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LIONTRUST ASSET MANAGEMENT PLC
FULL YEAR RESULTS FOR THE YEAR ENDED 31 MARCH 2023

Liontrust Asset Management Plc ("**Liontrust**", the "**Company**", or the "**Group**"), the specialist fund management group, today announces its audited results for the financial year ended 31 March 2023.

Results:

- Adjusted profit before tax of £87.1 million (2022: £96.6 million), a decrease of 10%.

- Adjusted diluted earnings per share of 109.8 pence per share (2022: 127.6 pence per share), a decrease of 14%.

- Profit before tax of £49.3 million (2022: £79.3 million), a decrease of 38%, see note 5 below for a reconciliation to Adjusted profit before tax.

- Gross Profit of £230 million (2022: £231 million), includes £18.5 million of performance fee revenues (2022: £12.6 million).

Dividend:

- Second interim dividend of 50.0 pence per share (2022: 50.0 pence). This brings the total dividend for the financial year ending 31 March 2023 to 72.0 pence per share (2022: 72.0 pence).

Assets under management and advice:

- On 31 March 2023, assets under management and advice ("**AuMA**") were £31.4 billion (2022: £33.5 billion), a decrease of 6%.

- AuMA as at 16 June 2023 were £30.5 billion.

Flows:

- Net outflows of £4.8 billion in the financial year ended 31 March 2023 (2022: £2.5 billion inflow).

Commenting, John Ions, Chief Executive, said:

"We are focused on ensuring the future growth of Liontrust. The business is in strong health despite the challenges of the past year and we are seeking to build on this through the proposed acquisition of GAM Holding AG ("**GAM**") to accelerate the strategic aims of Liontrust becoming a specialist global investment manager.

This will provide greater scale and investment and distribution capability for the benefit of clients and shareholders of both businesses. The financial strength of Liontrust, reflected in maintaining the dividend at 72 pence a share for the full year, will help us to achieve these objectives.

The historic growth of Liontrust has been based on investment teams with rigorous and repeatable processes, strong client relationships, excellent communications, a powerful brand, risk management and a robust infrastructure to support expansion. These will continue to be the drivers of the business and are why we are optimistic about the future of Liontrust.

Our investment teams have strong long-term performance based on their distinct investment processes. Such rigorous processes have never been more important given the need to help clients navigate the current political, economic and market environments. While performance can never be predictable, processes must be. Confidence about investment processes provides belief for the long term despite periods of underperformance, which we have seen for some of our teams over the last year.

The sales and marketing teams have ensured that client relationships, communications and service remain strong, both in person and digitally, leading to good engagement. Liontrust's brand is strong in the UK and has been gaining awareness in parts of Europe. This includes being seen as leaders in sustainable investment and UK equities in the UK (source: Research in Finance).

While outflows have continued into the current financial year, I am confident we are continuing to do the right things and the dedication and commitment of everyone at Liontrust will reap its rewards in the future.

The proposed acquisition of GAM will help us achieve our strategic objectives through the global distribution footprint, expansion of asset classes, processes and investment capability, and the combined business infrastructure.

The collective scale of and expertise across the enlarged group will provide financial stability and certainty to GAM's clients and shareholders. Combining the two businesses will give a stronger platform for future growth that will benefit clients, shareholders and employees of both Liontrust and GAM. This is shown by GAM's investment managers publicly endorsing the proposed acquisition by Liontrust.

Vinay Abrol and I have met GAM's investment managers distribution teams and other employees in the UK, Zurich, Madrid, Milan and New York and have been extremely impressed by their commitment and the capability they will bring to the enlarged group. Liontrust has a successful track record of integrating acquisitions quickly and efficiently and we are confident of achieving the same with this acquisition which will result in Zurich becoming Liontrust's headquarters for continental Europe.

Growing a business is never a smooth line upwards as we have seen recently. The opportunities for Liontrust are clear, however, and we are confident that we have the investment capability, distribution, brand, business processes and commitment to take advantage of them."

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Chair's Statement

Introduction

As a Board, we are wholly focused on the long-term objectives of your Company and the interests of shareholders, clients and colleagues. We are convinced the business has the right strategy to generate sustained growth over the longer term and the management team to implement it. While the last year has been challenging for the business, in terms of both performance and net sales, the Group is financially robust, and our belief in the effectiveness of the investment teams' processes and the Distribution team's ability to generate growth for the business is steadfast. Our confidence in the financial strength of Liontrust has allowed us to maintain the full-year dividend at 72.0 pence per share.

Strategic overview

At the heart of what Liontrust stands for are the rigorous and distinct processes of each of the investment teams. Remaining true to and focused on these processes, even when the economic and market environment is against them, has enabled the teams to deliver for their clients over the long term. The Board has been impressed by the continued strength of the teams' convictions in their individual processes over the past year and this gives us confidence that Liontrust will achieve the strategic aim of delivering market leading investment performance over the longer term. We have full confidence in Liontrust's sales and marketing strategy; and its ability to deliver our strategic aims of expanding distribution and our client base whilst also enhancing the investor experience. The engagement that is being generated through events, webinars and content demonstrates the breadth of coverage of our distribution.

While the year has been difficult with net outflows of £4.84 billion, the continuing strength of distribution and investor engagement is reflected in the relatively strong gross sales that the Company has been generating. Over the 2022 calendar year and in the fourth quarter of 2022, Liontrust had the seventh largest gross retail sales in the UK, according to the Pridham Report, despite UK equity strategies continuing to be out of favour with investors. The Board appreciates the trust that clients put in Liontrust and the investment teams, and we do not take this loyalty for granted. The proposed acquisition of GAM Holding AG presents a significant opportunity for us as a Group to enhance our investment capability, physical distribution and the service we provide clients; it will accelerate progress against our seven strategic pillars and enable the Group to become a global asset manager.

While Liontrust has established a strong brand in the UK, acquiring GAM will give us the foundations to replicate this internationally through its global footprint. The Board believes in the value that Liontrust and GAM can bring to each other, and to our respective clients and shareholders. Liontrust has made what we believe is a good offer for GAM and a compelling case for why the acquisition works for all parties.

Delivering our responsibilities

We are committed to serving our clients and have always taken our responsibility as managers of investors' savings very seriously. Client support and understanding has come under increased focus in the UK with the introduction of the FCA's Consumer Duty and Liontrust believes we are well positioned to show how we are delivering the outcomes expected under this new standard. The Board is committed to ensuring that Responsible Capitalism is integral to Liontrust's overall strategy and that this resonates throughout the business and any future acquisitions. Responsible Capitalism covers both Liontrust's operations and investments.

From an operational perspective, Liontrust is committed to understanding and managing well its key risks and opportunities, which include attracting and retaining talent, preventing internal fraud, managing cyber security, and keeping up to date with legislative changes. We are furthering, where possible, the integration of ESG considerations into our investment processes, practicing effective stewardship and evidencing and reporting on this work on a regular basis.

Liontrust is a member and supporter of the Net Zero Asset Manager's Initiative and also committed to achieving net zero greenhouse gas emissions by 2050 across our own business and investments. Liontrust is also currently working to understand its own, operational, impacts from a biodiversity perspective as well as the impact in this area of the investments it makes on behalf of clients.

We report on these all activities and our progress in this area in the Liontrust Responsible Capitalism report that was published in April this year.

Of equal importance is our commitment is to our employees and members, and one of our seven strategic pillars is to attract and develop talent. The Group is focused on offering all staff development opportunities, good benefits and an environment in which they can flourish. This year, we continued to strengthen our leadership team, both through new hires and investing in a formal development programme to promote our leaders and develop consistent leadership capability for 2023 and beyond. The programme is not limited to Heads of Department and will be rolled out further in the coming year, giving development opportunities to a wide group of employees.

We are pleased that our annual workforce engagement survey had a greater participation rate of 82% this year against 79% last year. Based on feedback from our survey provider, this is higher than industry averages, which are in the mid-60s. As participation is a proxy for engagement, this is a positive result. By delivering policies based on colleagues' feedback, Liontrust continues to offer an attractive working environment. Liontrust is also committed to diversity and inclusion, which is an ongoing objective and one where we are continuing to make progress. The Diversity and Inclusion Committee chaired by our CFO/COO has been instrumental in organising events through Pride, Black History Month and around International Women's Day in March. The Committee has also organised training for all colleagues, which goes towards creating an inclusive culture where colleagues can flourish. I can see this supported by the survey results, in which 92% of colleagues agreed 'I feel like I can be myself at Liontrust'.

Liontrust has not stood still over the past year, and I want to thank all our colleagues for their hard work and dedication over the period.

Board changes

The Board has reflected deeply on the way it carries out its role. We are aware that the behaviours we display, individually as directors and collectively as a Board, sets the tone from the top. The boardroom is a place for robust debate and constructive challenge which, together with support, diversity of thought and teamwork, are essential features for the operation of an effective Board.

In March, two Non-Executive Directors tendered their resignations from the Board. While their departure is regrettable, the Board is satisfied that it continues to meet those essential features of an effective board.

I have set out in my Nomination Report our carefully considered succession plans. We are seeking to balance speed of change, both for the Board and the Group, with continuity and a careful and diligent selection process is in place to ensure that new appointments are the right cultural fit for the Board and Company.

Results

Adjusted profit before tax is £87.083 million (2022: £96.556 million), a decrease of 10% compared to last year. Adjusted profit before tax is disclosed in order to give shareholders an indication of the profitability of the Group excluding non-cash (intangible asset amortisation) expenses and non-recurring (professional fees relating to acquisition, cost reduction, restructuring and severance compensation related) expenses, see note 5 below for a reconciliation of adjusted profit before tax.

Dividend

The Board has declared a second interim dividend of 50.0 pence per share (2022: 50.0 pence) bringing the total dividend for the financial year ending 31 March 2023 to 72.0 pence per share (2022: 72.0 pence per share).

The second interim dividend will be payable on 4 August 2023 to shareholders who are on the register as at 30 June 2023, the shares going ex-dividend on 29 June 2023. Last day for Dividend Reinvestment Plan elections is 14 July 2023.

Looking forward

Despite the challenges of the past year, there has been continued progress in ensuring that Liontrust can generate sustained growth in the future. We have belief in our investment teams and their processes delivering for our clients. And we will continue to focus on our strategy in which we have full confidence.

Alastair Barbour
Non-executive Chair
20 June 2023

Chief Executive's Report

Introduction

The role of asset managers has never been more important. Investors are seeking to secure their financial futures at a time of having to navigate higher inflation, rising interest rates, political instability and fragmentation in globalisation. While cash has been seen by many people as an attractive home for their savings in recent months, this will not deliver the real returns to enable them to achieve their long-term objectives.

We believe these long-term financial objectives are best achieved through the application of robust investment processes. This is despite the inevitable periods when active managers underperform and sentiment is negative about particular markets and asset classes.

As I highlighted in last year's Annual Report and Accounts, the rotation from quality growth to value stocks had started to impact the performance of many of our funds. While this has continued over the past year, I am proud of the proven long-term track record of our teams and their processes. This includes the Sustainable Investment team, who have delivered strong returns following previous periods of relative underperformance. The compelling case for sustainable investment and finding companies that will drive and benefit from the transition to a cleaner, healthier and safer world has only been strengthened, not lessened, by the events of the past year.

Our confidence is shown by the fact we are launching the Liontrust GF Sustainable Future US Growth Fund in July. This will enable investors to take advantage of the growing number of sustainable opportunities in the world's largest stock market, particularly among mid cap stocks. The economic and market environment also does not detract from the strength of the Liontrust business.

Over the past decade, we have been building an asset manager with excellent investment capability across our now seven investment teams. For example, Edinburgh Investment Trust ("**EIT**") reached the three-year anniversary of being managed by James de Uphaugh in March with strong relative performance and a narrowing of the discount over that period. Liontrust has worked with the board of EIT on creating a brand and is now marketing EIT to both professional advisers and retail investors.

Our sales and marketing teams have continued to regularly interact with clients, whether through face-to-face meetings, events, webinars, videos or written communications. This is reflected in impressive engagement such as 553 professional advisers watching our virtual Sustainable Investment conference live, more than 500,000 views of our videos, a 19% increase in page views on the Liontrust website over the past year, and 85,000 clicks on our brand advertising. Liontrust has been named as the 6th strongest asset management brand in the UK by Broadridge.

Proposed acquisition of GAM Holding AG

The importance of our strategic objectives of (i) Expanding distribution and our client base and (ii) Diversifying our fund range has been clearly demonstrated over the past year. The diversification in asset classes and a more international distribution footprint are two of the principal reasons why we have agreed the proposed acquisition of GAM Holding AG ("**GAM**").

The expanded range of funds will offer the potential to grow AuMA through marketing new funds to existing clients, attract new clients and exploit new distribution channels in markets where Liontrust and GAM have strength of distribution. It will also provide the opportunity to grow distribution in markets where there is currently little or a developing presence.

The expanded number of asset classes and styles of investment, led by highly regarded fund managers, will also enable us to reduce the correlation of returns across the range and therefore increase the number of funds that will be attractive to clients during different periods of the market cycle. This will provide an investment proposition that ensures Liontrust can sustain growth even when certain styles of investment are out of favour with investors.

The positive responses of the GAM investment teams and clients to the proposed acquisition reflects the stability and certainty of leadership that Liontrust will provide. We have shown that integrating businesses which need support into the Liontrust operating model leads to a stronger enlarged group. The financial strength of Liontrust enables us to achieve these acquisitions which in turn accelerate our strategic objectives.

Outlook

I am pleased with the development of the business and the foundations that have been put in place for future growth even if the past year has been more challenging in terms of net flows.

The investment teams and their processes have proven themselves over the long term. The Sustainable Investment and Economic Advantage teams are regarded as market leaders in the UK and we have been diversifying sales across other teams and funds. Our brand is strong and we have great reach through our sales and marketing.

Liontrust is financially strong and we have been investing in digital marketing, performance data and the infrastructure of the business to enhance our engagement with clients, the investor experience and support growth.

The proposed acquisition of GAM gives us the opportunity to accelerate Liontrust's strategic development by expanding the product range, the physical footprint of our distribution and talent across the company.

It is for all these reasons that I look forward with confidence to the future development of Liontrust.

John Ions
Chief Executive
20 June 2023

Assets under management and advice

On 31 March 2023, our AuMA stood at £31,430 million and were broken down by type and investment process as follows:

Process	Total (£m)	Institutional Accounts & Funds (£m)	Investment Trusts (£m)	UK Retail Funds & MPS (£m)	Alternative Funds (£m)	International Funds & Accounts (£m)
Sustainable Investment	**11,210**	347	-	10,286	-	577
Economic Advantage	**7,896**	430	-	7,242	-	224
Multi-Asset	**5,052**	-	-	4,810	242	-
Global Innovation	**619**	-	-	619	-	-
Cashflow Solution	**1,437**	543	-	747	140	7
Global Fundamental	**4,855**	1,074	1,139	1,886	702	54
Global Fixed Income	**361**	-	-	131	-	230
Total	**31,430**	**2,394**	**1,139**	**25,721**	**1,084**	**1,092**

AuMA as at 16 June 2023 were £30,526 million.

Flows

The net outflows over the Financial Year were £4,841 million[1] (2022: net inflows £2,488 million). A reconciliation of fund flows and AuMA over the Financial Year is as follows:

	Total (£m)	Institutional Accounts & Funds (£m)	Investment Trusts (£m)	UK Retail Funds & MPS (£m)	Alternative Funds (£m)	International Funds & Accounts (£m)
Opening AuMA - 1 April 2022	**33,548**	**1,408**	**-**	**30,113**	**370**	**1,657**
Net flows[1]	**(4,841)**	(1,148)	(89)	(3,185)	274	(693)
Market and Investment performance	**(2,425)**	(177)	(11)	(2,085)	45	(197)
Majedie acquisition	**5,148**	2,311	1,239	878	395	325
Closing AuMA - 31 March 2023	**31,430**	**2,394**	**1,139**	**25,721**	**1,084**	**1,092**

[1] Includes £608 million related to the termination of a life company advisory agreement for the Multi Asset team and £149 million related to the termination of the agreement with Majedie Investments Plc (as at 31 January 2023) for the Global Fundamental team.

Extract from the 2023 Annual Report and Accounts – Liontrust's seven principal strategic objectives

Pillar 1 - Be a responsible company and investor

Pillar 2 - Deliver market leading performance over the longer term

Pillar 3 – Diversify the fund range

Pillar 4 – Expand the distribution and the client base

Pillar 5 - Enhance the investor experience

Pillar 6 – Attract and develop talent

Pillar 7 – Develop the business infrastructure to help drive growth

Consolidated Statement of Comprehensive Income for the year ended 31 March 2023

	Note	Year ended 31-Mar-23 *£'000*	Year ended 31-Mar-22 *£'000*
Revenue	3	243,339	245,571
Cost of sales	3	(13,569)	(14,252)
Gross profit		229,770	231,319
Gain on Majedie acquisition provision		1,848	-
Unrealised gain on financial assets		618	26
Administration expenses	4	(183,210)	(151,916)
Operating profit		49,026	79,429

Interest receivable		358	4
Interest payable		(83)	(142)
Profit before tax		49,301	79,291
Taxation		(9,973)	(20,088)
Profit for the year		**39,328**	**59,203**
Total comprehensive income		**39,328**	**59,203**
		Pence	*Pence*
Earnings per share			
Basic earnings per share	6	61.45	97.65
Diluted earnings per share	6	61.21	97.61

Consolidated Balance Sheet as at 31 March 2023

	As at 31-Mar-23 *£'000*	As at 31-Mar-22 *£'000*
Assets		
Non current assets		
Intangible assets	90,629	75,171
Goodwill	38,586	27,577
Property, plant and equipment	3,378	3,658
Total non current assets	132,593	106,406
Current assets		
Trade and other receivables	241,682	235,496
Financial assets	9,921	4,168
Cash and cash equivalents	121,037	120,852
Total current assets	372,640	360,516
Liabilities		
Non current liabilities		
Deferred tax liability	(21,493)	(16,601)
Lease liability	(2,168)	(2,775)
Total non current liabilities	(23,661)	(19,376)
Current liabilities		
Trade and other payables	(255,460)	(255,669)
Corporation tax payable	(5,131)	(7,709)
Total current liabilities	(260,591)	(263,378)
Net current assets	112,049	97,138
Net assets	220,981	184,168
Shareholders' equity		
Ordinary shares	648	612
Share premium	112,510	64,370
Capital redemption reserve	19	19
Retained earnings	121,341	128,859

Own shares held	(13,537)	(9,692)
Total equity	220,981	184,168

Consolidated Cash Flow Statement
For the year ended 31 March 2023

	Year ended 31-Mar-23 *£'000*	Year ended 31-Mar-22 *£'000*
Cash flows from operating activities		
Cash received from operations	236,362	219,544
Cash paid in respect of operations	(174,437)	(112,949)
Net cash generated from changes in unit trust receivables and payables	(1,387)	(508)
Net cash generated from operations	60,538	106,087
Interest received	358	4
Tax paid	(17,479)	(12,500)
Net cash generated from operating activities	43,417	93,591
Cash flows from investing activities		
Purchase of property and equipment	(253)	(507)
Acquisition of Majedie net of cash acquired	13,596	-
Gain on liquidation of subsidiary	827	-
Purchase of DBVAP Financial Asset	(2,701)	(3,125)
Sale DBVAP Financial Asset	-	1,183
Purchase of Seeding investments	(2,193)	(170)
Sale of Seeding investments	1,990	84
Net cash from/(used in) investing activities	11,266	(2,535)
Cash flows from financing activities		
Payment of lease liabilities	(1,328)	(1,889)
Purchase of own shares	(7,100)	(5,000)
Dividends paid	(46,070)	(35,213)
Net cash used in financing activities	(54,498)	(42,102)
Net increase in cash and cash equivalents	185	48,954
Opening cash and cash equivalents	120,852	71,898
Closing cash and cash equivalents	121,037	120,852

Consolidated Statement of Change in Equity
For the year ended 31 March 2023

	Ordinary shares	*Share premium*	*Capital redemption*	*Retained earnings*	*Own shares held*	*Total Equity*
	£ '000	*£ '000*	*£ '000*	*£ '000*	*£ '000*	*£ '000*
Balance at 1 April 2022 brought forward	612	64,370	19	128,859	(9,692)	184,168

	Ordinary shares	Share premium	Capital redemption	Retained earnings	Own shares held	Total Equity
Profit for the year	-	-	-	39,328	-	39,328
Total comprehensive income for the year	-	-	-	39,328	-	39,328
Dividends paid	-	-	-	(46,070)	-	(46,070)
Shares issued	36	48,140	-	-	-	48,176
Purchase of own shares	-	-	-	-	(7,100)	(7,100)
Sale of own shares	-	-	-	(2,692)	3,255	563
Equity share options issued	-	-	-	1,916	-	1,916
Balance at 31 March 2023	**648**	**112,510**	**19**	**121,341**	**(13,537)**	**220,981**

Consolidated Statement of Change in Equity
For the year ended 31 March 2022

	Ordinary shares	*Share premium*	*Capital redemption*	*Retained earnings*	*Own shares held*	*Total Equity*
	£ '000	*£ '000*	*£ '000*	*£ '000*	*£ '000*	*£ '000*
Balance at 1 April 2021 brought forward	610	64,370	19	104,207	(5,818)	163,388
Profit for the year	-	-	-	59,203	-	59,203
Total comprehensive income for the year	-	-	-	59,203	-	59,203
Dividends paid	-	-	-	(35,947)	-	(35,947)
Shares issued	2	-	-	(2)	-	-
Purchase of own shares	-	-	-	-	(5,000)	(5,000)
Sale of own shares	-	-	-	(1,042)	1,126	84
Equity share options issued	-	-	-	2,440	-	2,440
Balance at 31 March 2022	**612**	**64,370**	**19**	**128,859**	**(9,692)**	**184,168**

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 2022.

a) Alternative Performance Measures

The Group used Alternative Performance Measures ('APMs') to present the performance of the Group in a consistent manner from year to year and distinguish the performance of the underlying operations of the business from the impact of non-recurring items such as acquisitions and non-cash items. Management consider it appropriate to adjust for amortisation and impairment expenses and acquisition related expenditure such as professional fees, restructuring costs and severance compensation related costs. Further, performance fees, also being non-recurring, are removed from the calculation of Gross profit excluding performance fees and dividend margin.

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. 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-23 £'000	Year ended 31-Mar-22 £'000
Revenue	224,855	232,976
Performance fee revenue	18,484	12,595
Total revenue	**243,339**	**245,571**
Cost of sales	(13,569)	(14,252)
Gross profit	**229,770**	**231,319**
Gross profit excluding performance fee revenues	**211,286**	**218,724**

Revenue from customers 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.
- 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.

Performance fee revenue:
Performance fee revenue includes some fees that are subject to arrangements whereby fees are deferred from prior periods but are only recognised and received following another period of outperformance. During the year £1.4 million of such fees were recognised. In future periods another £1.5 million may be received. 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 2023 has not been recognised in the results for the year.

4. Administration expenses

		Year ended 31 March 2023			*Year ended 31 March 2022*	
	£'000 Fixed	£'000 Variable	£'000 Total	£'000 Fixed	£'000 Variable	£'000 Total
Staff related expenses						
Wages and salaries			**30,178**			**35,221**
Fund management	5,109	2,963	8,072	3,606	10,962	14,568
Other staff	16,559	5,547	22,106	12,045	8,608	20,653
Social Security costs			**4,105**			**4,539**
Fund management	1,300	-	1,300	2,782	-	2,782
Other staff	2,805	-	2,805	1,757	-	1,757
Pensions			**2,388**			**1,745**
Fund management	442	-	442	421	-	421
Other staff	1,946	-	1,946	1,324	-	1,324
Share incentivisation expense – all staff	**-**	**2,534**	**2,354**	**-**	**3,446**	**3,446**
DBVAP expense – all staff	**-**	**2,777**	**2,777**	**-**	**2,405**	**2,405**
Severance compensation – all staff[2]	**-**	**3,995**	**3,995**	**-**	**704**	**704**
Member related expenses						
Members drawings charged as an expense			**59,507**			**54,639**
Fund management	14,449	35,359	49,808	7,263	34,232	41,495
Other members	5,501	4,198	9,699	5,308	7,836	13,144
Share incentivisation expense – all members	**-**	**1,225**	**1,225**	**-**	**1,257**	**1,257**

Non-staff related expenses		
Professional services [2]	8,026	6,920
Depreciation and Intangible asset amortisation & impairment	31,492	12,115
Other administration expenses	37,163	28,925
	183,210	**151,916**

[2] Includes acquisition and re-organisation related costs for Architas, Neptune and Majedie.

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 (intangible asset amortisation and impairment) expenses and non-recurring (acquisition, restructuring and severance compensation related) expenses ("**Adjustments**") and is reconciled in the table below.

	Year ended 31-Mar-23 *£'000*	*Year ended* 31-Mar-22 *£'000*
Profit before tax	**49,301**	**79,291**
Write back of Majedie acquisition provision	(1,848)	-
Severance compensation and staff reorganisation costs[3]	3,995	704
Professional services[3]	8,026	6,920
Intangible asset amortisation	27,609	9,641
Adjustments	37,782	17,265
Adjusted profit before tax	**87,083**	**96,556**
Interest receivable	(358)	(4)
Adjusted operating profit	**86,725**	**96,552**
Adjusted basic earnings per share	110.21	129.00
Adjusted basic earnings per share (excluding performance fees)[4]	101.38	121.98
Adjusted diluted earnings per share	109.78	127.63
Adjusted diluted earnings per share (excluding performance fees)[4]	100.98	120.68

[3] Includes acquisition and/or re-structuring related costs for Architas, Neptune and Majedie
[4] Performance fee revenues contribution calculated in line with operating margin of 38% (2022: 42%) and a taxation rate of 19% (2022: 19%).

6. Earnings per share

The calculation of basic earnings per share is based on profit after taxation for the year. 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 2023. This is reconciled to the actual weighted number of Ordinary Shares as follows:

	As at *31-Mar-23* *number*	As at *31-Mar-22* *number*

Weighted average number of Ordinary Shares	63,998,999	60,628,715
Weighted average number of dilutive Ordinary shares under option:		
- to the Liontrust Long Term Incentive Plan	247,003	625,902
- to the Liontrust Option Plan	4,559	22,863
Adjusted weighted average number of Ordinary Shares	64,250,561	61,277,480

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, 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 UK Growth Fund.

8. Acquisition of GAM Holding AG

On 4 May 2023, Liontrust conditionally agreed to acquire the entire issued share capital of GAM Holding AG ("**GAM**"), a global investment management group (the "**Proposed Acquisition**"), by way of public exchange offer with ordinary shares of 1 pence each in the capital of Liontrust ("**Liontrust Shares**" , and each individually a "**Liontrust Share**") to be issued to GAM shareholders for a total consideration representing a valuation of the entire issued share capital of GAM of CHF 107 million (£96 million) (the "**Consideration**"), equivalent to CHF 0.6723 per publicly held registered shares (Namenaktien) of GAM with a nominal value of CHF 0.05 each ("**GAM Shares**", and each individually a "**GAM Share**"), on completion of the Proposed Acquisition ("**Completion**").

As part of the transaction, Liontrust has agreed to provide GAM with two tranches of short-term secured financial support in an aggregate amount of up to £17.8 million ("**Financial Support**"). The main purpose of this Financial Support is to enable the acceleration of restructuring activity within GAM and between GAM group entities. These arrangements will terminate on 31 December 2023 if the Proposed Acquisition has not completed by that date. On 13 June 2023 the circular related to the proposed acquisition of GAM was mailed to shareholders, and on the same day the Swiss offer prospectus setting out the terms and conditions of the proposed acquisition to the GAM Holding AG shareholders was also published. Also, on 13 June 2023 Liontrust announced that it had mailed a circular to shareholders in connection with the proposed cancellation of the entire amount currently standing to the credit of the Company's share premium account.

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 2023 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 2022 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 financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and the strategic report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's position and performance, business model and strategy.

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 2023 Annual Report and Accounts is expected to be posted to shareholders on or around 8 July 2023.

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.

Shareholder services

Equiniti Limited, our registrar, may be able to provide you with a range of services relating to your shareholding. If you have questions about your shareholding or dividend payments, please contact Equiniti Limited by calling +44 (0) 371 384 2030 or visit www.shareview.co.uk. Telephone lines are open between 08:30 - 17:30, Monday to Friday excluding public holidays in England and Wales.

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