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LIONTRUST ASSET MANAGEMENT PLC
FULL YEAR RESULTS FOR THE YEAR ENDED 31 MARCH 2021

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 2021.

Results:

- Adjusted profit before tax of £64.3 million (2020: £38.1 million), an increase of 69%
- Adjusted diluted earnings per share of 87.4 pence per share (2020: 56.7 pence per share), an increase of 54%
- Profit before tax of £34.9 million (2020: £16.5 million), an increase of 116%, see note 5 below for a reconciliation to Adjusted profit before tax
- Revenues (Gross Profit) of £164 million (2020: £107 million), an increase of 54%

Dividend:

- Second Interim dividend of 36.0 pence per share (2020: 24.0 pence). This brings the total dividend for the financial year ending 31 March 2021 to 47.0 pence per share (2020: 33.0 pence), an increase of 42%

Assets under management and advice:

- On 31 March 2021, assets under management and advice ("**AuMA**") were £30.9 billion (2020: £16.1 billion), an increase of 92%
- AuMA as at 18 June 2021 were £33.270 billion

Flows:

- Net inflows for the year to 31 March 2021 of £3,498 million (2020: £2,695 million), an increase of 30%

Commenting, John Ions, Chief Executive, said:

"I am proud of the way Liontrust and our colleagues have performed over the past year, rising to the challenges and continuing to deliver excellence across the business for our clients. This is shown in Liontrust generating net inflows of £3.5 billion and a near doubling in our AuMA, with a subsequent rise to £33.3 billion as at 18 June 2021.

The momentum behind the business is demonstrated by the industry's sales figures for the first three months of 2021. According to the Pridham Report, Liontrust had the third highest net retail sales in the UK in the first quarter of the year and was placed fifth for gross retail sales.

The tailwind behind ESG continues and Liontrust is benefiting from our Sustainable Investment team's 20-year track record, proven process and clear reporting on their engagement with companies and the impact of their investments. To meet the rising interest in sustainability and demand for sustainable investment, we have announced the intention the launch an investment trust, Liontrust ESG Trust PLC ("**ESGT**").

This is a significant launch for Liontrust in expanding our offering into investment trusts and will enable a wider range of investors to access the Sustainable Investment team.

As planned, the IPO for ESGT will be on 5 July and will enable Peter Michaelis' team to be unconstrained by market cap, include small cap stocks not held by their open-ended funds and invest in the highest sustainability companies.

In continental Europe, Liontrust has partnered with ABN AMRO Investment Solutions to launch a global impact fund which is being distributed in Italy, Luxembourg and Spain. Along with Sustainable Investment, we see great potential for our Global Fixed Income, Cashflow Solution and Economic Advantage strategies in Europe.

The excellence and breadth of our fund management capability is demonstrated by the fact that Liontrust has been shortlisted for Global Group of the Year and 12 funds managed by four of the investment teams – Economic Advantage, Sustainable Investment, Global Equity and Multi-Asset – have been nominated for Incisive Media's Fund Manager of the Year Awards 2021 that take place on 8 July.

The importance and benefit of high-quality active fund management with strong long-term performance has been reiterated by the pandemic. Our investment teams can allocate the capital that companies and the economy need to deliver a positive outcome and engage to ensure best business practices. Active managers also have a role in ensuring that all shareholders can realise the full potential value of a listed company.

The excellence of our active investment management, service and communications gives me great confidence that Liontrust will continue to grow as we emerge from the pandemic."

For further information please contact:

Liontrust Asset Management Plc (Tel: 020 7412 1700, Website: liontrust.co.uk)
John Ions: Chief Executive
Vinay Abrol: Chief Financial Officer & Chief Operating Officer
Simon Hildrey: Chief Marketing Officer
David Boyle: Head of Corporate Development

N+1 Singer Advisory LLP (Tel: 020 7496 3000)
Corporate Broking: Tom Salvesen
Corporate Finance: Justin McKeegan

Panmure Gordon (Tel: 020 7886 2500)
Corporate Broking: Charles Leigh-Pemberton
Corporate Advisory: Antoine Dupont-Madinier

Chairman's Statement

Introduction

I am delighted at the accomplishments of your Company over the past year, with Liontrust reacting impressively to the onset of Covid-19 and the series of lockdowns. We have seen many positive characteristics of the business during this period and as a result the Company has been able to make significant progress and maintain its growth. I want to extend the Board's recognition and thanks for the commitment and professionalism of John Ions, Vinay Abrol and colleagues at Liontrust.

The most important consideration of all has been the safety and wellbeing of the Liontrust team and our clients and stakeholders throughout the year. Employees have been actively engaged through regular company updates and were encouraged to take time off work through a holiday allowance bonus scheme. Those with additional demands, such as dealing with the challenges of home-schooling, were given due consideration and flexibility.

The Company has a responsibility to society as well, which is why Liontrust extended its support to community engagement partners in 2020.

Liontrust has enjoyed a strong increase in revenues and adjusted profit before tax, which have been driven by strong net inflows, significant growth in AuMA and better than expected performance fee revenues .

This has contributed to a rise in the dividend payment by 42%, with the details outlined below. This increase continues the trend we have seen over the past few years; from 2017 to 2021, the dividend has grown by an average of 33% per annum.

Among the key accomplishments of the Company has been the acquisition of the Architas UK Investment Business, which Liontrust started and completed during lockdowns. This demonstrates the effectiveness of the management of the business and its ability to adapt successfully to take advantage of opportunities whatever the circumstances. The acquisition contributes to one of the key strategies of the Company which is to expand Liontrust's distribution and products.

Liontrust's success is benefiting employees, shareholders and other stakeholders, which is important to the Board and helping to achieve our strategic objectives for the business, one of which is to retain talented employees. Liontrust is investing in training and development as we encourage our employees to fulfil their talent and potential.

The Board has a key commitment to diversity across Liontrust. As part of this, Liontrust has established a Diversity and Inclusion Committee chaired by Vinay Abrol that is looking at preventing and eliminating discrimination; raising awareness of the importance and benefits of diversity; ensuring policies and procedures promote diversity; increasing awareness through training, mentoring and coaching; and attracting people from diverse backgrounds.

Liontrust has also made progress elsewhere in the sustainability of the business, especially in being a responsible investor. The fund management teams have been incorporating ESG considerations into their distinct processes to complement and enhance their approach to investment including stewardship and the management of sustainability risk.

I would like to thank Mike Bishop for his significant contribution to Liontrust and welcome Quintin Price to the Board of the Company as a Non-Executive Director.

Mike will be retiring from the Company after the 2021 Annual General Meeting in September. The Board and your Company are very grateful to Mike for his work, wisdom and support over many years which has contributed to Liontrust enjoying such success. He has been a massive help to me personally as a Non-executive Director and now Chairman. Mike will be much missed by the Board and we wish him all the very best for the future.

Quintin joins on 1 July, becoming a member of the Audit & Risk, Remuneration and Nomination Committees. Quintin has a wealth of experience, knowledge and insights from a 30-year career working at a senior level for several investment companies including BlackRock. He will be an invaluable addition as Liontrust continues to expand our investment capability and proposition.

Alastair Barbour
Chairman
22 June 2021

Results

Profit before tax is £34.929 million (2020: £16.508 million), an increase of 116%. The Profit before tax for the financial year ended 31 March 2021 includes £15.025 million of acquisition and re-organisation related costs incurred as a result of the acquisition of Architas Multi-Manager Limited and Architas Advisory Services Limited (together, the "**Architas UK Investment Business**") which completed on 30 October 2020 and the re-organisation costs incurred as a result of the acquisition of Neptune Investment Management Limited ("**Neptune**"), see note 5 below for further information.

Adjusted profit before tax was £64.308 million (2020: £38.054 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 before tax.

Dividend

The success in fund performance and distribution has resulted in a 30% increase in net inflows, and along with the acquisition of the Architas UK Investment Business a 92% increase in assets under management and a 44% increase in revenues excluding performance fees when compared to last year. This has enabled the Board to declare a second interim dividend of 36.0 pence per share (2020: 24.0 pence). The total dividend for the financial year ending 31 March 2021 is 47.0 pence per share (2020: 33.0 pence per share), an increase of 42% compared with last year.

The second interim dividend will be payable on 6 August 2021 to shareholders who are on the register as at 2 July 2021, the shares going ex-dividend on 1 July 2021. Last day for Dividend Reinvestment Plan elections is 16 July 2021

Shareholder services
Link Group (a trading name of Link Market Services Limited and Link Market Services Trustees Limited) may be able to provide you with a range of services relating to your shareholding. To learn more about the services available to you please visit the shareholder portal at www.signalshares.com or call 0371 664 0300. Calls outside the UK will be charged at the applicable international rate. Lines are open Monday to Friday, 9.00 am to 5.30 pm, UK time, excluding public holidays in England and Wales.

Chief Executive's Statement

Introduction

The last year has shown the robustness and resilience of Liontrust. We have continued executing our strategy and accelerated the pace of growth of the business despite the pandemic and all the pressure and stress this has brought for everyone.

We increased significantly our net flows over the year to £3.5 billion, which contributed to a rise of 92% in our AuMA along with the acquisition of the Architas UK Investment Business at the end of October 2020 and market movements.

Liontrust has a successful track record of acquisitions and the Architas UK Investment Business was quickly integrated, ensuring as seamless a transition as possible for clients. We have created a significant multi-asset, multi-manager proposition and enhanced our distribution potential and quality of service to financial advisers.

The achievements of the past year are even more impressive when compared to the asset management industry generally. According to the Pridham Report, Liontrust had the sixth highest net retail sales in the UK in 2020 and the eighth best gross retail sales. In the final three months of our financial year, the relative performance is even better. In the first quarter of 2021, Liontrust had the third highest net retail sales in the UK and were fifth best for gross retail sales.

This success is testament to the strength and excellence of our business processes, investment teams, distribution, communications, brand, administration and colleagues across Liontrust.

Liontrust's investment teams have continued to deliver strong long-term performance. Over the year to the end of March 2021, 72.4% of Liontrust's UK-domiciled funds were in the first or second quartile of their respective IA sectors, with the percentage rising to 82.8% over five years.*

The strength of our investment capability is demonstrated by the recognition that the teams and their funds have received over the past year. This includes seventeen Liontrust funds receiving the 5-Crown rating from FE fundinfo, more than any other asset manager, and Anthony Cross and Julian Fosh once again being named Alpha managers in 2020.

The Sustainable Investment team won three awards (including Harriet Parker being named ESG Fund Manager of the Year at the Women in Finance Awards) during the year, the Multi-Asset team won two awards, Economic Advantage one more award and Liontrust was named Small to Mid-Investment Group of the year at the FTAdviser Investment Club Awards.

Twelve funds have been shortlisted for Incisive Media's Fund Manager of the Year Awards 2021 that take place on 8 July and Liontrust has been nominated for Global Group of the Year.

The long-term performance of the investment teams and their robust processes provide reassurance to investors especially at a time of great uncertainty such as the pandemic and reiterates the value that active fund managers can deliver for investors.

Liontrust takes great pride in our role as active and responsible investors. We are guardians of our clients' assets, seeking to help investors to achieve their financial goals. We also have an important role to play in supporting businesses and working with innovative companies to allocate capital towards a positive outcome so they can deliver products and services that benefit the economy and society.

The annual Liontrust Sustainability Report details the initiatives and developments we have made over the past year to ensure we are a responsible investor. They include the production of a responsible investment policy outlining our company-wide approach.

Engaging with companies on key ESG issues gives us greater insight and is used as a lever to encourage better business practices and we have brought in additional resource in this area. We do this through incorporating ESG issues into investment analysis and decision-making; encouraging high standards of ESG performance in the investee companies; supporting the stability and resilience of the financial system; and reporting on the implementation of these commitments.

Our Sustainable Investment team have been managing funds this way for more than 20 years and now have more than £10 billion in AuMA. The growth reflects the fact that an increasing proportion of investors want to see evidence of the impact of their investments.

Clear, frequent and relevant communications have been more important than ever over the past year. We worked hard, quickly and imaginatively as we moved to all virtual meetings and events in March 2020. Liontrust hosted 19 fund manager webinars between 19 March and 30 April with total viewers of 1,830. By June, we had hosted 46 webinars with 5,855 viewers. We moved to virtual conferences, including one on sustainable investment from the Land of the Lions at ZSL London Zoo in September 2020 that attracted more than 500 live viewers. These have been followed by virtual conferences for the Global Fixed Income and Economic Advantage teams in 2021.

The strength of these communications is reflected in the fact that in 2020 Liontrust was voted by financial advisers as the best asset manager for explaining and conveying our sustainable/ESG strategy (Source: Square Mile).

This is one part of continuing to grow our brand profile. The power of our brand was demonstrated by the fact Liontrust was ranked as the 8th best asset management brand in the UK by Broadridge's annual survey in March 2021.

On a personal note, I am appreciative of all the support and guidance Mike Bishop has given me. His investment knowledge and experience have been invaluable in the growth of Liontrust over the past few years.

*Source: Financial Express, as at 31 March 2021, total return, net of fees, income reinvested. This excludes the Liontrust Multi-Asset Funds, most of which do not have sector benchmarks, funds in the IA Specialist sector and the Liontrust Global Income and Liontrust European Opportunities funds which will be merged into the Liontrust Global Dividend and Liontrust European Growth funds respectively on 25 June 2021.

Assets under management and advice

On 31 March 2021, our AuMA stood at £30,929 million and were broken down by type and process as follows:

Process	Total (£m)	Institutional (£m)	UK Retail (£m)	Multi-Asset (£m)	Offshore (£m)
Sustainable Investment	**10,238**	130	9,388	-	720
Economic Advantage	**8,759**	358	8,098	-	303
Multi-Asset	**7,139**	-	-	7,139	-
Global Equity	**2,644**	195	2,449	-	-
Cashflow Solution	**1,209**	805	347	-	57
Global Fixed Income	**940**	-	345	-	595
Total	**30,929**	**1,488**	**20,627**	**7,139**	**1,675**

Flows

The net inflows over the 12 months to 31 March 2021 are £3,498 million (2020: £2,695 million). A reconciliation of fund flows and AuMA over the 12 months to 31 March 2021 is as follows:

	Total (£m)	Institutional (£m)	UK Retail (£m)	Multi-Asset (£m)	Offshore (£m)
Opening AuMA - 1 April 2020	**16,078**	**988**	**13,275**	**840**	**975**
Net flows	**3,498**	80	2,944	94	380
Market and Investment performance	**5,833**	420	4,490	588	335
Acquisition/(Disposal) of AuMA[1, 2]	**5,520**	-	(82)	5,617	(15)
Closing AuMA - 31 March 2021	**30,929**	**1,488**	**20,627**	**7,139**	**1,675**

[1] The sale of the Asia Income investment team was announced on 2 October 2020 reducing AuMA by £97 million and is included in "Acquisition/(Disposal) of AuMA" for the net flows for the 12 months ended 31 March 2021.

[2] The acquisition of the Architas UK Investment Business completed on 30 October 2020 adding £5,617 million to AuMA and is included in "Acquisition/(Disposal) of AuMA" for the net flows for the 12 months ended 31 March 2021.

Outlook

Liontrust has strong momentum and is well positioned to continue growing. We have excellent investment teams, with impressive long-term performance and investment processes. This has received extensive independent recognition over the past year.

We have successfully been diversifying our product range and distribution to ensure we can continue the increase in net flows.

We have maintained our high-quality service and communications over the past year, providing valuable and useful insights to clients and investors, and the Liontrust brand has become stronger year on year. We are investing in digital marketing to enhance further our service and engagement with clients and investors.

John Ions
Chief Executive
22 June 2021

Consolidated Statement of Comprehensive Income

Consolidated Statement of Comprehensive Income for the year ended 31 March 2021

	Note	Year ended 31-Mar-21 *£'000*	Year ended 31-Mar-20 (restated) *£'000*
Revenue*	3	175,080	113,096
Cost of sales*	3	(11,321)	(6,464)
Gross profit		163,759	106,632
Realised profit on sale of financial assets		250	-

Unrealised gain/(loss) on financial assets		672	(283)
Administration expenses	4	(129,646)	(89,711)
Operating profit		35,035	16,638
Interest receivable		7	18
Interest payable		(113)	(148)
Profit before tax		34,929	16,508
Taxation**		(7,257)	(3,292)
Profit for the year		**27,672**	**13,216**
Total comprehensive income		**27,672**	**13,216**
		Pence	*Pence*
Earnings per share			(restated)
Basic earnings per share		47.02	25.16
Diluted earnings per share		46.25	24.33

** The 2020 revenue and cost of sales have been restated to reflect rebates being reclassified as a reduction in revenue rather than a cost of sales (see Note 3). This has no impact on Gross profit OR NET ASSET BALANCES.*

*** The 2020 tax charge has been restated to reflect deferred taxation on share options charge that was not previously recognised (see Note 1)*

Consolidated Balance Sheet as at 31 March 2021

	As at 31-Mar-21 *£'000*	As At 31-Mar-20 (restated) *£'000*
Assets		
Non current assets		
Intangible assets	84,812	37,922
Goodwill	27,577	19,626
Property, plant and equipment	5,257	7,850
Total non current assets	117,646	65,398
Current assets		
Trade and other receivables	289,805	175,532
Financial assets	2,188	2,817
Cash and cash equivalents	71,898	40,294
Total current assets	363,891	218,643
Liabilities		
Non current liabilities		
Deferred tax liability*	(13,436)	(4,961)
Lease liability	(3,418)	(5,769)
Total non current liabilities	(16,854)	(10,730)
Current liabilities		
Trade and other payables	(298,007)	(182,538)
Corporation tax payable	(3,288)	(734)

Total current liabilities	(301,295)	(183,272)
Net current assets	62,596	35,371
Net assets	163,388	90,039
Shareholders' equity		
Ordinary shares	610	555
Share premium	64,370	57,439
Capital redemption reserve	19	19
Retained earnings*	104,207	37,888
Own shares held	(5,818)	(5,862)
Total equity	163,388	90,039

** The 2020 deferred taxation and retained earnings have been restated to reflect deferred taxation on the share options charge that was not previously recognised (see Note 1)*

Consolidated Cash Flow Statement
For the year ended 31 March 2021

	Year ended 31-Mar-21 *£'000*	Year ended 31-Mar-20 *£'000*
Cash flows from operating activities		
Cash received from operations	141,409	96,359
Cash paid in respect of operations*	(95,913)	(77,774)
Net cash generated from changes in unit trust receivables and payables	4,554	1,561
Net cash generated from operations*	50,050	20,146
Interest received	7	18
Tax paid	(6,416)	-
Net cash generated from operating activities	43,641	20,164
Cash flows from investing activities		
Purchase of property and equipment	(254)	(174)
Acquisition of Architas net of cash	(54,124)	-
Cash acquired from Neptune acquisition	-	3,661
Purchase of DBVAP Financial Asset	-	(1,362)
Sale DBVAP Financial Asset	1,334	1,333
Purchase of Seeding investments	(117)	(169)
Sale of Seeding investments	-	50
Net cash (used in/from investing activities	(53,161)	3,339
Cash flows from financing activities		
Payment of lease liabilities*	(2,263)	(1,245)
Purchase of own shares	(812)	(3,310)
Sale of own shares	852	743
Issue of new shares	64,421	-
Dividends paid	(21,074)	(14,948)
Net cash from/ (used in) financing activities*	41,124	(18,760)

Net increase in cash and cash equivalents	31,604	4,743
Opening cash and cash equivalents	40,294	35,551
Closing cash and cash equivalents	71,898	40,294

Cash and cash equivalents consist only of cash balances.
* The cash flow statement has been re-presented to show the payment of lease liabilities as an item in financing activities rather than in operating activities

Consolidated Statement of Change in Equity
For the year ended 31 March 2021

	Ordinary shares	*Share premium*	*Capital redemption*	*Retained earnings*	*Own shares held*	*Total Equity*
	£ '000	*£ '000*	*£ '000*	*£ '000*	*£ '000*	*£ '000*
Balance at 1 April 2020 brought forward	555	57,439	19	37,888	(5,862)	90,039
Profit for the year	-	-	-	27,672	-	27,672
Total comprehensive income for the year	-	-	-	27,672	-	27,672
Dividends paid	-	-	-	(21,074)	-	(21,074)
Capital reorganisation	-	(57,439)	-	57,439	-	-
Shares issued	55	64,370	-	-	-	64,425
Sale/(purchase) of own shares	-	-	-	-	44	44
Equity share options issued	-	-	-	2,636	-	2,636
Deferred tax on option charge taken to equity				164		164
Share options settled	-	-	-	(518)	-	(518)
Balance at 31 March 2021	**610**	**64,370**	**19**	**104,207**	**(5,818)**	**163,388**

Consolidated Statement of Change in Equity
For the year ended 31 March 2020 (restated)

	Ordinary shares	*Share premium*	` *redemption*	*Retained earnings*	*Own shares held*	*Total Equity*
	£ '000	*£ '000*	*£ '000*	*£ '000*	*£ '000*	*£ '000*
Balance at 1 April 2019 brought forward*	507	19,745	19	38,373	(3,291)	55,353

Restatement relating to deferred tax on share options	-	-	-	990	-	990
Revised 1 April 2019 brought forward	**507**	**19,745**	**19**	**39,363**	**(3,291)**	**56,343**
Profit for the year	-	-	-	13,216	-	13,216
Total comprehensive income for the year	-	-	-	13,216	-	13,216
Dividends paid	-	-	-	(14,948)	-	(14,948)
Shares issued	48	37,694	-	-	-	37,742
(Purchase)/sale of own shares	-	-	-	-	(2,652)	(2,652)
EBT share option settlement	-	-	-	-	81	81
Share option settlement	-	-	-	(1,914)	-	(1,914)
Equity share options issued	-	-	-	1,934	-	1,934
Deferred tax on option charge taken to equity	-	-	-	237	-	237
Balance at 31 March 2020	**555**	**57,439**	**19**	**37,888**	**(5,862)**	**90,039**

** The 1 April 2019 opening balance, profit for the year, total comprehensive income and deferred tax on option charge taken to equity for the year ended 31 March 2020 have been restated to reflect the historic deferred taxation on share options charge that was not previously recognised (see note 1)*

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 2021.

Restatement

The 2020 financial statements have been restated to reflect: (1) the corrected treatment of the deferred tax asset arising from the issue of employee share options due to the timing difference between the service period and the future tax deduction when the options are exercised. The restatement increased opening deferred tax assets and retained earnings at 1 April 2019 by £990,000. In the year ended 31 March 2020 the restatement increased deferred tax assets by a further £489,000 to £1,479,000 with £237,000 crediting retained earnings and £252,000 crediting taxation in the Statement of Comprehensive Income. The Statement of Comprehensive Income, Balance sheet, Statement of Changes in Equity and related notes were updated to reflect this restatement; and (2) contractual rebates due to intermediaries being reclassified as a reduction in revenue rather than a cost of sales (see Note 3). This restatement reduced revenue and cost of sales by £15,209,000 and has no impact on Gross profit and does not impact brought forward reserves at 1 April 2020. These restatements do not have an impact on basic and diluted earnings per share.

2. Segmental reporting

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

Management offers different fund products through different distribution channels. All key financial, business and strategic decisions are made centrally by 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)

The Group's main source of revenue is management fees. Management fees are for investment management or administrative services and are based on an agreed percentage of the AuMA. Initial charges and commissions are for additional administrative services at the beginning of a client relationship, as well as ongoing administrative costs. Performance fees are earned from some funds and/or segregated accounts when agreed performance conditions are met.

	Year ended 31-Mar-21 £'000	Year ended 31-Mar-20 (restated)* £'000
Revenue*	161,388	112,092
Performance fee revenue	13,692	1,004
Total revenue	**175,080**	**113,096**
Cost of sales*	(11,321)	(6,464)
Gross profit	**163,759**	**106,632**

* Following a review, Management Fees are now shown net of rebates and commissions in revenue.(see note1)

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

The cost of sales includes:

- 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;
- Sales commission paid or payable; and
- External investment advisory fees paid or payable.

4. Administration expenses

	Year ended 31-Mar-21	*Year ended* 31-Mar-20
	£'000	*£'000*
Employee related expenses		
Wages and salaries	25,817	12,406
Social Security costs	3,508	1,641
Pensions	1,480	866
Share incentivisation expense	4,693	3,725
DBVAP expense	1,656	1,335
Severance compensation	1,793	1,886
	38,947	21,859
Non employee related expenses		
Members drawings charged as an expense	41,986	31,993
Share incentivisation expense members	1,471	1,126
Professional services (restructuring, acquisition related and other)(1)	15,025	8,436
Depreciation and Intangible asset amortisation	7,448	5,392
Other administration expenses	24,769	20,905
	90,699	67,852
	129,646	89,711

(1) includes acquisition related costs for Architas and restructuring related costs for Neptune.

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-21 *£'000*	*Year ended* 31-Mar-20 *£'000* *(restated)*
Profit before tax	34,929	16,508
Share incentivisation expense	5,776	4,851
DBVAP expense (1)	-	1,335
Unrealised (gain)/loss on DBVAP financial asset	(525)	216
Severance compensation and staff reorganisation costs	1,793	2,296
IFRS16 - property adjustment	112	(980)
Gain on sale of Asia Income fund	(250)	-
Professional services (2)	15,025	8,436
Depreciation, Intangible asset amortisation and impairment	7,448	5,392

Adjustments	29,379	21,546
Adjusted profit before tax	64,308	38,054
Interest receivable	(7)	(18)
Adjusted operating profit	64,301	38,036
Adjusted basic earnings per share	**88.86**	**58.68**
Adjusted basic earnings per share (excluding performance fees) [3]	**81.48**	**58.13**
Adjusted diluted earnings per share	**87.40**	**56.74**
Adjusted diluted earnings per share (excluding performance fees) [3]	**80.14**	**56.21**

[1] For the financial year ended 31 March 2021 management have reviewed their assessment of adjustments and have removed the DBVAP expense from its adjusted profit measure. Had this practice been in place for the year ended 31 March 2020 Adjusted operating profit would have been £36,701,000.
[2] Includes acquisition and restructuring related costs for Architas and restructuring related costs for Neptune
[3] Performance fee revenues contribution calculated in line with operating margin of 39% (2020: 36%)

6. Earnings per share

The calculation of basic earnings per share is based on profit after taxation for the year. The weighted average number of Ordinary Shares was 58,846,929 for the year (2020: 52,531,287). 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 2021. The adjusted weighted average number of Ordinary Shares so calculated for the year was 59,831,128 (2020: 54,320,477). This is reconciled to the actual weighted number of Ordinary Shares as follows:

	As at *31-Mar-21* *number*	As at *31-Mar-20* *number*
Weighted average number of Ordinary Shares	58,846,929	52,531,287
Weighted average number of dilutive Ordinary shares under option:		
- to the Liontrust Long Term Incentive Plan	959,895	1,779,742
- to the Liontrust Company Share Option Plan	24,304	9,448
Adjusted weighted average number of Ordinary Shares	59,831,128	54,320,477

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 financial assets represent shares in the Liontrust GF Strategic Bond Fund, the Liontrust GF European Smaller Companies Fund, the Liontrust GF European Strategic Equity Fund, the Liontrust GF Asia Income Fund, and the Liontrust 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.

8. Contingent assets and liabilities

The Group can earn performance fees on some of the segregated and fund accounts that it manages. In some cases a proportion of the fee earned is deferred until the next performance fee is payable or offset against future underperformance on that account. As there is no certainty that such deferred fees will be collectable in future years, the Group's accounting policy is to include performance fees in income only when they become due and collectable and therefore the element (if any) deferred beyond 31 March 2021 has not been recognised in the results for the year. There were no contingent assets or liabilities at 31 March 2021 (2020: £nil)

9. Key risks

The Directors have identified the risks and uncertainties that affect the Group's business and believe that they are substantially the same for this year as the current risks as identified in the 2020 Annual Report and Accounts. These can be broken down into risks that are within the management's influence and risks that are outside it.

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

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

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

10. 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.

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 2021 Annual Report and Accounts is expected to be posted to shareholders on or around 1 July 2021.

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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