

Company Number: 03583839

IMPAX ASSET MANAGEMENT LIMITED

Directors' Report and Financial Statements

for the year ended 30 September 2014

TUESDAY



L48002H7

LD4

02/06/2015

#2

COMPANIES HOUSE

Impax Asset Management Limited
Contents

	Page
Company Information	3
Strategic Report	4
Directors' Report	6
Independent Auditor's Report	8
Profit and Loss Account	9
Statement of Total Recognised Gains and Losses	10
Balance Sheet	11
Notes to the Financial Statements	12

Impax 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 2014

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.

During the year responsibility for managing certain funds with AUM totalling £644 million was transferred to a fellow subsidiary undertaking, Impax Asset Management (AIFM) Limited. This change was made to ensure compliance with the Alternative Investment Fund Managers Directive (AIFMD).

The Directors consider assets under management ("AUM"), turnover and profitability to be the key performance indicators of the Company. Turnover for the year was £17,693,073 (2013: £17,782,529) and operating profit was £3,555,287 (2013: £2,403,042). At 30 September 2014, the Company had AUM of £2,028 million (2013: £2,197 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 11. Dividends totalling £4,300,000 have been paid during the year ended 30 September 2014 (2013: £8,500,000).

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.

Impax Asset Management Limited
Strategic Report
For the Year Ended 30 September 2014

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

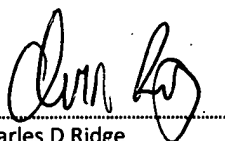
The Company has established a control framework so that the risk of financial loss to the Company through operational failure is minimised. Measures have also been put in place to manage business and systems disruption, as well as the safety of staff. This is to ensure that during emergencies, the Company's 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



Charles D Ridge
Director

23 January 2015

Impax Asset Management Limited
Directors' Report
For the Year Ended 30 September 2014

The Directors present their report and financial statements for the year ended 30 September 2014.

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 2014 were 27 (2013: 30).

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 Roszbach

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

Following their intention to gradually wind down the activity in their registered firm, KPMG Audit Plc, KPMG have proposed that an alternative entity, KPMG LLP, become the Company's Auditor. KPMG have advised that the change is purely administrative and that there will be no adverse impact on investors' interests as a result. There is no impact on the terms in which the Auditor will be retained.

A resolution to appoint KPMG LLP as auditors for the year ended 30 September 2014 was made at a meeting of the directors of the Company.

The auditors, KPMG LLP, 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).

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

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.

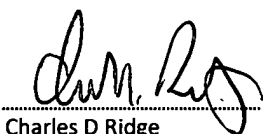
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies 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.

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



Charles D Ridge
Director

23 January 2015

**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 2014 set out on pages 9 - 23. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

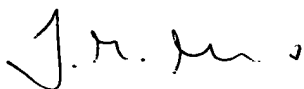
Opinion on the other matter prescribed by the Companies Act 2006

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.



Jonathan Mills (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London, E14 5GL

23 January 2015

Impax Asset Management Limited
Profit and Loss Account
For the Year Ended 30 September 2014

Company Number: 03583839

	Notes	2014 £	2013 £
Turnover	2	17,693,073	17,782,529
Operating costs		(14,136,145)	(15,379,344)
Change in fair value of investment and other instruments		(1,641)	(143)
Operating profit	3	3,555,287	2,403,042
Interest receivable and similar income	4	42,764	71,587
Profit on ordinary activities before taxation		3,598,051	2,474,629
Tax charge on profit on ordinary activities	5	(779,079)	(667,971)
Profit on ordinary activities after taxation		2,818,972	1,806,658

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The notes on pages 12 - 23 form part of these financial statements.

Impax Asset Management Limited
Statement of Total Recognised Gains and Losses
For the Year Ended 30 September 2014

Company Number: 03583839

	2014	2013
	£	£
Profit for the financial year	2,818,972	1,806,658
Increase/(Decrease) in value of cash flow hedges	(158,506)	155,972
Tax on cashflow hedge	34,895	(34,287)
Total recognised gains and (losses) relating to the year	2,695,361	1,928,343

The notes on pages 12 - 23 form part of these financial statements.

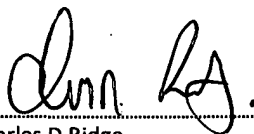
Impax Asset Management Limited
Balance Sheet
As at 30 September 2014

Company Number: 03583839

	Notes	2014 £	2013 £
Assets			
Non-current assets			
Intangible assets	7	107,066	94,759
Investments	6	398,267	363,981
		505,333	458,740
Current assets			
Debtors	8	8,410,506	5,061,076
Cash invested in money market funds and long term deposit accounts		7,000,000	3,750,000
Cash at bank and in hand		1,013,002	7,899,979
		16,423,508	16,711,055
Creditors: amounts falling due within one year	9	(8,111,620)	(6,873,866)
		(8,111,620)	(6,873,866)
Net current assets		8,311,888	9,837,189
Creditors: amounts falling due after one year	9	(184,627)	(320,731)
		(184,627)	(320,731)
Net assets		8,632,594	9,975,198
Capital and reserves			
Called up share capital	11	10,000	10,000
Capital redemption reserve	12	180,000	180,000
Capital contribution reserve	12	9,719,318	9,457,283
Hedging reserve	12	-	123,611
Profit and loss account	12	(1,276,724)	204,304
Shareholders' funds - equity	12	8,632,594	9,975,198

The notes on pages 12 - 23 form part of these financial statements.

These financial statements were approved by the Board of Directors on 23 January 2015 and signed on its behalf by


 Charles D Ridge

Impax Asset Management Limited
Notes to the Financial Statements
For the Year Ended 30 September 2014

1 Accounting policies

1.1 Presentation of financial statements

The financial statements are prepared in accordance with applicable UK accounting standards. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and accordingly they continue to adopt the going concern basis in preparing the financial statements.

The financial statements are prepared under the historical cost convention, other than the revaluation of certain non-current asset investments. The financial statements are presented in UK pounds sterling.

1.2 Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes. Turnover is recognised in the profit and loss account as follows:

- (a) investment management, administration and advisory fees contractually receivable are recognised in the year in which the work is performed and the respective fees are earned. Performance fees arising upon the achievement of specified targets are recognised at the respective fund's year end, when such performance fees are confirmed as receivable.
- (b) revenue related to provision of services is recognised on an accruals basis.

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
- Management contracts	contract term

1.5 Intangible assets

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.

1.6 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 at fair value through the profit or loss and recorded at fair value with changes in the fair value recorded through the profit and loss account.

1.7 Derivatives

The Company uses foreign exchange forward contracts as a hedge against the foreign exchange risk on future income denominated in foreign currencies. At the balance sheet date these derivative contracts are recorded at their fair value. In instances where the hedge accounting criteria are met changes in the fair value are recorded in equity. The amounts recognised in equity are reclassified to profit or loss when the gains or losses on the hedged item crystallise.

1.8 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.

1.9 Taxation

Current tax is based on taxable profits for the year after all potential reliefs have been utilised. Taxable profits differ from 'profit before tax' as reported in the Profit and Loss account 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 Company's liability for tax is calculated after using tax rates that have been enacted or substantively enacted at the balance sheet date. In the United Kingdom tax deductions are available in respect of share-based payment awards. In instances where the tax deduction is greater than the associated share-based payment charge due to differences in the price of the underlying shares awarded, the tax benefit is recorded through equity.

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.10 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.

Impax Asset Management Limited
Notes to the Financial Statements
For the Year Ended 30 September 2014

1.11 Consolidation

The 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.

1.12 Share-based payments

Certain employees of the Company have been granted options in the parent company's shares. These share-based payments are accounted for as equity-settled transactions in the parent company. Accordingly, as required by UITF 44 *Group and Treasury Share Transactions*, the Company measures the services received from its employees with a charge to the profit and loss account and a corresponding increase in equity as contribution from the parent. The total amount to be expensed over the performance period, from service commencement date to vesting date, is determined by reference to the fair value of the awards determined at the date the employee is deemed to be fully aware of their potential entitlement and all conditions of vesting. Where the grant date occurs after service commencement date, the fair value is initially estimated by assuming that the grant date is the reporting date.

1.13 Cashflow

A cash flow statement has not been presented, as the Company has taken advantage of the exemption from preparation relating to subsidiary undertakings where 90% or more of the voting rights are controlled within the Group, provided that the consolidated financial statements in which those subsidiary undertakings are included are publicly available.

2 Turnover

The total turnover of the Company for the period has been derived from its principal activity being the provision of investment management services, an activity wholly undertaken in the United Kingdom.

3 Operating profit

	2014	2013
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	82,941	64,625
Loss on currency exchange	(61,380)	42,934
Share-based payment charge (Note 14)	262,035	465,009

Auditor's remuneration in respect of the audit of the financial statements of £25,000 (2013: £25,000) was borne by Impax Asset Management Group plc.

The Company has incurred certain costs on behalf of Impax Asset Management (AIFM) Limited. The recharge of these costs is included within operating costs.

Impax Asset Management Limited
Notes to the Financial Statements
For the Year Ended 30 September 2014

4 Interest receivable and similar income

	2014	2013
	£	£
Bank interest	42,764	71,587

5 Taxation on profit on ordinary activities

(a) Analysis of tax charge in the year

	2014	2013
	£	£
Current tax:		
UK Corporation tax	364,454	137,523
Adjustments in respect of previous periods	143,311	-
	507,765	137,523
Deferred tax:		
Origination and reversal of timing differences	271,314	530,448
Tax charge on profits	779,079	667,971

(b) Factors affecting the tax charge for the year

	2014	2013
	£	£
Profit on ordinary activities before taxation	3,598,051	2,474,629
Tax at effective rate of 22.0% on profit/(loss) on ordinary activities before taxation (2013: 23.5%)	791,571	581,538
Effects of:		
Non-deductible expenses and charges	3,126	3,771
Prior year under-provision	143,311	-
Timings differences on remuneration related payments	(61,753)	(160,336)
Timings differences regarding share-based payments	(368,490)	(287,450)
Current tax charge	507,765	137,523

(c) Deferred tax

	2014	2013
	£	£
Deferred tax asset at the beginning of the year	762,823	1,327,558
Deferred tax (charge)/credit in profit and loss account for the year - note 5(a) above	(271,314)	(530,448)
Deferred tax (charge)/credit in equity	34,895	(34,287)
Deferred tax asset at the end of the year	526,404	762,823

Impax Asset Management Limited
Notes to the Financial Statements
For the Year Ended 30 September 2014

6 Fixed asset investments

	Shares in Group undertakings £	Other investment £	Total £
As at 1 October 2012	104	364,000	364,104
Change in fair value for the year ended 30 September 2013	-	(123)	(123)
As at 30 September 2013	104	363,877	363,981
Additions	35,927	-	35,927
Change in fair value for the year ended 30 September 2014	-	(1,641)	(1,641)
As at 30 September 2014	36,031	362,236	398,267

The other investment consists of shares in Ensyn Corporation, a company based in the U.S.A. The fair value of this investment is calculated on the basis of the market values of equivalent companies. The investment is classified as Level 3 for the purposes of FRS 29 *Financial Instruments: Disclosures*.

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 companies:

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

Impax Asset Management Limited
Notes to the Financial Statements
For the Year Ended 30 September 2014

7 Intangible assets

	£
Cost	
As at 1 October 2012	260,130
Additions	13,500
As at 30 September 2013	273,630
Additions	95,248
Disposals	-
As at 30 September 2014	368,878
Amortisation	
As at 1 October 2012	114,246
Charge for the year	64,625
As at 30 September 2013	178,871
Charge for the year	82,941
As at 30 September 2014	261,812
Net book value	
As at 30 September 2014	107,066
As at 30 September 2013	94,759
As at 30 September 2012	145,884

8 Debtors	2014	2013
	£	£
Trade debtors	460,440	589,343
Amounts owed by group undertakings	5,483,941	1,372,988
Other debtors	1,717	168,785
Deferred tax asset	526,404	762,823
Prepayments and accrued income	1,938,004	2,167,137
	8,410,506	5,061,076

The Company used forward foreign exchange contracts to sell Euro and buy Sterling as hedges against Euro income. The fair value of these instruments at 30 September 2013 was £158,506 which was recognised in equity and recorded in other debtors. During the year the Company transferred these forward rate foreign exchange contracts to Impax Asset Management (AIFM) Limited.

Impax Asset Management Limited
Notes to the Financial Statements
For the Year Ended 30 September 2014

9 Creditors

Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	44,159	13,493
Amounts owed to group undertakings	3,685,027	2,513,684
Other creditors	120,705	10,202
Taxation and other social security	791,602	957,217
Corporation tax payable	-	-
Accruals and deferred income	3,470,127	3,379,270
	8,111,620	6,873,866

Amounts falling due after one year

	2014	2013
	£	£
Accruals and deferred income	184,627	320,731
	184,627	320,731

10 Pension costs

The Company operates defined contribution personal pension schemes for employees. The assets of the schemes are held separately from those of the Company in independently administered funds. The pension cost charge for the year represents contributions payable by the Company to these schemes and to employees' personal pension schemes and amounted to £387,017 (2013: £331,683). At year end, contributions of £210,108 remained payable to the funds (2013: £176,119).

11 Share capital

	2014	2013
	£	£
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000

Impax Asset Management Limited
Notes to the Financial Statements
For the Year Ended 30 September 2014

12 Reserves and shareholders' funds

(a) Statement of movements on reserves

	Capital redemption reserve £	Hedging reserve £	Capital contribution reserve £	Profit & Loss account £
As at 30 September 2012	180,000	1,926	8,992,274	6,897,646
Profit for the year	-	-	-	1,806,658
Dividends paid	-	-	-	(8,500,000)
Capital contribution from parent company	-	-	465,009	-
Cashflow hedge	-	155,972	-	-
Tax on cashflow hedge	-	(34,287)	-	-
As at 30 September 2013	180,000	123,611	9,457,283	204,304
Profit for the year	-	-	-	2,818,972
Dividends paid	-	-	-	(4,300,000)
Capital contribution from parent company	-	-	262,035	-
Cashflow hedge	-	(158,506)	-	-
Tax on cashflow hedge	-	34,895	-	-
As at 30 September 2014	180,000	-	9,719,318	(1,276,724)

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.

(b) Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit for the year	2,818,972	1,806,658
Dividends paid	(4,300,000)	(8,500,000)
Cashflow hedge	(158,506)	155,972
Tax on cashflow hedge	34,895	(34,287)
Capital contribution from parent company	262,035	465,009
Net reduction to shareholders' funds	(1,342,604)	(6,106,648)
Opening shareholders' funds	9,975,198	16,081,846
Closing shareholders' funds	8,632,594	9,975,198

Impax Asset Management Limited
Notes to the Financial Statements
For the Year Ended 30 September 2014

13 Directors' emoluments

	2014	2013
	£	£
Emoluments for qualifying services	841,000	632,813
Company pension contributions to money purchase schemes	70,700	48,000
	911,700	680,813

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

	2014	2013
	£	£
Emoluments for qualifying services	471,000	304,438
Company pension contributions to money purchase schemes	60,350	39,000
	531,350	343,438

	2014	2013
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:	1	-
The average number of Directors who have benefited from share-based awards in the year is:	2	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.

14 Share-based payments

EIA EXTENSION

Under this scheme, certain Directors and employees were granted options over the shares of the ultimate parent, Impax Asset Management Group plc, during the year ended 30 September 2011. The options were issued at a nil or 1p strike price and have vested to individuals who remained employed on 30 September 2012 or in respect of one individual only 15 January 2013. They are exercisable over a period from 1 October 2012 to 31 December 2020.

14 Share-based payments *continued*

The Company accrues for the FRS 20 Share-based payment charge for options issued from the grant date, to the date of vesting. The fair value of the services received in return for the options was calculated at 64p using the Black-Scholes-Merton model.

2011, 2012, 2013 and 2014 EMPLOYEE SHARE OPTION

5,000,000 options over the Parent Company's shares were granted in November 2011 under the 2011 Employee Share Option Plan ("2011 ESOP") and 3,000,000 options were granted in November 2012 under the 2012 Employee Share Option Plan ("2012 ESOP") and 3,056,000 options over the Parent Company's shares were granted in November 2013 under the 2013 Employee Share Option Plan ("2013 ESOP") to certain employees of the Impax Group (including those of the Company) in respect of services provided from 1 October 2010 (2011 ESOP), 1 October 2011 (2012 ESOP) or 1 October 2012 (2013 ESOP). 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 following the announcement of the results for each of the respective preceding financial year. 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) and 31 December 2016 (2013 ESOP).

In November 2014, the Board of Impax Asset Management Group plc approved the grant of 2,500,000 options under the 2014 Employee Share Option Plan ("2014 ESOP") to the Company's employees in respect of services provided from 1 October 2013. The strike price of the options will be set at a 10% premium to the average market price of the Company's shares for the 30 business days following the announcement of the results for the year ended 30 September 2014. The options will not have performance conditions but do have a time vesting condition such that the options vest subject to continued employment on 31 December 2017.

The options granted were valued at the following prices: 9.1p (ESOP 2011), 7.0p (ESOP 2012), 8.3p (ESOP 2013) and 8.8p (ESOP 2014) using the Black-Scholes-Merton model.

The charges for the year in relation to these schemes are offset by an equal reduction in the total cash bonus pool paid to employees.

2014 RESTRICTED SHARE SCHEME

In November 2014 the Board of Impax Asset Management Group plc also approved the award of 750,000 shares under the 2014 Restricted Share Scheme ("2014 RSS") to the Company's employees in respect of services provided from 1 October 2013. The Shares will be held by a nominee for employees - they will receive dividends on the shares but will not be allowed to sell the shares. After a period of three years the employees will gain unfettered access to one third of the shares, after four years a further third and after five years the final third.

The fair value of the RSS awards is deemed to equal the market price of the shares awarded on the date of grant.

Impax Asset Management Limited
Notes to the Financial Statements
For the Year Ended 30 September 2014

14 Share-based payments *continued*

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	14,473,955	17.4
Options granted during the year*	2,066,000	48.2
Options forfeited during the year	(745,000)	45.6
Options exercised during the year	(4,236,000)	0.9
Options expired during the year		NA
Options outstanding at the end of the year	11,558,955	27.1
Options exercisable at the end of the year	4,642,500	0.7

* As noted above, a further 2,500,000 options were approved for grant in November 2014.

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 and the weighted average remaining contractual life was 5.9 years.

15 Employees

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

	2014	2013
Number of employees		
Listed equity	12	12
Private equity	11	12
Operations	6	7
Marketing	9	8
Venture capital	-	1
	38	40

	2014 £	2013 £
Employee costs		
Wages, salaries and variable bonuses	5,803,885	5,549,954
Social security costs	770,817	734,731
Other pension costs	387,017	331,683
Share-based payments	262,035	465,009
	7,223,754	7,081,377

Impax Asset Management Limited
Notes to the Financial Statements
For the Year Ended 30 September 2014

16 Parent company

The immediate and ultimate parent company is Impax Asset Management Group plc, an AIM-listed company, registered in England and Wales. Impax Asset Management Group plc prepares group financial statements and copies can be obtained from Companies House, Crown Way, Maindy, Cardiff CF14 3U2.

17 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, Impax Fundamental Long-term opportunities in Water 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 25.2% equity-holding in the ultimate parent company, Impax Asset Management Group plc.

Other funds managed by subsidiaries of the Company are also related parties by virtue of its management contracts.

The aggregate related-party transactions for the year ended 30 September 2014 are as follows:

	2014 £	2013 £
Profit and loss account		
Revenue	15,848,662	17,769,180
Balance sheet		
Trade and other receivables	5,483,941	1,372,988
Trade and other payables	3,685,027	2,513,684

The Company has taken advantage of the exemption in FRS 8 *Related party disclosures* from the requirement to disclose transactions with Impax Asset Management Group plc or its wholly-owned subsidiaries.