

LLP Registration No. OC351668

LIONTRUST INVESTMENT PARTNERS LLP

MEMBERS' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017



LIONTRUST INVESTMENT PARTNERS LLP

Liontrust Investment Partners LLP is a Limited Liability partnership registered in England.

Members:

Liontrust Investment Services Limited

MJP Tonge	A Bommelear	(joined 1 June 2017)
AWP Cross	S Steven	(joined 1 June 2017)
NR Soffe	J Luthman	(retired 31 August 2016)
M Williams	RC Farquhar	(retired 31 August 2016)
S Bailey	M Mabbutt	(retired 31 May 2016)
J Clark	H Rogers	(retired 31 May 2017)
S Gleave	P Cadell	(retired 31 May 2017)
J Inglis – Jones	K Bulkai	retired 31 May 2017)
JEC Fosh		
S Gleave		
J Inglis – Jones		
N Brown		
J Husselbee		
V Stevens		
O Russ	(joined 8 July 2016)	
P Michaelis	(joined 1 June 2017)	
S Clements	(joined 1 June 2017)	

Designated Members:

VK Abrol
EJF Catton

Management Committee members:

VK Abrol
EJF Catton
NR Soffe
J Ions (representing Liontrust Investment Services Limited)

Registered Office:

2 Savoy Court, London WC2R 0EZ.

Independent Auditors:

PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, 7 More London Riverside, London SE1 2RT.

Legal Advisers:

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

Bankers:

RBS Plc, 280 Bishopsgate, London EC4M 4RB.

LIONTRUST INVESTMENT PARTNERS LLP

MEMBERS' REPORT

The Partnership was incorporated on 21 January 2010 in England. The Members present their members' report and the audited financial statements for Liontrust Investment Partners LLP ("the Partnership") for the year ended 31 March 2017.

PRINCIPAL ACTIVITY

The principal activity of the Partnership is the provision of investment management services to professional investors directly, through investment consultants and through collective investment funds. It is regulated by the Financial Conduct Authority (FCA) and is authorised to carry on investment business. In accordance with the rules of the FCA, the Partnership has published information on its risk management objectives and policies and on its regulatory capital requirements and resources. This information is available on the Group's website www.liontrust.co.uk. The Partnership will continue to offer its services to professional investors.

BUSINESS REVIEW

During the year the Partnership has seen a growth in revenues from both organic growth and against a background of market volatility and political uncertainty, including last year's General Election and the referendum on whether to remain in or leave the EU it has grown its institutional assets under management at over £1.6 billion and will look to continue this growth in the coming year. The key performance indicators of the Partnership are in line with those of Liontrust Asset Management PLC and are discussed within the business review in the Group's annual report and financial statements which does not form part of this report.

The directors of Liontrust Asset Management PLC manage the Group's (Liontrust Asset Management PLC & its subsidiaries ("the Group")) risks at a group level, rather than at an individual entity level. For this reason the Members believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the Partnership's business. The principal risks and uncertainties of Liontrust Asset Management PLC, which include those of the Partnership are discussed within the Group's annual report and financial statements which does not form part of this report.

RESULTS AND DISTRIBUTIONS

The results of the Partnership for the year are set out in detail on page 7. The total profit for the financial year was £1,501,000 (2016: loss of £12,000). There have been no distributions (2016: no distributions). No distributions are currently proposed.

MEMBERS' PROFIT ALLOCATIONS

Profit has been allocated to Members on the basis set out in the Partnership agreement.

POLICY FOR MEMBERS' DRAWINGS

Polices for Members' drawings are governed by the Partnership Agreement.

RISK MANAGEMENT POLICIES

The Partnership's operations expose it to a number of financial risks that include credit risk, market risk, interest rate risk and liquidity risk which are detailed in note 3 on page 13 to 15.

The Partnership has considered these risks and has managed them through the operation of the Group's internal control systems, which are supported by regular meetings of the Partnership's Members.

LIONTRUST INVESTMENT PARTNERS LLP

MEMBERS' REPORT (continued)

MEMBERS

VK Abrol and EJF Catton are Designated Members. The full list of Members of the Partnership up to the signing date of the financial statements is detailed on page 1.

STATEMENT OF MEMBERS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the members have prepared the partnership financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). Under company law as applied to limited liability partnerships the members 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 partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Partnership's members in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership and group will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations. They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Management Committee is responsible for performing these duties on behalf of the members.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

As so far as the Members are aware, there is no relevant audit information of which the Partnership's auditors are unaware. The Members have taken all the steps that they ought to have taken as Members in order to make themselves aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

LIONTRUST INVESTMENT PARTNERS LLP
MEMBERS' REPORT (continued)

DONATIONS

The Partnership made no charitable or political donations during the year.

On behalf of the Members



VK Abrol,
Designated Member

7 July 2017

LIONTRUST INVESTMENT PARTNERS LLP

Independent auditors' report to the members of Liontrust Investment Partners LLP

Report on the financial statements

Our opinion

In our opinion, Liontrust Investment Partners LLP's financial statements (the "financial statements"):

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2017 and of its loss 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.
-

What we have audited

The financial statements, included within the Members' Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 March 2017;
- the statement of comprehensive income for the year then ended;
- the reconciliation of movements in member's interests; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the members have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the members

As explained more fully in the Statement of Members' Responsibilities set out on page 3, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

LIONTRUST INVESTMENT PARTNERS LLP

Independent auditors' report to the members of Liontrust Investment Partners LLP (continued)

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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the members; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the members' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Sally Cosgrove (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

7 July 2017

LIONTRUST INVESTMENT PARTNERS LLP

Statement of Comprehensive Income

For the year ended 31 March 2017

		Year ended 31-Mar-17	Year ended 31-Mar-16
	Note	£'000	£'000
Revenue		25,140	22,178
Gross profit	4	<u>25,140</u>	<u>22,178</u>
Administration expenses	5	(8,053)	(8,445)
Operating profit		<u>17,087</u>	<u>13,733</u>
Finance income		1	2
Profit for the year before members' remuneration and profit shares		<u>17,088</u>	<u>13,735</u>
Members' remuneration charged as an expense		<u>(15,587)</u>	<u>(13,747)</u>
Profit/(loss) for the financial year		<u>1,501</u>	<u>(12)</u>
Other comprehensive income			
Other comprehensive income		-	-
Total comprehensive income/(expense)		<u>1,501</u>	<u>(12)</u>

The notes on pages 10 to 18 form an integral part of these financial statements. All operations are continuing.

LIONTRUST INVESTMENT PARTNERS LLP

Balance Sheet

As at 31 March 2017

		31-Mar-17	31-Mar-16
	Note	£'000	£'000
Assets			
Non current assets			
Investment in subsidiary	7	544	-
Total Non current assets		<u>544</u>	<u>-</u>
Current assets			
Trade and other receivables	6	5,673	9,416
Cash and cash equivalents		6,241	2,339
Total Current assets		<u>11,914</u>	<u>11,755</u>
Liabilities			
Current liabilities			
Trade and other payables	8	(5,500)	(6,370)
Total Current liabilities		<u>(5,500)</u>	<u>(6,370)</u>
Net assets		<u>6,958</u>	<u>5,385</u>
Members interests			
Members initial capital		5,300	5,300
Unallocated profits		1,658	85
Total equity		<u>6,958</u>	<u>5,385</u>

Approved by the Members on 7 July 2017 and signed on its behalf by

VK Abrol, Designated Member



LLP Registration No. OC351668

The notes on pages 10 to 18 form an integral part of these financial statements. All operations are continuing.

LIONTRUST INVESTMENT PARTNERS LLP

Reconciliation of Movements in Members' Interests

For the year ended 31 March 2017

	<i>Members</i>		<i>Total Members</i>
	<i>Capital</i>	<i>Drawings</i>	<i>interests</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Balance at 1 April 2016	48,470	(43,085)	5,385
Members' Drawings	-	(15,587)	(15,587)
Profit for the year	17,088	-	17,088
IFRS 2 Charge	72	-	72
Balance at 31 March 2017	65,630	(58,672)	6,958

Reconciliation of Movements in Members' Interests

For the year ended 31 March 2016

	<i>Members</i>		<i>Total Members</i>
	<i>Capital</i>	<i>Drawings</i>	<i>interests</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Balance at 1 April 2015	34,625	(29,338)	5,287
Members' Drawings	-	(13,747)	(13,747)
Profit for the year	13,735	-	13,735
IFRS 2 Charge	110	-	110
Balance at 31 March 2016	48,470	(43,085)	5,385

The notes on pages 10 to 18 form an integral part of these financial statements.

LIONTRUST INVESTMENT PARTNERS LLP

Notes to the Financial Statements

1. Accounting policies

a) 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 going concern basis under the historical cost convention and in accordance with the Companies Act 2006.

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

- Paragraph 10(d) IAS 1, 'Presentation of financial statements'
- 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.

The preparation of financial statement in conformity with generally accepted accounting principles requires the Members of the Partnership to make judgements and assumptions 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 Members 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 Partnership has continued to apply the accounting policies used for its 2016 financial statements and did not implement the requirements of any Standards or Interpretations which were in issue and which were not required to be implemented at the year-end date.

The International Accounting Standards Board and IFRS Interpretations Committee have issued a number of new accounting standards, amendments to existing standards and interpretations. The following new standards are applicable to these financial statements, but do not have a significant impact. The Partnership plans to apply these standards in the reporting period in which they become effective.

Amendments to IAS 1 Presentation of Financial Statements: Disclosure Initiative (effective date 1 January 2016)

These amendments clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation (effective date 1 January 2016)

The amendment clarifies when a method of depreciation or amortisation based on revenue may be appropriate.

Annual improvements 2012 – 2014 cycle (effective date 1 January 2016)

This annual improvements cycle makes five minor amendments to existing standards.

LIONTRUST INVESTMENT PARTNERS LLP

Note 1. Accounting policies (continued)

The following standards and interpretations relevant to the Partnership that were not yet endorsed by the EU:

	Effective for periods beginning on or after
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018

The Partnership does not expect these updated standards to have any material effect when they are adopted.

b) 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.

c) Accounting estimates and judgements

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 will seldom equal the related actual results. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed below.

Valuation and impairment of financial assets

Details of the valuation policy for financial assets can be found in note 1g).

Share options

Details of accounting policies relating to share options can be found in note 1e) below.

d) 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 Partnership'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.

e) Share options

The Partnership (as part of the Group) operates a number of share options schemes for employees and members. The services received from the employees are measured by reference to the fair value of the share options. The fair value of the options issued is calculated at grant date and is recognised in the Statement of Comprehensive Income within administration expenses (and credited to equity reserves) over the vesting period. All options are equity settled. IFRS 2 has been applied to share options granted after 7 November 2002 and the related expense has been charged to Administration Expenses and credited to retained earnings. A number of models have been used to calculate the fair value as follows:

- Liontrust Option Plan ('LOP')

A binomial model is used with the following assumptions having been made:

The fair value for each options is spread over the vesting period which is three years;

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Note 1. Accounting policies (continued)

The expected life of options issued under LOP is 6.5 years;

The expected volatility has been calculated using historical daily data over a term commensurate with the expected life of the option and is 39.9%;

The risk-free interest rate has been based on the implied yield of zero-coupon government bonds (UK strips) with a remaining term equal to the expected term and is 3.37%.

- Liontrust Members Incentive Plan ('LMIP') with performance conditions

A Monte Carlo simulation model is used with the following assumptions having been made:

The fair value for each Incentive Capital Interest ('ICI') is spread over the vesting period which is 3 years with an exercise price of nil;

The expected life of options issued under this LMIP scheme is 10 years;

The expected volatility has been calculated using historical daily data over a term commensurate with the expected life of the ICIs and ranges from 28% to 40%;

The risk-free interest rate has been based on the implied yield of zero-coupon government bonds (UK strips) with a remaining term equal to the expected term and ranges from 0.28% to 1.95%. No dividends have been factored into this model.

- Liontrust Deferred Bonus and Variable Allocation Plan ("DBVAP")

No fair value model is used. The shares are valued at initial cost.

- Liontrust Long Term Incentive Plan ('LTIP') with performance conditions attached

A Monte Carlo simulation model is used to value the award with the following assumptions having been made:

The fair value is spread over the vesting period which is 5 years with an exercise price of nil;

The options are expected to be exercised at the point they become exercisable;

The risk-free interest rate has been based on the implied yield of zero-coupon government bonds (UK strips) with a remaining term equal to the expected term;

No expected dividends have been factored into the model.

- Liontrust Members Reward Plan ('LMRP') with performance conditions attached

A Monte Carlo simulation model is used to value the award with the following assumptions having been made:

The fair value is spread over the vesting period which is 5 years with an exercise price of nil;

The awards are expected to be exercised at the point they become exercisable;

The risk-free interest rate has been based on the implied yield of zero-coupon government bonds (UK strips) with a remaining term equal to the expected term;

No expected dividends have been factored into the model.

f) Income and expenses

Income and expenses are accounted for on an accruals basis when they become receivable or payable. Investment management fees and investment advisory fees are accrued over the period for which the service is provided.

Performance fees are recognised in the period in which they become due and collectable. Any portion of performance fees that are not due and collectable, and whose future entitlement is not certain, is not recognised but noted as a contingent asset.

g) Financial assets

The Partnership classifies its financial assets in the following category: Receivables

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 Partnership's receivables comprise trade and other receivables and are held at amortised cost.

LIONTRUST INVESTMENT PARTNERS LLP

Note 1. Accounting policies (continued)

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

h) Trade and other receivables

Trade and other receivables include prepayments as well as amounts the Partnership 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 Partnership pays cash in advance for services. As the service is provided, the prepayment is reduced and the operating expense recognised in the income statement.

i) Trade and other payables

Trade and other payables (excluding deferred income) represent amounts the Partnership 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.

j) Members' capital

Each Member's capital account will be credited with any capital contribution made. Subject to the terms of the Partnership agreement.

k) Members' drawings

Each Member will receive a drawing allocation as governed by the terms of the Partnership agreement.

2. Segmental reporting

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

3. Financial risk management

The Partnership's activities expose it to a variety of financial risks: market risk (including cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme understands the unpredictable nature of financial markets and seeks to minimise any potential adverse effects on the Partnership's financial performance. The Group uses a number of analytical tools to measure the state of the business which include the Partnership's operations. These include a table of Key Performance Indicators as disclosed in the Group's annual report and financial statements.

a) Market risk

i) Cashflow interest risk

Interest rate risk is the risk that the Partnership will sustain losses from the fair value or future cash flow of adverse movements in interest bearing assets and liabilities and so reduce profitability.

The Partnership holds cash on deposit. The interest on these balances is based on floating rates and fixed rates. The Partnership monitors its exposure to interest rate movements and may decide to adjust the balance between deposits on fixed or floating interest rates, or adjust the level of borrowings and deposits. Following a review of sensitivity based on average cash holdings during the year a 1% increase or decrease in the interest rate will cause a £15,000 (2016: £14,000) increase or decrease in interest receivable. The weighted average effective interest rate on cash is 0.1% (2016: 0.1%).

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Note 3. Financial risk management (continued)

ii) Foreign exchange risk

Foreign exchange risk is the risk that the Partnership will sustain losses through adverse movements in currency exchange rates. The Partnership's policy is to hold the minimum currency exposure required to cover operational needs and, therefore, to convert foreign currency on receipt.

In calculating the sensitivity analysis below it has been assumed that expenses/income will remain in line with budget in their relative currencies year on year.

Management consider that a sensitivity rate of 10% is appropriate given the current level of volatility in the world currency markets. In respect of investments denominated in foreign currencies a 10% movement in the UK Sterling vs. the relevant exchange rate would lead to an exchange gain or loss as follows:

The Partnership is currently exposed to foreign exchange risk in the following areas: income receivable in Euro and US Dollars.

Sterling vs. Euros - a movement of 10% would lead to a movement of £93,000 (2016: £151,000).

Sterling vs. US Dollar - a movement of 10% would lead to a movement of £25,000 (2016: less than £2,000).

b) Credit risk

Credit risk is managed at a Group level. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to clients, including outstanding receivables and committed transactions.

For banks and financial institutions only independently rated parties with a minimum rating of 'A-2' are used and their ratings are regularly monitored and are reviewed at a board level a number of times during the year.

For receivables the Partnership takes into account the credit quality of the client and credit positions are monitored. The Partnership has two main types of receivables; management fees and performance fees. For management and performance fee receivables, the Partnership proactively manages the invoicing process to ensure that invoices are sent out on a timely basis and has procedures in place to chase for payment at pre-determined times after the despatch of the invoice to ensure timely settlement. In all cases, detailed escalation procedures are in place to ensure that senior management are aware on any problems at an early stage.

During the year there have been no losses due to non-payment of receivables and the Partnership does not expect any losses from the credit counterparties as held at the Balance Sheet date.

Maximum exposure to credit risk

	31 March 2017	31 March 2016
	£'000	£'000
Cash and cash equivalents	6,241	2,339
Trade and other receivables	5,673	9,416

c) Liquidity risk

Prudent liquidity risk management requires the maintenance of sufficient cash. The Partnership monitors rolling forecasts of the Partnership's liquidity reserves (comprising readily realisable investments and cash and cash equivalents) on the basis of expected cash flow.

The Partnership has analysed its financial liabilities into maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

LIONTRUST INVESTMENT PARTNERS LLP

Note 3. Financial risk management (continued)

As at 31 March 2017	within 3 months	Between 3 months and one year	Over one year
	£'000	£'000	£'000
Payables	5,500	-	-

As at 31 March 2016	within 3 months	Between 3 months and one year	Over one year
	£'000	£'000	£'000
Payables	6,370	-	-

d) Capital risk management

The Partnership's objectives when managing capital are to safeguard the Partnership's ability to continue as a going concern in order to provide returns for members and benefits for other stakeholders and to maintain an optimal capital structure and to reduce the cost of capital.

The Partnership is regulated by the Financial Conduct Authority. The Pillar 1 minimum capital requirement for the Partnership is £1,875,000 (2016: £1,747,000).

4. Revenue (Gross Profit)

Revenue includes investment advisory fees, investment management fees and performance fees.

5. Administration expenses

	Year Ended 31-Mar-17 £'000	Year ended 31-Mar-16 £'000
Staff costs	2,818	2,207
Share incentivisation expense	72	110
Other administration expenses	5,163	6,128
	8,053	8,445

The Partnership has been charged by other group entities during the year for staffing costs. These costs relate to work done by employees and members of group entities. The Partnership had 2 employees during the year.

LIONTRUST INVESTMENT PARTNERS LLP

6. Trade and other receivables

	As at 31-Mar-17 £'000	As at 31-Mar-16 £'000
Prepayments and accrued income	5,673	8,866
Amounts receivable from group undertakings	-	550
	5,673	9,416

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.

7. Investment in subsidiary

The Partnership's investment in subsidiary undertakings represents interests in the ordinary shares, capital of Liontrust LLP's Members Reward Partnership.

	As at 31-Mar-17 £'000	As at 31-Mar-16 £'000
Balance at 1 April	-	-
Additions during the year	544	-
Balance as at 31 March	544	-

The Partnership has a Luxembourg branch: Liontrust Investment Partners Luxembourg Branch.

8. Trade and other payables

	As at 31-Mar-17 £'000	As at 31-Mar-16 £'000
Accruals and deferred income	697	4,758
Amounts due to group undertakings	4,803	1,612
	5,500	6,370

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 group entities are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

LIONTRUST INVESTMENT PARTNERS LLP

9. Members' drawings

	Year ended 31-Mar-17 £'000	Year ended 31-Mar-16 £'000
Aggregate drawings	15,587	13,747
	15,587	13,747

The drawings of the highest paid Member for the year amounted to £3,844,000 (2016: £2,825,000).

The capital contribution of the highest paid member was £nil (2016: £nil).

The average number of Members during the year was: 21 (2016: 21).

10. Operating profit

	Year ended 31-Mar-17 £'000	Year ended 31-Mar-16 £'000
The following items have been included in arriving at operating profit:		
Staff costs	2,818	2,207
Foreign exchange gains	15	-
Services provided by the Partnership's auditors:		
Fees payable to the Partnership's auditors for the audit of the Partnership's financial statements for the year	25	17
Audit related assurance services	6	6

11. Contingent assets and liabilities

The Partnership can earn performance fees on some of the segregated and fund accounts that it manages. In some cases a proportion of the fee earned is deferred until the next performance fee is payable or offset against future underperformance on that account. As there is no certainty that such deferred fees will be collectable in future years, the Partnership's accounting policy is to include performance fees in income only when they become due and collectable and therefore the element (if any) deferred beyond 31 March 2017 has not been recognised in the results for the year.

In the normal course of business a contingent liability has arisen in relation to a claim made by a former member against Liontrust Asset Management Plc, the Partnership, Liontrust Investment Services Limited and the individual members of the partnership. As the timing and amount of any potential liability is unknown and cannot be reliably estimated at this stage they are not disclosed.

12. Disclosure exemptions

The Partnership has taken advantage of the exemptions available under FRS 101, 'Reduced disclosure framework', and has therefore not included a Cash Flow Statement as required under IAS 7, 'Cash Flow Statement' or Related Party Transactions as required under IAS 24, 'Related Parties'. The results of the Partnership are included within the consolidated financial statements of the ultimate parent, Liontrust Asset Management PLC, which can be obtained from the Group's Broker Services Department at Liontrust Asset Management PLC, 2 Savoy Court, London, WC2R 0EZ.

LIONTRUST INVESTMENT PARTNERS LLP

13. Parent undertakings

The immediate parent undertaking is Liontrust Investment Services Limited.

The ultimate parent undertaking and controlling party is Liontrust Asset Management PLC, a company incorporated in England.

Liontrust Asset Management PLC is the parent undertaking of the largest and the smallest group of undertakings to consolidate these financial statements at 31 March 2017. The consolidated financial statements are available from 2 Savoy Court, London, WC2R 0EZ.

14. Post balance sheet date event

There were no post balance sheet date events.