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LIONTRUST ASSET MANAGEMENT PLC
HALF YEARLY REPORT FOR THE SIX MONTHS ENDED
30 SEPTEMBER 2019

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 2019.

Results:

- Adjusted profit before tax[1] of £17.0 million (2018: £14.5 million), an increase of 17%

- Profit before tax of £9.3 million (2018: £7.8 million), an increase of 19%. This includes costs of £7.7 million (2018: £6.7 million) relating to the amortisation of the related intangible asset and other non-cash and non-recurring costs (see note 6 below)

- Gross Profit of £46 million (2018: £41 million), an increase of 12%.

Dividend:

- First Interim dividend per share of 9.0 pence (2018: 7.0 pence), which will be payable on 3 January 2020, the shares going ex-dividend on 28 November 2019.

Assets under management:

- On 30 September 2019, assets under management ("**AuM**") were £14.6 billion

- Neptune acquisition completed on 1 October 2019 adding £2.7 billion of AuM taking Liontrust's AuM to £17.4 billion

- Assets under management as at close of business on 18 November 2019 were £17.9 billion

[1] This is an Alternative Performance Measure, see note 2.

Flows:

- Net inflows for the six months ended 30 September 2019 of £1,367 million (2018: £723 million)

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

"I am delighted to report another strong period of performance for Liontrust. The success of the business reaffirms our continued strategy of investing in our fund management capability, distribution, brand and administration.

At a challenging time for the asset management industry, our clear focus on the fundamentals for success has enabled us to produce strong results.

Net inflows for the last six months were £1.4 billion, which were nearly double for the same period last year. Liontrust had the third highest total net onshore sales in the UK in the third quarter of 2019, according to the Pridham Report.

These sales have come during a difficult period for the funds industry in the UK. In the three months to the end of September 2019, there were net retail outflows of £4.6 billion from equity funds, with £2.3 billion coming from UK equity funds alone (source: Investment Association). Both of these set new records for net outflows.

Our achievement is testament to the investment talent we have at Liontrust, our distribution, strong brand and the infrastructure of the business.

We are confident about the sustainability of the growth of Liontrust following our diversification in recent years across teams, asset classes and distribution channels.

This strategy has continued with the acquisition of Neptune Investment Management on 1 October. This has added 19 funds, broadening our offering where Liontrust did not previously have expertise.

The integration of what is now called the Liontrust Global Equity team with the rest of the business has been smooth and we have started marketing their funds to our client base.

The success of the diversification of the business has been demonstrated by the Sustainable Investment team. The AuM of the team has nearly doubled since we acquired them in April 2017 and, according to the Pridham Report, we are second for gross and total net ESG sales in the UK for the third quarter of 2019.

ESG is an increasingly competitive area for asset managers because of the growing demand for this way of investing. The greater focus on and analysis of sustainable investment, with issues such as greenwashing gaining increased prominence, will lead to investors becoming more discerning about who they entrust their money with in the future.

We are well positioned to benefit from this given the credibility, experience, 18-year track record and rigorous process of the Liontrust Sustainable team and the brand we have built for our proposition.

The Economic Advantage team continues to buck the trend by attracting strong flows into Special Situations and the other UK equity funds they manage. We have also seen continued growth of our Global Fixed Income funds and Multi-Asset portfolios.

The positive net inflows for our teams shows the enduring appeal of active fund management when investors can see the added value being provided and their expectations being met. To achieve this, asset managers need investment talent, robust processes, strong administration and oversight.

The investment we have made over the past few years into our fund management capability, distribution, brand and administration means we are well positioned to drive the business forward during the next stage of our growth."

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Chairman's Statement

I am pleased to be able to announce strong results for my first Half-Year Report as your Chairman, which maintains the growth of the business over the past few years.

I want to start by thanking Adrian Collins on behalf of the Board for his 10 years as Chairman. Adrian has handed over a business that is in great health and is well positioned to sustain our success. We wish Adrian all the very best for the future.

The business will continue to pursue its successful strategy. This is to deliver strong long-term performance; expand and enhance distribution so the business is diversified across channels with a growing client base; manage Liontrust responsibly; contribute to the wider society; provide excellent customer service and support; communicate clearly and regularly; and manage risk.

Liontrust will strive to continue to meet these objectives through organic growth along with strategic hires and acquisitions. The addition of the Sustainable Investment and Global Fixed Income teams over the past two and a half years have contributed significantly to the further expansion of the Company. We are confident the acquisition of Neptune Investment Management, which completed on 1 October, will do the same given its investment capability and the broadening of our fund range that it brings to Liontrust.

We also aspire for excellence in administration and corporate governance to ensure we can continue to deliver a first-class service as the business expands further.

It is essential that people have confidence in those who invest money on their behalf. The development of Liontrust over the past few years means we are a trusted brand as shown by the continued positive net inflows over the past six months. This has driven the increased profitability of the business.

Results

Liontrust has delivered profit before tax of £9.303 million (2018: £7.820 million).

The adjusted profit before tax was £17.021 million (2018: £14.538 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 6 below for a reconciliation of adjusted profit (or loss) before tax.

Dividend

In accordance with the Company's dividend policy, and to create more balance between the First and Second Interim dividends, the Board is declaring a First Interim dividend of 9.0 pence per share (2018: 7.0 pence) which will be payable on 3 January 2020 to shareholders who are on the register as at 29 November 2019, the shares going ex-dividend on 28 November 2019.

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 13 December 2019. 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 2019, our AuM stood at £14,649 million (excluding Neptune AuM) 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	**985**	550	348	-	87
Economic Advantage	**7,029**	234	6,644	-	151
Macro Thematic	**124**	-	124	-	-
European Income	**164**	-	164	-	-
Asia	**125**	-	109	-	16
Sustainable Investment	**4,612**	33	4,327	-	252
Global Fixed Income	**671**	-	304	-	367
Multi-Asset	**939**	-	-	939	-
Total - 30 September 2019	**14,649**	**817**	**12,020**	**939**	**873**
Global Equity[2]	2,733	339	2,394	-	-
Total including Global Equity	**17,382**	**1,156**	**14,414**	**939**	**873**

[2] Neptune acquisition completed on 1 October 2019 adding £2,733 million to AuM, taking Liontrust's AuM to £17,382 million.

On 18 November 2019, our AuM was £17.887 billion.

Funds Flows

The net inflows over the six months to 30 September 2019 of £1,367 million (2018: £723 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 2019	**12,655**	**845**	**10,317**	**844**	**649**
Net flows	**1,367**	(44)	1,174	61	176
Market and Investment performance	**627**	16	529	34	48
Closing AuM - 30 September 2019	**14,649**	**817**	**12,020**	**939**	**873**

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	1	1	2	25/03/2009
Liontrust Special Situations Fund	1	1	1	2	10/11/2005
Liontrust UK Smaller Companies Fund	1	1	1	2	08/01/1998
Liontrust UK Micro Cap Fund	1	-	1	1	09/03/2016
Liontrust Macro Equity Income Fund	1	3	3	1	31/10/2003
Liontrust Macro UK Growth Fund	2	4	4	3	01/08/2002
Liontrust European Growth Fund	1	2	4	4	15/11/2006
Liontrust Asia Income Fund	2	2	4	2	05/03/2012
Liontrust European Income Fund	4	4	4	2	15/12/2005
Liontrust European Enhanced Income Fund (Hedged)	4	4	4	2	30/04/2010
Liontrust Global Income Fund	4	4	4	3	03/07/2013
Liontrust Monthly Income Bond Fund	2	3	1	4	12/07/2010
Liontrust SF Absolute Growth Fund	3	1	1	1	19/02/2001
Liontrust SF Corporate Bond Fund	1	1	1	3	20/08/2012
Liontrust SF Cautious Managed Fund	1	1	1	1	23/07/2014
Liontrust SF Defensive Managed Fund	1	1	1	1	23/07/2014
Liontrust SF European Growth Fund	2	2	3	1	19/02/2001
Liontrust SF Global Growth Fund	3	1	1	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	2	19/02/2001

Source: Financial Express, total return (income reinvested and net of fees) basis, bid to bid, to 30 September 2019 as at 3 October 2019, unless otherwise stated. The above funds are all UK authorised unit trusts (retail share class) or sub funds of UK Investment Companies of Variable Capital. Funds with a track record of less than one year are excluded. 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.

Outlook

We are well positioned to sustain the growth of Liontrust despite a challenging environment for UK asset managers. Liontrust has built a broad and impressive investment capability, strong sales and marketing teams, a powerful brand and enhanced the infrastructure of the business. We look forward with confidence and determination to maintain our positive momentum.

Alastair Barbour
Non-executive Chairman

Consolidated Statement of Comprehensive Income
Six months ended 30 September 2019

		Six months to 30-Sep-19 (unaudited)	Six months to 30-Sep-18 (unaudited)	Year ended 31-Mar-19 (audited)
	Notes	*£'000*	*£'000*	*£'000*
Revenue	4	53,098	46,326	97,556
Cost of sales	4	(7,167)	(5,150)	(12,924)
Gross profit		45,931	41,176	84,632
Realised profit on sale of financial assets		-	1	25
Unrealised profit on financial assets		251	-	-
Contingent consideration on ATI acquisition		-	(44)	(88)
Administration expenses	5	(36,873)	(33,316)	(65,550)
Operating profit		9,309	7,817	19,019
Interest receivable		6	3	10
Interest payable		(12)	-	-
Profit before tax		9,303	7,820	19,029
Taxation	7	(1,727)	(1,892)	(2,108)
Profit for the period		**7,576**	**5,928**	**16,921**
Other comprehensive income		**-**	**-**	**-**
Total comprehensive income		**7,576**	**5,928**	**16,921**
		Pence	*Pence*	*Pence*
Basic earnings per share	8	15.02	11.81	33.72
Diluted earnings per share	8	14.51	11.39	32.55

Consolidated Balance Sheet
As at 30 September 2019

	Notes	30-Sep-19 (unaudited) £'000	30-Sep-18 (unaudited) £'000	31-Mar-19 (audited) £'000
Assets				
Non current assets				
Intangible assets	9	10,497	12,514	11,505
Goodwill	9	11,872	11,872	11,872
Property, plant and equipment		1,830	615	617
		24,199	**25,001**	**23,994**
Current assets				
Trade and other receivables		117,518	139,766	95,371
Financial assets	10	3,264	3,411	3,151
Cash and cash equivalents		27,769	21,881	35,551
Total current assets		**148,551**	**165,058**	**134,073**
Liabilities				
Non current liabilities				
DVBAP liability		(374)	(398)	(1,166)
Deferred tax liabilities		(1,508)	(804)	(1,620)
Lease liability		(2,066)	-	-
Acquisition related contingent consideration		-	(2,956)	-
Total non current liabilities		**(3,948)**	**(4,158)**	**(2,786)**
Current liabilities				
Trade and other payables		(115,584)	(138,600)	(99,710)
Total current liabilities		(115,584)	(138,600)	(99,710)
Net current assets		**32,967**	**26,458**	**34,363**
Net assets		**53,218**	**47,301**	**55,571**
Shareholders' equity				
Ordinary shares		509	505	507
Share premium		22,414	19,745	20,879
Capital redemption reserve		19	19	19
Retained earnings		33,822	30,924	37,457
Own shares held		(3,546)	(3,892)	(3,291)
Total equity		**53,218**	**47,301**	**55,571**

Consolidated Cash Flow Statement
Six months ended 30 September 2019

	Six months to 30-Sep-19 (unaudited) £'000	Six months to 30-Sep-18 (unaudited) £'000	Year ended 31-Mar-19 (audited) £'000
Cash flows from operating activities			
Cash inflow from operations	63,627	44,222	83,936
Cash outflow from operations	(62,941)	(36,816)	(62,088)

Cash inflow/(outflow) from changes in unit trust receivables and payables	576	(3,155)	340
Net cash from operations	1,262	4,251	22,188
Interest received	6	3	10
Tax paid	-	(3,409)	(5,908)
Net cash from operating activities	1,268	845	16,290
Cash flows from investing activities			
Purchase of property, plant and equipment	-	(490)	(609)
Purchase of financial assets	(1,362)	(1,629)	(1,629)
Sale of financial assets	1,333	752	753
Purchase of seeding investments	(50)	(323)	(520)
Sale of seeding investments	51	106	422
Net cash used in investing activities	(28)	(1,584)	(1,583)
Cash flows from financing activities			
Purchase of own shares	(732)	(126)	(126)
Sale of own shares	477	-	601
Lease financing costs	(228)	-	-
Issue of shares	1,537	-	1,136
Dividends paid	(10,076)	(8,029)	(11,542)
Net cash used in financing activities	(9,022)	(8,155)	(9,931)
Net (decrease)/increase in cash and cash equivalents	(7,782)	(8,894)	4,776
Opening cash and cash equivalents*	35,551	30,775	30,775
Closing cash and cash equivalents	27,769	21,881	35,551

* Cash and cash equivalents consist only of cash balances.

Consolidated Statement of Change in Equity
Six months ended 30 September 2019 (unaudited)

	Share capital	*Share premium*	*Capital redemption*	*Retained earnings*	*Own shares held*	*Total Equity*
	£ '000	*£ '000*	*£ '000*	*£ '000*	*£ '000*	*£ '000*
Balance at 1 April 2019 brought forward	507	20,879	19	37,457	(3,291)	55,571
Profit for the period	-	-	-	7,576	-	7,576
Total comprehensive income for the period	-	-	-	7,576	-	7,576
Dividends paid	-	-	-	(10,076)	-	(10,076)
Shares issued	2	1,535	-	-	-	1,537
Deferred consideration - ATI acquisition	-	-	-	-	-	-

Purchase of own shares	-	-	-	-	(255)	(255)
Equity share options issued/(settled)	-	-	-	(419)	-	(419)
Retained earnings adjustment - IFRS 16 Leases (see note 11)	-	-	-	(716)	-	(716)
Balance at 30 September 2019	**509**	**22,414**	**19**	**33,822**	**(3,546)**	**53,218**

Consolidated Statement of Change in Equity
Six months ended 30 September 2018 (unaudited)

	Share capital	*Share premium*	*Deferred consideration*	*Capital redemption*	*Retained earnings*	*Own shares held*	*Total Equity*
	£ '000	*£ '000*	*£ '000*	*£ '000*	*£ '000*	*£ '000*	*£ '000*
Balance at 1 April 2018 brought forward	495	15,796	3,959	19	31,853	(3,766)	48,356
Profit for the period	-	-	-	-	5,928	-	5,928
Total comprehensive income for the period	-	-	-	-	5,928	-	5,928
Dividends paid	-	-	-	-	(8,029)	-	(8,029)
Shares issued	10	3,949	(3,959)	-	-	-	-
Purchase of own shares	-	-	-	-	-	(126)	(126)
Equity share options issued	-	-	-	-	1,172	-	1,172
Balance at 30 September 2018	**505**	**19,745**	**-**	**19**	**30,924**	**(3,892)**	**47,301**

Consolidated Statement of Change in Equity
Year ended 31 March 2019

	Share capital	*Share premium*	*Deferred consideration*	*Capital redemption*	*Retained earnings*	*Own shares held*	*Total Equity*
	£ '000	*£ '000*	*£ '000*	*£ '000*	*£ '000*	*£ '000*	*£ '000*
Balance at 1 April 2018 brought forward	495	15,796	3,959	19	31,853	(3,766)	48,356

Profit for the period	-	-	-	-	16,921	-	16,921
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	16,921	-	16,921
Dividends paid	-	-	-	-	(11,542)	-	(11,542)
Shares issued	2	1,134	-	-	-	-	1,136
(Purchase)/sale of own shares	-	-	-	-	-	475	475
Deferred consideration - ATI acquisition	10	3,949	(3,959)	-	-	-	-
EBT share option settlement	-	-	-	-	(1,972)	-	(1,972)
Equity share options issued	-	-	-	-	2,197	-	2,197
Balance at 31 March 2019	**507**	**20,879**	**-**	**19**	**37,457**	**(3,291)**	**55,571**

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 2019 and 2018 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 2019, 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 implementation of IFRS16 as noted in the 2019 annual report and accounts (see note 11).

Change in accounting policies:
The Group has adopted IFRS 16 'Leases' retrospectively from 1 April 2019, but has not restated comparatives for the previous reporting periods, as permitted by the specific transitional

provisions in the standard. The reclassifications and the adjustments arising from the adoption of the standard are recognised in the opening balance sheet on 1 April 2019.

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 taxation, depreciation, amortisation, share incentivisation expenses and non-recurring items	Note 6

This is used to present a measure of profitability of the Group which is aligned to the requirements of shareholders, potential shareholders and financial analysts, and which removes the effects of financing and capital investment, which eases the comparison with the Group's competitors who may use different accounting policies and financing methods. Specifically, calculation of Adjusted profit before tax excludes share incentivisation expenses for similar reasons to above, and in particular provides shareholders, potential shareholders and financial analysts a consistent year on year basis of comparison of a "profit before tax number", when comparing the current year to the previous year and also when comparing multiple historical years to the current year, of how the underlying business is performing without the effects of share incentivisation expenses which can be influenced by other factors such as timing of grants due to prohibited periods, shareholder approval of share incentivisation plans, and other factors.

Adjusted operating profit	Profit before interest, depreciation and amortisation, share incentivisation expenses and non-recurring items.	Note 6

This is used to present a measure of profitability of the Group which is aligned to the requirements of shareholders, potential shareholders and financial analysts, and which removes the effects of financing and capital investment, which eases the comparison with the Group's competitors who may use different accounting policies and financing methods. Specifically, calculation of Adjusted operating profit before tax excludes share incentivisation expenses for similar reasons to above, and in particular provides shareholders, potential shareholders and financial analysts a consistent year on year basis of comparison of a "profit before tax number", when comparing the current year to the previous year and also when comparing multiple historical years to the current year, of how the underlying business is performing without the effects of share incentivisation expenses which can be influenced by other factors such as timing of grants due to prohibited periods, shareholder approval of share incentivisation plans, and other factors.

Revenues excluding performance fees	Gross profit less any revenue attributable to performance related fees.	Note 4

This is used to present a consistent year on year measure of revenues within the business, removing the element of revenue that may fluctuate year on year.

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-19 (unaudited) *£'000*	Six months to 30-Sep-18 (unaudited) *£'000*	Year ended 31-Mar-19 (audited) *£'000*
Revenue			
- Revenue	53,098	46,326	97,524
- Performance fee revenue	-	-	32
Total Revenue	**53,098**	**46,326**	**97,556**
Cost of sales	(7,167)	(5,150)	(12,924)
Gross Profit	**45,931**	**41,176**	**84,632**

Revenue from earnings includes:
1. Investment management on unit trusts, open-ended investment companies sub-funds, portfolios and segregated accounts;
2. Performance fees on unit trusts, open-ended investment companies sub-funds, portfolios and segregated accounts;
3. Fixed administration fees on unit trusts and open-ended investment companies sub-funds;
4. Net value of sales and repurchases of units in unit trusts and shares in open-ended investment companies (net of discounts);
5. Net value of liquidations and creations of units in unit trusts and shares in open-ended investment companies sub-funds;
6. Box profits on unit trusts; and
7. Foreign currency gains and losses.

The cost of sales includes:
1. Operating expenses including (but not limited to) keeping a record of investor holdings, paying income, sending annual and interim reports, valuing fund assets
and calculating prices, maintaining fund accounting records, depositary and trustee oversight and auditors;
2. Rebates paid on investment management fees;
3. Sales commission paid or payable; and
4. External investment advisory fees paid or payable.

5. Administration expenses

	Six months to 30-Sep-19	Six months to 30-Sep-18	Year ended 31-Mar-19

Depreciation, Intangible asset amortisation and impairment	(unaudited)	(unaudited)	(audited)
	£'000	*£'000*	*£'000*
Employee related expenses			
Director and employee costs	5,695	5,001	10,639
Pension costs	310	277	562
Share incentivisation expense	4,194	1,003	3,970
DBVAP expense(1)	702	3,309	3,091
Severance compensation	-	15	70
	10,901	**9,605**	**18,332**
Non employee related expenses			
Members' drawings charged as an expense	14,029	13,653	27,995
Members' share incentivisation expense	348	436	811
Professional services(2)	1,540	821	819
Depreciation and Intangible asset amortisation(3)	1,424	1,090	2,215
IFRS16 related finance costs	(240)	-	-
Other administration expenses	8,871	7,711	15,378
Total administration expenses	**36,873**	**33,316**	**65,550**

1 Periods to 30 September 2018 and 31 March 2019 includes £2.4 million relating to 2015 DBVAP. The Remuneration Committee chose to settle this award with cash rather than using Liontrust shares held by the Liontrust Asset Management Employee Benefit Trust ("EBT"), so that the EBT holds onto Liontrust shares to reduce future dilution on awards under the Liontrust Long Term Incentive Plan.
2 includes costs relating to the consolidation of all outsourced fund services for our UK and Ireland ranges into one provider: Bank of New York Mellon (International) Limited.
3 Includes Fixed asset depreciation, depreciation on leases under IFRS16 and amortisation of intangible assets

6. Adjusted profit before tax

Adjusted profit before tax is reconciled in the table below:

	Six months to 30-Sep-19 (unaudited)	Six months to 30-Sep-18 (unaudited)	Year ended 31-Mar-19 (audited)
	£'000	*£'000*	*£'000*
Profit for the period	7,576	5,928	16,921
Taxation	1,727	1,892	2,108
Profit before tax	9,303	7,820	19,029
Share incentivisation expense	4,542	1,439	4,781
DBVAP expense net of gain(1)	452	3,309	3,091
Severance compensation	-	15	70
Contingent consideration on ATI acquisition	-	44	88
Professional services(2)	1,540	821	819
IFRS 16 finance costs	(240)	-	-
Depreciation and Intangible asset amortisation(3)	1,424	1,090	2,215
Adjustments	7,718	6,718	11,064
Adjusted profit before tax	**17,021**	**14,538**	**30,093**
Interest receivable	(6)	(3)	(10)
Interest payable	12	-	-
Adjusted operating profit	**17,027**	**14,535**	**30,083**
Adjusted basic earnings per share	27.34	23.47	48.57

Adjusted diluted earnings per share	26.41	22.62	46.89

[1] Periods to 30 September 2018 and 31 March 2019 includes £2.4 million relating to 2015 DBVAP. The Remuneration Committee chose to settle this award with cash rather than using Liontrust shares held by the Liontrust Asset Management Employee Benefit Trust ("**EBT**"), so that the EBT holds onto Liontrust shares to reduce future dilution on awards under the Liontrust Long Term Incentive Plan.
[2] Includes costs relating to the consolidation of all outsourced fund services for our UK and Ireland ranges into one provider: Bank of New York Mellon (International) Limited.
[3] Includes Fixed asset depreciation, depreciation on leases under IFRS16 and amortisation of intangible assets

7. Taxation

The half yearly tax charge has been calculated at the estimated full year effective UK corporation tax rate of 19% (2018: 19%).

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 2019 was 50,430,636 (30 September 2018: 50,180,286, 31 March 2019: 50,185,745). 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 2019. The adjusted weighted average number of Ordinary Shares so calculated for the period was 52,212,068 (30 September 2018: 52,061,284, 31 March 2019: 51,986,043). This is reconciled to the actual weighted number of Ordinary Shares as follows:

	30-Sep-19	30-Sep-18	31-Mar-19
Weighted average number of Ordinary Shares	50,430,636	50,180,286	50,185,745
Weighted average number of dilutive Ordinary shares under option:			
- to Liontrust Long Term Incentive Plan	1,776,755	1,704,393	1,711,753
- to the Liontrust Company Share Option Plan	4,677	-	-
- to the DBVAP	-	176,605	88,545
Adjusted weighted average number of Ordinary Shares	52,212,068	52,061,284	51,986,043

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-19	30-Sep-18	31-Mar-19
	£'000	*£'000*	*£'000*
Investment management contracts acquired from Argonaut	1,497	2,314	1,905
Investment management contracts acquired from ATI	9,000	10,200	9,600
	10,497	12,514	11,505

10. 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:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities;

- 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);

- 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.

Under IFRS9 all financial assets are categorised as Assets held at fair value through profit and loss. The financial assets consist of units held in the Group's collective investment schemes as part of a 'manager's box (as detailed below), assets held by the EBT in respect of the Liontrust DBVAP and assets held in Liontrust Global Funds plc to assist administration. The holdings are valued on a mid or bid basis.

11. Leases

IFRS 16 Leases became applicable for accounting periods beginning after 1 January 2019.
On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of the previously applicable standard, IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 January 2019.

The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 1.73%. On 1 April 2019 the Group recognised a right-of-use asset of £1.6m and a lease liability of £2.3m.

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applicable. Prior to the adoption of IFRS 16, leases of property, plant and equipment were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 April 2019, property leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

12. Related party transactions

During the six months to 30 September 2019 the Group received fees from unit trusts and ICVCs under management of £41,619,000 (2018: £34,291,000). Transactions with these funds comprised creations of £2,106,127,000 (2018: £1,059,213,000) and liquidations of £927,652,000 (2018: £372,503,000). As at 30 September 2019 the Group owed the unit trusts £103,944,000 (2018:

£125,766,000) in respect of unit trust creations and was owed £103,831,000 (2018: £125,217,000) in respect of unit trust cancellations and fees.

During the six months to 30 September 2019 the Group received fees from offshore funds under management of £2,093,000 (2018: £1,087,000). Transactions with these funds comprised purchases of £40,000 (2018: £323,000) and sales of £0 (2018: £106,000). As at 30 September 2019 the Group was owed £365,000 (2018: £177,000) in respect of management fees.

Directors and management can invest in funds managed by the Group on commercial terms that are no more favourable than those available to staff in general.

13. Post balance sheet date event

On 1 October 2019, the Company acquired all of the ordinary shares in Neptune Investment Management Limited (subsequently renamed Liontrust Investment Management Limited) by means of an issue of the Company's ordinary share capital.

The equity instruments issued on completion date comprise of 3.838 million of the Company's ordinary shares and the fair value is £29.1 million.

An additional allotment of equity instruments (no more than £6.0 million) will be made on finalisation of the net asset value of the acquired company's balance sheet. An additional amount of up to £5 million in Ordinary Shares may become payable after the third anniversary of Completion, dependent on the future level of AuM managed by the Neptune Investment Team.

At the date of issue of these financial statements, the valuation of the balance sheet is not complete. An updated disclosure, including the valuation of the balances, will be included in the 2020 Annual Report & Financial Statements.

14. 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 2019 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 51 of the 2019 Annual Report and Note 2 "Financial risk management" on page 97 of the 2019 Annual Report.

15. 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 2019 has not been recognised in the results for the year.

There were no contingent liabilities.

16. 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**

19 November 2019

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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