

Company Number: 03583839

IMPAX ASSET MANAGEMENT LIMITED
Directors' Report and Financial Statements
for the year ended 30 September 2016



Impax Asset Management Limited
Contents

	Page
Company information	3
Strategic report	4
Directors' report	6
Independent auditor's report	8
Income statement	9
Statement of comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Cashflow statement	12
Notes to the financial statements	13

mpax Asset Management Limited
Company Information

Directors	J Keith R Falconer Ian R Simm Bruce Jenkyn-Jones Charles D Ridge Peter V E Rossbach
Secretary	Zack Wilson
Company number	03583839
Registered Office	Norfolk House 31 St James's Square London SW1Y 4JR
Auditor	KPMG LLP 15 Canada Square London E14 5GL

Impax Asset Management Limited
Strategic Report
For the year ended 30 September 2016

Corporate Strategy

Impax aims to be the leading investment manager in resource efficiency and environmental markets and related sectors. The Group is establishing and seeking to grow a small number of scalable products and to sustain excellent investment performance. Impax markets these products predominantly to larger investors which can deploy a significant quantity of capital. In order to achieve these objectives the Company recognises the importance of attracting outstanding investment talent and retaining a core senior management team, whose interests are aligned with those of shareholders.

Principal activities and review of the business

The principal activity of Impax Asset Management Limited ("the Company") during the year was that of investment manager to funds and accounts specialising in the environmental markets and related resource efficiency sectors.

The Company's prospects have continued to strengthen during the period with strong inflows into funds the Company manages and continued momentum behind the drivers to the resource efficiency and environmental markets sector.

The Directors consider assets under management ("AUM"), turnover and profitability to be the key performance indicators of the Company. Turnover for the year was £13,829,548 (2015: £11,749,695) and profit before tax was £2,567,000 (2015: £1,699,00). At 30 September 2016, the Company had AUM of £3,761 million (2015: £2,211 million).

Results and dividends

The results for the year under review are set out on page 9. The net asset position of the Company is set out on page 10. Dividends totalling £2,000,000 have been paid during the year ended 30 September 2016 (2015: £1,000,000).

Principal risks and uncertainties

The Company is exposed to a variety of financial and operational risks as detailed below.

Liquidity and cashflow risk

Impax Asset Management Group plc produces consolidated cash flow forecasts for a twelve month period to manage its liquidity requirements. These forecasts are subject to regular review by management. As part of this process the liquidity requirements of the Company are considered. The Company is also required to comply with the capital requirements of the Financial Conduct Authority (FCA) and monitors this on a regular basis.

Interest rate risk

The Company has interest bearing assets, but no such liabilities. Interest bearing assets include cash balances that earn interest at a floating rate.

Legal, regulatory and compliance risk

The Company's operations are subject to financial regulations, including minimum capital requirements and compliance procedures in each of the markets in which it operates. The Company closely monitors compliance with regulations and the Impax Group has a dedicated Compliance officer. In particular the Company is monitoring the negotiations around Brexit. Impax funds have limited UK exposure and the Company considers the operational implications of Brexit will be manageable.

mpax Asset Management Limited
Strategic Report
For the year ended 30 September 2016

Currency risk

The Company receives part of its income in foreign currency and is therefore exposed to currency risk. The Company's policy is to hedge foreign currency exposure when an efficient and effective hedge can be created and to convert any other foreign exchange income to Sterling at the point of receipt of the cash. The Company also has some foreign exchange expenses.

Certain of the Company's assets and liabilities are denominated in foreign currency. Exchange differences that arise from the revaluation of assets and liabilities are taken to the profit and loss account.

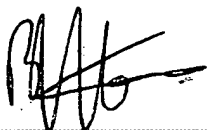
Operational risk

The Company has established a control framework so that the risk of financial loss to the Company through operational failure is minimised. Measures have also been put in place to manage business and systems disruption, as well as the safety of staff. This is to ensure that during emergencies, the Company's strategic and operational business risks are effectively managed, and that particular responses, such as IT disaster recovery, contingency plans, off-site data back-up, recovery and evacuation procedures and customer/staff communications, all work concurrently.

Market risk

The Company's Listed Equity business charges management fees based on assets under management and accordingly its revenue is exposed to market risk. The Company has chosen not to hedge this risk. The Company also has an investment in another private company and is therefore exposed to the performance of that company.

On behalf of the Board



.....
Bruce Jenkyn-Jones
Director

25 January 2017

Impax Asset Management Limited
Director's Report
For the year ended 30 September 2016

The Directors present their report and financial statements for the year ended 30 September 2016.

Creditor payment policy

The Company seeks to maintain good terms with all of its trading partners. In particular, it is the Company's policy to agree appropriate terms and conditions for its transactions with suppliers and, provided the supplier has complied with its obligations, to abide by the terms of payment agreed. Trade creditor days of the Company for the year ended 30 September 2016 were 29 (2015: 27).

Political and charitable donations

The Company did not make any donations to either political parties or charitable organisations during the year.

Directors

The following Directors have held office during the financial year:

J Keith R Falconer

Ian R Simm

Bruce Jenkyn-Jones

Charles D Ridge

Peter V E Rossbach

Directors' interests

None of the Directors hold any shares in Impax Asset Management Limited. J Keith R Falconer and Ian R Simm are Directors of the ultimate parent company, Impax Asset Management Group plc, and their interest in the shares of that company are disclosed in its Annual Report.

Auditors

The Company's auditor, KPMG LLP have indicated their willingness to continue in office and will be proposed for re-appointment for the ensuing financial period in accordance with section 487 of the Companies Act 2006.

Statement of Directors' responsibilities in respect of the Director's Report and Financial Statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

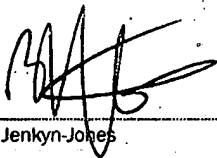
Impax Asset Management Limited
Director's Report
For the year ended 30 September 2016

Statement of disclosure to auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- (a) so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the Board



Bruce Jenkyn-Jones
Director

25/1/2017.

**Independent auditor's report to the members of
Impax Asset Management Limited**

We have audited the financial statements of Impax Asset Management Limited for the year ended 30 September 2016 set out on pages 9 - 23. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

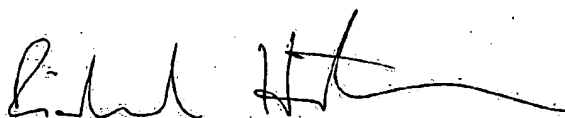
Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.


for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London, E14 5GL

25.1.2017

mpax Asset Management Limited
Income statement
For the year ended 30 September 2016

Company Number: 03583839

	Notes	2016 £000s	2015 £000s
Revenue	2	13,830	11,750
Operating costs	3	(11,329)	(10,794)
Credits/(charges) related to legacy long term incentive schemes	6	52	441
Other financial income	7	14	303
Profit before taxation		2,567	1,699
Taxation	8	(524)	(323)
Profit after taxation		2,043	1,376

Statement of comprehensive income
For the year ended 30 September 2016

	2016 £000s	2015 £000s
Profit for the year	2,043	1,376
Other comprehensive income	-	-
Total comprehensive income for the year	2,043	1,376

The above statements have been prepared on the basis that all operations are continuing operations.
The notes on pages 13 - 25 form part of these financial statements.

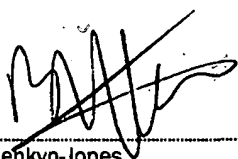
Impax Asset Management Limited
Statement of financial position
As at 30 September 2016

Company Number: 03583839

	Notes	2016 £000s	2015 £000s	2015 £000s
Assets				
Non-current assets				
Intangible assets	10	59	73	
Investments	9	506	440	
Total non-current assets			565	513
Current assets				
Trade and other receivables	11	9,819	2,632	
Deferred tax asset	8	654	616	
Cash invested in money market funds and long-term deposit accounts		8,589	13,515	
Cash and cash equivalents		456	493	
Total current assets			19,518	17,256
Total assets			20,083	17,769
Equity and liabilities				
Called up share capital	13	10	10	
Capital redemption reserve		180	180	
Capital contribution reserve	12	10,474	10,032	
Profit and loss account		(858)	(901)	
Total equity			9,806	9,321
Trade and other payables	12	10,024	8,137	
Current tax liability		73	114	
Total current liabilities			10,097	8,251
Accruals	12	180	197	
Total non-current liabilities			180	197
Total equity and liabilities			20,083	17,769

The notes on pages 13 - 25 form part of these financial statements.

These financial statements were approved by the Board of Directors on 15 January 2017 and signed on its behalf by


 Bruce Jehkyn-Jones

Impax Asset Management Limited
Statement of changes in equity
For the Year Ended 30 September 2016

	Share capital	Capital redemption reserve	Capital contribution reserve	Profit & Loss account	Total equity
	£000s	£000s	£000s	£000s	£000s
As at 30 September 2014	10	180	9,719	(1,277)	8,632
Profit for the year	-	-	-	1,376	1,376
Dividends paid	-	-	-	(1,000)	(1,000)
Capital contribution from parent company	-	-	313	-	313
As at 30 September 2015	10	180	10,032	(901)	9,321
Profit for the year	-	-	-	2,043	2,043
Dividends paid	-	-	-	(2,000)	(2,000)
Capital contribution from parent company	-	-	442	-	442
As at 30 September 2016	10	180	10,474	(858)	9,806

The capital contribution reserve and the profit and loss account together represent the retained earnings of the Company out of which the dividend was paid.

The notes on pages 13 - 25 form part of these financial statements.

Impax Asset Management Limited
Cash flow statement
For the year ended 30 September 2016

	Notes	2016 £000s	2015 £000s
Operating activities:			
Profit before taxation		2,567	1,699
Adjustments for:			
Investment income		(84)	(59)
Depreciation and amortisation		49	97
Fair value gains		(66)	(26)
Share-based payment charge		442	313
Credits related to legacy long-term incentive schemes		(52)	(441)
Operating cashflows before movement in working capital		2,856	1,583
(Increase)/decrease in receivables		(7,187)	5,252
Increase/(decrease) in payables		1,671	595
Cash generated from operations		(2,660)	7,430
Corporation tax paid		(351)	(416)
Net cash generated from operating activities		(3,012)	7,014
Investing activities:			
Investment income received		84	60
Acquisition of intangible assets		(35)	(79)
Decrease/(Increase) in cash held in money market funds and long-term deposit accounts		4,926	(6,515)
Net cash generated from investing activities		4,975	(6,534)
Financing activities:			
Dividends paid		(2,000)	(1,000)
Net cash used in financing activities		(2,000)	(1,000)
Net increase/(decrease) in cash and cash equivalents		(36)	(520)
Cash and cash equivalents at the beginning of the year		493	1,013
Cash and cash equivalents at the end of the year		457	493

The notes on pages 13 - 25 form part of these financial statements.

1 Accounting policies

1.1 Reporting entity

Impax Asset Management Ltd (the "Company") is incorporated and domiciled in the UK. These financial statements present information about the Company as an individual undertaking and not about its group. The Company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a wholly-owned subsidiary undertaking of Impax Asset Management Group plc ("the parent company"), a company registered in England and Wales, and is included in the consolidated accounts of that company.

Copies of these group accounts can be obtained from Companies House, Crown Way, Maindy, Cardiff CF14 3U2 or from www.impaxam.com.

1.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") adopted for use by the European Union ("EU").

This is the first period for which financial statements have been prepared under IFRSs – see note 15 for details of the transition

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and have concluded that it is appropriate to adopt the going concern basis in preparing the financial statements of the Group.

The financial statements have been prepared under the historical cost convention, with the exception of the revaluation of certain investments and derivatives being measured at fair value.

The financial statements are presented in sterling. All amounts have been rounded to the nearest thousand unless otherwise indicated.

1.2 Revenue

Management fee revenue is recognised as the service is provided and it is probable that the fee will be received. Where fees are calculated and billed in arrears amounts are accrued and estimated based on the statement of financial position date.

Revenue also includes transaction based fees. These fees are recorded as income as the service is provided and the receipt of income is almost certain.

Performance fees arising upon the achievement of the specified targets are recognised when the fees are confirmed as receivable.

1.3 Interest

Interest receivable is recognised using the effective interest method as it accrues.

1.4 Intangible fixed assets

Purchased software licences and associated implementation costs are stated at cost less accumulated amortisation.

Amortisation is charged in equal installments over their estimated useful lives on a straight-line basis:

- Software licences	over life of the licence
- Software implementation costs	3 years

The cost of acquiring a management contract is recognised and measured at its fair value at the acquisition date. The fair value represents the valuation of the expected profits to be earned from the management contract and is determined by discounting the expected future cash flows.

The intangible assets are carried at cost less accumulated amortisation and any impairments losses. Amortisation is provided on a straight line basis over the expected life of the contract which has been assessed up to a maximum of 1 year.

1.5 Fixed asset investments

Shares in group undertakings are stated at cost less provision for any permanent diminution in value. The investment in Ensyn is classified as a financial asset and recorded at fair value with changes in the fair value recorded through the profit and loss account.

1.6 Pensions

The Company operates defined contribution schemes for employees. The assets of the schemes are held separately from those of the Company in independently administered funds.

1.7 Taxation

Current tax is based on taxable profits for the year after all potential reliefs available have been utilised. Taxable profits differ from "profit before tax" as reported in the income statement because it excludes items that are taxable or deductible in other years and items that are not taxable or deductible in the current year. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the statement of financial position date. In the United Kingdom tax deductions are available in respect of the award of the Company's shares. In instances where the tax deduction is greater than the associated share-based payment charge due to differences in the Company's share price that amount, tax effected, is recognised in equity.

Deferred tax is provided in full in respect of taxation deferred by temporary differences between the treatment of certain items for taxation and accounting purposes. Deferred tax assets are not recognised to the extent that their recoverability is uncertain.

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or if hedged forward at the hedged rate. All differences are taken to the profit and loss account.

1.9 Share-based payments

The fair value of employee services received in exchange for the grant of restricted shares or share options is recognised as an expense. The fair value of the shares and share options awarded is determined at the date the employee is deemed to be fully aware of their potential entitlement and all conditions of vesting (termed the "grant date"). The expense is charged over the period starting when the employee commenced the relevant services (termed the "service commencement date") to the vesting date. In instances where the grant date occurs after the date of signing these financial statements the fair value is initially estimated by assuming that the grant date is the reporting date.

Impax Asset Management Limited
Notes to the Financial Statements
For the Year Ended 30 September 2016

2 Revenue

Analysis of revenue by type of service:

	2016	2015
	£000s	£000s
Investment management and advisory services	13,361	11,102
Transaction fees	469	648
	13,830	11,750

Analysis of revenue by location of customers

	2016	2015
	£000s	£000s
UK	1,534	2,105
Rest of World	12,296	9,645
	13,830	11,750

Revenue from two of the Group's customers individually represented more than 10% of Group revenue (2015: one) equating to £3,267,000 and £1,430,000 (2015: £2,447,000).

Revenue includes £13,782,000 from related parties (2015: £11,317,000)

3 Operating costs

	2016	2015
	£000s	£000s
Staff costs	7,864	7,388
IT and communications	671	524
Depreciation and amortisation	48	97
Charges from other Group companies	5,815	5,683
Other costs	853	1,459
Charges to other Group companies	(3,922)	(4,357)
	11,329	10,794

Auditor's remuneration in respect of the audit of the financial statements of £25,000 (2015: £25,000) was borne by Impax Asset Management Group plc.

The Company provides services to Impax Asset Management (AIFM) Ltd, a fellow subsidiary and makes charges to it for the services provided. The charge is included as a credit within operating costs. Operating costs also include charges from the Company's parent and other fellow subsidiaries for services provided.

Impax Asset Management Limited
Notes to the Financial Statements
For the Year Ended 30 September 2016

4 Staff costs

	2016	2015
	£000s	£000s
Wages, salaries and variable bonuses	6,355	6,024
Social security costs	801	788
Other pension costs	306	263
Share-based payments	402	313
	7,864	7,388

The Company contributes to employees' private pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The pension cost represents contributions paid by the Company to these funds. At year end, there were no contributions payable to the funds (2015: £210,108).

The average monthly number of employees (including executive directors) during the period was:

	2016	2015
Number of employees		
Listed equity	13	12
Private equity	13	12
Operations	8	7
Marketing	10	9
	44	40

Directors' emoluments

	2016	2015
	£	£
Emoluments for qualifying services	639,730	607,682
Company pension contributions to money purchase schemes	31,600	95,000
	671,330	702,682

Emoluments disclosed above include the following amounts paid to the highest paid Director.

	2016	2015
	£	£
Emoluments for qualifying services	430,903	280,424
Company pension contributions to money purchase schemes	15,600	79,400
	446,503	359,824

	2016	2015
The average number of Directors to whom pension benefits are accruing within the company is:	2	2

The average number of Directors who have exercised share options in the year is:

	2016	2015
The average number of Directors who have benefited from share-based awards in the year is:	1	2

Directors' emoluments borne by Impax Asset Management Group plc

The emoluments of J Keith R Falconer and Ian R Simm are borne by Impax Asset Management Group plc. Full details of their emoluments (together with other emoluments paid to directors) are shown in the accounts of Impax Asset Management Group plc.

Charles D Ridge is also remunerated by Impax Asset Management Group plc.

5 Share-based payments

The Parent Company makes share based payment awards to employees of the Company and as described in Note 1.9 the Company records a charge in the income statement to reflect this. Details of the relevant share plans and the awards made to employees of the Company are provided below.

EMPLOYEE SHARE OPTION PLAN

Under this plan options over the parent Company's shares were granted to employees in 2011, 2012, 2013, 2014 and 2015.

The strike price of these options was set at a 10% premium to the average market price of the Company's shares for the 30 business days (5 business days for 2015 ESOP) following the announcement of the results for each of the respective preceding financial years. The 2011 and 2012 options have vested. The options do not have performance conditions but do have a time vesting condition such that the options vest subject to continued employment on 31 December 2014 (2011 ESOP), 31 December 2015 (2012 ESOP), 31 December 2016 (2013 ESOP), and 31 December 2017 (2014 ESOP and ESOP 2015). Employees have 3 year to exercise the options from the date of vesting (2015 ESOP 2 years). The valuation was determined using the Black-Scholes-Merton method.

RESTRICTED SHARE SCHEME

Under the 2014 scheme, awards of 1,250,000 restricted shares were made to certain employees in respect of services provided from 1 October 2013, and under the 2015 plan 3,400,000 shares were made to certain employees in respect of services from 1 October 2014 or 9 February 2016. Following grant the shares are held by a nominee for employees - who are then immediately entitled to receive dividends. After a period of three years the employees will be able to sell one third of the shares, after four years a further third and after five years the final third.

The fair value of the 2014 RSS awards has been determined as 49.9p and 47.3p for the 2015 RSS awards. These has been calculated using the Black-Scholes-Merton model with an adjustment to reflect that dividends are received during the vesting period. The assumptions used in the Black-Scholes-Merton model are detailed below

Impax Asset Management Limited
Notes to the Financial Statements
For the Year Ended 30 September 2016

	2014 RSS	2015 RSS
Awards originally granted	1,250,000	3,675,000
Exercise price	0p	0p
In respect of services provided for period from	1 Oct 2013	1 Oct 2014/ 9 Feb 2016
Award value	49.9p	42.1p/41.5p
Weighted average share price	52.5p	41.4p
Expected volatility	32%	32%/31%
Weighted average option life	5.3yrs	4.9yrs
Expected dividend rate	3%	3%/4%
Risk free interest rate	1.2%	1.2%/0.8%

An analysis of the options in the ultimate parent company that have been granted to employees of the Company is as follows:

	Number	Weighted average exercise price p
Options outstanding at the start of the year	12,713,500	27.1
Options granted during the year	400,000	45.4
Options forfeited during the year		n/a
Options exercised during the year		9.8
Options expired during the year	(625,000)	50.6
Options outstanding at the end of the year	12,488,500	31.1
Options exercisable at the end of the year	8,614,500	21.8

For the options outstanding at the end of the period the exercise prices were nil or 1p for the LTIP, 49.6p for the ESOP 2011, 37.6p for the ESOP 2012, 47.9p/54.0p for the ESOP 2013, 56.9p for the ESOP 2014, 45.4p for the ESOP 2015 and the weighted average remaining contractual life was 3.19 years.

Restricted shares

	2016
Outstanding at 1 October 2015	750,000
Granted during the year	2,675,000
Forefeited during the year	-
Restrictions lapsed - shares vest unconditionally to the employee	-
Outstanding at 30 September 2016	3,425,000

Impax Asset Management Limited
Notes to the Financial Statements
For the Year Ended 30 September 2016

6 Credits/Charges related to legacy long-term incentive schemes

These amounts include charges or credits in respect of National Insurance Contributions payable by the Company on legacy long term incentive schemes and retention payments payable by the Company following exercising of options awarded under the long term incentive schemes. The Company accrues for the estimated payments due based on the year end share price of the Parent Company. The amount accrued therefore varies from period to period in line with the share price with any changes recorded through the income statement.

7 Other financial income

	2016 £000s	2015 £000s
Interest on bank balances and on money market accounts	84	60
Fair value gains on investments	66	26
Foreign exchange	(136)	217
	14	303

8 Taxation on profit on ordinary activities

(a) Analysis of tax charge in the year

	2016 £000s	2015 £000s
Current tax:		
UK Corporation tax	405	356
Adjustments in respect of previous periods	157	57
	562	413
Deferred tax:		
Origination and reversal of timing differences	(38)	(90)
Tax charge on profits	524	323

(b) Factors affecting the tax charge for the year

	2016 £	2015 £
Profit on ordinary activities before taxation	2,567	1,699
Tax at effective rate of 20% on profit/(loss) on ordinary activities before taxation (2015: 20.5%)	513	348
Effects of:		
Non-deductible expenses and charges	27	2
Utilisation of bfwd losses	-	(23)
Prior year over-provision	(16)	(4)
	524	323

(c) Deferred tax

	2016 £000s	2015 £000s
Deferred tax asset at the beginning of the year	616	526
Deferred tax (charge)/credit in profit and loss account for the year - note 8(a) above	38	90
Deferred tax asset at the end of the year	654	616

Impax Asset Management Limited
Notes to the Financial Statements
For the Year Ended 30 September 2016

9 Fixed asset investments

	Shares in Group Undertakings £000s	Other investment £000s	Total £000s
As at 1 October 2014	36	362	398
Additions	16		16
Change in fair value for the year ended 30 September 2015		26	26
As at 30 September 2015	52	388	440
Additions			
Change in fair value for the year ended 30 September 2016		66	66
As at 30 September 2016	52	454	506

The other investment consists of shares in Ensyn Corporation, an unlisted company based in the U.S.A. The fair value of this investment is determined by reference to the price of recent investments made into the company and the market values of equivalent companies. The investment is classified as Level 3 for IFRS disclosure purposes.

The investment in Ensyn Corporation is subject to market and foreign exchange risks. The market risk exposure is based on the entity's financial performance. This is monitored by the Directors through periodic reviews of the company's performance and future plans. The foreign exchange risk arises from the investment being denominated in US\$.

Holdings of more than 20%

The Company holds more than 20% of the share capital in the following entities:

Company	Country of incorporation	Class	% held
Impax New Energy Investors (GP) Limited	England & Wales	Equity	100
Impax New Energy Investors II (GP) Limited	England & Wales	Equity	100
INEI I GP (UK) LLP	England & Wales	Equity	99.99
INEI II GP (UK) LLP	England & Wales	Equity	99.99
Impax Carried Interest Partner (GP) Limited	England & Wales	Equity	100
Impax Carried Interest Partner II (GP) Limited	England & Wales	Equity	100
Impax Asset Management (US) LLC	USA	Equity	100
Impax Global Resource Optimization (GP)	England & Wales	Equity	100
Climate Property (GP) Limited	England & Wales	Equity	100

Impax Asset Management Limited
Notes to the Financial Statements
For the Year Ended 30 September 2016

10 Intangible assets

	Software £000s	Management Contract £000s	Total £000s
Cost			
As at 30 September 2014	302	67	369
Additions	18	45	63
As at 30 September 2015	320	112	432
Additions	35		35
As at 30 September 2016	355	112	467
Amortisation			
As at 30 September 2014	246	16	262
Charge for the year	39	58	97
As at 30 September 2015	285	74	359
Charge for the year	25	24	49
As at 30 September 2016	310	98	408
Net book value			
As at 30 September 2016	45	14	59
As at 30 September 2015	35	38	73
As at 30 September 2014	55	52	107

11 Trade and other receivables	2016 £000s	2015 £000s
Trade receivables	94	280
Amounts owed by group undertakings	5,161	8
Other receivables	955	-
Prepayments and accrued income	3,609	2,344
	9,819	2,632

An analysis of the aging of trade receivables is provided below

	2016 £000s	2015 £000s
Not past due	51	136
31-60 days	42	
61-90 days	1	117
more than 90 days		27
	94	280

£3,548,000 of trade and other receivables and accrued income were due from related parties (2015: £2,515,000) in respect of investment management services.

Impax Asset Management Limited
Notes to the Financial Statements
For the Year Ended 30 September 2016

12 Trade and other payables
Current

	2016	2015
	£000s	£000s
Trade payables	14	
Amounts owed to group undertakings	6,334	4,316
Other payables	38	79
Taxation and other social security	291	779
Accruals and deferred income	3,347	2,963
	10,024	8,137

Non-current

	2016	2015
	£000s	£000s
Accruals and deferred income	180	197

13 Share capital

	2016	2015
	£000s	£000s
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	10	10

14 Related party transactions

Impax New Energy Investors LP, Impax New Energy Investors II LP, Impax New Energy Investors II-B LP, Impax New Energy Investors SCA, Impax Carried Interest Partners LP, Impax Carried Interest Partners II LP, Impax Global Resource Optimization Fund LP and Impax Climate Property Fund LP are related parties of the Company by virtue of subsidiaries being the General Partners to these funds.

BNP Paribas Investment Partners is a related party of the Company by virtue of owning a 24.99% equity holding in the ultimate parent company, Impax Asset Management Group plc.

Other funds managed by the Company are also related parties by virtue of its management contracts. Transactions with other group companies are related party transactions.

Related party transactions are disclosed in notes 2, 3, 6, 11 and 12.

15 Financial risk management

Risk management is integral to the business of the Company. There are systems of controls in place to create an acceptable balance between the potential cost should such a risk occur and the cost of managing those risks. Management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. This section provides details of the Company's exposure to financial risks and describes the methods used by management to control such risk.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a counterparty to settle their financial and contractual obligations to the Group, as and when they fall due. The Company's maximum exposure to credit risk is represented by the carrying value of its financial assets.

The Company's primary exposure to credit risk relates to its cash and cash equivalents and cash in money market funds and long-term deposits that are placed with regulated financial institutions. The Group is also exposed to credit risk on trade receivables, representing investment management fees due. An analysis of the aging of these is provided in note 11.

Impax Asset Management Limited
Notes to the Financial Statements
For the Year Ended 30 September 2016

Foreign exchange

Foreign exchange risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. A significant amount of the Company's income is denominated in euro and US dollars. The Company's foreign exchange risk arises from income received in these currencies, together with an exposure to expenses in foreign currencies, principally US dollars.

The strategy of the Company for the year ended 30 September 2016 has been to convert earned income back to sterling and to use hedges where there is sufficient predictability over inflows to allow for an effective and efficient hedge.

The Company's exposure to foreign exchange risk at 30 September 2016 was as follows:

	EUR/GBP £000	USD/GBP £000	Other/GBP £000
Assets			
Investments	-	454	-
Trade and other receivables	2,744	401	101
Cash and cash equivalents	32	34	-
	2,777	889	101
	EUR/GBP £000	USD/GBP £000	Other/GBP £000
Liabilities			
Trade and other payables	2,261	-	-

The Company's exposure to foreign exchange risk at 30 September 2015 was as follows:

	EUR/GBP £000	USD/GBP £000	Other/GBP £000
Assets			
Investments	-	388	-
Trade and other receivables	1,794	153	155
Cash and cash equivalents	70	350	-
	1,864	891	155
	EUR/GBP £000	USD/GBP £000	Other/GBP £000
Liabilities			
Trade and other payables	2,117	-	-

	Post-tax profit	
	2016	2015
	£000	£000
Translation of significant foreign assets and liabilities		
GBP strengthens against the USD, up 5%	(44)	(45)
GBP weakens against the USD, down 5%	44	45
GBP strengthens against the EUR, up 5%	(26)	13
GBP weakens against the EUR, down 5%	26	(13)

Impax Asset Management Limited
Notes to the Financial Statements
For the Year Ended 30 September 2016

Liquidity risk

Liquidity risk is the risk that the Group does not have sufficient financial resources to meet its obligations when they fall due or will have to do so at a cost. The Company monitors its liquidity risk using cash flow forecasts taking into account the cash required to meet the Company's investment plans and its regulatory capital requirements.

At 30 September 2016, the Company had total current assets of £19,518,000. This is £9,421,000 in excess of trade and other payables.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its interest-bearing assets, specifically cash balances that earn interest at a floating rate.

Market risk

The significant holdings that are exposed to equity market price risk is the Company's investments in Ensyn. See note 9 for further information.

Fair value of financial assets and liabilities

At 30 September 2016	Fair value through profit and loss £000	Loans and receivables £000	Financial liabilities measured at amortised cost £000
Financial Assets			
Investments	454		
Trade and other receivables		6,210	
Cash held in money market funds & long term deposit accounts		8,589	
Cash and cash equivalents		456	
Total financial assets	454	15,255	
Financial liabilities - trade and other payables			6,386

At 30 September 2015	Fair value through profit and loss £000	Loans and receivables £000	Financial liabilities measured at amortised cost £000
Financial Liabilities			
Investments	388		
Trade and other receivables		288	
Cash held in money market funds		13,515	
Cash and cash equivalents		493	
Total financial assets	388	14,296	
Financial liabilities - trade and other payables			4,394

Impax Asset Management Limited
Notes to the Financial Statements
For the Year Ended 30 September 2016

15 First time adoption of IFRS

The financial statements of the Company for the year ended 30 September 2016 are the first financial statements that comply with IFRS. The last financial statements under UK GAAP were for the year ended 30 September 2015. The date of transition to IFRS was 1 October 2015 and the comparative prior year amounts have been restated.

No changes to amounts recorded in the Income statement or the Statement of financial position were required. However certain additional disclosures have been made and the format of certain of the primary statements has been changed.