Embargoed until 0700 hours, Wednesday 27 June 2018

LIONTRUST ASSET MANAGEMENT PLC
FULL YEAR RESULTS FOR THE YEAR ENDED 31 MARCH 2018

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 2018.

Results:

- Adjusted profit before tax of £27.4 million (2017: £17.2 million), an increase of 59%
- Adjusted diluted earnings per share of 42.7 pence per share (2017: 29.8 pence per share), an increase of 43%
- Profit before tax of £12.3 million (2017: £9.1 million), an increase of 35%. This includes costs of £15.0 million (2017: £8.1 million) relating to the amortisation of intangible assets and other non-cash and non-recurring costs (see note 5 below)
- Revenues of £77 million (2017: £51 million), an increase of 49%. This includes £4.5 million of performance fee revenues (2017: £4.0 million)

Dividend:

- Second Interim dividend per share of 16.0 pence (2017: 11.0 pence), which will be payable on 10 August 2018. This brings the total dividend per share for the financial year ending 31 March 2018 to 21.0 pence (2017: 15.0 pence), an increase of 40%

Assets under management:

- On 31 March 2018, assets under management ("AuM") were £10.5 billion (2017: £6.5 billion), an increase of 61%
- Three funds have been successfully launched for the Global Fixed Income team with a total of £214 million AuM as at 25 June 2018
- AuM as at close of business on 25 June 2018 were £11.347 billion

Flows:

- Net inflows for the year to 31 March 2018 of £1,004 million (2017: £482 million)

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

"We have made substantial progress over the past year, posting impressive net sales and growth in AuM, a significant increase in revenue and profit, and broadened our fund management capability and client base.

There have been net inflows of £1 billion, the eighth successive year of positive sales, and our AuM increased to £10.5 billion. The Sustainable Investment team joined on 1 April 2017 and its AuM now stands at £3 billion. The team has delivered strong performance in an area of increasing client focus.

The new financial year has begun well, raising £214 million for the launch of three funds managed by our Global Fixed Income team. This and good flows into other teams has now taken our AuM to £11.3 billion compared to £6.5 billion on 1 April 2017.

This demonstrates the continued demand for active fund managers with robust investment processes and proven track records.

The strong year for distribution is reflected in our financial results, with the adjusted profit before tax increasing by 59% to £27.4 million and revenues rising by 49% to £77 million.

The Distribution team is being strengthened through the recruitment of Frank Doyle as Head of Institutional Business. Frank, who is joining Liontrust in September, has extensive experience and strong relationships with consultants and institutional investors and will enhance our business in this part of the market.

I have often talked about the need for a strong foundation from which to build. As we continue to grow, the progress made over the last year in investment, client servicing and brand awareness gives me great confidence for the future."

For further information please contact:

Liontrust Asset Management	**020 7412 1700**
John Ions, Vinay Abrol	**www.liontrust.co.uk**
Simon Hildrey – Chief Marketing Officer	
Numis Securities Limited	**020 7260 1000**
Charles Farquhar	
Macquarie Capital (Europe) Limited	**020 3037 2000**
Advisory – Jonny Allison, Kavita Choitram	
Corporate Broking – Alex Reynolds, Nicholas Harland	

Chairman's Statement

Introduction

This has been a year of strong growth and expansion for Liontrust. We delivered £1 billion in net inflows and our assets under management (AuM) increased by 61% to £10.47 billion. This is a tribute to the leadership of the business, the talent we have across Liontrust and the investment we have made over the past eight years in our fund management teams, distribution, marketing and the brand.

We have continued to strengthen our fund management capability through the Sustainable Investment and Global Fixed Income ("GFI") teams. After joining Liontrust on 1 April 2017, the AuM of the Sustainable Investment team increased by £500 million over the financial year to reach nearly £3 billion. The GFI team is an excellent addition with their experience, high profile and strong track record.

These two teams have provided the business with further diversification by asset class and clients, both in the UK and internationally. They also provide clients with great reassurance at a time of increased geopolitical uncertainty.

We are now coming to the end of 10 years of Central Banks experimenting with unconventional measures to keep interest rates low and flood liquidity into the system to fend off a depression and strengthen the banking system. The speed of change has accelerated as we face numerous potential or actual blow-ups each year. The currency crisis in Argentina and Turkey, Brexit, trade tariffs and the near meltdown of the financial markets in Italy are just a few on the table as I write.

It is nigh on impossible to lay down a road map for the future, not least because the President of the USA is shaking all the trees in the orchard at the same time, and where the apples will fall is anybody's guess. Whether one is heartened by his advice to Kim Jong-un to build "Condos" and hotels on the beaches in North Korea is a moot point!

A key strength of the fund managers at Liontrust is that despite all of this global noise going on, they continue to run investors' money according to clear, well defined investment processes that are predictable and repeatable.

We welcomed Sophia Tickell to the Board on 1 October 2017 as an Independent Non-executive Director and she has been a strong addition for Liontrust. Sophia has been providing invaluable insight having worked with asset managers for more than 15 years and through her background in and extensive knowledge of ESG.

I would like to highlight the hard work and the contribution of the management and staff at Liontrust to the continued success of the business and to thank our shareholders and investors for their ongoing support and loyalty to the company. This commitment will enable us to continue on our growth path.

Results

Adjusted profit before tax was £27.378 million (2017: £17.235 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 and severance compensation related) expenses ("Adjustments"), see note 5 below for a reconciliation of adjusted profit (or loss) before tax.

Profit before tax is £12.313 million (2017: £9.103 million).

Dividend

The success in fund performance and distribution has resulted in an increase in revenues excluding performance fees of 53% and a 59% increase in our adjusted profit before tax to £27.4 million. This has enabled the Board to declare a second interim dividend of 16.0 pence per share (2017: 11.0 pence), which will be payable on 10 August 2018 to shareholders who are on the register as at 6 July 2018, the shares going ex-dividend on 5 July 2018. The total dividend for the financial year ending 31 March 2018 is 21.0 pence per share (2017: 15.0 pence per share), an increase of 40% compared with last year.

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 20 July 2018. 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).

Adrian Collins
Chairman
26 June 2018

Chief Executive's Statement

Introduction

Asset management has a central role to play in enabling people to try to achieve their financial goals over the medium and long term. This role will now continue throughout people's lives due to greater longevity and with the onus increasingly being on individuals to save and invest for their own futures.

Along with this structural opportunity for asset managers comes a highly competitive market and greater scrutiny. To overcome these challenges and to take advantage of the opportunities, we will remain focused on what has brought us success and enabled us to deliver eight successive years of positive inflows.

Key to this is our first-class investment proposition and the talent of our fund management teams. By delivering what our clients and investors expect, along with strong long-term performance, through robust and repeatable investment processes, we will continue to attract assets and retain loyalty.

At a time when attention is so focused on price and cost, it can be easy to lose sight of the benefit of value. Those asset managers able to demonstrate the added value of great active fund management will retain a central role in looking after people's savings.

It is also important to deliver what investors want and not just what asset managers want to provide. Since our Sustainable Investment team joined us on 1 April 2017, we have seen a significant increase in attention and demand for this way of investing. You can see this clearly in the reaction to the fact that if current trends continue, the weight of plastic in our seas will exceed that of fish by 2050, according to the World Economic Forum. It will no longer be an option for asset managers not to have a view on Sustainable Investment.

Our Sustainable Investment team has vast experience, a clear process and a focus on generating returns for investors as well as seeking to benefit society through their holdings. The quality of this and our other fund management teams is shown by the independent recognition they are receiving. We have won seven fund awards and two group awards over the past year and have been shortlisted in eight categories at the Investment Week Fund Manager of the Year Awards 2018 in July. Five of these are for Sustainable funds within mainstream categories and two for the Economic Advantage team, who celebrated 20 years of the investment process in January 2018.

We will continue to add to and diversify our fund management capability as and when the right opportunities arise and if they meet the needs of investors. The GFI team, who joined us at the start of 2018, demonstrate the attraction of Liontrust to high-quality fund managers.

The addition of the Sustainable and GFI teams and the significant investment we have made in Distribution is leading to a further broadening of our client base and a deepening of relationships. This is demonstrated by the fact that Liontrust had the 11th largest net retail sales in the UK in 2017 and had the 13th largest total net sales, according to the Pridham Report. Since the end of the 2017-18 financial year, we have successfully launched three funds for the GFI team with a total of £214 million of assets as at 25 June 2018.

Another key factor behind the growth of Liontrust has been our brand profile and engagement. To enhance this further, we have added a new partnership deal with Durham County Cricket Club. This includes sponsorship of its T20 team, the Durham Jets and the Women's Academy, along with supporting the club's community engagement through the Durham CCC Foundation and a new programme in Kenya.

Our Liontrust community engagement programme is also expanding, with a principal focus on financial education for schoolchildren. It is vital, both for the long-term future of society and the investment industry, that we give children and young people a greater understanding of and confidence in how we manage money.

The talent we have at Liontrust and the ongoing investment we are making in the business gives us the ability to continue to overcome the challenges we may face and capitalise on the many opportunities ahead of us.

Assets under Management

On 31 March 2018, our AuM stood at £10.475 billion 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	**973**	551	313	-	109
Economic Advantage	**4,974**	386	4,507	-	81
Macro Thematic	**442**	153	264	-	25
European Income	**232**	-	232	-	-
Asia	**114**	-	104	-	10
Sustainable Investment	**2,996**	54	2,737	-	205
Multi-Asset	**700**	-	-	700	-
Indexed	**44**	-	44	-	-
Total	**10,475**	**1,144**	**8,201**	**700**	**430**

Funds Flows

Liontrust recorded net inflows of £1,004 million in the financial year to 31 March 2018 (2017: £482 million). A reconciliation of fund flows over the financial 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	**1,004**	(24)	906	76	46
Acquisitions*	**2,518**	49	2,316	-	153

Market and Investment performance	**430**	75	331	12	12
Closing AuM - 31 March 2018	**10,475**	**1,144**	**8,201**	**700**	**430**

* Relates to the acquisition of Alliance Trust Investments Limited which completed on 1 April 2017.

Outlook

We are well positioned to continue the growth of Liontrust. We have further diversified our fund management proposition with the addition of two high quality teams to expand our already strong capability. Through the arrival of the Sustainable Investment and Global Fixed Income teams and our greater Distribution reach, we have been expanding our client base in the UK and internationally.

This is enhanced by our strong brand and the investment we have made in the infrastructure of the business, particularly over the past year. Our brand profile not only gives us great awareness, it also engenders a positive opinion of and engagement with Liontrust among clients and investors. This builds trust and loyalty for the future.

John Ions
Chief Executive
26 June 2018

Extracts from the Strategic Report

UK Retail fund performance

	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	2	25/03/2009
Liontrust Special Situations Fund	1	1	1	1	10/11/2005
Liontrust UK Smaller Companies Fund	1	1	1	2	08/01/1998
Liontrust UK Micro Cap Fund	2	-	-	2	09/03/2016
Liontrust Macro Equity Income Fund	1	3	4	3	31/10/2003
Liontrust Macro UK Growth Fund	2	3	4	3	01/08/2002
Liontrust European Growth Fund	1	2	1	4	15/11/2006
Liontrust Asia Income Fund	2	2	3	3	05/03/2012
Liontrust European Income Fund	3	4	4	4	15/12/2005
Liontrust European Enhanced Income Fund (Hedged)	4	4	4	2	30/04/2010
Liontrust Global Income Fund	3	-	3	2	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	2	3	19/02/2001
Liontrust SF Global Growth Fund	4	2	2	1	19/02/2001
Liontrust SF Managed Fund	2	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 31 March 2018 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 6 April 2018.

Consolidated Statement of Comprehensive Income
For the year ended 31 March 2018

	Notes	Year ended 31-Mar-18 *£'000*	Year ended 31-Mar-17 *£'000*
Revenue		76,861	51,508
Cost of sales		(50)	(50)
Gross profit	3	76,811	51,458
Realised profit on sale of financial assets		3	6
Unrealised (loss)/profit on financial assets		(142)	134
Contingent consideration on ATI acquisition		(912)	-
Administration expenses	4	(63,450)	(42,506)
Operating profit		12,310	9,092
Interest receivable		3	11
Profit before tax		12,313	9,103
Taxation		(3,590)	(2,275)
Profit for the year		**8,723**	**6,828**
Other comprehensive income			
Unrealised profit on financial assets		33	-
Total comprehensive income		**8,756**	**6,828**
		Pence	*Pence*
Earnings per share			

Basic	6	17.76	15,15
Diluted	6	16.88	14.75

The notes 1 to 12 form an integral part of this condensed consolidated financial information.

Consolidated Balance Sheet
As at 31 March 2018

	31-Mar-18	31-Mar-17
	£'000	*£'000*
Assets		
Non current assets		
Intangible assets	13,521	3,640
Goodwill	11,872	-
Property, plant and equipment	207	195
Deferred tax assets	-	964
Total non current assets	25,600	4,799
Current assets		
Trade and other receivables	79,080	68,066
Financial assets	2,076	1,404
Cash and cash equivalents	30,775	16,956
Total Current assets	111,931	86,426
Liabilities		
Non current liabilities		
Deferred tax liability	(918)	-
DBVAP liability	(838)	(322)
Acquisition related contingent liability	(2,912)	-
Total non current liabilities	(4,668)	(322)
Current liabilities		
Trade and other payables	(83,104)	(63,960)
Corporation tax payable	(1,403)	(393)
Total Current liabilities	(84,507)	(64,353)
Net current assets	27,424	22,073
Net assets	48,356	26,550
Shareholders' equity attributable to owners of the parent		
Ordinary shares	495	454
Share premium	15,796	-
Deferred consideration	3,959	-
Capital redemption reserve	19	19
Retained earnings	31,853	28,936
Own shares held	(3,766)	(2,859)
Total equity	48,356	26,550

The notes 1 to 12 form an integral part of this condensed consolidated financial information.

Consolidated Cash Flow Statement
For the year ended 31 March 2018

	Year ended 31-Mar-18 *£'000*	Year ended 31-Mar-17 *£'000*
Cash flows from operating activities		
Cash received from operations	88,032	56,460
Cash paid in respect of operations	(60,783)	(42,489)
Net cash paid for changes in unit trust receivables and payables	92	(363)
Net cash generated from operations	27,341	13,608
Interest received	3	11
Tax paid	(2,774)	(2,705)
Net cash generated from operating activities	24,570	10,914
Cash flows from investing activities		
Purchase of property and equipment	(159)	(73)
Acquisition of Argonaut investment management contracts	-	(4,083)
Acquisition of ATI (net of cash acquired)	(929)	-
Purchase of ICIs	-	(95)
Purchase of DBVAP Financial Asset	(920)	(940)
Purchase of seeding investments	-	(252)
Sale of seeding investments	54	151
Net cash used in investing activities	(1,954)	(5,292)
Cash flows from financing activities		
Purchase of own shares	(930)	(1,738)
Dividends paid	(7,867)	(5,895)
Net cash used in financing activities	(8,797)	(7,633)
Net (decrease)/increase in cash and cash equivalents	13,819	(2,011)
Opening cash and cash equivalents*	16,956	18,967
Closing cash and cash equivalents	30,775	16,956

* Cash and cash equivalents consists only of cash balances.
The notes 1 to 12 form an integral part of this condensed consolidated financial information.

Consolidated Statement of Change in Equity
For the year ended 31 March 2018

	Ordinary shares	*Share Premium*	*Deferred consideration*	*Capital redemption*	*Retained earnings*	*Own shares held*	*Total Equity*
	£ '000	*£ '000*	*£ '000*	*£ '000*	*£ '000*	*£ '000*	*£ '000*
Balance at 1 April 2017 brought forward	454	-	-	19	28,936	(2,859)	26,550
Profit for the year	-	-	-	-	8,723	-	8,723

Other comprehensive income	-	-	-	-	33	-	33
Total comprehensive income for the year	-	-	-	-	8,756	-	8,756
Dividends paid	-	-	-	-	(7,867)	-	(7,867)
Shares issued	41	15,796	-	-	-	-	15,837
Purchase of own shares	-	-	-	-	-	(965)	(965)
Deferred consideration ATI	-	-	3,959	-	-	-	3,959
EBT share option settlement	-	-	-	-	(58)	58	-
Equity share options issued	-	-	-	-	2,086	-	2,086
Balance at 31 March 2018	**495**	**15,796**	**3,959**	**19**	**31,853**	**(3,766)**	**48,356**

Consolidated Statement of Change in Equity
For the 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**

The notes 1 to 12 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 2018.

2. Segmental reporting

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

The Group offers different fund products through different distribution channels. All key financial, business and strategic decisions are made centrally by the Executive directors of the Board, which determines the key performance indicators of the Group. The Board 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 Ended 31-Mar-18 *£'000*	Year ended 31-Mar-17 *£'000*
- Revenue[1]	72,411	47,459
- Performance fee revenue	4,450	4,049
Total revenue	**76,861**	**51,508**

(1) Revenue includes investment management fees, initial charges and commissions and box profits.

4. Administration expenses

	Year ended 31-Mar-18 *£'000*	*Year ended* 31-Mar-17 *£'000*
Employee related expenses		
Director and employee costs	9,721	5,721
Pensions	585	305
Share incentivisation expense	2,929	1,487
DBVAP expense	805	188
Severance compensation	430	53
	14,470	7,754
Non-employee related expenses		
Members drawings charged as an expense	25,357	19,062
Share incentivisation expense members	1,296	1,762
Members severance compensation	339	165
Professional services (restructuring, acquisition related and other)*	5,840	1,359
Depreciation and Intangible asset amortisation	2,481	3,118

Other administration expenses	13,667	9,286
	48,980	34,752
	63,450	42,506

* Includes costs in connection with replacement of front office systems, costs relating to the acquisition of ATI, legal costs relating to claim by former member and costs relating to a claim relating to the acquisition of Walker Crips Asset Managers Limited.

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.

	Year ended 31-Mar-18 *£'000*	*Year ended* 31-Mar-17 *£'000*
Profit for the year	8,723	6,828
Taxation	3,590	2,275
Profit	12,313	9,103
Share incentivisation expense	4,225	3,249
Other comprehensive income (unrealised gain on financial assets)	33	-
DBVAP expense	805	188
Severance compensation	769	218
Acquisition related contingent consideration	912	-
Professional services (restructuring, acquisition related and other)(1)	5,840	1,359
Depreciation and Intangible asset amortisation	2,481	3,118
Adjustments	15,065	8,132
Adjusted profit before tax	27,378	17,235
Interest receivable	(3)	(11)
Adjusted operating profit	27,375	17,224
Adjusted basic earnings per share(2)	45.14	30.60
Adjusted basic earnings per share (excluding performance fees) (2)(3)	42.53	28.19
Adjusted diluted earnings per share(2)	42.67	29.79
Adjusted diluted earnings per share (excluding performance fees)(2)(3)	40.19	27.45

(1) Includes costs in connection with replacement of front office systems, costs relating to the acquisition of ATI, legal costs relating to claim by former member and costs relating to a claim relating to the acquisition of Walker Crips Asset Managers Limited.
(2) Assumes a tax rate of 19% (2017: 20%)
(3) Performance fee revenues contribution calculated in line with operating margin of 35.6% (2017: 33.5%)

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 year. The weighted average number of Ordinary Shares was 45,059,188 for the year (2017:44,346,674). 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 Ordinary Shares held in the Liontrust Asset Management Employee Trust that were in existence during the year ended 31 March 2018. The adjusted weighted average number of Ordinary Shares so calculated for the year was 51,977,398 (2017: 46,285,217). This is reconciled to the actual weighted number of Ordinary Shares as follows:

	2018 number	*2017 number*
Weighted average number of Ordinary Shares	49,125,724	45,059,188
Weighted average number of dilutive Ordinary shares under option:		
- to the Liontrust Long Term Incentive Plan	1,463,856	789,963
- to the Liontrust Option Plan	-	30,949
- to the Deferred Bonus and Variable Allocation Plan	372,620	395,144
- to the Liontrust Members Incentive Plan	-	9,973
Effect of dilution re: Alliance Trust Investments acquisition	1,015,198	-
Adjusted weighted average number of Ordinary Shares	51,977,398	46,285,217

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 at fair value through profit and loss:
The Group's assets held at fair value through profit and loss represent shares in the Liontrust GF Global Strategic Equity Fund, and units in the Liontrust Global Income Fund, the Liontrust Macro Equity Income Fund, the Liontrust UK Growth Fund and the Liontrust Asia Income Fund. Any Foreign currency assets are translated at rates of exchange ruling at the balance sheet date and any exchange rate differences arising are shown in note 17 of the financial statements.

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

Income Fund, The Liontrust Macro Equity Income Fund, The Liontrust Asia Income Fund and the Liontrust UK Growth Fund. The gain on the fair value adjustments during the year net of tax was £33,000 (2017:£nil). Foreign currency assets are translated at rates of exchange ruling at the balance sheet date and any exchange rate differences arising are shown in note 17 of the financial statements.

8. 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 £31.425 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 £11.9 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) - 4,060,792 shares	15,837
Equity instruments (deferred consideration) - 1,015,198 shares	3,959
Contingent consideration	2,000
Total consideration	31,425
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	11,872
Total	31,425

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 £10.9 million and a net loss of £0.3 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 consideration 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.

The Group agreed to pay AT Plc an initial consideration of £15.8 million on the Completion Date, which was satisfied by the allotment and issue of 4.061 million of Ordinary Shares calculated with reference to the 30 day average of the Company's share price as at 15 December 2016.

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.

The identifiable net assets acquired were accounted for at fair value. The fair value of the intangible assets acquired was calculated using a Multiple Periods Excess Earnings Model ('MPEEM') which takes into account the future expected revenue and costs linked to the assets acquired. The MPEEM model assisted the Group in arriving at the valuation of £12 million which management believe is appropriate.

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 the Group will pay an additional £3,000,000 in cash to AT Plc.

Based on facts and circumstances known at the interim accounting date (30 September 2017) the fair value of the contingent consideration was assessed as nil and no liability recorded. Prior to the year end, with the assets under management having grown considerably, the fair value of this liability was re-assessed. Based on the assessment, it was identified that at acquisition date, certain conditions existed which were not previously considered when assessing the fair value of the liability.

Following the completion of the acquisition, the positive fundflows were significantly higher than initially expected. The perception of corporate instability surrounding AT Plc and to what extent it would suppress demand for ATI's retails funds had not been fully considered. Additionally management had not been fully aware of the increase in UK investment consumer demand for 'Sustainable' investments.

These two factors were considered in the re-evaluation of whether a liability should be recognised on acquisition date. Based on a probability assessment model a measurement period adjustment was recorded at a discounted value of £2,000,000 (£2,175,000 undiscounted value) which increased the Goodwill by a corresponding amount. Further, £175,000 is expected to be recorded over a period of 2 years (£87,000 in current financial year and £88,000 in the next financial year) through the Statement of Comprehensive Income to account for the difference between the discounted and undiscounted values.

Further, the balance of £825,000 is recorded through the Statement of Comprehensive Income to reflect that the entire £3,000,000 will be payable.

Goodwill on acquisition is allocated to the Sustainable funds cash generating unit ('CGU'). An assessment was made in relation to impairment of the Goodwill where the recoverable amount was calculated using an earnings model which used key assumptions such as growth rate and discount rate. A reasonably possible change in these assumptions would not result in an impairment.

9. 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 2018 has not been recognised in the results for the year.

10. 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 2017 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.

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.

12. Events after the reporting period

On the 6th April 2018 the Company allotted a further 1,015,198 fully paid ordinary shares of 1p each to Alliance Trust Plc in settlement of part of the consideration for the acquisition of Alliance Trust Investments Limited which was completed on the 1st April 2017.

Forward Looking Statements

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.

The Annual Report and Accounts is expected to be posted to shareholders on or around 4 July 2018.

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.

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