

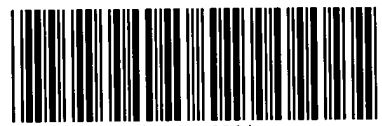
Company Registration No. 4341768

**LIONTRUST INVESTMENT MANAGEMENT LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR TO 31 MARCH 2021**

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# **LIONTRUST INVESTMENT MANAGEMENT LIMITED**

## **Company Information**

Liontrust Investment Management Limited (LIM) is a Company registered in the United Kingdom.

### **Registered Office:**

2 Savoy Court, London WC2R 0EZ.

### **Company Secretary:**

Mark Jackson, 2 Savoy Court, London, WC2R 0EZ.

### **Independent Auditors:**

KPMG LLP, 15 Canada Square, London, E14 5GL.

### **Legal Advisers:**

Macfarlanes LLP, 20 Cursitor Street, London ECA 1LT.

Simmons & Simmons LLP, City Point, 1 Ropemaker Street, London, EC2Y 9SS.

### **Bankers:**

RBS, 280 Bishopsgate, 60 Queen Victoria Street, London EC2M 4RB.

HSBC Bank PLC, 21 King's Mall, Hammersmith, London W6 0QF.

# **LIONTRUST INVESTMENT MANAGEMENT LIMITED**

## **DIRECTORS' REPORT**

The Directors present their annual report and the audited financial statements for LIM for the year ended 31 March 2021. The Company is incorporated and domiciled in England.

## **PRINCIPAL ACTIVITIES**

The principal activity of the Company is to operate as an investment manager and ACD for a range of UK collective investment schemes. The regulated functions of the Company were transferred to other Group entities during the year and the Company has now ceased all regulated activity and been de-authorised. It is anticipated that the Company will be liquidated in the foreseeable 12 months and therefore the Directors have prepared these financial statements on a basis other than going concern, see note 1.2 for further details.

## **FINANCIAL RESULTS AND DIVIDEND**

The results of the Company for the period to 31 March 2021 are set out in detail on page 8. The loss for the period was £1,821,000 (loss in period to 31 March 2020: £5,235,000). The Company's total equity Balance Sheet position at 31 March 2021 was £2,127,000 (2020: £3,948,000). The Company has not paid a dividend during the period.

## **DIRECTORS' INDEMNITIES**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial period and is currently in force.

## **DIRECTORS**

The Directors who served during the period and those at the date of this report were as follows:

E J F Catton	-	Director
M F Kearney	-	Director

# **LIONTRUST INVESTMENT MANAGEMENT LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE 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), including FRS 101 *Reduced Disclosure Framework*.

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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so (as explained in note 1, the Directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# **LIONTRUST INVESTMENT MANAGEMENT LIMITED**

## **STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS**

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

(a) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are 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 auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### **DONATIONS**

The Company made no charitable or political donations during the period (2020: £nil).

### **CHANGE OF AUDITOR**

Following a tender process carried out in 2020, KPMG LLP were appointed as the Company's auditor in place of PricewaterhouseCoopers LLP.

### **FUTURE DEVELOPMENTS**

The operations of the Company will continue to be integrated into Liontrust Asset Management ("LAM") Group over the next financial year. Once this integration is complete and all operations have been transferred to other Group entities then the Company will be liquidated.

Approved on behalf of the Board



M Kearney,  
Director  
9 December 2021

# LIONTRUST INVESTMENT MANAGEMENT LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIONTRUST INVESTMENT MANAGEMENT LIMITED

### Opinion

We have audited the financial statements of Liontrust Investment Management Limited ("the Company") for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1. These financial statements have not been prepared on the going concern basis for the reason set out in note 1.1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### Fraud and breaches of laws and regulations – ability to detect

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify our risks of material misstatement due to fraud (fraud risks) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors, the Company Internal Audit and the Company's Compliance team and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, as well as whether they have knowledge of any actual, suspected or alleged fraud identifying and responding to risks of material misstatement due to fraud.
- Reading Board Minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries.

On this audit we do not believe there is a fraud risk related to revenue recognition because there is limited judgement involved in the valuation and recognition of all material revenue streams.

We did not identify any additional fraud risks other than those professional standards require us to consider.

# LIONTRUST INVESTMENT MANAGEMENT LIMITED

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included, but were not limited to, journals impacting cash balances that were identified as unusual or unexpected in our risk assessment procedures.

## *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the Directors and other management the policies and procedures regarding the compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of noncompliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: regulatory capital and liquidity and certain aspects of financial services legislation recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

## *Context of the ability to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, international omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

# **LIONTRUST INVESTMENT MANAGEMENT LIMITED**

## **Directors' report**

The Directors are responsible for the Directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

## **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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; or
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

## **Directors' responsibilities**

As explained more fully in their statement set out on page 3, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so (as explained in note 1, the Directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

## **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

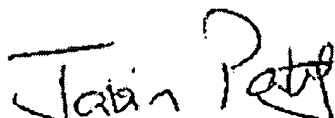
A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).



## LIONTRUST INVESTMENT MANAGEMENT LIMITED

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Jatin Patel (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
E14 5GL  
10 December 2021

# LIONTRUST INVESTMENT MANAGEMENT LIMITED

## STATEMENT OF COMPREHENSIVE INCOME For the year to 31 March 2021

		Year to 31-Mar-21	Period 1-Jan-19 to 31-Mar-20 <i>Restated</i>
	Note	£'000	£'000
Revenue *	2	2,860	21,972
Cost of sales *		(678)	(5,810)
<b>Gross profit</b>		<b>2,182</b>	<b>16,162</b>
Other income		-	1,954
Administrative expenses	3	(4,003)	(23,328)
<b>Operating loss</b>	5	<b>(1,821)</b>	<b>(5,212)</b>
Finance income		-	34
<b>Loss before tax</b>		<b>(1,821)</b>	<b>(5,178)</b>
Taxation(charge) / credit	6	-	(57)
<b>Loss for the financial period/year</b>		<b>(1,821)</b>	<b>(5,235)</b>
<b>Other comprehensive income:</b>			
Other comprehensive income for the financial period/year, net of tax		-	-
<b>Total comprehensive expense attributable to owners of the parent</b>		<b>(1,821)</b>	<b>(5,235)</b>

\* The 2020 revenue and cost of sales have been restated to reflect rebates being reclassified as a reduction in revenue rather than a cost of sales – see note 2.

The notes on page 12 to 19 form an integral part of these financial statements.

# LIONTRUST INVESTMENT MANAGEMENT LIMITED

## BALANCE SHEET

As at 31 March 2021

	Notes	31-Mar-21 £'000	31-Mar-20 £'000
<b>Assets</b>			
<b>Current assets</b>			
Fixed assets		13	13
Trade and other receivables	7	2,091	39,671
Current tax recoverable		-	71
Cash and cash equivalents		83	3,725
		<u>2,187</u>	<u>43,480</u>
<b>Total assets</b>		<u>2,187</u>	<u>43,480</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	8	(60)	(39,532)
		<u>(60)</u>	<u>(39,532)</u>
<b>Total liabilities</b>		<u>(60)</u>	<u>(39,532)</u>
<b>Net assets</b>		<u>2,127</u>	<u>3,948</u>
<b>Shareholders' equity</b>			
Called up share capital	9	75	75
Share premium account		2,209	2,209
Retained earnings		(157)	1,664
		<u>2,127</u>	<u>3,948</u>
<b>Total equity</b>		<u>2,127</u>	<u>3,948</u>

Approved by the Board of Directors on 9 December 2021 and signed on its behalf by

  
M Kearney, Director

Company registration number: 4341768

The notes on page 12 to 19 form an integral part of these financial statements.

# LIONTRUST INVESTMENT MANAGEMENT LIMITED

## STATEMENT OF CHANGES IN EQUITY

For the period year to 31 March 2021

	<i>Ordinary shares £ '000</i>	<i>Share Premium £'000</i>	<i>Share option Reserve £ '000</i>	<i>Retained Earnings £'000</i>	<i>Total Equity £ '000</i>
<b>Balance at 1 April 2020 brought forward</b>	<b>75</b>	<b>2,209</b>	<b>-</b>	<b>1,664</b>	<b>3,948</b>
Loss for the period	-	-	-	(1,821)	(1,821)
<b>Balance at 31 March 2021</b>	<b>75</b>	<b>2,209</b>	<b>-</b>	<b>(157)</b>	<b>2,127</b>

## STATEMENT OF CHANGES IN EQUITY

For the period from 1 January 2019 to 31 March 2020

	<i>Ordinary shares £ '000</i>	<i>Share Premium £'000</i>	<i>Share option Reserve £ '000</i>	<i>Retained Earnings £'000</i>	<i>Total Equity £ '000</i>
<b>Balance at 1 January 2019 brought forward</b>	<b>75</b>	<b>2,209</b>	<b>3,176</b>	<b>1,622</b>	<b>7,082</b>
Loss for the period	-	-	-	(5,235)	(5,235)
Share option expense	-	-	2,101	-	2,101
Transfer between reserves	-	-	(5,277)	5,277	-
<b>Balance at 31 March 2020</b>	<b>75</b>	<b>2,209</b>	<b>-</b>	<b>1,664</b>	<b>3,948</b>

The notes on page 12 to 19 form an integral part of these financial statements.

# LIONTRUST INVESTMENT MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1 PRINCIPAL ACCOUNTING POLICIES

LIM is an investment manager and the Company has been authorised and regulated by the Financial Conduct Authority since 19 April 2005. In the year to 31 March 2021 the Company transferred all regulated activity to other Group entities and has been de-authorised.

LIM is a company limited by shares incorporated in England and Wales. The registered office is 2 Savoy Court, London WC2R 0EZ.

#### 1.1 *Basis of preparation*

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared on a basis other than going concern under the historical cost convention and in accordance with the Companies Act 2006. In prior periods the Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IAS 7, 'Statement of cash flows';
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation);
- the requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more Members of a group;
- certain disclosures regarding revenues;
- disclosures in respect of capital management; and
- the effect of new but not yet effective IFRSs.

The preparation of financial statement in conformity with generally accepted accounting principles requires the Directors to make judgements and estimates that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial information and the reported income and expense during the reporting periods. Although these judgements and assumptions are based on the Directors' best knowledge of the amount, events or actions, actual results may differ from these estimates. The accounting policies set out below have been used to prepare the financial information.

The financial information has been prepared based on the IFRS standards effective as at 31 March 2021.

#### *Significant accounting estimates and judgements*

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements used in preparing the financial statements are periodically evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting accounting estimates may not equal the related actual results. No estimates and assumptions have a material effect on the carrying amounts of assets and liabilities or the profit and loss for the period.

# LIONTRUST INVESTMENT MANAGEMENT LIMITED

## 1. Accounting policies (continued)

### 1.2 *Going concern*

It is expected that the Directors will liquidate the Company within the 12 months following the balance sheet date, subject to relevant approvals. The Company is not expected to continue to be in existence for the foreseeable future and, for this reason, the financial statements have been prepared on a basis other than going concern.

Fixed assets have been reclassified as current assets. There has been no adjustment to reduce assets to their realisable values. There has been no adjustment to provide for liabilities arising from the decision as the expenses will be borne by the parent undertaking. Any trade related receivables and payables will be settled at book value prior to closure.

### 1.3 *Income and expenses*

Income and expenses are accounted for on an accruals basis when they become receivable or payable. The Company's primary source of revenue is fee income from investment management activities for retail investment funds. These fees are generally based on an agreed percentage of the valuation of the assets under management ('AuM') and are recognised as the service is provided and it is probable that the fee will be received. Contractual rebates payable to customers are deducted from revenue. Operating expenses represent the Company's administrative expenses and are recognised as the services are provided.

Front end fees received and commissions paid on the sales of units in unitised funds are amortised over the anticipated period of the provision of investment management services to these funds. Managers' dealings profits are calculated as the difference between the cost of purchasing redeemed units at cancellation prices and reselling them at creation prices. Such dealing profits are recognised when the related transaction occurs.

### *Interest revenue*

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

### 1.4 *Cash and cash equivalents*

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value:

### 1.5 *Financial assets*

The Company classifies its financial assets in the following category: 'Financial assets held at fair value through profit and loss' and receivables.

Financial assets are classified as held at fair value through profit or loss if their carrying amounts will be recovered through continuing use. These financial assets consist of shares held in the Company's collective investment schemes.

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. The Company's receivables comprise trade and other receivables and cash and cash equivalents in the balance sheet.

The Company assesses at each Balance Sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

# LIONTRUST INVESTMENT MANAGEMENT LIMITED

## 1. Accounting policies (continued)

### *Trade and other receivables*

Trade and other receivables include prepayments as well as amounts the Company is due to receive from third parties in the normal course of business. These include fees as well as settlement accounts for transactions undertaken. These receivables are normally settled by receipt of cash. Trade and other receivables are stated after deducting provisions for bad and doubtful debts. Prepayments arise where the Company pays cash in advance for services. As the service is provided, the prepayment is reduced and the operating expense recognised in the income statement.

### 1.6 *Trade and other payables*

Trade and other payables (excluding deferred income) represent amounts the Company is due to pay to third parties in the normal course of business. These include expense accruals as well as settlement accounts (amounts due to be paid for transactions undertaken). Trade creditors are costs that have been billed, accruals represent costs, including remuneration, that are not yet billed or due for payment. They are financial liabilities held at amortised cost.

### 1.7 *Foreign currency gains/losses*

Items in the financial statements are measured using the currency of the primary economic environment in which the entity operates (The 'functional currency'). The financial statements are presented in Sterling ('£') which is the Company's functional and presentation currency.

Foreign currency assets and liabilities are translated at rates of exchange ruling at the Balance Sheet date and any exchange rate differences arising from income or expense items are taken to the income statement within revenue. Any exchange rate gains or losses arising from monetary assets and liabilities are taken to the Statement of Comprehensive Income. Differences arising from the translation of available for sale assets are taken to equity. Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transaction.

### 1.8 *Equity instruments*

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

### 1.9 *Segmental reporting*

The Company operates only in one business segment – Investment Management.

## 2 REVENUE

The Company's primary source of revenue is investment management fees. Management fees are based on an agreed percentage of the assets under management. Initial charges and commissions include fees based on a set percentage of certain flows into our funds, and profits earned on dealing. Management fees are shown net of contractual rebates with customers.

The 2020 revenue and cost of sales have been restated to reflect rebates being reclassified as a reduction in revenue rather than a cost of sales as they do not represent a payment for distinct goods or services. The restatement reduces both revenue and cost of sales by £6,186,000 and has no impact of Gross profit, Loss for the financial period, total comprehensive expense for the period ended 31 March 2020; or net assets at 31 March 2020 and does not impact brought forward reserves at 1 April 2020.

# LIONTRUST INVESTMENT MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 3 ADMINISTRATIVE EXPENSES

During the period the Company incurred operating and administrative expenses totalling £4,003,000 (2020: £23,328,000). The average number of employees in the period was NIL (2020: 44 employees). Following the completion of the acquisition of the Company by LAM 27 employees were transferred to another Group entity on 1 December 2019.

	Year Ended 31-Mar-21 £'000	Period Ended 31-Mar-20 £'000
Staff costs		
- Salaries	511	6,562
- NI contributions	142	1,805
- Pension contributions	-	565
- Other staff costs	(13)	854
Share incentivisation expense	-	2,318
Other administration expenses	3,363	11,224
	<b>4,003</b>	<b>23,328</b>

### 4 DIRECTORS' EMOLUMENTS

	Year Ended 31-Mar-21 £'000	Period Ended 31-Mar-20 £'000
Remuneration for qualifying services	-	1,548
Pension contributions	-	15
Compensation for loss of office	-	388
	-	<b>1,951</b>

The Directors of the Company receive their remuneration as part of their service to the LAM Group and have waived their fees for services to LIM.

### 5 OPERATING LOSS

	Year ended 31-Mar-21 £'000	Period ended 31-Mar-20 £'000
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The following items have been included in arriving at the operating loss:

Services provided by the Company's auditors:  
Fees payable to the Company's auditors for the audit of the Company's financial statements for the period  
Audit related assurance services

10	85
	34

Audit fees has been paid by LAM Group.



# LIONTRUST INVESTMENT MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 6 TAXATION CHARGE / (CREDIT)

	<i>Year Ended</i>	<i>Period Ended</i>
	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<i>£'000</i>	<i>£'000</i>
(a) Analysis of charge in the period/year		
Current tax:		
UK corporation tax at 19% (2020: 20%)	-	-
Adjustments in respect of prior periods	-	-
Total current tax	-	-
Deferred tax	-	57
Total tax charge / (credit) for the period	-	57
(b) Factors affecting current tax		
(Loss)/profit on ordinary activities before tax	(1,821)	(5,178)
(Loss)/profit on ordinary activities at UK corporation tax rate of 19% (2020: 20%)	(346)	(984)
Effects of:		
Expenses not deductible for tax purposes	-	1
Group relief	346	178
Current tax losses not available for relief	-	485
Tax relief on share options	-	-
Share based payment charge	-	356
ESOT contribution	-	-
Under / (over) provision in prior years	-	-
Deferred tax not recognised	-	57
Other tax adjustments	-	(36)
Total Taxation	-	57

# LIONTRUST INVESTMENT MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 7 TRADE AND OTHER RECEIVABLES

	31-Mar-21 £'000	31-Mar-20 £'000
Trade receivables		
- Fees receivable	-	1,570
- Share sales and cancellations	-	37,265
Intercompany	1,809	-
Prepayments and other debtors	282	836
	<u>2,091</u>	<u>39,671</u>

All financial assets listed above are non-interest bearing and due within 1 year. The carrying amount of these non-interest bearing trade and other receivables approximates their fair value. No trade receivables are past their due date.

### 8 TRADE AND OTHER PAYABLES

	31-Mar-21 £'000	31-Mar-20 £'000
Trade payables		
- Share repurchases and cancellations	-	36,919
- Other amounts payable	60	2,253
Other taxation and social security	-	9
Amounts due to Group entities	-	351
	<u>60</u>	<u>39,532</u>

All financial liabilities listed above are non-interest bearing and due within 1 year. The carrying amount of these non-interest bearing trade and other payables approximates their fair value. Amounts due to Company entities are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

# LIONTRUST INVESTMENT MANAGEMENT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 9 ORDINARY SHARES

	31-Mar-21 £'000	31-Mar-20 £'000
<b>Authorised</b>		
Equity		
7,535,245 Ordinary Shares of £0.01 each (2020: 7,535,245)	<u>75</u>	<u>75</u>
<b>Allotted, issued and fully paid</b>		
Equity		
7,535,245 Ordinary Shares of £0.01 each (2020: 7,535,245)	<u>75</u>	<u>75</u>

### 10 INTERESTS IN STRUCTURED ENTITIES

IFRS 12 requires certain disclosures in respect of interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities.

A structured entity is defined as an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, or when the relevant activities are directed by means of contractual arrangements.

The Company has assessed whether the funds it manages are structured entities and concluded that funds managed by the Company are structured entities unless substantive removal or liquidation rights exist.

The Company has interests in these funds through the receipt of management and other fees and, in certain funds, through ownership of fund units. The Company's investments in these funds are subject to the terms and conditions of the respective fund's offering documentation and are susceptible to market price risk. The investments are included in financial assets at fair value through profit or loss in the balance sheet.

Where the Company has no equity holding in a fund it manages, the investment risk is borne by the external investors and therefore the Company's maximum exposure to loss relates to future fees and any uncollected fees at the balance sheet date.

Where the Company does have an equity holding, the maximum exposure to loss constitutes the future and uncollected management fees plus the fair value of the Company's investment in that fund.

	Number of funds	Net AuM. of funds £'m	Financial assets at FVTPL £'000	Fees received during the period/year £'000	Fees receivable £'000
As at 31-Mar-2021	-	-	-	-	-
As at 31-Mar-2020	19	1,870	-	28,152	1,570

# **LIONTRUST INVESTMENT MANAGEMENT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **11 PARENT UNDERTAKING**

The Company's immediate parent undertaking and ultimate controlling party, and Company to prepare consolidated financial statements is LAM.

Copies of LAM's consolidated financial statements may be obtained from 2 Savoy Court, London, WC2R 0EZ.

### **12 POST BALANCE SHEET DATE EVENTS**

There were no post balance sheet events.