

Embargoed until 0700 hours, Thursday 27 June 2019

**LIONTRUST ASSET MANAGEMENT PLC
FULL YEAR RESULTS FOR THE YEAR ENDED 31 MARCH 2019**

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 2019.

Results:

- Adjusted profit before tax of £30.1 million (2018: £27.4 million), an increase of 10%
- Adjusted diluted earnings per share of 46.9 pence per share (2018: 42.7 pence per share), an increase of 10%
- Profit before tax of £19.0 million (2018: £12.3 million), an increase of 55%. This includes costs of £11.1 million (2018: £15.1 million) relating to the amortisation of intangible assets and other non-cash and non-recurring costs (see note 5 below)
- Revenues of £85 million (2018: £77 million), an increase of 10%

Dividend:

- Second Interim dividend per share of 20.0 pence (2018: 16.0 pence), which will be payable on 9 August 2019. This brings the total dividend per share for the financial year ending 31 March 2019 to 27.0 pence (2018: 21.0 pence), an increase of 29%

Assets under management:

- On 31 March 2019, assets under management (“AuM”) were £12.7 billion (2018: £10.5 billion), an increase of 21%
- AuM as at close of business on 25 June 2019 were £14.046 billion

Flows:

- Net inflows for the year to 31 March 2019 of £1,775 million (2018: £1,004 million)

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

“Record net inflows of £1.8 billion and a 21% increase in AuM emphasise another successful year for Liontrust.

This success has been achieved by our continued focus on executing our business plan. Over the past nine years, we have built an impressive group of investment teams, a great distribution franchise and a strong and distinctive brand.

Liontrust had the 7th highest total net sales (including non-UK domiciled funds) in the UK in 2018 and the 5th highest in the first three months of 2019, according to the Pridham Report. The record flows have been achieved across a broad range of funds.

The Sustainable Investment team, who joined Liontrust on 1 April 2017, has reached £3.74 billion in AuM, the Global Fixed Income team has raised £419 million in less than a year and the Economic Advantage team continues to produce impressive results.

The talent we have is demonstrated by the fact that six funds managed by the Economic Advantage and Sustainable Investment teams have been shortlisted for Investment Week Fund Manager of the Year Awards on 27 June, along with Liontrust being nominated for Global Group of the Year.

We will further extend our investment capability with strategic hires when the right opportunities arise and for which we believe there is investor demand.

We have strong brand awareness, and there is a good understanding by intermediaries of what differentiates Liontrust. A trusted brand is vital in attaining and retaining investor support and loyalty.

Moving all our funds – UK and Irish domiciled - to Bank of New York Mellon (BNYM), with the company becoming our one administrator, has been completed. This has secured a solid foundation on which to support our future expansion.

We continue to strive for a better future for Liontrust and most importantly for our clients. We will achieve this by delivering performance and value in a highly competitive market.”

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Chairman’s Statement

Introduction

“To be absolutely certain about something, one must know everything or nothing about it.”

This quote was famously uttered by Henry Kissinger, the former US Secretary of State, and originally attributed to the French philosopher Voltaire. There are different interpretations over what Voltaire meant by it, but I feel it is an apt summing up of the world we live in today.

Everyone now has the opportunity to express their opinion on any subject to the rest of the world through social media, whether it is based on knowledge or not. And often this opinion is voiced with an incredible amount of certainty. It may be an age thing, but the world currently seems an unhappy place.

The irony of this proliferation of strident views is the fact we can be less certain about the future rather than more given the breath-taking pace of change which is driven by technology and is having a profound effect not just on the financial world, but also on the social, political and economic.

For investors, this presents opportunities and challenges. Our fund managers at Liontrust focus on their investment processes, ignoring the market noise. And our Sustainable Investment team identifies transformational trends that will improve people's lives and then invests in companies likely to benefit from them.

It is because of the attractions of such investment approaches that I believe investors will continue to put money into actively managed funds. Well, at least those funds that offer well-defined investment processes so they do "what it says on the tin" and provide superior returns over the long term.

This is my 47th year in the fund management industry and I have witnessed many crashes, bubbles, too many businesses going bust and extreme irrationality. But it feels like we live in ever more perilous times today. Global debt, for example, could rise to \$500 trillion in a few years' time, and governments seem unable or unwilling to grapple with the rising costs of healthcare, pensions or, for that matter, the rising explosion of personal debt.

To avoid the pitfalls and headwinds that there will always be and to cope with increased longevity and the new world of pensions, the need for good quality fund management has never been greater.

I am pleased to report that your company continues to be in good shape to meet this growing need. Our Chief Executive John Ions has alluded to some of the developments and successes of the last year in his report and I am very proud of the achievements of everyone at Liontrust.

This is my last Chairman's Statement. After 10 years as Executive and Non-executive Chairman of the company, I will be stepping down and leaving the Board of Directors after the AGM in September. I have enjoyed the past decade as your Chairman and look back with immense pride at how we steered the ship away from the rocks back in 2009 and 2010 when Liontrust was in a perilous state and was losing assets under management at an alarming and unsustainable rate.

Back in 2009, we undertook a radical review of the company and then in 2010 appointed John as Chief Executive. We introduced a highly disciplined approach to the most important area of activity – the management of our investors' funds. It has been this single-minded approach and some tactical acquisitions which have led to a transformation of your company over the past nine years. There are many measures of success of the business, and the share price is a key one. From 31 March 2010 to 31 March 2019, the share price rose from 101.25p to 607p, with a low of 70p in July 2010, and has subsequently gone above 700p.

One headwind confronting asset managers is the rise in regulatory costs, which are becoming an ever-higher proportion of "fixed" costs and may have a profound impact on the future landscape of our industry. We must all be vigilant against asset managers becoming so large that they resemble utility companies unable to deliver superb performance. If this is the eventual outcome, it will be a sad day.

Liontrust is counteracting this by assembling an excellent group of fund management teams and funds and striving to become more efficient. It is partly for the latter reason that we have just completed a major project to streamline our middle and back office.

As previously announced, Alastair Barbour will take over as your Chairman, and I will leave Liontrust in a very good place and safe hands, being in robust financial shape and well positioned to face the challenges ahead. With John as Chief Executive, along with the rest of the senior management and fund management teams, I have every confidence Liontrust will continue to prosper.

Results

Profit before tax is £19.029 million (2018: £12.313 million), an increase of 55%.

Adjusted profit before tax was £30.093 million (2018: £27.378 million). Adjusted profit before tax is disclosed in order to give shareholders an indication of the profitability of the Group excluding non-cash (depreciation, intangible asset amortisation and share incentivisation related) expenses and non-recurring (professional fees relating to acquisition, cost reduction, restructuring and severance compensation related) expenses (“Adjustments”), see note 5 below for a reconciliation of adjusted profit (or loss) before tax.

Dividend

The success in fund performance and distribution has resulted in a 77% increase in net inflows, a 21% increase in assets under management and a 17% increase in revenues excluding performance fees when compared to last year. This has enabled the Board to declare a second interim dividend of 20.0 pence per share (2018: 16.0 pence), which will be payable on 9 August 2019 to shareholders who are on the register as at 5 July 2019, the shares going ex-dividend on 4 July 2019. The total dividend for the financial year ending 31 March 2019 is 27.0 pence per share (2018: 21.0 pence per share), an increase of 29% compared with last year.

The Company has a Dividend Reinvestment Plan (“DRIP”) that allows shareholders to reinvest dividends to purchase additional shares in the Company. For shareholders to apply the proceeds of this and future dividends to the DRIP, application forms must be received by the Company’s Registrars by no later than 19 July 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.linkassetservices.com/shareholders-and-investors/dividend-reinvestment-plan. (Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales).

Adrian Collins
Chairman
26 June 2019

Chief Executive’s Statement

Introduction

The continued success of Liontrust shows the value that clients and investors place on our approach to managing portfolios on their behalf. Liontrust has now enjoyed nine successive years of positive net inflows, with the latest of £1.8 billion being the Company’s record for a financial year. These sales helped to grow the company’s AuM to £12.65 billion on 31 March 2019, a 21% increase from 12 months earlier.

In reviewing the achievements of the business, we place great importance on whether we are managing Liontrust sustainably and responsibly. This recognises the increasing importance attached to environmental, social and governance (ESG) for investors and society more widely. Liontrust is committed to ESG initiatives and is supplying research services to all the investment teams so they are aware of controversies and ESG issues for stocks within their portfolios.

Liontrust's success over the past year has been achieved against a backdrop of political turbulence and slow global economic growth. This has led to retail investors being more cautious about committing their savings, with equity funds enduring negative flows in 10 of the past 12 months to the end of March 2019 (Source: IA).

Despite this market environment, we were able to generate strong sales throughout the year. The fact that each quarter of the latest financial year was among the top 10 in Liontrust's history for gross and net inflows reiterates the progress the Company continues to make. We have been able to achieve this success by focusing on what we do well and delivering added value to clients and investors over the long term.

At the heart of this is the quality of our fund management teams, the robustness of their investment processes and the long-term performance they have delivered. While performance is not predictable, the way in which funds are managed should be. All of Liontrust's fund management teams clearly explain and document their investment processes, which are repeatable and scalable. This gives our clients and investors reassurance that the funds will be managed in the way they expect them to be.

There is a huge savings shortfall globally and good active management has a vital role to play in helping to reduce this. Part of the responsibility is for active managers to explain how we can benefit investors' portfolios, including the ability to exploit market inefficiencies and to manage volatility over the long term in a way that passive funds cannot.

Liontrust expanded its investment offering in 2018 through the launch of three bond strategies – strategic, high yield and absolute return. These strategies had attracted more than £400 million by the end of the financial year and we expect this growth to continue given the team's experience, track record and focus on managing volatility. Clients appreciate the team's approach in finding value among large, liquid and listed holdings given that bond markets are expected to become more challenging over the next few years.

The sales team has further diversified our client base in the UK and continental Europe. This includes agreements with two major distribution partners in Europe for our Sustainable Investment team. In the UK, we have enjoyed inflows into and agreements with new intermediary clients for our Global Fixed Income, Sustainable and Multi-Asset teams in particular.

Liontrust has enhanced the infrastructure of the business and sought to improve our operational efficiencies over the past year. This includes completing the move of all our funds – UK and Irish domiciled - to one administrator: Bank of New York Mellon (BNYM). This agreement has replaced the five asset servicing relationships we had had across the Liontrust business.

We appreciate all the support we receive from our clients and investors. We are only too aware of the myriad other options clients can invest in or use their savings for, and we take seriously our role as custodians of their assets.

Adrian Collins

Chairman Adrian Collins will be stepping down this September after 10 years on the Board. Adrian brought me to Liontrust in 2010 when the outlook for the Company was much different to today. Over the years, with the help of exceptional people who work at Liontrust, we have guided the business to the award-winning, strong position it is currently in.

The journey has been challenging but most of all a fantastic experience, and I am delighted he placed his confidence in me nine years ago. I am also deeply grateful for his support and guidance over this period. Adrian leaves Liontrust in a far better place and well positioned to prosper in the future.

Alastair Barbour will take over the mantle of Chairman after the AGM in September. I have worked with Alastair for a number of years as non-executive Chairman of the Audit and Risk Committee, and I am confident that he will continue to steer Liontrust on its successful pathway.

His existing knowledge of the Company holds in him in good stead to pick up the reigns seamlessly and I look forward to working with Alastair in his new role as Chairman.

Assets under Management

On 31 March 2019, our AuM stood at £12.655 billion and were broken down by type and process as follows:-

<u>Process</u>	<u>Total</u>	<u>Institutional</u>	<u>UK Retail</u>	<u>Multi-Asset</u>	<u>International</u>
	<u>(£m)</u>	<u>(£m)</u>	<u>(£m)</u>	<u>(£m)</u>	<u>Funds</u>
					<u>(£m)</u>
Cashflow Solution	975	589	294	-	92
Economic Advantage	6,235	226	5,893	-	116
Macro Thematic	144	-	144	-	-
European Income	176	-	176	-	-
Asia	118	-	107	-	11
Sustainable Investment	3,744	31	3,516	-	197
Global Fixed Income	419	-	186	-	233
Multi-Asset	844	-	-	844	-
Total	12,655	846	10,316	844	649

Funds Flows

Liontrust has recorded net inflows over the financial year to 31 March 2019 of £1,775 million (2018: £1,004 million). A reconciliation of fund flows and AuM over the financial year to 31 March 2019 is as follows:-

	<u>Total</u>	<u>Institutional</u>	<u>UK Retail</u>	<u>Multi-Asset</u>	<u>International</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>Funds</u>
					<u>£m</u>
Opening AuM - 1 April 2018	10,475	1,144	8,201	700	430
Net flows	1,775	(264)	1,701	129	209
Market and Investment performance	405	(34)	414	15	10
Closing AuM - 31 March 2019	12,655	846	10,316	844	649

Outlook

There is a worldwide need for people to save for their future and to be helped in achieving their financial objectives. Liontrust is well placed to meet and benefit from this growing demand.

We are building a high-quality investment proposition across multiple teams and asset classes, are broadening our distribution capability in the UK and internationally, have a strong brand in the UK and are extending the profile of Liontrust to the wholesale market in continental Europe. We are continually developing the business infrastructure to service and support the growth in clients and assets.

I look forward to the next few years with great confidence for Liontrust.

John Ions
Chief Executive
26 June 2019

Extracts from the Strategic Report

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

Liontrust SF European Growth Fund	2	2	3	3	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	1	19/02/2001

Source: Financial Express, total return (income reinvested and net of fees), to 31 March 2019 unless otherwise stated, based on primary share classes. The above funds are all UK authorised unit trusts or UK authorised ICVCs (primary share class). Past performance is not a guide to the future; the value of investments and the income from them can fall as well as rise. Investors may not get back the amount originally subscribed. Quartile rankings correct as at 3 April 2019.

Consolidated Statement of Comprehensive Income

		Year ended 31-Mar-19	Year ended 31-Mar-18
	Note	£'000	£'000
Revenue	3	97,556	85,785
Cost of sales	3	(12,924)	(8,974)
Gross profit		84,632	76,811
Realised profit on sale of financial assets		25	3
Unrealised (loss)/profit on financial assets		-	(142)
Contingent consideration		(88)	(912)
Administration expenses	4	(65,550)	(63,450)
Operating profit	5	19,019	12,310
Interest receivable		10	3
Profit before tax		19,029	12,313
Taxation		(2,108)	(3,590)
Profit for the year		16,921	8,723
Other comprehensive income:			
Other Comprehensive income		-	33
Total comprehensive income		16,921	8,756
		<i>Pence</i>	<i>Pence</i>
Earnings per share			
Basic earnings per share		33.72	17.76
Diluted earnings per share		32.55	16.78

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

Consolidated Balance Sheet As at 31 March 2019

	As at 31-Mar-19	As at 31-Mar-18
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	<i>Note</i>	<i>£'000</i>	<i>£'000</i>
Assets			
Non current assets			
Intangible assets		11,505	13,521
Goodwill		11,872	11,872
Property, plant and equipment		617	207
Total non current assets		23,994	25,600
Current assets			
Trade and other receivables		95,371	79,080
Financial assets		3,151	2,076
Cash and cash equivalents		35,551	30,775
Total current assets		134,073	111,931
Liabilities			
Non current liabilities			
Deferred tax liability		(1,620)	(918)
DBVAP liability		(1,166)	(838)
Acquisition related contingent liability		-	(2,912)
Total non current liabilities		(2,786)	(4,668)
Current liabilities			
Trade and other payables		(99,710)	(83,104)
Corporation tax payable		-	(1,403)
Total current liabilities		(99,710)	(84,507)
Net current assets		34,363	27,424
Net assets		55,571	48,356
Shareholders' equity			
Ordinary shares		507	495
Share premium		20,879	15,796
Deferred consideration		-	3,959
Capital redemption reserve		19	19
Retained earnings		37,457	31,853
Own shares held		(3,291)	(3,766)
Total equity		55,571	48,356

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

Consolidated Cash Flow Statement For the year ended 31 March 2019

	Year ended	Year ended
	31-Mar-19	31-Mar-18
	<i>£'000</i>	<i>£'000</i>

Cash flows from operating activities		
Cash received from operations	83,936	88,032
Cash paid in respect of operations	(62,088)	(60,783)
Net cash generated from changes in unit trust receivables and payables	340	92
Net cash generated from operations	22,188	27,341
Interest received	10	3
Tax paid	(5,908)	(2,774)
Net cash generated from operating activities	16,290	24,570
Cash flows from investing activities		
Purchase of property and equipment	(609)	(159)
Acquisition of ATI (net of cash acquired)	-	(929)
Purchase of DBVAP Financial Asset	(1,629)	(920)
Sale DBVAP Financial Asset	753	-
Purchase of Seeding investments	(520)	-
Sale of Seeding investments	422	54
Net cash used in investing activities	(1,583)	(1,954)
Cash flows from financing activities		
Purchase of own shares	(126)	(930)
Sale of own shares	601	-
Issue of new shares	1,136	-
Dividends paid	(11,542)	(7,867)
Net cash used in financing activities	(9,931)	(8,797)
Net increase in cash and cash equivalents*	4,776	13,819
Opening cash and cash equivalents*	30,775	16,956
Closing cash and cash equivalents*	35,551	30,775

* Cash and cash equivalents consists only of cash balances.

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

Consolidated Statement of Change in Equity For the year ended 31 March 2019

	<i>Ordinary shares</i> £ '000	<i>Share premium</i> £ '000	<i>Deferred consideration</i> £ '000	<i>Capital redemption</i> £ '000	<i>Retained earnings</i> £ '000	<i>Own shares held</i> £ '000	<i>Total Equity</i> £ '000
Balance at 01 April 2018 brought forward	495	15,796	3,959	19	31,853	(3,766)	48,356
Profit for the year	-	-	-	-	16,921	-	16,921
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	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

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

	<i>Ordinary shares</i> £ '000	<i>Share premium</i> £ '000	<i>Deferred consideration</i> £ '000	<i>Capital redemption</i> £ '000	<i>Retained earnings</i> £ '000	<i>Own shares held</i> £ '000	<i>Total Equity</i> £ '000
Balance at 1 April 2017 brought forward	454	-	-	19	28,936	(2,859)	26,550
Profit for the year	-	-	-	-	8,723	-	8,723
Other comprehensive income	-	-	-	-	33	-	33
Total comprehensive income for the year	-	-	-	-	8,756	-	8,756
Dividends paid	-	-	-	-	(7,867)	-	(7,867)
Shares issued	41	15,796	-	-	-	-	15,837
Purchase of own shares	-	-	-	-	-	(965)	(965)
Deferred consideration ATI acquisition	-	-	3,959	-	-	-	3,959
EBT share option settlement	-	-	-	-	(58)	58	-
Equity share options issued	-	-	-	-	2,086	-	2,086
Balance at 31 March 2018	495	15,796	3,959	19	31,853	(3,766)	48,356

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

Notes to the Financial Statements

1. Accounting policies

The Group's accounting policies are consistent with those set out in the Annual Report and Accounts for the year ended 31 March 2018.

2. Segmental reporting

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

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 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.

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 AuM. 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 when agreed performance conditions are met.

The Group has adopted IFRS 15 'Revenue from Contracts with Customers' for the financial year ended 31 March 2019. The adoption of this standard has not resulted in any changes to the way the Group accounts for revenue or costs of sales. (The 2018 information has been presented in the same format for comparative purposes)

	Year ended 31-Mar-19 £'000	Year ended 31-Mar-18 £'000
Revenue		
- Revenue	97,524	81,335
- Performance fee revenue	32	4,450
Total Revenue	97,556	85,785
Cost of sales	(12,924)	(8,974)
Gross profit	84,632	76,811

* Following the implementation of IFRS 15 on 1 April 2018 Management Fees are now shown gross, with rebates and commissions disclosed in Cost of sales.

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.

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.

4. Administration expenses

	<i>Year ended</i> 31-Mar-19	<i>Year ended</i> 31-Mar-18
	<i>£'000</i>	<i>£'000</i>
Employee related expenses		
Director and employee costs	10,639	9,721
Pensions	562	585
Share incentivisation expense	3,970	2,929
DBVAP expense ⁽¹⁾	3,091	805
Severance compensation	70	430
	<hr/> 18,332	<hr/> 14,470
Non employee related expenses		
Members drawings charged as an expense	27,995	25,357
Share incentivisation expense members	811	1,296
Member severance compensation	-	339
Professional services (restructuring, acquisition related and other) ⁽²⁾	819	5,840
Depreciation and Intangible asset amortisation	2,215	2,481
Other administration expenses	15,378	13,667
	<hr/> 47,218	<hr/> 48,980
	<hr/> <hr/> 65,550	<hr/> <hr/> 63,450

(1) Includes £1.5 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 acquisition of ATI and costs of a claim relating to the acquisition of Walker Crips Asset Managers.

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.

	<i>Year ended</i> 31-Mar-19	<i>Year ended</i> 31-Mar-18
	<i>£'000</i>	<i>£'000</i>
Profit for the year	16,921	8,723
Taxation	2,108	3,590
Profit before tax	<hr/> 19,029	<hr/> 12,313
Share incentivisation expense	4,781	4,225
Other comprehensive income	-	33
DBVAP expense	3,091	805
Severance compensation	70	769
Acquisition related contingent	88	912
Professional services ⁽¹⁾	819	5,840

Depreciation, Intangible asset amortisation and impairment	2,215	2,481
Adjustments	11,064	15,065
Adjusted profit before tax	30,093	27,378
Interest receivable	(10)	(3)
Adjusted operating profit	30,083	27,375
Adjusted basic earnings per share	48.57	45.14
Adjusted basic earnings per share (excluding performance fees)	48.55	42.53
Adjusted diluted earnings per share	46.89	42.67
Adjusted diluted earnings per share (excluding performance fees)	46.87	40.19

(1) Includes costs in connection with transfer of outsourced providers, costs relating to the acquisition of ATI and costs relating to a claim relating to the acquisition of Walker Crips Asset Managers Limited.

(2) Assumes a tax rate of 19% (2018: 19%)

(3) Performance fee revenues contribution calculated in line with operating margin of 35.5% (2018: 35.7%)

6. Earnings per share

The calculation of basic earnings per share is based on profit after taxation for the year and the weighted average number of Ordinary Shares in issue for each year. The weighted average number of Ordinary Shares was 50,185,745 for the year (2018: 49,125,724). 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 2019. The adjusted weighted average number of Ordinary Shares so calculated for the year was 51,986,043 (2018: 51,977,398). This is reconciled to the actual weighted number of Ordinary Shares as follows:

	As at 31-Mar-19 number	As at 31-Mar-18 number
Weighted average number of Ordinary Shares	50,185,745	49,125,724
Weighted average number of dilutive Ordinary shares under option:		
- to the Liontrust Long Term Incentive Plan	1,711,753	1,463,856
- to the Liontrust Company Share Option Plan	-	-
- to the DBVAP	88,545	372,620
- to the ATI acquisition deferred payment	-	1,015,198
Adjusted weighted average number of Ordinary Shares	<u>51,986,043</u>	<u>51,977,398</u>

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 2019 has not been recognised in the results for the year. There were no contingent assets or liabilities at 31 March 2019 (2018: £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 2018 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.

11. Events after the reporting period

On the 13 May 2019 the Group paid £3 million to Alliance Trust Plc in settlement of the contingent consideration for the acquisition of Alliance Trust Investments Limited which was completed on 1 April 2017.

Forward Looking Statements

This Full Year Results announcement contains certain forward-looking statements with respect to the financial condition, results of operations and businesses and plans of the Group. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that have not yet occurred. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. As a result, the Group's actual future financial condition, results of operations and business and plans may differ materially from the plans, goals and expectations expressed or implied by these forward-looking statements. Liontrust undertakes no obligation publicly to update or revise forward-looking statements, except as may be required by applicable law and regulation (including the Listing Rules of the Financial Conduct Authority). Nothing in this announcement should be construed as a profit forecast or be relied upon as a guide to future performance.

The Annual Report and Accounts is expected to be posted to shareholders on or around 5 July 2019.

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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