of measures that are not defined under IFRS and are therefore termed alternative performance measures ("**APM's**"). The APMs that we use may not be directly comparable with similarly named measures used by other companies.

The Group uses the APM's to present its financial performance, in a manner which is aligned with the requirements of our stakeholders. By presenting these APM's it enables comparison with our peers who may use different accounting policies.

The Group uses the following APM's:

Alternative Performance Measure	**Definition**	**Reconciliation**
Adjusted profit before tax	Profit before tax, before depreciation, amortisation, non-recurring items* and share incentivisation schemes	Note 6

Adjusted profit before tax is used to present a measure of profitability which excludes the effects of non-recurring and non-cash items and capital investment (depreciation and amortisation), enabling comparison with our peers and to provide a consistent measure of the businesses performance.

Adjusted operating profit	Adjusted profit before tax, before interest.	Note 6
Adjusted basic earnings per share	Adjusted profit before tax divided by the weighted average number of shares in issue for the period	n/a
Adjusted diluted earnings per share	Adjusted profit before tax divided by the diluted weighted average number of shares in issue for the period	n/a

* Non-recurring items include cost reduction expenses, restructuring costs, acquisition related costs, integration costs, severance compensation and non-recurring legal expenses.

3. 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.

4. Revenue

	Six months to 30-Sep-17 (unaudited)	Six months to 30-Sep-16 (unaudited)	Year ended 31-Mar-17 (audited)
	£'000	*£'000*	*£'000*
Revenue			
- Revenue	34,520	21,985	47,459
- Performance fee revenue	52	58	4,049
Total Revenue	**34,572**	**22,043**	**51,508**

5. Administration expenses

	Six months to 30-Sep-17 (unaudited)	Six months to 30-Sep-16 (unaudited)	Year ended 31-Mar-17 (audited)
	£'000	*£'000*	*£'000*
Employee related expenses			
Director and employee costs	3,905	2,291	5,721
Pension costs	318	151	305
Share incentivisation expense	1,677	670	1,487
DBVAP expense	505	-	188
Severance compensation[1]	1,469	25	53
	7,874	**3,137**	**7,754**
Non employee related expenses			
Members' drawings charged as an expense	11,127	8,175	19,062
Members' share incentivisation expense	999	1,588	1,762
Member severance compensation	338	-	165
Professional services[1,2]	2,017	818	1,359
Depreciation and Intangible asset amortisation	1,403	1,424	3,118
Other administration expenses	7,199	4,744	9,286
Total administration expenses	**30,957**	**19,886**	**42,506**

[1] Includes costs relating to the acquisition of Alliance Trust Investments Limited.

[2] Includes legal costs relating to claim by a former member and costs relating to the acquisition of the Argonaut business.

6. Adjusted profit before tax

Adjusted profit before tax is reconciled in the table below:

	Six months to 30-Sep-17 (unaudited)	Six months to 30-Sep-16 (unaudited)	Year ended 31-Mar-17 (audited)
	£'000	*£'000*	*£'000*
Profit for the period	2,640	1,749	6,828
Taxation	954	496	2,275
Profit before tax	3,594	2,245	9,103
Share incentivisation expense	2,676	2,161	3,249

DBVAP expense	505	-	188
Severance compensation[1]	1,807	190	218
Professional services[1,2]	2,017	818	1,359
Depreciation, Intangible asset amortisation and impairment	1,403	1,424	3,118
Adjustments	8,408	4,593	8,132
Adjusted profit before tax	**12,002**	**6,838**	**17,235**
Interest receivable	(2)	(9)	(11)
Adjusted operating profit	**12,000**	**6,829**	**17,224**
Adjusted basic earnings per share	19.77	12.14	30.60
Adjusted diluted earnings per share	19.17	11.89	29.79

[1] Includes costs relating to the acquisition of Alliance Trust Investments Limited.

[2] Includes legal costs relating to claim by a former member and costs relating to the acquisition of the Argonaut business.

7. Taxation

The half yearly tax charge has been calculated at the estimated full year effective UK corporation tax rate of 19% (2016: 20%).

8. Earnings per share

The calculation of basic earnings per share is based on profit after taxation and the weighted average number of Ordinary Shares in issue for each period. The weighted average number of Ordinary Shares for the six months ended 30 September 2017 was 49,168,235 (30 September 2016: 45,043,211, 31 March 2017: 45,059,188). 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 is 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 that were in existence during the six months ended 30 September 2017. The adjusted weighted average number of Ordinary Shares so calculated for the period was 50,719,938 (30 September 2016: 46,010,147, 31 March 2017: 46,285,217). This is reconciled to the actual weighted number of Ordinary Shares as follows:

	30-Sep-17	30-Sep-16	31-Mar-17
Weighted average number of Ordinary Shares	49,168,235	45,043,211	45,059,188
Weighted average number of dilutive Ordinary shares under option:			
- to Liontrust Long Term Incentive Plan	1,173,750	510,739	789,963
- to the Liontrust Option Plan	-	35,297	30,949
- to the DBVAP	377,953	401,009	395,144
- to the Liontrust LMIP	-	19,891	9,973
Adjusted weighted average number of Ordinary Shares	50,719,938	46,010,147	46,285,217

9. Intangible assets

Intangible assets represent investment management contracts that have been capitalised upon acquisition and are amortised on a straight-line basis over a period of 5 years or 10 years depending on the type of contracts acquired. The intangible asset on the balance sheet represents investment management contracts as follows:

	30-Sep-17	30-Sep-16	31-Mar-17
	£'000	*£'000*	*£'000*
Investment management contracts acquired from Walker Crips Asset Managers Limited	-	1,326	2,550
Investment management contracts acquired from Argonaut	3,130	3,947	-
Investment management contracts acquired from ATI	11,400	-	-
	14,530	5,273	2,550

As noted in the 2017 Annual report we agreed to acquire the Alliance Trust Investments Limited (the **'Acquisition'**). The Acquisition completed in April 2017 (See note 10).

10. Acquisition of Alliance Trust Investments Limited

On 1 April 2017 ("**Completion Date**"), the Company acquired the entire issued share capital and obtained control of Alliance Trust Investments Limited ("**ATI**") at a cost of £29.425 million (the "**Acquisition**") from Alliance Trust Plc ("**AT Plc**"). As a result of the Acquisition, the Group is expected to increase its offerings to investors, both domestically and across Europe. It expects to reduce costs and benefit from economies of scale following a process of restructuring and integration.

The goodwill of £9.9 million arising from the Acquisition is attributable to the acquired customer base and the expected economies of scale and efficiency increases from combining the operations of ATI and the Group.

The following table summarises the consideration paid for ATI, the fair value of assets acquired and the liabilities assumed at the Completion Date.

Consideration at 1 April 2017	***£'000***
Cash	9,629
Equity instruments (amount on Completion Date) - 4,060,792 shares	15,837
Equity instruments (deferred consideration) - 1,015,198 shares	3,959
Total consideration	**29,425**
Recognised amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	8,700
Trade and other receivables	4,603
Trade and other payables	(3,674)
Investment Management contracts	12,000
Deferred tax liabilities	(2,076)
Total identifiable net assets	**19,553**
Goodwill	9,872
Total	**29,425**

Acquisition related costs of £576,000 have been charged to administrative expenses in the consolidated statement of comprehensive income for the year ended 31 March 2017. Since the Completion Date, the ATI business has contributed revenue of £4.7 million and a net loss of £1.9 million (including reorganisation costs).

Equity instruments issued
The equity instruments issued on the Completion Date comprise of 4.061 million of the Company's ordinary shares ("**Ordinary Shares**"). The Share Purchase Deed relating to the Acquisition stipulated that Liontrust pay an initial considerate of £13.6 million to be satisfied in Ordinary Shares in a number of shares calculated with reference to the 30 day average of the Company's share price as at 15 December 2016. The fair value of the 4.061 million shares on the Completion Date was £15.8 million.

Additionally, the Group has agreed to pay AT Plc additional consideration of £3.4 million on the first anniversary of the Completion Date, which will be satisfied by the allotment and issue of 1.015 million of Ordinary Shares calculated with reference to the 30 day average of the Company's share price as at 15 December 2016. The Group has included £3.9 million as deferred consideration related to the additional consideration, which represents its fair value at the Completion Date.

There is an additional contingent consideration that may become payable. If, on the second anniversary of the Completion Date, the average assets under management managed by the Sustainable Investment team (the investment team acquired pursuant to the Acquisition) for the 3 month period prior to this date is in excess of £3 billion then Liontrust will pay an additional £3 million in cash to AT Plc. At the current time the Group has not recognised a liability for this.

11. 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 at fair value through profit and loss:
The Group's assets held at fair value through profit and loss represent units in the UK Authorised unit trusts held in the manager's box (these are valued at bid price.) and units in the UK Authorised unit trusts and shares in the sub-funds of Liontrust Global Funds Plc held as part of the Liontrust DBVAP.

Assets held as available-for-sale:
The Group's assets held as available-for-sale represent shares in Liontrust GF European Smaller Companies Fund, Liontrust GF Asia Income Fund, Liontrust GF European Strategic Equity Fund and Liontrust GF UK Growth Fund (all sub-funds of Liontrust Global Funds Plc) and are valued at bid price).

12. Related party transactions

During the six months to 30 September 2017 the Group received fees from unit trusts under management of £22,371,000 (2016: £16,792,000). Transactions with these unit trusts comprised creations of £384,521,000 (2016: £374,117,000) and liquidations of £181,329,000 (2016: £373,947,000). Directors can invest in unit trusts managed by the Group on commercial terms that are no more favourable than those available to staff in general. As at 30 September 2017 the Group owed the unit trusts £28,149,000 (2016: £45,130,000) in respect of unit trust creations and was owed £27,360,000 (2016: £43,131,000) in respect of unit trust cancellations and fees.

During the six months to 30 September 2017 the Group received fees from ICVC's under management of £5,284,000 (2016: £nil). Transactions with these ICVC's comprised creations of £542,208,000 (2016: £nil) and liquidations of £243,365,000 (2016: £nil). Directors can invest in ICVC's managed by the Group on commercial terms that are no more favourable than those available to staff in general. As at 30 September 2017 the Group owed the ICVC's £13,859,000 (2016: £nil) in respect of creations and was owed £14,009,000 (2016: £nil) in respect of cancellations and fees.

During the six months to 30 September 2017 the Group received fees from offshore funds under management of £1,087,000 (2016: £613,000). Transactions with these funds comprised purchases of £nil (2016: £110,000) and sales of £54,000 (2016: £85,000). As at 30 September 2016 the Group was owed £177,000 (2016: £99,000) in respect of management fees.

As at 30 September 2017 members owed Liontrust Fund Partners LLP and Liontrust Investment Partners LLP (the 'LLPs') £nil (2016: £492,000). These loans were provided in connection with the relevant members' duties as a member of the relevant LLP.

During the six months to 30 September 2017 remuneration paid to key decision makers (the Executive Directors) was £338,000 (2016: £430,000).

13. Key risks

The Directors have identified the risks and uncertainties that affect the Group's business and believe that they will be substantially the same for the second half of the year as the current risks as identified in the 2017 Annual Report. 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 and is described further in the Risk management and internal control section on page 31 of the 2017 Annual Report and Note 2 "Financial risk management" on page 68 of the 2017 Annual Report.

14. 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 30 September 2017 has not been recognised in the results for the year.

A contingent liability has arisen in relation to a tax covenant claim by Walker Crips Group Plc in relation to the acquisition of Walker Crips Asset Managers Limited in April 2012 and for which the underlying basis of the claim is unclear at this time. The timing and amount of any potential liability is currently uncertain but can be estimated at this stage to be within the range of £nil to £1.8 million.

15. Directors' responsibilities

The Directors confirm that this condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that the Half Yearly Report herein includes a fair review of the information required by DTR 4.2.7, being an indication of important events that have occurred during the first six months of the current financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and DTR 4.2.8, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions described in the last Annual Report and Accounts that could have a material effect on the financial position or performance of the Group in the past six months of the current financial year.

By Order of the Board

John Ions	Vinay Abrol
Chief Executive	**Chief Operating Officer and Chief Financial Officer**

22 November 2017

Forward Looking Statements

This report 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. Nothing in this announcement should be construed as a profit forecast.

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