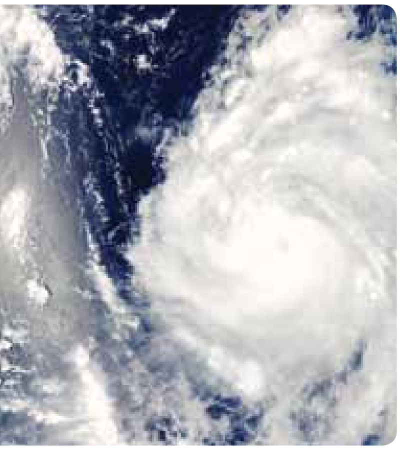
Impax Asset Management Group plc

Annual Report and Accounts
for the year ended 30 September 2013




www.impaxam.com

Impax Asset Management Group plc is a leading specialist investment manager dedicated to identifying the investment opportunities in resource efficiency and environmental markets created by the demand for cleaner, more efficient products and services through listed and private equity strategies.

Impax currently manages £2.2 billion for investors globally, with a team of 28 investment professionals which has been assembled over 15 years.

Impax's listed equity funds seek out mispriced companies that are set to benefit from the long-term trends of changing demographics, rising consumption, limited natural resources and urbanisation. Investment is focused on the alternative energy, water, waste, food, agriculture and related markets.

Impax's private equity funds invest in power generation assets in the renewable energy sector.

Impax is a thought leader in defining the environmental and resource efficiency markets, for example through a partnership with FTSE to develop and manage the classification system underpinning the FTSE Environmental markets Index Series.

Contents

FT/IFC **SUSTAINABLE FINANCE** AWARDS 2013

Impax Asset Management, UK

Winner

SUSTAINABLE INVESTOR OF THE YEAR

An event from FINANCIAL TIMES LIVE

Performance and Key Facts

Financial Performance

	2013	2012
Assets under management	**£2.2bn**	£1.8bn
Revenue	**£18.5m**	£18.6m
Operating earnings[I]	**£4.3m**	£4.6m
Profit/(Loss) before tax[II]	**£3.4m**	£(4.7)m
Shareholders' equity	**£22.9m**	£22.6m
Cash reserves	**£16.5m**	£19.3m
Seed investments	**£8.9m**	£6.3m
Dividend per share	**0.90p[III]**	0.75p

Dividend: 20% rise (2013), initiation of interim dividend (2014)

Business Performance

- Principal listed equity strategies all outperformed global markets
- Encouraging business development in the United States
- High level of inflows into the water strategy
- Strong mandate pipeline
- Launch of Food and Agriculture strategy

Key Facts 2013

Attractive Investment Themes

- Rapidly growing markets and investment universe
- Market complexity leads to mispricing
- Low carbon investments benefit from investments to hedge climate change

Extensive Distribution Networks

- In-house and committed third party distributors
- Access to over 20 markets
- Continue to develop a range of routes to market

Experienced Team

- 55 people, including 28 investment professionals
- Stable senior investment team since inception
- 31 per cent staff ownership

Scalable Business Model

- High capacity investment strategies
- Proven investment processes
- Established infrastructure

I Revenue less operating costs excluding £0.2 million (2012: £8.7 million) charge due to share schemes.
II Includes £0.2 million (2012: £8.7 million) of charges associated with the Company's historical share schemes.
III Proposed.

Chairman's Statement

Investor interest in the resource efficiency sectors continues to build. Our investment performance has been strong relative to global markets, sector benchmarks and the peer group. The Company is well positioned for further expansion.

Since I reported at the end of 2012, a combination of improving economic fundamentals, greater political stability around the world and the declining attraction of other asset classes, notably bonds and cash, have fuelled a sharp rise in both corporate earnings and investor appetite for equities. Against this backdrop, Impax has performed well, delivering strong investment returns and further extending our platform to support growth.

During the Company's financial year from 1 October 2012 to 30 September 2013 ("the Period"), assets under discretionary and advisory management ("AUM") increased 20 per cent from £1.83 billion to £2.20 billion. As at 31 October 2013, AUM had increased further to £2.31 billion.

The case for investing in resource efficiency and environmental markets continues to gather momentum. The recently published fifth report by the United Nations Intergovernmental Panel on Climate Change ("IPCC") provided further scientific evidence of the impact of increased greenhouse gas emissions on the atmosphere, moving climate change back up the political agenda in many countries.

In China, stricter policy and increased investment in environmental protection and pollution control continue to catalyse attractive, long-term investment opportunities. China has impressive plans to replace old coal generation with cleaner gas plants; it is also committed to ambitious renewables targets and this year is expected to become the largest market for solar power equipment. Elsewhere, our investment teams are particularly interested in companies offering pollution control for industrial facilities, transport energy efficiency and industrial gases.

The extension of our capabilities to include food and agriculture is developing well. The fund we launched in this area is now approaching its first anniversary and this summer FTSE announced the inclusion of sustainable food, agriculture and forestry stocks in its Environmental Markets Index Series. Following some volatility over recent months, the agriculture sector now presents a number of interesting buying opportunities.

Faced with increasing evidence of new risks and opportunities arising from these and similar issues linked to the scarcity of natural and environmental resources, many institutional investors are reviewing their portfolios and strategies and, increasingly, making changes. Notable recent developments in this area include the decision by Norwegian insurance company Storebrand to sell its holdings of fossil fuels stocks, the public review of "investment beliefs" at California pension fund CalPERS, and the stated intention of Munich Re to invest up to €2.5 billion in renewable energy over the next few years. In this context, Impax is well placed to offer investment insight and solutions.

Results for the Year

Revenue over the 12 months to 30 September 2013 was £18.5 million (2012: £18.6 million). Operating earnings[I] for the year were £4.3 million (2012: £4.6 million) and the associated operating margin was 23.5 per cent (2012: 24.5 per cent). The slight fall in profits compared to the previous financial year was principally due to the incremental costs of our investments in distribution capability.

Profit before tax ("PBT") for the year was £3.4 million including £0.2 million of charges due to historical EIA share scheme charges (2012: PBT loss of £4.7 million; £8.7 million of EIA share scheme charges).

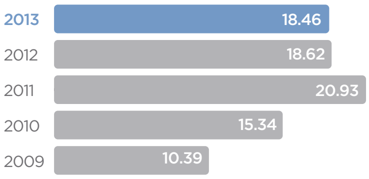
The Board regards the most relevant measure of the year's earnings to be diluted earnings per share ("EPS").

On this basis, EPS increased to 2.77 pence (adjusted[II]) (2012: 2.64 pence (adjusted[II])), a modest fall in PBT excluding EIA share scheme charges being more than offset by the impact of share buybacks during the period and favourable tax effects.

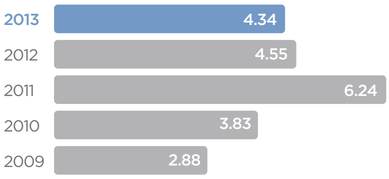
I Revenue less operating costs excluding £0.2 million (2012: £8.7 million) charges due to EIA share schemes.

II Adjusted to exclude the IFRS2 charge for share schemes satisfied by primary shares, and to include the full effect of share buybacks and the dilutive effect of option schemes.

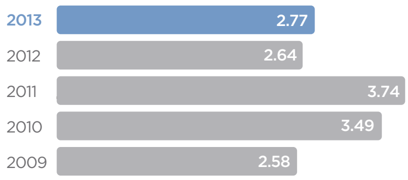
Revenue £million



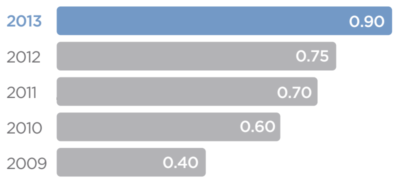
Operating Earnings £million



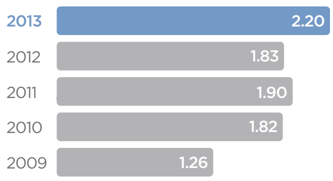
Earnings per share (diluted adjusted) pence



Dividend pence



AUM £billion



By 30 September 2013, shareholders' equity had increased to £22.9 million (2012: £22.6 million) and cash reserves held by operating entities of the Group were £16.5 million (2012: £19.3 million). The Company remained debt free during the Period.

Operating cash flow for the Period was £4.9 million (2012: £5.2 million). As previously reported, during the Period the Company invested £2 million to seed a Food and Agriculture Fund and spent £2.4 million buying back 6.8 million of its own shares.

Sustainable Investor of the Year Award

In June, Impax was named Sustainable Investor of the Year at the Financial Times/IFC Sustainable Finance Awards, in recognition of our long and successful track record. It was particularly pleasing that the judges acknowledged our rigorous investment process and the role Impax has played in educating institutional investors about the attractive growth opportunities in resource efficiency and environmental markets.

New Dividend Policy and Proposed Dividend for the Period

In light of Impax's prospects for growth and continuing strong cash flow generation, the Board has recently reviewed the Company's policy towards the management of retained earnings and cash on the balance sheet. Having taken account of the need to maintain an adequate risk buffer and also retain the ability to seed new funds, the Board now believes that the Company is in a position to support both a higher annual dividend as well as the initiation of an interim dividend commencing in 2014. The Board's policy is to grow future dividends progressively in line with our view of business performance.

To initiate this new policy, the Board will therefore recommend a dividend of 0.9 pence per share for the Period, which represents a 20 per cent increase over the dividend for the previous period (2012: 0.75 pence). The dividend proposal will be submitted for formal approval by shareholders at the Annual General Meeting on 10 February 2014. If approved, the dividend will be paid on or around 17 February 2014. The record date for the payment of the proposed dividend will be 24 January 2014 and the ex-dividend date will be 22 January 2014.

Nominated Adviser and Broker

In October, following a review of the Company's service providers in this area, we were pleased to appoint Peel Hunt as Impax's Nominated Adviser and Broker.

Remuneration

In accordance with the Company's remuneration policy, during the Period the Board granted three million Employee Share Option Plan ("ESOP") options to management and staff in respect of their performance for the year ended 30 September 2012. The strike price was set at 37.6 pence and the options will vest on 31 December 2015.

Prospects

Despite a period of strongly rising equity markets and growing investor confidence, the outlook for the global economy remains complex. The recent crisis over the US debt ceiling has raised concerns over the health of the recovery leading to delay in the tapering of quantitative easing. The problems in the Eurozone appear to be in remission for the time being, but many fundamental imbalances are yet to be addressed. Meanwhile, China's ability to sustain its target level of economic growth appears uncertain, while in Japan, many investors are waiting on the side-lines for further evidence of the effectiveness of the recent stimulus programme.

Notwithstanding these issues, investor interest in our target markets continues to build, providing further opportunity for us to promote our services around the world. We have now been in business for over 15 years providing clients with access to one of the most experienced investment management teams covering resource efficiency. The Board shares my confidence that Impax is well placed to continue to build value for shareholders.

J Keith R Falconer
27 November 2013

Chief Executive's Report

The drivers behind resource efficiency and environmental markets strengthened further during the Period, with significant news in science, policy, technology and investor interest, while stock prices generally outperformed broad market indices.

Five years on from the depths of the financial crisis, it is both a relief to see a sustained improvement in business confidence around the globe and yet troubling to conclude that many of the structural weaknesses that contributed to the meltdown of 2008 have yet to be adequately addressed. At a time when the opinions of economic commentators are sharply divided about the prospects for growth and investment returns, it is reassuring to note the consistently positive news flow from the markets in which Impax invests, and to report that our investment capabilities continue to develop.

Sector Developments and Performance

The drivers behind resource efficiency and environmental markets strengthened further during the Period, with significant news in science, policy, technology and investor interest, while stock prices generally outperformed broad market indices.

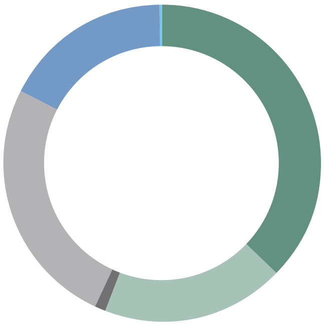
Climate change has reappeared as a major issue during the Period. In May, atmospheric concentrations of carbon dioxide ("CO_2") passed the symbolic threshold of 400 parts per million ("ppm") for the first time in human history, while the IPCC report published in September has provided further detailed confirmation of the urgency with which greenhouse gas emissions must be cut back if the planet is to avert dangerous climate change. Recent global policy developments in this area have been mixed. The US Supreme Court recently upheld the President's instruction to the Environmental Protection Agency to tighten CO_2 and other emissions from coal-fired plants, thereby further undermining the prospects for this form of power generation, which currently represents approximately 35 per cent of supply. In June, China launched pilot schemes to trial cap-and-trade schemes for CO_2 in seven cities, potentially paving the way for a national scheme in due course. In contrast, the new Coalition government in Australia is in the process of repealing legislation behind the country's carbon tax and dismantling institutions designed to channel finance into clean energy projects.

In a broader context, Carbon Tracker, a UK-based non-governmental organisation, has warned that global regulations to limit CO_2 emissions could significantly impact the book value of many companies holding fossil fuel assets. As it becomes uneconomic to extract their reserves, some of these assets may become "stranded" and, according to Carbon Tracker, investors should therefore consider reducing their exposure. Recent research published by Impax has demonstrated that over the last five years, investors could have substituted an actively managed portfolio of alternative energy and energy efficiency stocks for fossil fuel stocks without any negative impact on performance or volatility.

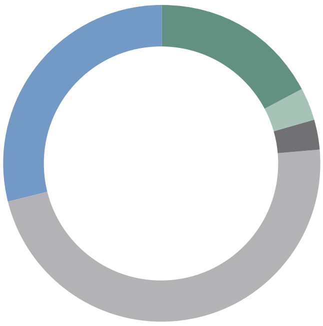
Table 1: Assets Under Management and Fund Flows

AUM movement year to 30 September 2013	Impax label listed equity funds £m	Third party listed equity funds and accounts £m	Private equity funds £m	**Total £m**
Total AUM at 30 September 2012	637	829	362	**1,828**
Net inflows	(66)	244	–	**178**
Closure of Impax Asian Environmental Markets plc	(190)	–	–	**(190)**
Market movement and performance	122	241	18	**381**
Total AUM at 30 September 2013	**503**	**1,314**	**380**	**2,197**

Range of Investment Strategies
AUM (£m)



Geographic Breakdown
AUM (client domicile, £m)



Diverse Client Base
AUM (£m)

Local air pollution has also become a more urgent issue in some areas. Last winter, toxic smog blighted many large cities in Northern China at levels that caused serious health issues. The Chinese government has been quick to respond with an Action Plan for Air Pollution Control which covers a range of new environmental regulations reminiscent of the steps taken last century when many US and European cities suffered similar pollution. China has stated that it expects to invest ca. US$500 billion in environmental protection under its current Five Year Plan which runs to the end of 2015.

The wider energy sector is experiencing a sustained upheaval, driven by a combination of emissions limits and changing economics. In Europe, the rapid adoption of renewable energy, particularly in Germany, has dramatically reduced the margins of incumbent power utilities, who are now seeking direct subsidies to balance power supply systems. Investment is needed in further grid expansion, increased cross-border trading and the broad encouragement of demand-side management. Elsewhere, cheap shale gas has enabled the United States to cut its CO_2 emissions by 3.8 per cent during 2012, the largest energy-related carbon dioxide pollution decline since 1990. In Japan, ongoing problems with the Fukushima nuclear plant have reinforced a focus on the deployment of alternative energy and catalysed further national commitments to develop renewable power generation assets, particularly solar photovoltaic.

The water sector continues to provide strong positive signals for investors. Following the announcement of China's increased investment to tackle water pollution we have been encouraged by the acceleration in the roll-out of related infrastructure projects and the strong performance of companies involved in the sanitation and clean water sectors. This is also a critical time for the UK water industry: in the short term, water companies are working to meet targets agreed with the regulator for investment over the period 2010 to 2015, which include efficiency and customer service improvement plans. Investors, however, are increasingly focused on the direction of negotiations over investment in the next five year period (to 2020), when water conservation, storm-water management, new storage infrastructure and extended metering are likely to feature.

With risk appetite rising in the wider economy, the Period saw the return of some of the exuberance last seen in 2007. In particular, Tesla Motors, a manufacturer of electric vehicles, experienced a dramatic increase in investor interest. Between 1 October 2012 and 30 September 2013, Tesla's market capitalisation increased by more than 600 per cent to US$23.5 billion. Last year Tesla sold just 21,000 cars but it is valued at roughly half the value of Ford and a third of the value of General Motors, which sold more than 9 million vehicles last year.

Against this positive backdrop, the share prices of companies active in resource efficiency and environmental markets have increased significantly. During the Period, the FTSE Environmental Opportunities All Share Index grew by 31.5 per cent, a material outperformance over the MSCI All Country World Index, which was up 17.4 per cent. Over the five years to 30 September 2013, these indices grew by 75.8 per cent and 59.6 per cent respectively.

Assets Under Management and Fund Flows

During the Period, the Listed Equity funds that we manage or advise had gross inflows of £470 million and outflows of £292 million. The net inflows into third party funds and accounts were £244 million and net outflows from "Impax-label" funds were £66 million. In addition, ca. £190 million of assets were redeemed by shareholders upon the closure of Impax Asian Environmental Markets plc ("IAEM plc"), while £21 million was rolled over from IAEM plc into the open-ended Impax Asian Environmental Markets Ireland fund.

Investment Performance

At the heart of Impax's potential for success is our ability to generate attractive levels of investment return for our clients. I am pleased that we have performed well across the board in this area.

Chief Executive's Report
continued

Listed Equity
We are currently running five distinct long-only investment strategies.

Our Leaders strategy which invests across the market cap range in companies providing solutions to resource scarcity, returned 31.5 per cent[I] over the Period compared to 17.4 per cent[II] for the MSCI All Country World Index ("ACWI"). Over the last five years this strategy has returned 74.0 per cent[I] while the MSCI ACWI rose 59.6 per cent[II] and the relevant sector comparator, the FTSE Environmental Opportunities All Share Index, returned 75.8 per cent[III].

Our Specialists strategy which invests in small and mid-cap stocks returned 31 per cent[I] over the Period. "Specialists" has the longest track record of our strategies: over the last ten years (to 30 September 2013), it has returned 182.1 per cent[I] while the MSCI ACWI and the FTSE ET50 indices rose 118.6 per cent[II] and 95.0 per cent[III] respectively.

The Water strategy, which will reach its fifth anniversary in January 2014, has retained its position as the top performing fund in its peer group, returning 25.9 per cent[I] over the Period. Since inception to 30 September 2013 the strategy returned 94.4 per cent[I] compared to 65.8 per cent[II] for the MSCI ACWI and 83.8 per cent[III] for the FTSE EO Water Technology Index.

Over the Period the Asia-Pacific Strategy returned 21.7 per cent[I] against the MSCI AC Asia Pacific Ex Japan and the FTSE Environmental Asia Pacific with Japan Custom Index[IV] which rose 6.8 per cent[II] and 16.3 per cent[III] respectively.

Our Food and Agriculture strategy, launched on 1 December 2012 has returned 14.3 per cent[I] since inception. This has been a challenging period for the agriculture sector but as the fund approaches its first anniversary it has established a leading position in its peer group.

Private Equity
Our private equity business has continued to make steady progress. During the Period, we increased the level of investments and commitments for Impax New Energy Investors II ("NEF II") from 40 per cent to 60 per cent, with incremental acquisitions in France, Germany and Finland. We have recently sold the first assets from this fund at an attractive profit. The fund's investment pipeline remains healthy, and we intend to explore opportunities for raising and deploying more capital in this area in due course.

The assets held in Impax New Energy Investors LP ("NEF I") continued to perform well operationally. However the holdings of Spanish solar projects have been further adversely affected by the Spanish Government's announcement in July of significant additional changes to the regulations governing tariffs for such projects. Although the details of these changes are yet to be finalised, our interpretation of currently available information has led us to write down the Company's holding in this fund by £0.9 million.

Distribution
We have been very encouraged by the increased interest in our capabilities and track record from institutional investors, investment consultants and fund distributors. Although Impax remains "investment management led", we continue to develop a range of routes to market.

In the UK, we have been developing the family office and global distributor segments, channels that to date have been relatively untapped.
Our principal investment trust client, Impax Environmental Markets plc has had a strong year, with considerable outperformance versus global indices, a narrowing discount and overwhelming shareholder support at a routine continuation vote. Separately, following the acquisition of Skandia Investment Management by Old Mutual Global Investors, we expect a renewed marketing drive for the Ethical Fund that we have been sub-managing since 2010 and which now has some £77 million of assets.

In line with market standards the strategy returns[I] are calculated including the dividends reinvested, net of withholding taxes, gross of management fee and are represented in GBP; the returns for the MSCI ACWI[II] are net calculated including the dividends reinvested, net of withholding taxes. (Source: FactSet). FTSE indices[III] are total return calculated including the dividends reinvested gross of withholding taxes. [IV] FTSE Environmental Asia Pacific with Japan Custom Index is a custom made benchmark made up of 80 per cent FTSE Environmental Opportunities Asia Pacific ex Japan and 20 per cent FTSE EO Japan which is rebalanced monthly.

In Europe, our distribution partners have been successful in expanding the assets that we manage for them. In particular, BNP Paribas has broadened beyond France the marketing for the Aqua fund that we sub-manage; this fund's assets increased from €85.9 million to €435.9 million over the Period, and it now ranks as the fourth largest water fund globally. Elsewhere, the BNP Paribas sales teams were successful in attracting capital for their versions of both Specialists and Leaders, while ASN Bank, a Netherlands-based Impax client since 2001, attracted further funds into their Water and Environment fund, which has won investment awards for five consecutive years.

In the United States, we have been successful in expanding current mandates, winning new business and developing a strong pipeline. During the Period, AUM sourced from US clients increased by 111 per cent to £77 million, led by the Global Environmental Markets Fund, which we sub-advise for Pax World. We also attracted sufficient additional capital into our Delaware-based fund which pursues the Specialists strategy to allow for the gradual withdrawal of the US$5 million of seed capital we invested into this strategy at launch in late 2011, with the redemption of the first US$1 million this October. Last month we began an advisory mandate with a large American private bank as part of a major new multi-manager product targeting the United States energy market's renaissance.

At the heart of Impax's potential for success is our ability to generate attractive levels of investment return for our clients. I am pleased that we have performed well across the board in this area.

Infrastructure and Support

At the end of the Period our headcount was 56.9 full time equivalent staff, compared to 56.5 at the same time last year. In recent years we have made a considerable investment in the team and resources required to support both the current business as well as substantial additional inflows into similar strategies. We expect to grow the team significantly only if we expand the number or size of distribution channels, for example in the United States, or take on board new investment strategies.

Outlook

Investors may look back on 2013 as the high point of "cheap money", and will pass judgement on the skill with which central bankers around the world unwind quantitative easing and succeed in normalising their economies and, hopefully, achieving sustainable growth.

In the present environment when it appears that many asset prices are unsustainably inflated, investment managers must increasingly focus on the underlying quality of their portfolios, in particular the prospects for rising earnings, to avoid being heavily punished in any correction. In this context, the companies that Impax is targeting are consistently delivering stronger earnings than their peers in other parts of the economy, and their public statements generally point to further improvement in 2014 and beyond.

With a unique focus on resource efficiency and environmental markets and one of the strongest brands globally in an area of increasing investor interest, the Impax team is ideally placed to deploy client money with a well-informed overview of both opportunity and risk. By looking after current clients well, we continue to improve our prospects for winning the trust of new clients, and thereby, growing value for the Company's shareholders.

Ian R Simm
27 November 2013

Investing Globally in Resource Efficiency Markets

At a time of rising wealth and an expanding global population, a revolution in the efficient use of resources is creating an increasingly compelling opportunity for investors. The growing affluence in developing markets, concerns about resource scarcity, pollution increases, energy security and climate change are all trends today that will have lasting effects on our future. Policy makers and investors worldwide are recognising the need to develop resources in a sustainable manner to maximise efficiency.

Companies are responding with innovative technologies and solutions in energy efficiency, alternative energy, resource recovery, water, food and agriculture markets. Impax invests across a broad range of these rapidly growing sectors.

Many of the companies in these markets are employing or developing complex business models, often based on new technology. It is vital to have an in-depth understanding of these in order to be able to make effective evaluations of the investment opportunities they present. For this reason our markets are not well understood and are frequently mispriced.

Resource efficiency markets tend to demonstrate relatively high levels of corporate activity. Smaller but rapidly growing technology companies are often attractive purchases for larger companies looking to diversify and invest in new, high growth markets.

The implementation of stricter government policy and regulations in both developing and developed markets continues to create new opportunities for the companies within our investment universe.

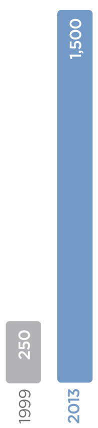
Impax's proven strategies provide investors with broad access to these diverse markets. We aim to identify the best investment opportunities in order to deliver superior long-term, risk-adjusted returns for our clients.

Well Populated Universe

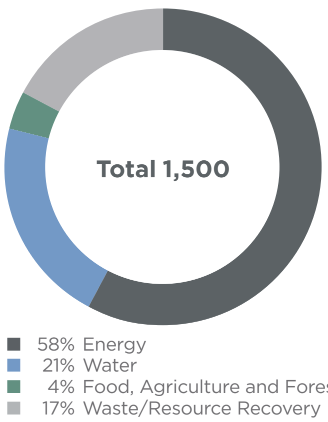
Our universe is expanding rapidly as companies respond to increasing consumer demand and stricter regulatory pressures.

The diverse range of opportunities allows for dynamic allocation to suit both cyclical and more defensive market conditions.

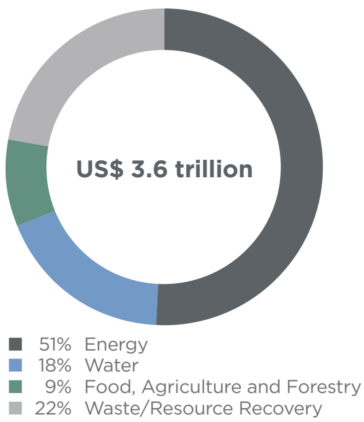
Number of Companies



Companies by sector



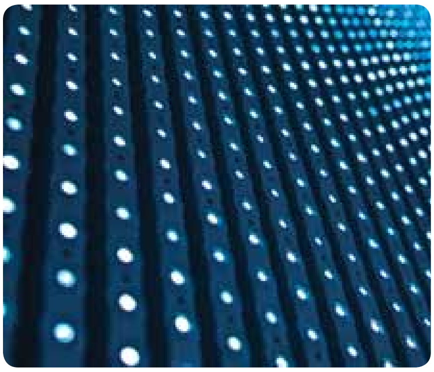
Aggregate Market Capitalisation



Diverse Sectors

Impax designed and continues to utilise the FTSE Environmental Markets Classification System. However, our Food and Agriculture strategy invests across an expanded investment universe[1].

Energy



Energy

Energy Efficiency
- Power Network
- Industrials
- Buildings
- Transport
- Consumer

Alternative Energy
- Developers and IPPs
- Solar
- Wind
- Biofuels
- Other

Water

Water

Water Infrastructure
- Infrastructure
- Treatment
- Utilities

Pollution Control
- Pollution Control Solutions
- Testing and Gas Sensing

Waste/ Resource Recovery

Waste/Resource Recovery

Waste Management and Technologies
- Tech Equipment
- Recycling and Processing
- Hazardous
- General

Environmental Support Services
- Consultancies
- Carbon and Asset Trading
- Diversified Environmental

Food, Agriculture and Forestry

Food, Agriculture and Forestry

- Sustainable and Efficient Agriculture
- Logistics, Food Safety and Packaging
- Sustainable Forestry and Plantations

[1] Comprises: Agricultural Inputs, Machinery and Equipment, Growers and Processors, Agricultural Logistics and Infrastructure, Basic Foods, Packaging and Food Safety, Packaged Food and Ingredients, Beverages and Distribution and Commercial Services.

Board of Directors and Company Secretary

Keith Falconer

Chairman

Keith Falconer is Chairman of Impax Asset Management Group plc. He joined the Group in January 2004. After qualifying as a Chartered Accountant in 1979, he joined Martin Currie, the independent Edinburgh based investment firm. The first part of his career was spent managing portfolios on behalf of institutional clients. Subsequently, he became the Managing Director of Sales and Marketing. Keith retired from Martin Currie at the end of 2003 and is now a Director of the China A Share Fund and a number of other companies.

Ian Simm

Chief Executive

Ian Simm is the Founder and Chief Executive of Impax Asset Management Group plc. Ian has been responsible for building Impax since launch in 1998, and he continues to head the firm's investment committees. Prior to Impax, Ian was an engagement manager at McKinsey & Company advising clients on resource efficiency issues. In 2013 he was appointed by the Secretary of State for Business, Innovation and Skills as a member of the UK's Natural Environment Research Council ("NERC"). He has a first class honours degree in physics from Cambridge University and a Master's in Public Administration from Harvard University.

Guy de Froment

Non-Executive Director

Guy de Froment is a Non-Executive Director of Impax Asset Management Group plc. He was previously Vice Chairman of BNP Paribas Asset Management and joint CEO responsible for Sales and Marketing. From 1997 to 2000, he held the position of Chairman and CEO of Paribas Asset Management. Prior to that he worked for Barclays as Head of Continental European Asset Management, having previously spent 24 years in the Indosuez Group during which time he was Chief Executive of W. I. Carr and CEO of Indosuez Asset Management.

Vince O'Brien

Non-Executive Director

Vincent O'Brien is a Non-Executive Director of Impax Asset Management Group plc. He is currently a Director of Montagu Private Equity and has worked in the private equity industry for over 20 years. Originally qualifying as a Chartered Accountant with Coopers and Lybrand, he joined Montagu Private Equity in 1993. Vince is a former Chairman of the BVCA and served on its Council for seven years.

Mark White

Non-Executive Director

Mark White is a Non-Executive Director of Impax Asset Management Group plc. He is the CEO of LGT Capital Partners (UK) Ltd following LGT Capital Partners' acquisition of KGR Capital. From 2001 to 2005, he was Chief Executive Officer of JP Morgan Fleming Asset Management (UK) Ltd. Prior to that, Mark was CEO of Jardine Fleming Asset Management in Hong Kong and CEO of Chase Fleming Asset Management (UK) Ltd in London. He is also Non-Executive Director of EB Asia Absolute Return Fund, F&C Global Smaller Companies plc and Standard Life Equity Income Trust plc.

Zack Wilson

Group General Counsel and Company Secretary

Zack Wilson serves as Group General Counsel for Impax and is also Company Secretary. Prior to joining Impax in 2011, he was Director and General Counsel for the investment management group Development Capital Management. Previously he was Corporate Counsel for Telewest Global Inc, where he played a leading role in managing the successful execution of transactions including the Group's US$10 billion financial restructuring. Zack qualified as a solicitor at the global law firm Norton Rose. He holds a Master of Arts in Jurisprudence from Oxford University.

Senior Personnel

Bruce Jenkyn-Jones

Managing Director for the Listed Equity business

Bruce Jenkyn-Jones is a Director of IAM and Managing Director for the Listed Equity business. He has 19 years' experience working in environmental markets. Prior to joining Impax in 1999 he was a utilities analyst with BT Alex Brown and before that a senior consultant at Environmental Resources Management Ltd. Bruce is a graduate of Oxford University and has a Master's in Environmental Technology from Imperial College and an MBA from IESE (Barcelona).

Peter Rossbach

Managing Director for the Private Equity team

Peter Rossbach is a Director of IAM and Managing Director for the Private Equity team that manages Impax New Energy Investors and Impax New Energy Investors II. From 1997 to 2000, he was Senior Investment Officer at AMI Asset Management. Before AMI, he held positions as Senior Investment Adviser to EBRD, Vice President of Project Finance at Mitsui Bank in New York, within the energy project finance teams at Catalyst Energy, Lowrey Lazard and at Standard and Poor's utility debt ratings services. Peter holds a Bachelor's degree and a Master's in Public Policy from Harvard University.

Charlie Ridge

Chief Financial Officer

Charlie Ridge is a Director of IAM and Chief Financial Officer of Impax Asset Management Group plc. Charlie has 25 years' experience working in financial services. He joined Impax from Deutsche Bank, where he was a Managing Director within the Finance Division serving as the UK Asset and Wealth Management Chief Financial Officer, and previously in a variety of financial and market risk related roles for the Global Markets Division. Charlie has a degree in Engineering Science from Durham University and qualified as a Chartered Accountant at Ernst & Young.

Ominder Dhillon

Head of Distribution

Ominder Dhillon is Head of Distribution for Impax. He joined Impax in October 2011 from Fidelity International where he was Head of UK Institutional Distribution. Ominder previously spent nine years as Director of Institutional Sales at Scottish Widows Investment Partnership and, prior to that, nine years at John Morrell & Associates and Johnson Fry plc (later acquired by Legg Mason). He holds a degree in physics from the University of Kent.

David Richardson

Head of Business Development and Client Service for North America

David Richardson is the Head of Business Development and Client Service for North America. David joined Impax in 2012 from Global Energy Investors where he was a Managing Partner. He was previously Managing Director of Business Development at Dwight Asset Management Company (acquired by Goldman Sachs Asset Management). Prior to this he headed Project Development at Mark Technologies Corporation and successfully developed a number of large scale wind energy projects. David holds a BS in Mechanical Engineering from the University of California and is a Chartered Financial Analyst.

Kaye Forrest

Director of Human Resources

Kaye Forrest joined Impax in May 2011, on a part time basis, as Director of Human Resources. She has over 20 years' HR experience and expertise in coaching, talent management, organisational development and business transformation. Kaye previously held the role of HR Director at Legal and General and Sensormatic Ltd before setting up her own consultancy business in 2007. She has an MA in International HRM and is a Fellow of the Chartered Institute of Personnel and Development.

Our Approach and Commitment to Corporate Responsibility

Impax aims to act with the highest standards across all its operations. We recognise our responsibilities to our clients and shareholders but also to our staff, suppliers, our investee companies, the environment and the community in which we work. We are committed to integrating responsible business practices throughout our operations.

We are members of Business in the Community, a London-based organisation committed to helping companies to integrate responsible business practice through their range of programmes and services and to improving their positive impact on society.

We record our corporate responsibility activities under the categories of Environment, Community, Workplace and Marketplace.

Environment

While our direct environmental impact is relatively limited, we strive to minimise this across our working practices through a culture of energy and resource efficiency and to demonstrate our leadership in this field. We have a comprehensive Environmental Policy which is rigorously enforced and communicated to all staff. We acknowledge and measure our impacts, recognise our responsibilities and take action to improve wherever possible.

As an office-based business, the main impact of our operations is in energy consumption, water use, travel and materials use. We are currently implementing an Energy Management System for our UK operations and are working towards ISO14001 standard. Impax has reported its carbon dioxide emissions to the Carbon Disclosure Project since 2009. Impax has chosen to report its greenhouse gas emissions ("GHG") on a voluntary basis in this Annual Report and Accounts (as we aspire to best practice and this is now a mandatory requirement for companies listed on the main market of the London Stock Exchange). For the Period, the Company's Scope 2 emissions (primarily our office energy use) and Scope 3 emissions (air travel) are 61,000kg and 131,000kg respectively.

Impax has made substantial investments in the energy efficiency of its London office but we continue to seek additional improvements. Our Environment Committee, which reports to the Board, has responsibility for coordinating environmental activities and ensuring that our activities are carried out in line with our Environmental Policy.

Community

Impax aims to support charities that are aligned with our culture and values and are dedicated to the environment and the most efficient use of our finite natural resources. We encourage staff to play an active role in the community for the benefit of both our business and society.

In 2013 Impax partnered with Ashden, a foundation that champions practical, local energy solutions that cut GHG emissions, protect the environment, reduce poverty and improve people's lives. Impax sponsored the 2013 Impax Ashden UK Award for Energy Innovation and we are pleased to support the award again in 2014. Several of our staff are involved in volunteering opportunities with Ashden, helping with the evaluation of the submissions and ongoing mentoring of previous Ashden award winners.

In the UK Impax promotes tax efficient payroll giving to staff through the Charities Aid Foundation Give as You Earn scheme. In 2013 we achieved Gold status with nearly 20 per cent of staff involved. Impax matches staff donations.

Workplace

Our people are key to our success. They create and manage our products and ensure that they are innovative and the most successful that they can be. They also strive to deliver excellent client service. Impax takes great pride in recruiting the best people, providing a working environment in which they can prosper and providing training and opportunities for them to develop. Impax is committed to best governance, HR practices and employee communications and to a process of continual review and improvement.

Marketplace

Impax aspires to best practice across all aspects of the management of its listed and private equity investments.

Environmental Social and Governance ("ESG") considerations are embedded within our rigorous ten step investment process for listed equities. Failure of a company to reach the required ESG score will prevent our investment.

Impax engages with investee companies and undertakes long-term engagement to improve practice and disclosure across their governance and sustainability activities. During the Period, Impax undertook 28 proactive ESG engagement initiatives. We view proxy voting as a key activity in the ongoing dialogue with companies in which we invest. We are committed to ensuring the consistent exercise of voting rights associated with shares held in investment mandates where proxy voting has been delegated to us. Impax supports the UK Stewardship Code and complies with its guidelines regarding proxy voting and engagement. We publically disclose a summary of our proxy voting activity on a quarterly basis.

Impax is a member of, or signatory to: the UN Principles for Responsible Investment ("UNPRI"), Institutional Investors Group on Climate Change ("IIGCC"), Investor Network on Climate Risk ("INCR"), Carbon Disclosure Project ("CDP"), UK Sustainable Investment and Finance Association ("UKSIF"), Low Carbon Finance Group, UK Stewardship Code and the Association for Sustainable and Responsible Investment in Asia ("ASrIA").

Strategic Report

Corporate Strategy
Impax aims to be the leading investment manager in resource efficiency and environmental markets and related sectors.

The Company 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
The principal activity of the Group during the year was the provision of investment services to both listed equity and private equity funds. The Group's activities are both authorised and regulated by the Financial Conduct Authority. Further information on the activities of the Group is provided on the inside cover of this Annual Report and Accounts. An overview of the sectors where we invest is provided on page 9.

Review of Business
The review of the Group's business is contained in the Chairman's Statement and Chief Executive's Report on pages 2 to 7 which are incorporated into this report by reference.

The Directors consider AUM, revenue and operating earnings (defined as revenue less operating costs excluding share-based payment and other charges in respect of the Group's Employee Incentive Arrangement schemes) to be the key performance indicators of the Group. AUM grew from £1,828 million at 30 September 2012 to £2,197 million at 30 September 2013. Revenue for the year was £18,463,000 (2012: £18,621,000) and operating earnings were £4,339,000 (2012: £4,553,000).

Principal Risks
A description of the principal risks and uncertainties facing the business is provided on page 18.

By order of the Board

Zack Wilson
Company Secretary

27 November 2013

Registered office:
Norfolk House
31 St James's Square
London SW1Y 4JR

Directors' Report

Dividends

The Directors propose a dividend of 0.90 pence per share (totalling £968,000) for the year ended 30 September 2013 (2012: 0.75 pence per share, totalling £816,000). The dividend will be submitted for formal approval at the Annual General Meeting. These financial statements do not reflect this dividend payable, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ended 30 September 2014.

The dividend for the year ended 30 September 2012 was paid on 20 February 2013, being 0.75 pence per share. The trustees of the Employee Benefit Trust waived their rights to part of this dividend, leading to a total dividend payment of £816,000. This payment is reflected in the Statements of Changes in Equity.

Shares

On 3 December 2012, 12.2 million of the Company's Ordinary Shares were issued to the Impax Asset Management Group plc Employee Benefit Trust 2012 ("EBT 2012"). On the same day the EBT 2012 acquired 4.7 million shares from the Company being the entire current holding of Treasury Shares. The share subscription and purchase were funded by a loan from the Company to the EBT 2012 on commercial terms. The loan has no net effect on the Group's financial position.

The EBT 2012 made further market purchases of 6.6 million of the Company's shares during the year and satisfied option exercises in respect of 5.3 million shares. The Directors expect that future options exercises will primarily be satisfied by the EBT 2012.

Directors and Their Interests in Shares

The Directors of the Company during the year and at the date of this report are set out below. The Directors' interests and those of their connected persons in the Ordinary Shares of the Company, all of which are beneficial, at 30 September 2013 and 30 September 2012 were:

	30 September 2013	30 September 2012
J Keith R Falconer[I]	**10,489,290**	10,489,290
Ian R Simm[I]	**9,486,261**	9,486,261
Peter J Gibbs[II]	**200,000**	200,000
Mark B E White	**400,000**	300,000
Vince O'Brien	**110,000**	110,000
Guy de Froment	**–**	–

[I] Includes vested shares within sub-funds of the Impax Group Employee Benefit Trust 2004 ("EBT 2004") from which the individual and their family may benefit.

[II] Retired on 15 May 2013.

There have been no changes to the above holdings since 30 September 2013.

Ian Simm has a 5.88 per cent interest in the capital of Impax Carried Interest Partner LP, and a 5 per cent interest in the capital of Impax Carried Interest Partner II LP, entities in which the Company holds an investment.

Ian Simm has also been granted options to acquire a further 450,000 Ordinary Shares at a strike price of 49.6 pence and 100,000 Ordinary Shares at a strike price of 37.6 pence. These will vest subject to his continued employment by the Group on 31 December 2014 and 31 December 2015 respectively.

Substantial Share Interests

The following interests in 3 per cent or more of the issued Ordinary Share capital have been notified to the Company as at 27 November 2013:

	Number	Percentage
BNP Paribas Investment Partners	32,220,000	25.2
Impax Asset Management Group plc Employee Benefit Trust 2012	18,351,496	14.4
J Keith R Falconer[I]	10,489,290	8.2
Ian R Simm[I]	9,486,261	7.4
Rathbone Investment Managers	7,092,080	5.6
DIAM Company	5,474,955	4.3

[I] Includes vested shares within sub-funds of the EBT 2004 from which the individual and their family may benefit.

In addition the EBT 2004 has a legal interest in a further 15,858,781 shares which have transferred to sub funds from which individuals may benefit and holds 1,888,273 shares directly.

Risk

A description of the key risks facing the Group and policies and procedures in place to monitor or mitigate the risk including the use of hedging instruments is provided on page 18.

People

Through our robust people management policies we aim to attract and develop the best people. Our performance management processes comprise a twice yearly performance appraisal against agreed objectives and our core values. Output from this performance process is used to inform decisions on remuneration, career development and progression.

As part of creating a high-performance organisation, we encourage all of our employees to fulfil their potential. We provide our employees with access to a range of training and development opportunities that are relevant to our business.

Creditor Payment Policy

The Group seeks to maintain good terms with all of its trading partners. In particular, it is the Group'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 Group for the year ended 30 September 2013 were 30 (2012: 30).

By order of the Board

Zack Wilson
Company Secretary

27 November 2013

Registered office:
Norfolk House
31 St James's Square
London SW1Y 4JR

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 Group and Parent Company financial statements for each financial year. As required by the AIM Rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with IFRS as adopted by the EU and applicable law and have elected to prepare the Parent Company financial statements on the same basis.

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 Group and Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent Company 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 they have been prepared in accordance with IFRS as adopted by the EU; and

> prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent Company will continue in business.

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

Corporate Governance Report

The Group is committed to maintaining good standards of Corporate Governance. As an AIM quoted company, compliance with the Finance Reporting Council's UK Corporate Governance Code ("the Code") is not mandatory. However the Board of Directors ("the Board") seeks to comply with the principles of the Code in so far as appropriate to the Group's size and complexity. This report describes how the Group has applied the principles throughout the year.

The Board of Directors

The Board deals with all aspects of the Company's affairs including setting and monitoring strategy, reviewing performance, ensuring adequate financial resources are in place and reporting to shareholders. The Board reserves these and other specific matters for its own decision. Operational decisions are delegated to the Chief Executive and senior management.

The Board consisted of a Non-Executive Chairman, four Non-Executive Directors and the Chief Executive for the period from 1 October 2012 to 15 May 2013. On 15 May 2013 Peter Gibbs, a Non-Executive Director, retired from the Board and was not replaced. Details of the current Board members are given on page 10 of this report. Throughout the year the position of Chairman and Chief Executive were held by separate individuals. There is a clear division of responsibilities between the Chairman and Chief Executive. The Board has appointed one of the Non-Executive Directors (Mark White) to act as the Senior Independent Director. The Board considers that two of the Non-Executive Directors (Mark White and Vince O'Brien) are independent as envisaged by the Code. Guy de Froment is not considered to be independent as he represents a significant shareholder. The Chairman is also not considered to be independent by nature of his significant shareholding and past service to the Group. The Non-Executive Directors and Chairman all have or have had senior executive experience and offer insightful judgement on Board matters. The Non-Executive Directors do not participate in any bonus schemes or share ownership schemes and their appointments are non-pensionable. There is a rigorous procedure to appoint new Directors to the Board which is led by the Chairman. At appropriate times the Board considers the balance of skills, experience, independence and knowledge of the Group on the Board and its diversity, how the Board works as a unit and other factors relevant to its effectiveness.

The Board meets regularly throughout the year. It met nine times in the year ended 30 September 2013 to consider strategic development and to review trading results and operational and business issues.

The Board has a formal agenda of items for consideration at each meeting but also convenes at additional times when required.

All Directors receive detailed Board papers and reports one week prior to the regular Board meetings and have unlimited access to the advice and services of senior management should further information be required. There is provision for Board members to solicit professional advice on Board matters at the Company's expense.

The Board has carried out a formal evaluation of its own performance and individual Directors which was led by the Chairman. The Board also completed an evaluation of the Chairman's performance which was led by the Senior Independent Director. The evaluations confirmed a high rating for performance.

All Directors are subject to reappointment by shareholders at the first opportunity after their appointment and thereafter at intervals of no more than three years.

As permitted by the Company's Articles of Association, the Company has maintained Qualifying Third-Party Indemnity Provisions (as defined under relevant legislation) for the benefit of the Company's Directors throughout the period.

Board Committees

The Board is assisted by two standing committees of the Board which report to it on a regular basis. These committees have clearly defined terms of reference.

Audit and Risk Committee

The Audit and Risk Committee is comprised of the following Non-Executive Directors: Mark White (Chairman), Guy de Froment and Vince O'Brien. Peter Gibbs retired from the Board and the Committee on 15 May 2013. The Committee has met four times this year.

The Committee's responsibilities include:
monitoring the integrity of the financial statements and formal announcements relating to the Company's and Group's financial performance;

> reviewing the Group's risk management processes and risk reports;
> monitoring of the internal financial control procedures;
> making recommendations to the Board in relation to the appointment, reappointment and removal of the external auditors and to approve the remuneration and terms of engagement of the external auditors;
> the implementation of new accounting standards and policies;
> reviewing arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in financial reporting or other matters;
> reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process;
> ensuring the objectivity and independence of the external auditor by acting as primary contact with the external auditors, meeting the external auditors without the presence of management where considered necessary and receiving all reports directly from the external auditors; and
> reporting to the Board on how it has discharged its responsibilities.

Details of fees paid to the Company's auditor are shown in note 2 to the financial statements. In the opinion of the Board, none of the non-audit services provided caused any concern as to the auditor's independence or objectivity. To ensure that the independence and objectivity of the auditor is maintained, the Committee monitors the scope of all work performed.

The Committee completed a self-assessment of its performance during the year which rated performance as high.

Remuneration Committee
The Remuneration Committee is comprised of the three Non-Executive Directors: Vince O'Brien (Chairman), Mark White and Guy de Froment. Peter Gibbs retired from the Board and the Committee on 15 May 2013. The Committee has met three times this year.

The purpose of the Remuneration Committee is to ensure that the Chief Executive and other senior employees are fairly rewarded for their individual contribution to the overall performance of the Group and that remuneration packages provided do not promote undue risk taking. The Remuneration Committee responds to this requirement in the way that meets the best interest of shareholders. Further details regarding the remuneration policy and payments made can be found in the Remuneration Report on pages 19 to 20.

Internal Control
The Board has overall responsibility for the Group's system of internal controls including financial, operational, compliance and risk management controls.

The Group's fund management activities are regulated by the Financial Conduct Authority, the US Securities and Exchange Commission and in respect of its Hong Kong activities, the Securities and Futures Commission. The Board has adopted procedures and controls designed to ensure its obligations are met.

Details of the key risks facing the Group and internal controls acting to control or mitigate the risks are set out on page 18.

The Audit and Risk Committee and the Board have concluded that there is currently no need for an internal audit function given the Group's existing system of internal controls. This position will continue to be reviewed, at least annually.

Dialogue with Shareholders
The Company reports formally to shareholders at the half-year and year end. At the Annual General Meeting of the Company, a presentation is given and Directors are available to take questions, both formally during the meeting, and informally after the meeting. The Chief Executive and Senior Independent Director are available for dialogue with major shareholders on the Company's plans and objectives and meet with them at appropriate times.

Key Risks

The principal risks that the Group faces are described below. Further information on financial risk is given in note 19 to the financial statements. The Chief Financial Officer is responsible for maintaining a risk register and for an ongoing programme to monitor internal controls and processes put in place to control or mitigate the risks identified. This includes reporting to the Group's Audit and Risk Committee on a quarterly basis.

Market Risk
The Group's Listed Equity business charges management fees based on assets under management and accordingly its revenue is exposed to market risk. The Group has chosen not to hedge this risk.

The Group seeds investments in its own Listed Equity funds in order to build a track record to market those funds more effectively and is therefore directly exposed to the market performance of the funds. The Group attempts to mitigate this risk through the use of hedging instruments where appropriate and intends to divest from these investments as commercial and market conditions allow.

The Group also invests in its own private equity funds and is therefore exposed to the performance of these funds.

Currency Risk
A significant amount of the Group's income is based on assets denominated in foreign currencies and an element of the Group's costs are incurred in foreign currencies. For the year ended 30 September 2013 and on an ongoing basis the Group's strategy has been to put in place hedges, in the form of forward rate contracts, where there was sufficient predictability over the income to allow for an effective and efficient hedge. Otherwise the Group converts foreign currency income to Sterling as soon as practically possible after receipt.

A proportion of the Group's assets and liabilities are denominated in foreign currency. The Group also owns a small number of minor subsidiaries denominated in foreign currency.

Liquidity and Cash Flow Risk
The Group's approach to managing liquidity risk is to ensure that it has sufficient cash on hand to meet liabilities when due under both normal and stressed conditions and to satisfy regulatory requirements. The Group produces cash flow forecasts covering a twelve month period. The Group's management and Board review these forecasts. As shown in the note 13 to the financial statements the Group has significant cash reserves.

The Group is also exposed to the risk of default of counterparties including banks and other institutions holding the Group's cash reserves. The Group seeks to manage this risk by only depositing cash in institutions with high credit ratings and by spreading cash holdings across at least four institutions.

Interest rate risk
The Group has interest bearing assets including cash balances that earn interest at a floating rate. Interest rate fluctuations do not have a significant impact on the Group.

Financial Regulations
The Group's operations are subject to financial regulations including minimum capital requirements and compliance procedures in each of the jurisdictions in which it operates. The Group seeks to manage the risks associated with these regulations by ensuring close monitoring of compliance with the regulations and by tracking proposed changes and reacting immediately when changes are required. The Group has a dedicated Compliance Officer.

Key Clients
The loss of a client, a significant investor in a large fund or a mandate to manage a fund could damage the financial position of the Group. The Group seeks to manage this risk by maintaining regular contact with clients and fund investors and by attempting to diversify earnings streams so that it is less susceptible to such events.

Key Employees
The success of the Group depends on the support and experience of its key employees and in particular senior managers and fund managers. The loss of key employees could have a material adverse effect on its result or operations. The Group seeks to manage this risk by offering competitive remuneration packages, including share schemes and carried interest in private equity funds, and by creating a supportive and enjoyable working environment. During the year the Group retained all of its key employees.

Operational Risks
The Group has established a control framework so that the risk of financial loss to the Group through operational failure is minimised. As part of this the Group has obtained full "ISAE 3402" (formerly known as SAS 70) certification, for the twelve months ended 30 September 2013, for its Listed Equity business.

Furthermore, the Group has put in place measures to minimise and manage possible risks of disruption to its business and to ensure the safety of its staff. This plan has been put in place to manage its strategic and operational business risks during emergencies and is aimed at bringing together particular responses such as IT disaster recovery, contingency plans, off-site storage of records, data back-up and recovery procedures, evacuation procedures and customer/staff communications.

The Group has insurance cover which is reviewed each year prior to policy renewal.

Remuneration Report

Policy on Chief Executive and Senior Employees' Remuneration

The remuneration and terms and conditions of service of the Directors and senior employees are determined by the Board, based on recommendations made by the Remuneration Committee.

For the year ended 30 September 2013 there are potentially four main elements of the remuneration packages for the Chief Executive and senior employees.

(i) Basic Salary and Benefits

Basic salaries are recommended to the Board by the Remuneration Committee taking into account the performance of the individual and the rate for similar positions in comparable companies. Benefits include income protection, critical illness insurance, life assurance and private medical insurance.

(ii) Variable Remuneration

Variable Remuneration consists of a cash bonus and share-based payments. Aggregate Variable Remuneration across the Group will typically be capped at 45 per cent of earnings before Variable Remuneration, interest and taxes; as the Group's profitability increases, this percentage is likely to fall in line with market norms.

(a) Cash Bonus

The cash bonus is determined based on the profitability of the relevant area where the employee works and on the individual's personal performance.

(b) Share-based Awards

The Board has approved an Employee Share Option Plan ("ESOP") under which the Chief Executive and senior employees are eligible to receive up to 14 million share options over a four year period ending 30 September 2014. The options will have an exercise price set at a 10 per cent premium to the average share price of the 30 business days following the announcement of results for the respective year. 5 million option awards were made in respect of the year ended 30 September 2011 and a further 3 million were made in respect of the year ended 30 September 2012. Option awards in respect of the year ended 30 September 2013 have been approved by the Board and will be communicated to employees shortly after the announcement of results for the year ended 30 September 2013.

The Chief Executive and other employees also continue to benefit from share-based payment awards made under the previous share-based incentive plan (the EIA Extension) as more fully described in note 3 to the financial statements. These awards vested on 30 September 2012.

(iii) Pensions

The Group pays a defined contribution to the pension schemes of certain employees. The individual pension schemes are private and their assets are held separately from those of the Group.

In addition the Chief Executive and certain senior employees have been awarded interests in the Impax Carried Interest Partner LP and Impax Carried Interest Partner II LP. These partnerships will receive payments from the Group's private equity funds depending on the fund's performance. No such payments were made during the year. The amounts will be accounted for at the point they become payable.

Directors Remuneration During the Year

Details of each Director's remuneration are shown below.

	Fees/salary £	Benefits in kind £	Pension £	Bonus £	2013 Total £	2012 Total £
J Keith R Falconer	65,000	–	–	–	**65,000**	65,000
Ian R Simm	219,227	6,322	–	178,375	**403,924**	456,810
Peter J Gibbs[1]	18,769	–	–	–	**18,769**	30,000
Mark B E White	30,000	–	–	–	**30,000**	30,000
Guy de Froment	30,000	–	–	–	**30,000**	30,000
Vince O'Brien	30,000	–	–	–	**30,000**	30,000
	392,996	6,322	–	178,375	**577,693**	641,810

[1] Retired on 15 May 2013.

During the year Ian Simm was granted 100,000 options over the Company's shares under the 2012 Employee Share Option Plan. These options vest subject to him remaining employed on 31 December 2015 and have an exercise price of 37.6 pence.

The above disclosure does not include options that may be awarded to Ian Simm pursuant to the 2013 Employee Share Option Plan in respect of his service for the year ended 30 September 2013.

Service Contracts

The Chief Executive is employed under a contract requiring one year's notice from either party. The Chairman and Non-Executive Directors each receive payments under appointment letters which are terminable by up to six months' notice from either party.

Policy on Non-Executive Directors' Remuneration

The Chairman and Non-Executive Directors each receive a fee for their services. The fee is approved by the Board, mindful of the individual's time commitment and responsibilities and of current market rates for comparable organisations and appointments. The Non-Executive Directors and the Chairman are reimbursed for their travelling and other minor expenses incurred.

By Order of the Board

Vince O'Brien
Chairman, Remuneration Committee

27 November 2013

Independent Auditor's Report to the Members of Impax Asset Management Group plc

We have audited the financial statements of Impax Asset Management Group plc for the year ended 30 September 2013 set out on pages 22 to 50. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the EU and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 Auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 15, 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 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 Financial Statements

In our opinion:

> the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2013 and of the Group's profit for the year then ended;

> the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU;

> the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and

> the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on Other Matter Prescribed by the Companies Act 2006

In our opinion the information given in 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or

> the Parent Company 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 Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square, London

27 November 2013

Consolidated Statement of Comprehensive Income

For the year ended 30 September 2013

	Notes	2013 £000	2012 £000
Revenue	1	**18,463**	18,621
Operating costs	2	**(14,124)**	(14,068)
Share-based payment charge for EIA extension scheme	3	**(280)**	(7,757)
Other charges related to EIA schemes	3	**111**	(979)
Fair value loss on investments		**(947)**	(722)
Change in third party interest in consolidated fund		**(32)**	(25)
Investment income	5	**163**	195
Profit/(loss) before taxation		**3,354**	(4,735)
Taxation	6	**(397)**	86
Profit/(loss) for the year		**2,957**	(4,649)
Other comprehensive income			
Tax benefit on long-term incentive schemes		**20**[1]	178
Increase/(decrease) in value of cash flow hedges		**158**	(210)
Tax on change in value of cash flow hedges		**(34)**	54
Exchange differences on translation of foreign operations		**55**	(271)
Third party interest share of exchange differences on translation of foreign operations		**(124)**	124
Total other comprehensive income		**75**	(125)
Total comprehensive income for the period attributable to equity holders of the Parent Company		**3,032**	(4,744)
Basic earnings per share	7	**2.44p**	(4.32)p
Diluted earnings per share	7	**2.44p**	(4.32)p

[1] This amount will never be reclassified to the income statement in the future. All other amounts in other comprehensive income may be reclassified to the income statement in the future.

The statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 26 to 41 form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 September 2013

	Notes	2013 £000	2013 £000	2012 £000	2012 £000
Assets					
Goodwill	9	1,629		1,629	
Intangible assets		95		146	
Property, plant and equipment	10	456		703	
Investments		17		17	
Total non-current assets			2,197		2,495
Trade and other receivables	11	3,145		2,814	
Derivative asset		159		3	
Investments	12	9,336		8,710	
Current tax asset		19		25	
Margin account		186		156	
Cash invested in money market funds and long-term deposit accounts	13	12,873		14,094	
Cash and cash equivalents	13	3,680		5,577	
Total current assets			29,398		31,379
Total assets			31,595		33,874
Equity and liabilities					
Ordinary Shares	16	1,277		1,156	
Share premium		4,093		78	
Exchange translation reserve		(352)		(283)	
Hedging reserve		126		2	
Retained earnings		17,800		21,616	
Total equity			22,944		22,569
Trade and other payables	14	5,948		6,759	
Third party interest in consolidated fund	15	549		2,682	
Current tax liability		103		46	
Total current liabilities			6,600		9,487
Accruals		399		605	
Deferred tax liability	6	1,652		1,213	
Total non-current liabilities			2,051		1,818
Total equity and liabilities			31,595		33,874

Authorised for issue and approved by the Board on 27 November 2013. The notes on pages 26 to 41 form part of these financial statements.

Ian R Simm
Chief Executive

Consolidated Statement of Changes In Equity

	Note	Share capital £000	Share premium £000	Exchange translation reserve £000	Hedging reserve £000	Retained earnings £000	Total Equity £000
At 1 October 2011		1,156	78	(136)	158	20,244	21,500
Dividends paid		–	–	–	–	(759)	(759)
Shares acquired by Treasury		–	–	–	–	(1,479)	(1,479)
Long-term incentive scheme charge		–	–	–	–	8,081	8,081
Tax benefit on long-term incentive schemes		–	–	–	–	178	178
Cash flow hedge		–	–	–	(210)	–	(210)
Tax benefit on cash flow hedge		–	–	–	54	–	54
Exchange differences on translation of foreign operations		–	–	(271)	–	–	(271)
Third party interest's share of exchange differences on translation of foreign operations		–	–	124	–	–	124
(Loss) for the year		–	–	–	–	(4,649)	(4,649)
At 30 September 2012		1,156	78	(283)	2	21,616	22,569
Dividends paid	8	–	–	–	–	(816)	(816)
Issue of shares to EBT 2012		121	4,015	–	–	(4,136)	–
Shares acquired by Treasury and EBT 2012		–	–	–	–	(2,397)	(2,397)
Award of shares on option exercise		–	–	–	–	41	41
Long-term incentive scheme charge		–	–	–	–	515	515
Tax benefit on long-term incentive schemes		–	–	–	–	20	20
Cash flow hedge		–	–	–	158	–	158
Tax on cash flow hedge		–	–	–	(34)	–	(34)
Exchange differences on translation of foreign operations		–	–	55	–	–	55
Third party interest's share of exchange differences on translation of foreign operations		–	–	(124)	–	–	(124)
Profit for the year		–	–	–	–	2,957	2,957
At 30 September 2013		**1,277**	**4,093**	**(352)**	**126**	**17,800**	**22,944**

EBT 2012 = Impax Asset Management Group plc Employee Benefit Trust 2012.

The notes on pages 26 to 41 form part of these financial statements.

Consolidated Cash Flow Statement

	Note	2013 £000	2012 £000
Operating activities:			
Profit/(loss) before taxation		**3,354**	(4,735)
Adjustments for:			
Investment income		**(163)**	(195)
Depreciation of property, plant and equipment		**275**	308
Amortisation of intangible assets		**65**	59
Fair value losses		**947**	722
Share-based payment		**472**	8,081
Other charges related to EIA schemes		**(111)**	979
Change in third party interest in consolidated fund		**32**	25
Operating cash flows before movement in working capital		**4,871**	5,244
(Increase)/decrease in receivables		**(338)**	357
(Increase) in margin account		**(31)**	(156)
(Decrease) in payables		**(567)**	(1,441)
Cash generated from operations		**3,935**	4,004
Corporation tax (paid)/refunded		**(54)**	2
Net cash generated from operating activities		**3,881**	4,006
Investing activities:			
Investment income received		**163**	196
Settlement of investment related hedges		**(1,115)**	(388)
Proceeds on sale/redemption of investments		**47**	28
Purchase of investments held by the consolidated funds		**(3,099)**	(7,336)
Sale of investments held by the consolidated funds		**612**	1,797
Purchase of investments		**(496)**	(355)
Purchase of intangible assets		**(14)**	(167)
Purchase of property, plant and equipment		**(28)**	(523)
Net cash (used in) investing activities		**(3,930)**	(6,748)
Financing activities:			
Dividends paid		**(816)**	(759)
Impax shares acquired by Treasury/EBT 2012		**(2,853)**	(1,023)
Cash received on exercise of Impax share options		**41**	–
Decrease/(increase) in cash held in money market funds and long-term deposit accounts		**1,222**	(5,548)
Investment by third party into consolidated funds		**559**	2,781
Net cash (used in) financing activities		**(1,847)**	(4,549)
Net decrease in cash and cash equivalents		**(1,896)**	(7,291)
Cash and cash equivalents at beginning of year		**5,577**	12,870
Effect of foreign exchange rate changes		**(1)**	(2)
Cash and cash equivalents at end of year	13	**3,680**	5,577

Notes to the Financial Statements

1 Analysis of Revenue and Assets

The Group has two reportable segments: "Listed Equity" and "Private Equity". The results of these segments have been aggregated into a single reportable segment for the purposes of these financial statements because they have characteristics so similar that they can be expected to have essentially the same future prospects. These segments have common investors, operate under the same regulatory regimes and their distribution channels are substantially the same. Additionally management allocates the resources of the Group as though there is one operating unit.

Analysis of revenue by type of service:

	2013 £000	2012 £000
Investment management	**17,769**	17,565
Transaction fees	**449**	800
Advisory fees	**245**	256
	18,463	18,621

Analysis of revenue by the location of customers:

	2013 £000	2012 £000
UK	**12,741**	13,008
Rest of the world	**5,722**	5,613
	18,463	18,621

Analysis of "Rest of the world" customer location:

	2013 £000	2012 £000
Ireland	**969**	1,361
France	**1,636**	974
Luxembourg	**1,189**	1,229
Netherlands	**850**	744
Other	**1,078**	1,305
	5,722	5,613

Revenue from three of the Group's customers individually represented more than 10 per cent of Group revenue (2012: three), equating to £2,062,000, £3,380,000 and £5,289,000 (2012: £2,176,000, £3,290,000 and £6,355,000).

Revenue includes £18,218,000 (2012: £18,365,000) from related parties.

All material non-current assets, excluding deferred tax assets and financial instruments, are located in the UK.

2 Operating Costs

	2013 £000	2012 £000
Wages and salaries, social security and pension costs and variable bonuses (see note 4)	**9,103**	8,736
2009 share option plan share-based payment charge (see note 3)	**–**	179
Employee share option plan share-based payment charge (see note 3)	**192**	145
Other staff costs including contractors and Non-Executive Directors' fees	**693**	910
Depreciation of property, fixtures and equipment (see note 10)	**275**	308
Amortisation of intangible assets	**65**	59
Auditor's remuneration – subsidiary undertakings audit fees	**38**	43
Auditor's remuneration – Parent Company audit fees	**40**	45
Auditor's remuneration – tax compliance	**14**	14
Auditor's remuneration – other	**31**	38
Premises related	**1,020**	972
Travel	**238**	273
Information technology and communications	**654**	666
Other costs	**1,761**	1,680
	14,124	14,068

3 Share-Based Payment Charges and Other Long-Term Incentive Scheme Charges

Share-Based Payment Charges

Employee Incentive Arrangement (Extension Scheme) ("EIA Extension")

Under this scheme, share-based payment awards were granted in April 2011 to employees when the Trustee of the Impax Group Employee Benefit Trust 2004 ("the EBT 2004") agreed to allocate four million Ordinary Shares to a sub-fund of the EBT 2004 of which Ian Simm, the Company's Chief Executive, and his family are beneficiaries and when 14.05 million Long-term Incentive Plan ("LTIP") options were awarded to other employees.

The awards allocated to the EBT 2004 sub-fund for Ian Simm and his family ceased to be subject to revocation due to Ian Simm's continued employment by the Company on 30 September 2012.

LTIP options have a 1 pence or nil exercise 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.

The Group accrued for the International Financial Reporting Standard ("IFRS") 2 Share-Based Payment charge for shares allocated under the EBT and LTIP options from the date of grant, to the dates of vesting. This charge is excluded from the Group's definition of adjusted earnings as explained in note 7.

The awards made to Ian Simm and his family were valued at 68 pence using the same model and assumptions as described under LTIP in the table below except that the option life was 1.5 years.

2009 Share Option Plan

All of the 1,240,000 zero exercise price options granted in December 2009 under the 2009 Share Option Plan vested on 30 September 2012 and were exercised in full during the year.

2011, 2012 and 2013 Employee Share Option Plan

5,000,000 options over the 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") to certain employees in respect of services provided from 1 October 2010 (2011 ESOP) or 1 October 2011 (2012 ESOP). The strike price of these options was set at a 10 per cent 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) and 31 December 2015 (2012 ESOP).

In November 2013, the Board approved the grant of 3,000,000 options under the 2013 Employee Share Option Plan ("2013 ESOP") to certain employees in respect of services provided from 1 October 2012. The strike price of the options will be set at a 10 per cent 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 2013. 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 2016. The employees will be notified of the key terms and conditions of these awards shortly after the announcement of results for the year ended 30 September 2013.

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.

The fair value of the share options mentioned above is estimated using the Black-Scholes Merton model. The following table lists the inputs to the model.

	LTIP	2011 ESOP	2012 ESOP	2013 ESOP[1]
Option value	64p	9.1p	7.0p	6.9p
Weighted average share price on grant	68p	45p	34.2p	36.5p
Exercise price	1p/0p	49.6p	37.6p	40.2p
Expected volatility	35%	35%	35%	35%
Weighted average option life	5.2yrs	6.1yrs	6.1yrs	6.1yrs
Expected dividend rate	1.00%	1.00%	1.00%	2.00%
Risk free interest rate	1.68%	1.68%	1.68%	1.54%

The expected volatility was determined by reviewing the historical volatility of the Company and that of comparator companies.

[1] 2013 ESOP figures for weighted average share price is estimated using the year end share price.

3 Share-Based Payment Charges and Other Long-Term Incentive Scheme Charges continued

An analysis of the options over the Company's shares is provided below.

	2013	Weighted average exercise price p
Options outstanding at the start of the year	**20,294,940**	12.8
Options granted during the year[1]	**3,395,455**	36.0
Options forfeited during the year	**(220,000)**	49.6
Options exercised during the year	**(5,341,500)**	0.8
Options expired during the year	**–**	NA
Options outstanding at the end of the year	**18,128,895**	20.3
Options exercisable at the end of the year	**9,953,440**	0.8

[1] As noted above a further 3,000,000 options were approved for grant in November 2013.

395,455 additional options were approved by the Board and granted during the year.

For the options outstanding at the end of the period the exercise prices were nil or 1 pence for the LTIP, 37.6 pence for ESOP 2011 and 49.6 pence for ESOP 2012 and the weighted average remaining contractual life was 5.9 years.

The total expense recognised for the year arising from share-based payment transactions was £472,000 (2012: £8,081,000).

Other charges related to EIA schemes.

	2013 £000	2012 £000
EIA NIC (credit)	**(7)**	(112)
EIA Extension NIC (credit)/charge	**(19)**	548
Additional payments (credit)/charge	**(85)**	543
	(111)	979

EIA NIC Charge

The EBT 2004 holds Impax shares and other assets in sub-funds for the benefit of certain of the Group's past and current employees. The Impax shares were awarded under the Group's Employee Incentive Arrangement. The Group is required to pay Employers National Insurance Charge ("NIC") on the value of any assets that are transferred out of the Trust and has accrued for the estimated amount payable using the relevant share prices at the balance sheet date. The amount payable will fluctuate in line with the Impax share price, such fluctuations are recorded in the current period income statement.

EIA Extension NIC Charge

The Group accrues for the Employer's NIC payable in respect of the EIA Extension over the same period as the related share-based payment charge. The amount accrued will vary according to the price of the underlying shares.

Additional Payments

Individuals receiving LTIP Options are eligible for a retention payment payable after the end of the financial year in which each employee exercises his or her LTIP Options. The payment will be equal to the corporation tax benefit realised by the Group on the exercise of the LTIP options minus the amount of the Employer's NIC suffered by the Group on the exercise of the LTIP options.

The Group accrues for this payment over the same period as the related share-based payment charge.

The Group has also made payments totalling £19,000 to individuals to whom the Trustee of the EBT 2004 distributed Impax shares during the year ended 30 September 2013.

4 Employment Costs

	2013 £000	2012 £000
Wages, salaries and variable bonuses	**7,766**	7,014
Social security costs	**931**	880
Pensions	**406**	842
	9,103	8,736

The Group contributes to private pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension cost represents contributions payable by the Group to the funds. Contributions totalling £224,000 (2012: £669,000) were payable to the funds at the year end and are included in trade and other payables.

The average number of persons (excluding Non-Executive Directors and including temporary staff), employed during the year was 56 (2012: 55).

	2013 No.	2012 No.
Listed Equity	31	30
Private Equity	12	12
Group	13	13
	56	55

Details related to emoluments paid to Directors and Directors' rights to share awards are included in the Remuneration Report. Key management personnel are defined as members of the Board and/or the Executive Committee. The remuneration of key management personnel during the year was £1,711,314 with £325,197 of share-based payments (2012: £2,050,400 with £4,577,920 of share-based payments).

5 Investment income

	2013 £000	2012 £000
Bank interest	96	123
Other investment income	67	72
	163	195

6 Taxation

	2013 £000	2012 £000
(a) Analysis of charge for the year		
Current tax expense:		
UK corporation tax	20	178
Foreign taxes	124	30
Adjustment in respect of prior years	(5)	25
Total current tax	139	233
Deferred tax expense/(credit):		
Charge/(Credit) for the year	142	(427)
Adjustment in respect of prior years	116	108
Total deferred tax	258	(319)
Total income tax expense/(credit)	397	(86)

(b) Factors affecting the tax charge for the year

The tax assessment for the period is lower than the average rate of corporation tax in the UK of 23.5 per cent (2012: higher). The differences are explained below:

	2013 £000	2012 £000
Profit/(loss) before tax	3,354	(4,735)
Effective tax charge/(credit) at 23.5% (2012: 25%)	788	(1,184)
Effects of:		
Non-deductible expenses and charges	235	1,262
Non-taxable income	(16)	(35)
Tax effect of previously unrecognised tax losses	(267)	(132)
Adjustment in respect of previous years	111	132
Effect of higher tax rates in foreign jurisdictions	10	4
Exchange differences on consolidation	(147)	–
Change in UK tax rates	(317)	(133)
Total income tax expense/(credit)	397	(86)

6 Taxation continued

(c) Deferred Tax

The deferred tax (liability) included in the Consolidated Statement of Financial Position is as follows:

	Accelerated capital allowances £000	Other temporary differences £000	Income not yet taxable £000	Share-based payment scheme £000	Total £000
At 1 October 2011	15	144	(2,288)	543	(1,586)
Credit to equity	–	54	–	–	54
Credit/(charge) to the income statement	(24)	8	(357)	692	319
At 30 September 2012	(9)	206	(2,645)	1,235	(1,213)
Charge to equity	–	(34)	–	–	(34)
Exchange differences on consolidation	–	–	(147)	–	(147)
Credit/(charge) to the income statement	46	(327)	495	(472)	(258)
At 30 September 2013	37	(155)	(2,297)	763	(1,652)

If and when the EBT 2004 Trustee agrees to transfer assets held in the EBT 2004 to beneficiaries and if the assets transferred are in the form of the Company's Ordinary Shares, the Group expects to be eligible for a corporation tax deduction equal to the value of those Ordinary Shares. The Group has not recognised a deferred tax asset in respect of these amounts which would amount to £1,273,000. The Group also has unrecognised capital losses of £235,000 (2012: £1,267,000).

7 Earnings and Earnings per Share

Adjusted Earnings

In order to better reflect the underlying economic performance of the Group, adjusted earnings have been calculated. The adjustment i) excludes the IFRS 2 Share-Based Payment charge in respect of schemes where shares awarded are intended to be satisfied by the issue of new shares (EIA Original and EIA Extension Schemes), and ii) includes the tax benefit recognised in other comprehensive income in respect of transfers out of the EBT 2004 and the exercising of options over the Company's shares.

	2013 £000	2012 £000
Earnings	**2,957**	(4,649)
Share-based payment charge (see note 3)	**280**	7,757
Tax benefit on long-term incentive scheme included in other comprehensive income	**20**	178
Adjusted earnings	**3,257**	3,286

The earnings per share on an adjusted and IFRS basis are as shown below.

Adjusted Earnings per Share

	Adjusted earnings for the year £000	Shares '000	Earnings per share
2013			
Basic adjusted	**3,257**	**117,463**	**2.77p**
Diluted adjusted	**3,257**	**117,463**	**2.77p**
2012			
Basic adjusted (recalculated[i])	3,286	112,123	2.93p
Diluted adjusted (recalculated[i])	3,286	124,289	2.64p

The number of Ordinary Shares used in the calculation of dilutive adjusted earning per share excludes the number of shares held in Treasury or the EBTs at the end of the year and includes an adjustment for the dilutive impact of the share schemes. The dilutive impact of the ESOP share schemes is calculated in the same way as for IFRS earnings per share.

	2013 '000	2012 '000
Shares in issue	**127,749**	115,582
Shares held in Treasury or EBT (excluding those held to satisfy awards under the EIA Extension or EMI 2009 share schemes)	**(10,286)**	(3,459)
Number of shares used in the calculation of basic adjusted earnings per share	**117,463**	112,123
Shares intended to be issued to satisfy outstanding share awards	**–**	12,166
Dilutive effect of ESOP share schemes	**–**	–
Number of shares used in the calculation of diluted adjusted earnings per share	**117,463**	124,289

[1] The calculation of the number of shares used in the basic and diluted adjusted earnings per share has changed from that used in the 2012 Annual Report and Accounts. Employing the same methodology as that used in 2012 for the current year the number of shares would be 127,749,000 (diluted) and 121,318,000 (basic) and the earnings per share would be 2.55 pence (diluted) and 2.68 pence (basic). The change in calculation was made as the new methodology better reflects the impact of the share purchases made by the EBTs and Treasury and the ESOP share scheme.

IFRS Earnings per Share

	Earnings for the year £000	Shares '000	Earnings per share
2013			
Basic	**2,957**	**121,318**	**2.44p**
Diluted	**2,957**	**121,318**	**2.44p**
2012			
Basic	(4,649)	107,609	(4.32)p
Diluted	(4,649)	107,609	(4.32)p

The weighted average number of Ordinary Shares for the purposes of diluted earnings per share reconciles to the weighted average number of Ordinary Shares used in the calculation of basic earnings per share as follows:

	2013 '000	2012 '000
Weighted average number of Ordinary Shares used in the calculation of basic earnings per share	**121,318**	107,609
Additional dilutive shares re share schemes	**–**	–[1]
Weighted average number of Ordinary Shares used in the calculation of diluted earnings per share	**121,318**	107,609

[1] Since there is a loss after tax for the period there are no dilutive shares.

The Basic earnings per shares for the year ended 30 September 2013 includes vested LTIP option shares on the basis that these have an inconsequential exercise price (1 pence or 0 pence). ESOP options are not dilutive as the current price is below the exercise price.

8 Dividend

The Directors propose a dividend of 0.90 pence per share for the year ended 30 September 2013 (2012: 0.75 pence per share). The dividend will be submitted for formal approval at the Annual General Meeting to be held on 10 February 2014. These financial statements do not reflect this dividend payable, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ended 30 September 2014.

The dividend for the year ended 30 September 2012 was paid on 20 February 2013, being 0.75 pence per share. The Trustees of the EBT waived their rights to part of this dividend, leading to a total dividend payment of £816,000. This payment is reflected in the Statement of Changes in Equity.

9 Goodwill

	Goodwill £000
Cost	
At 1 October 2011, 30 September 2012 and 2013	1,629

Goodwill arose on the acquisition of Impax Capital Limited on 18 June 2001.

The Group tests goodwill for impairment annually or more frequently if there are indications that goodwill may be impaired.

9 Goodwill continued

The Group has determined the recoverable amount of its cash-generating units ("CGUs") by calculating their value in use using a discounted cash flow model. The cash flow forecasts were derived from the Group budget for the year ended 30 September 2014, which was approved by the Directors in September 2013 and thereafter using a conservative growth rate of 2 per cent. The key assumptions used to calculate the cash flows in the budget were expected fund flows (based on an aggregation of flows by product) and a pre tax discount rate of 13.1 per cent. The discount rate was derived from the Group's weighted average cost of capital which we consider is reflective of a market participants discount rate.

Consistent with the fact that the goodwill arose in respect of an acquisition made in 2001, there is significant headroom before an impairment would be required. As an indication, if the discount rate was increased by 3 per cent there would be no impairment charge.

10 Property, Plant and Equipment

	Leasehold improvements £000	Fixtures, fittings and equipment £000	Total £000
Cost			
At 1 October 2011	757	533	1,290
Additions	373	150	523
Disposals	(468)	(176)	(644)
At 30 September 2012	662	507	1,169
Additions	7	21	28
At 30 September 2013	**669**	**528**	**1,197**
Accumulated Depreciation			
At 1 October 2011	492	307	799
Charge for the year	183	125	308
Disposals	(516)	(125)	(641)
At 30 September 2012	159	307	466
Charge for the year	158	117	275
At 30 September 2013	**317**	**424**	**741**
Net book value			
At 30 September 2013	**352**	**104**	**456**
At 30 September 2012	503	200	703
At 30 September 2011	265	226	491

11 Trade and Other Receivables

	2013 £000	2012 £000
Trade receivables	**523**	486
Taxation and other social security	**5**	–
Other receivables	**199**	176
Prepayments and accrued income	**2,418**	2,152
	3,145	2,814

An analysis of the aging of Group trade receivables is provided below:

	2013 £000	2012 £000
Not past due	**195**	287
Past due but not impaired:		
1–30 days	**–**	–
31–60 days	**195**	199
61–90 days	**–**	–
More than 90 days	**133**	–
	523	486

All outstanding amounts listed above have been received at the date of this report. There was no significant concentration of fees owed by an individual client. There were no amounts that were impaired at reporting date.

A total of £2,564,000 trade and other receivables were due from related parties (2012: £1,863,000).

12 Current Asset Investments

	Unlisted investments £000	Listed investments £000	Total £000
At 1 October 2011	3,119	811	3,930
Additions	355	6,795	7,150
Fair value movements	(419)	148	(271)
Repayments/disposals	(28)	(1,797)	(1,825)
Exchange differences	–	(274)	(274)
At 30 September 2012	3,027	5,683	8,710
Additions	496	3,099	3,595
Fair value movements	(14)	409	395
Deconsolidation of IGRO	3,162	(5,867)	(2,705)
Repayments/disposals	(47)	(612)	(659)
At 30 September 2013	**6,624**	**2,712**	**9,336**

Impax Global Resource Optimization Fund ("IGRO")

In December 2011 the Group launched the Impax Green Markets Fund LP and invested, from its cash reserves, US$5,000,000 into the fund. The Fund's name was subsequently changed to the Impax Global Resource Optimization Fund. IGRO invests in listed equities using the Group's Environmental Specialists Strategy. The Group's investment represented more than 50 per cent of IGRO's NAV from the date of launch to 1 December 2012 and accordingly the IGRO has been consolidated until this date with its underlying investments included in listed investments in the table above. Thereafter the Group's investment in the fund is included in Unlisted investments although its underlying investments are listed and the fund is valued based on the market value of those investments.

Impax Food and Agriculture Fund

On 1 December 2012 the Group launched the Impax Food and Agriculture Fund ("IFAF") and invested, from its own resources £2,000,000 into the fund. The IFAF invests in listed equities using the Group's Food and Agriculture Strategy. The Group's investment represented more than 50 per cent of the IFAF's NAV from the date of launch to 30 September 2013 and accordingly has been consolidated throughout this period with its underlying investments included in listed equities in the table above.

The investments held by the IFAF are revalued to market value using quoted market prices that are available at the date of these financial statements. The quoted market price is the current bid price.

The investment in the IFAF and IGRO funds are subject to market risk. The Group has attempted to hedge against the risk of market falls by the use of derivative contracts. The derivative contracts consist of short positions against a global equity index and are arranged through BNP Paribas, a related party. Any outstanding amounts on the short positions are settled daily.

The significant holdings at 30 September 2012 exposed to equity market price risk were the Group's holdings in the IGRO fund.

Unlisted Investments

The unlisted investments principally represent the Group's investment in its private equity funds, Impax New Energy Investors LP and Impax New Energy Investors II LP ("INEI" and "INEI II"). Further details of the Group's commitments to these partnerships are disclosed in note 18.

The fair value of the investments in INEI II is calculated using the discounted cash flow method. The key assumption for this valuation, which consists mainly of investments in wind farms, is the discount rate. The discount rate was determined by reference to market transactions for equivalent assets. A rise of 1 per cent in the discount rate applied to cash flows would result in a decrease in profit from operations and net assets of £55,000. A 1 per cent reduction in the discount rate would result in a corresponding increase of £63,000 in profit from operations and net assets.

The INEI investment consists mainly of investments in Spanish solar farms which are reliant on tariff subsidies. The Spanish government has announced that it plans to make significant changes to the tariff subsidies but have not, to date provided details of how the new tariffs will be calculated. Accordingly the valuation of this investment is subject to uncertainty. The fair value at 30 September 2013 assumes that the tariffs will be reduced by 19 per cent. In the event that the tariff reductions were so significant that the banks took possession of the Spanish assets the fair value of the investment would drop by £1,048,000.

The unlisted investments include £6,261,000 in related parties of the Group (2012: £2,665,000).

Hierarchical Classification of Investments

The hierarchical classification of the investments as considered by IFRS 7 – Financial Instruments: Disclosures is shown below.

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
At 30 September 2012	5,681	–	3,029	8,710
At 30 September 2013	**6,650**	**–**	**2,686**	**9,336**

There were no movements between any of the levels in the year.

13 Cash and Cash Equivalents and Cash Invested in Money Market Funds and Long-Term Deposits

The Group invests part of its surplus cash in money market funds and long-term deposits. The Group can redeem investments in the former within 24 hours; long-term deposits range between six to twelve months. The Group considers its total cash reserves to be the total of its cash at bank and in hand held by operating entities of the Group, and cash invested in money market funds and long-term deposit accounts. Amounts held are shown below.

Cash reserves:

	2013 £000	2012 £000
Cash and cash equivalents	3,620	5,240
Cash invested in money market funds and long-term deposit accounts	12,873	14,094
	16,493	19,334

Cash and cash equivalents includes the following:

	2013 £000	2012 £000
Cash at bank and in hand		
– Held by operating entities of the Group	3,620	5,240
– Held by the consolidated funds	60	337
	3,680	5,577

The Group is exposed to interest rate risk on the above cash balances as interest income fluctuates according to the prevailing interest rates. The average interest rate on the cash balances during the year was 0.5 per cent (2012: 0.6 per cent). A 0.5 per cent increase in interest rates would have increased Group profit after tax by £96,000 (2012: £92,000). An equal change in the opposite direction would have decreased profit after tax by £96,000 (2012: £92,000).

The credit risk regarding cash balances of the operating entities of the Group is spread by holding parts of the balance with RBS, Lloyds and Barclays (all with Standard & Poor's credit rating A-1) and the remainder in money market funds managed by BlackRock and Goldman Sachs (Standard & Poor's credit rating of AAA).

14 Trade and Other Payables

	2013 £000	2012 £000
Trade payables	33	94
Taxation and other social security	1,419	2,591
Other payables	79	553
Accruals and deferred income	4,417	3,521
	5,948	6,759

15 Third Party Interest in Consolidated Fund

	2013 £000	2012 £000
At fair value	549	2,682

Third party interest at 30 September 2013 is representative of the net assets of IFAF which are not attributable to the Group. As described in note 12, IFAF is a subsidiary of the Group and its net assets and operating results are consolidated into the Group's results at year end. The Group's interest in the subsidiary is 80.2 per cent at 30 September 2013 (2012: nil).

16 Ordinary Shares

Issued and fully paid	2013 Number	2013 £000	2012 Number	2012 £000
Ordinary Shares of 1p each				
At 1 October	115,582,431	1,156	115,582,431	1,156
Issue of shares to EBT 2012	12,166,667	121	–	–
At 30 September	127,749,098	1,277	115,582,431	1,156

17 Own Shares and Treasury Shares

	Treasury shares Number	Treasury shares £000	Own shares Number	Own shares £000
At 1 October 2011	1,240,000	923	5,888,273	59
Vesting of awards under EIA Extension	–	–	(4,000,000)	(40)
Treasury purchases	3,459,000	1,009	–	–
At 30 September 2012	4,699,000	1,932	1,888,273	19
Treasury purchases	275,000	92	–	–
Issue of shares to EBT 2012	–	–	12,166,667	4,136
EBT 2012 purchase of Treasury shares	(4,974,000)	(2,024)	4,974,000	1,692
Satisfaction of option exercises	–	–	(5,341,500)	(1,814)
EBT 2012 purchases	–	–	6,552,329	2,298
At 30 September 2013	**–**	**–**	**20,239,769**	**6,331**

18 Financial Commitments

The Group has committed to invest up to €3,756,000 into Impax New Energy Investors LP. At 30 September 2013 the outstanding commitment was €1,014,000 (2012: €1,014,000) which could be called on in the period to 19 August 2015.

The Group has committed to invest up to €3,298,000 into Impax New Energy Investors II LP. At 30 September 2013 the outstanding commitment was €2,194,000 (2012: €2,782,000) which could be called on in the period to 22 March 2020.

At 30 September 2013 the Group had commitments under non-cancellable operating leases as follows:

	Offices		Other	
	2013 £000	2012 £000	**2013 £000**	2012 £000
Within one year	**440**	440	**15**	15
Between one and two years	**440**	440	**1**	14
Between two and five years	**101**	541	**–**	1
	981	1,421	**16**	30

19 Financial Risk Management

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

Credit Risk

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

The Group's primary exposure to credit risk relates to its cash and cash equivalents and cash in money market funds and long-term deposits that are placed with regulated financial institutions (see note 13). The Group is also exposed to credit risk on trade receivables, representing investment management fees due. An analysis of the ageing of these is provided in note 11.

Foreign Exchange Risk

Foreign exchange risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. A significant amount of the Group's income is denominated in GBP, EUR and US$. The Group's foreign exchange risk arises from income received in these currencies, together with a limited amount of exposure to expenses in foreign currencies.

The strategy of the Group for the year ended 30 September 2013 has been to convert earned income back to Sterling and to use hedges where there is sufficient predictability over inflows to allow for an effective and efficient hedge. At the year end the Group had outstanding forward rate foreign currency contracts to sell Euro and buy Sterling. These have been designated as cash flow hedges against Euro income, and will be recognised in profit in October 2013, January, April and July 2014. The fair value of these instruments at 30 September 2013 was £159,000 which is recognised in equity. £3,000 was reclassified from equity to the income statement during the year on maturity of the hedges.

19 Financial Risk Management continued

The Group's exposure to foreign exchange rate risk at 30 September 2013 was:

	EUR/GBP £000	US$/GBP £000	Other/GBP £000	EUR/US$ £000	Other/US$ £000
Assets					
Non-current asset investments	**17**	**–**	**–**	**–**	**–**
Current asset investments	**3,092**	**5,342**	**902**	**–**	**–**
Trade and other receivables	**1,389**	**59**	**95**	**–**	**–**
Cash and cash equivalents	**127**	**87**	**–**	**–**	**–**
	4,625	**5,488**	**997**	**–**	**–**
Liabilities					
Trade and other payables	**38**	**58**	**13**	**–**	**–**
Third party interest in consolidated funds	**159**	**208**	**181**	**–**	**–**
	197	**266**	**194**	**–**	**–**
Net exposure	**4,428**	**5,222**	**803**	**–**	**–**

The Group's exposure to foreign exchange rate risk at 30 September 2012 was:

	EUR/GBP £000	US$/GBP £000	Other/GBP £000	EUR/US$ £000	Other/US$ £000
Assets					
Non-current asset investments	17	–	–	–	–
Current asset investments	2,665	364	–	1,115[1]	2,250[1]
Trade and other receivables	785	59	135	–	–
Cash and cash equivalents	52	248	1	–	–
	3,519	671	136	1,115	2,250
Liabilities					
Trade and other payables	7	36	25	–	–
Third party interest in consolidated funds	–	–	–	515	1,040
	7	36	25	515	1,040
Net exposure	3,512	635	111	600	1,210

[1] These amounts related only to the consolidated fund and do not take account of any offsetting benefit or charge from the market value hedges held (see note 12).

The following table demonstrates the estimated impact on Group post-tax profit and net assets caused by a 5 per cent variance in the exchange rate used to revalue significant foreign assets and liabilities, assuming all other variables are held constant. Post-tax profit will either increase or (decrease) as shown.

	Post-tax profit	
	2013 £000	2012 £000
Translation of significant foreign assets and liabilities		
GBP strengthens against the US$, up 5%	**(200)**	(24)
GBP weakens against the US$, down 5%	**200**	24
GBP strengthens against the EUR, up 5%	**(169)**	(133)
GBP weakens against the EUR, down 5%	**169**	133

Liquidity Risk and Regulatory Capital Requirements

Liquidity risk is the risk that the Group does not have sufficient financial resources to meets its obligations when they fall due or will have to do so at a cost. The Group monitors its liquidity risk using cash flow forecasts taking into account the commitments made to its private equity funds (see note 18) and the cash required to meet the Group's investment plans and its regulatory capital requirements.

The Group considers its share capital, share premium and retained earnings to constitute its total capital. These are shown in the Statement of Changes in Equity. Certain companies of the Group are regulated and must maintain liquid capital resources to comply with the capital requirements of the Financial Conduct Authority ("the FCA"). Throughout the period the companies have significantly exceeded these requirements. The policy of the Group is to retain sufficient capital to enable it to meet its growth objectives and to satisfy regulatory requirements. The Group has no borrowings but may seek to borrow cash if sufficiently attractive business opportunities arise which cannot be met from internal resources. The Company has no plans to raise additional equity and is currently buying back shares to enable it to meet commitments under its Employee Share Ownership Plan.

At 30 September 2013, the Group had cash and cash equivalents and cash in money market funds and long-term deposit accounts of £16,553,000. This is £10,605,000 in excess of trade and other payables. The Group in addition had other current assets of £12,845,000.

Interest Rate Risk

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

Market Risk

The significant holdings that are exposed to equity market price risk is the Group's investment in the IFAF and IGRO funds. See note 12 for further information.

Fair values of financial assets and liabilities

The Directors consider there to be no difference between the carrying value of the Group's financial assets and liabilities and their fair value.

Financial Assets and Liabilities by Category

30 September 2013	Available for sale £000	FVTPL[1] – designated on initial recognition £000	FVTPL[1] – Held for trading £000	Loans and receivables £000	Financial liabilities measured at amortised cost £000
Financial assets					
Cash and cash equivalents	–	–	–	**3,680**	–
Cash held in money market funds and long-term deposits	–	–	–	**12,873**	–
Trade and other receivables	–	–	–	**722**	–
Investments	**17**	**6,625**	**2,711**	–	–
Total financial assets	**17**	**6,625**	**2,711**	**17,275**	–
Financial liabilities					
Trade and other payables	–	–	–	–	**112**
Third party interest in consolidated funds	–	–	–	–	**549**
Total financial liabilities	–	–	–	–	**661**

[1] FVTPL = Fair value through profit and loss.

30 September 2012	Available for sale £000	FVTPL – designated on initial recognition £000	FVTPL – Held for trading £000	Loans and receivables £000	Financial liabilities measured at amortised cost £000
Financial assets					
Cash and cash equivalents	–	–	–	5,577	–
Cash held in money market funds and long-term deposits	–	–	–	14,094	–
Trade and other receivables	–	–	–	662	–
Investments	17	3,029	5,681	–	–
Total financial assets	17	3,029	5,681	20,333	–
Financial liabilities					
Trade and other payables	–	–	–	–	647
Third party interest in consolidated funds					2,682
Total financial liabilities	–	–	–	–	3,329

20 Ultimate Controlling Party
The Group has no ultimate controlling party.

21 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 and Impax Global Resource Optimization Fund LP are related parties of the Group by virtue of subsidiaries being the General Partners to these funds.

BNP Paribas Investment Partners is a related party of the Group by virtue of owning a 25.2 per cent equity holding.

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

Transactions with related parties have been included in the relevant notes where appropriate.

22 Accounting Policies
Presentation of Financial Statements
Impax Asset Management Group plc is a public limited company that is incorporated and domiciled in the United Kingdom, and is listed on the Alternative Investment Market ("AIM"). The address of the registered office is given on the inside back cover page of these financial statements. The nature of the Group's operations and its principal activities are set out in the Strategic Report on page 13.

Basis of Accounting
The financial statements have been prepared in accordance with International Financial Reporting Standards adopted for use by the European Union.

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

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

The Group and Company adopted the following amended standard in the year:
> Amendment to IAS 1 Presentation of Items of Other Comprehensive Income impacts the Group's and Company's statements of comprehensive income by requiring the grouping of items presented in other comprehensive income based on whether or not they will be reclassified to profit or loss in future. Adoption of the amendment did not impact earnings per share.

The following new standards and amendments issued have not been early adopted.

Effective for the year ended 30 September 2014:
> Amendment to IAS 32 Financial instruments: Presentation provides additional guidance for offsetting financial assets and liabilities while amendments to IFRS 7 Financial instruments: Disclosures set out the corresponding new disclosure requirements.
> IFRS 13 Fair Value Measurement aims to improve consistency and reduce complexity by providing guidance on how to measure fair value where fair value is required or permitted across IFRSs and enhances disclosures requirements.

Effective for the year ended 30 September 2015:
> IFRS 10 Consolidated Financial Statements revises the concept of control to relate it to whether an investor has exercisable power over an investee and consequently has exposure or rights to variable returns. Consolidation procedures remain unchanged; Effective for the Group's year ended 30 September 2015
> IFRS 12 Disclosure of Interests in Other Entities consolidates and enhances disclosure requirements relating to interests of an entity in other entities.

Effective for the year ended 30 September 2016:
> IFRS 9 Financial Instruments: Classification and Measurement replaces the current models for classification and measurement of financial instruments. Financial assets are to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. Classification depends on an entity's business model and the contractual cash flow characteristics of the instrument. Financial liabilities are not affected by the changes.

Effective for the Group's year ended 30 September 2016:
> Adoption of IFRSs 9, 10 and 12 could have a significant effect on the Group's financial statements the impact of which is still being considered by management.

Basis of Consolidation
The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (its subsidiaries) made up to 30 September each year. Control is achieved where the Company has the power to govern the financial and operating policies of a subsidiary so as to obtain benefits from its activities.

Subsidiaries are accounted for using the acquisition method of accounting whereby the Group's results include the results of the acquired business from the date of acquisition until the date of disposal.

All intra-Group transactions and balances are eliminated in full on consolidation Investments in funds in which the Group has more than 50 per cent of the share of the net assets are consolidated from the date that control is gained until the date that control is lost due to dilution or sale of the fund holding. The Group's investment holding instrument in its consolidated fund is classified as a liability in the fund's own financial statements. This is on the basis that the instruments may be redeemed by the Investor at any time, or subject to a notice period, such that the fund is required to utilise its assets to buy out the Investor's share and thereby reduce the net assets of the fund; such an investment is classified as a puttable interest under IFRS and recorded as a liability (equal to the fair value of the fund's assets and other liabilities). Upon consolidation the proportion of the fund attributable to the non-controlling interest is classified as a current liability and shown as "Third party interest in consolidated fund" in the Statement of Financial Position and the corresponding profit/loss attributable to the non-controlling interest as a "Change in third party interest in consolidated funds".

In instances where the Group acts as the Manager and General Partner of a fund in a Limited Partnership structure, the Group only receives compensation for its performance as Manager which is on market terms. Accordingly the Group does not consolidate these funds as it receives no ownership benefits.

The Company includes certain assets and liabilities of the EBT 2004 and EBT 2012 (together the "EBTs") within its Statement of Financial Position. In the event of the winding up of the Company, neither the shareholders nor the creditors would be entitled to the assets of the EBTs.

Investments in Associates
The Group, in common with industry standard practice, seeds new funds with its own resources in order to establish a track record so that the funds may then be marketed to external investors. As new investors join the fund the Group's interest will dilute and ultimately the Group may divest entirely as commercial considerations allow. Investments in associates that are held by the Group are carried in the Statement of Financial Position at fair value, treatment permitted by IAS 28 Investment in Associates. IAS 28 allows investments held by venture capital and similar organisations to be excluded from the scope of the standard, provided that those investments upon initial recognition are designated as fair value through profit or loss or held for trading and accounted for in accordance with IAS 39 Financial Instruments: Recognition and Measurement, with changes in fair value recognised in profit or loss in the period of change.

Revenue Recognition
Revenue represents sales to external customers at invoiced amounts less value added tax or local taxes. Revenue is recognised in the Statement of Comprehensive Income as follows:

(a) Investment management, administration and advisory fees contractually receivable are recognised in the period 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 period end, when such performance fees are confirmed as receivable.
(b) Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable.

Other investment income, including dividends, is recognised when the right to receive payment is established.

Leases
All leases are operating leases. Rentals payable are charged to the Income Statement on a straight-line basis over the lease term.

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

Pensions
The Group and Company operate defined contribution personal pension schemes for employees. The assets of the schemes are held separately from those of the Group and Company in independently administered funds. Payments made in relation to the schemes are charged as an employee benefit expense to the Statement of Comprehensive Income when they are due.

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

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

The carrying amounts of deferred tax assets are reviewed at each Statement of Financial Position date and regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

22 Accounting Policies continued

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability or the asset is realised.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is recognised as an asset and is tested for impairment annually, or on such occasions that events or changes in circumstances indicate that its value might be impaired.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Positive goodwill arising on acquisitions before the date of the transition to IFRS has been retained at the previous UK GAAP amount and is tested for impairment annually.

Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on a straight-line basis over the estimated useful lives shown below:

> Leasehold improvements	life of the lease
> Fixtures, fittings and equipment	three years

Intangible Fixed Assets – Software Licences

Purchased licences are stated at cost less accumulated depreciation and any accumulated impairment losses and associated implementation costs.

Amortisation is provided on a straight-line basis over the life of the licence up to a maximum of three years.

Impairment of Assets

At the Statement of Financial Position date, the Group reviews the carrying amount of assets to determine whether there is any indication that those assets have suffered an impairment loss or if events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the impairment loss is recognised as an expense.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss treated as a revaluation increase. Impairment losses relating to goodwill are not reversed.

Current Asset Investments

Current asset investments are categorised as financial assets at fair value through profit or loss and are designated at fair value through profit and loss on initial recognition or as held for trading. All gains or losses together with transactions costs are recognised in the Statement of Comprehensive Income. The investments comprise both listed investments and unlisted investments. The fair value of the listed investments which are traded in active markets are based on quoted market prices at the Statement of Financial Position date. The appropriate quoted price for investments held is the current bid price.

The fair value of the unlisted investments which are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm’s length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

Trade and Other Receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

Other Financial Assets

Other financial assets are non-derivative financial assets with fixed payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period. These are classified as non-current assets.

Interest income is recognised by applying the effective interest rate and included within ‘Investment income’.

Placement Fees

Placement fees incurred that are directly attributable to securing an investment management contract are deferred and amortised over the investment period of the related fund.

Cash and Cash Equivalents
Cash and cash equivalents comprise cash on hand, short-term deposits and short-term borrowings that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Equity Instruments
Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Own Shares
Company shares held by the EBTs are deducted from the shareholders' funds and classified as Own Shares until such time as they vest unconditionally to participating employees and their families.

Trade Payables
Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, unless otherwise stated.

Foreign Currencies
Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the Statement of Financial Position date. Any differences are taken to the Statement of Comprehensive Income.

On consolidation, the results of overseas operations are translated at the average rates of exchange during the year and their Statement of Financial Positions are translated into Sterling at the rates of exchange ruling on the Statement of Financial Position date. Exchange differences that arise from translation of the opening net assets and results of foreign subsidiary undertakings are charged to the exchange translation reserve.

The average rate ruling in the accounting period for US Dollars was US$1.56: £1 (2012: US$1.58: £1); the rate ruling at the Statement of Financial Position date was US$1.62: £1 (2012: US$1.62: £1). The average rate ruling in the accounting period for Euros was €1.19: £1 (2012: €1.21: £1); the rate ruling at the Statement of Financial Position date was €1.20: £1 (2012: €1.26: £1).

Derivatives
The Group uses foreign exchange forward contracts as a hedge against the foreign exchange risk on future income denominated in foreign currencies. At the Statement of Financial Position 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 other comprehensive income. The amounts recognised in other comprehensive income are reclassified to profit or loss when the hedged item (such as the relevant foreign exchange income) is recorded in profit.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty
> Determining the value of unlisted investments
A number of accounting estimates and judgements are incorporated within current asset investments in respect of the valuation of unlisted investments in particular in respect of the investment in Impax New Energy Investors LP which is subject to uncertainty. The methodology used is described in note 12.

> Consolidation of managed funds
In determining whether managed funds should be consolidated key judgements include whether returns received by the Group constitute an ownership interest and as to whether the Group controls the fund.

> Determining the share-based payment charge
In determining the value of share-based payments, key judgements include the volatility of Impax shares, Impax's dividend yield and the risk free rate.

> Determining the value of NIC payments due in respect of share schemes
In determining the value of amounts that will be payable in respect of NIC payments in respect of the Group's share schemes the key estimates are the price of the shares at the date when the NIC becomes payable and the NIC rate prevalent at that date. The Group uses the rate at the Statement of Financial Position date as its estimate.

> Determining the value of deferred tax assets for tax deductions that will become deductible in respect of share-based payment charges.
We record share-based payment charges in the current year. Tax deductions in respect of these will only be available in future years when the relevant individual exercises options. We recognise a corresponding deferred tax asset. In determining the size of the deferred tax asset the key judgements are the price of the shares at the date when the tax becomes payable, and the tax rates prevalent at that date. The Group uses the price/rates enacted at the Statement of Financial Position date as its estimate.

> Impairment of goodwill
Goodwill has an indefinite useful life, is not subject to amortisation and is tested annually for impairment. In determining if goodwill is impaired, the Group determines the recoverable amount of its CGUs by applying a discounted cash flow model. The Group's budgeted cash flows were approved by the Directors and use a growth rate of 2 per cent.

Company Statement of Financial Position

Company No: 0326 2305

	Notes	2013 £000	2013 £000	2012 £000	2012 £000
Assets					
Property, plant and equipment	24	**447**		686	
Investments	25	**13,539**		14,609	
Deferred tax asset	29	**183**		105	
Total non-current assets			**14,169**		15,400
Trade and other receivables	26	**581**		312	
Investments	27	**6,262**		2,665	
Margin account		**190**		–	
Cash invested in money market funds		**2,606**		9,594	
Cash and cash equivalents		**2,196**		16	
Total current assets			**11,835**		12,587
Total assets			**26,004**		27,987
Equity and liabilities					
Ordinary Shares	30	**1,277**		1,156	
Share premium	31	**4,093**		78	
Retained earnings		**15,747**		14,236	
Total equity			**21,117**		15,470
Liabilities					
Trade and other payables	28	**4,887**		12,484	
Bank overdraft		**–**		33	
Total current liabilities			**4,887**		12,517
Total equity and liabilities			**26,004**		27,987

Authorised for issue and approved by the Board on 27 November 2013. The notes on pages 45 to 50 form part of these financial statements.

Ian R Simm
Chief Executive

Company Statement of Changes In Equity

	Notes	Share capital £000	Share premium £000	Retained earnings £000	Total £000
At 1 October 2011		1,156	78	8,443	9,677
Long-term-incentive scheme		–	–	8,081	8,081
Loss for the year		–	–	(50)	(50)
Dividends paid		–	–	(759)	(759)
Share buyback		–	–	(1,479)	(1,479)
At 30 September 2012		1,156	78	14,236	15,470
Issue of shares		121	4,015	(4,136)	–
Tax benefit on long-term incentive scheme		–	–	20	20
Profit for the year		–	–	8,284	8,284
Dividends paid	8	–	–	(816)	(816)
Shares acquired by Treasury or EBT 2012	31	–	–	(2,397)	(2,397)
Award of shares on option exercise		–	–	41	41
Long-term incentive scheme charge		–	–	515	515
At 30 September 2013		**1,277**	**4,093**	**15,747**	**21,117**

The notes on pages 45 to 50 form part of these financial statements.

Company Statement of Cash Flows

	2013 £000	2012 £000
Operating activities:		
Profit/(loss) before taxation	8,087	(98)
Adjustments for:		
Investment income	(8,524)	(2,036)
Depreciation of property, plant and equipment	266	295
Fair value movements in investments	1,103	462
Impairment of investment	–	77
Share-based payment	25	2,453
Other charges related to EIA schemes	32	122
Operating cash flows before movement in working capital	989	1,275
(Increase)/decrease in receivables	(269)	116
(Increase) in margin account	(189)	–
(Decrease)/increase in payables	(7,490)	758
Cash generated from operations	(6,959)	2,149
Corporation tax	–	–
Net cash generated from operating activities	(6,959)	2,149
Investing activities:		
Interest received	24	36
Dividend received	8,500	2,000
Repayments/proceeds on sale of investments	422	1,501
Purchase of investments	(2,496)	(3,572)
Disposal of investments	48	29
Settlement of investment related hedges	(1,115)	–
Purchase of property, plant and equipment	(27)	(502)
Net cash generated/(used in) from investing activities	5,356	(508)
Financing activities:		
Dividends paid	(816)	(759)
Cash received on exercise of Impax share options	41	–
(Increase)/decrease in cash held in money market funds	6,988	(1,048)
Proceeds from borrowings	(33)	33
Share buy back	(2,397)	(1,023)
Net cash generated from/(used in) financing activities	3,783	(2,797)
Net increase/(decrease) in cash and cash equivalents	2,180	(1,156)
Cash and cash equivalents at beginning of year	16	1,172
Cash and cash equivalents at end of year	2,196	16

Notes to the Company Financial Statements

23 Significant Accounting Policies

The separate financial statements of the Company are presented as required by the Companies Act 2006. The principal accounting policies adopted are the same as those set out in the Group's financial statements disclosures. In addition note 25 sets out the accounting policy in respect of investments in subsidiary undertakings.

The Company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The Company's net profit for the year amounted to £8,284,000 (2012: loss of £50,000).

24 Property Plant and Equipment

	Leasehold improvements £000	Fixtures, fittings and equipment £000	Total £000
Cost			
At 1 October 2011	741	403	1,144
Additions	368	137	505
Disposal	(452)	(58)	(510)
At 30 September 2012	657	482	1,139
Additions	7	20	27
At 30 September 2013	**664**	**502**	**1,166**
Depreciation			
At 1 October 2011	428	237	665
Charge for the year	178	117	295
Disposals	(452)	(55)	(507)
At 30 September 2012	154	299	453
Charge for the year	158	108	266
At 30 September 2013	**312**	**407**	**719**
Net book value			
At 30 September 2013	352	95	447
At 30 September 2012	503	183	686
At 30 September 2011	**313**	**166**	**479**

25 Non-Current Investments

Investments held by the Company in subsidiary undertakings are held at cost less any provision for impairment.

	Other investments £000	Subsidiary undertakings £000	Total £000
At 1 October 2011	18	7,308	7,326
Additions	–	3,234	3,234
Capital contribution	–	5,627	5,627
Impairment of investments	–	(77)	(77)
Disposals/Repayment of invested capital	(1)	(1,500)	(1,501)
At 30 September 2012	17	14,592	14,609
Additions	–	2,000	2,000
Capital contribution	–	473	473
Impairment of investments	–	–	–
IGRO deconsolidation	–	(3,121)	(3,121)
Disposals/Repayment of invested capital	–	(422)	(422)
At 30 September 2013	**17**	**13,522**	**13,539**

Notes to the Company Financial Statements
continued

25 Non-Current Investments continued
The principal subsidiary undertakings are:

	Country of incorporation	Proportion of ordinary capital held	Nature of business
Impax Asset Management Limited	UK	100%	Financial services
Impax New Energy Investors (GP) Limited	UK	100%	Financial services
Impax New Energy Investors II (GP) Limited	UK	100%	Financial services
Impax New Energy Investors Management SARL	Luxembourg	100%	Financial services
Kern USA Inc	USA	100%	Holding company
Impax Asset Management (Hong Kong) Ltd	Hong Kong	100%	Financial services
Impax Asset Management (US) LLC	USA	100%	Financial services
Impax Food and Agriculture Fund	Ireland	80.2%	Investment Fund

Charges relating to options over the Company's shares granted to employees of subsidiary undertakings are accounted for in the subsidiary undertaking. In the Company financial statements the capital contribution in respect of this charge has been recognised as an increase in the investment in subsidiaries.

Investments in subsidiary undertakings are divided between interest in shares and capital contributions as follows:

	2013 £000	2012 £000
Interest in shares	**3,892**	5,013
Capital contribution	**9,630**	9,579
	13,522	14,592

The principal other investment for the Company is in the fund Impax New Energy Investors SCA which is incorporated in Luxembourg. The Company holds 14.24 per cent of the capital of this partnership which represents its subscription capital.

26 Trade and Other Receivables

	2013 £000	2012 £000
Amounts owed by Group undertakings	**237**	6
Taxation and other social security	**57**	–
Other receivables	**55**	79
Prepayments and accrued income	**232**	227
	581	312

Due:		
After one year	**–**	–
Within one year	**581**	312
	581	312

27 Current Asset Investments

	Unlisted investments £000	Listed investments £000	Total £000
At 1 October 2011	2,797	–	2,797
Additions	338	–	338
Fair value movements	(441)	–	(441)
Repayments/disposals	(29)	–	(29)
At 30 September 2012	2,665	–	2,665
Additions	496	3,121	3,617
Fair value movements	(790)	818	28
Repayments/disposals	(48)	–	(48)
At 30 September 2013	**2,323**	**3,939**	**6,262**

28 Trade and Other Payables

	2013 £000	2012 £000
Trade payables	**19**	43
Amounts owed to Group undertakings	**3,554**	10,407
Taxation and other social security	**594**	716
Other payables	**32**	494
Accruals and deferred income	**688**	824
	4,887	12,484

29 Deferred tax

The deferred tax asset included in the Company Statement of Financial Position is as follows:

	Accelerated capital allowances £000	Other temporary differences £000	Excess management charges £000	Share-based payment scheme £000	Total £000
At 30 September 2012	(9)	(1)	–	115	105
Credit/(charge) to the Income Statement	44	(15)	83	(34)	78
At 30 September 2013	**35**	**(16)**	**83**	**81**	**183**

If and when the EBT 2004 Trustee agrees to transfer assets held in the EBT 2004 to beneficiaries and if the assets transferred are in the form of the Company's Ordinary Shares, the Company expects to be eligible for a corporation tax deduction equal to the value of those Ordinary Shares. The Company has not recognised a deferred tax asset in respect of these amounts which would total £822,000. The Company also has unrecognised capital losses of £235,000 (2012: £1,267,000).

30 Ordinary Shares

Issued and fully paid	2013 Number	2013 £000	2012 Number	2012 £000
Ordinary Shares of 1p each				
At 1 October	**115,582,431**	**1,156**	115,582,431	1,156
Issue of shares to EBT 2012	**12,166,667**	**121**	–	–
At 30 September	**127,749,098**	**1,277**	115,582,431	1,156

31 Own Shares and Treasury Shares

	Treasury shares Number	Treasury shares £000	Own shares Number	Own shares £000
At 1 October 2011	1,240,000	923	5,888,273	59
Vesting of awards under EIA Extension	–	–	(4,000,000)	(40)
Treasury purchases	3,459,000	1,009	–	–
At 30 September 2012	4,699,000	1,932	1,888,273	19
Treasury purchases	275,000	92	–	–
Issue of shares to EBT 2012	–	–	12,166,667	4,136
EBT 2012 purchase of Treasury shares	(4,974,000)	(2,024)	4,974,000	1,692
Option exercises	–	–	(5,341,500)	(1,814)
EBT 2012 purchases	–	–	6,552,329	2,298
At 30 September 2013	**–**	**–**	**20,239,769**	**6,331**

Notes to the Company Financial Statements
continued

32 Financial Commitments

The Group has committed to invest up to €3,756,000 into Impax New Energy Investors LP. At 30 September 2013 the outstanding commitment was €1,014,000 (2012: €1,014,000) which could be called on in the period to 19 August 2015. The Group has committed to invest up to €3,298,000 into Impax New Energy Investors II LP. At 30 September 2013 the outstanding commitment was €2,194,000 (2012: €2,782,000) which could be called on in the period to 22 March 2020. At 30 September 2013 the Company had commitments under non-cancellable operating leases as follows:

	Offices		Other	
	2013 £000	2012 £000	**2013 £000**	2012 £000
Within one year	**440**	440	**15**	15
Between one and two years	**440**	440	**1**	14
Between two and five years	**101**	541	**–**	1
	981	1,421	**16**	30

33 Financial Risk Management

The risk management processes of the Company are aligned to those of the Group as a whole. The Company's specific risk exposures are explained below.

Credit Risk

The Company's primary exposure to credit risk relates to cash and deposits that are placed with regulated financial institutions and amounts due from subsidiaries.

At the Statement of Financial Position date, the credit risk regarding cash and cash equivalent balances of the asset management business was spread by holding part of the balance with RBS and part with Barclays (Standard & Poor's credit rating A-1), and the remainder in a money market funds managed by BlackRock and Goldman Sachs which have a Standard & Poor's credit rating of AAA. The risk of default is considered minimal.

Foreign Exchange Risk

The amount of the Company's expenses denominated in foreign currencies is minimal.

The Company activities are principally conducted in GBP, EUR, and US$. Foreign exchange risk arises from income received in these currencies together with a limited amount of exposure to costs payable.

The Company's exposure to foreign exchange rate risk at 30 September 2013 was:

	EUR/ GBP £000	US$/GBP £000
Assets		
Non-current asset investments	24	–
Current asset investments	2,353	3,940
	2,377	3,940
Liabilities		
Trade and other payables	207	926
	207	926
Net exposure	2,170	3,014

The Company's exposure to foreign currency exchange rate risk at 30 September 2012 was:

	EUR/ GBP £000	US$/GBP £000
Assets		
Non-current asset investments	17	3,121
Current asset investments	2,665	–
	2,682	3,121
Liabilities		
Trade and other payables	7	503
	7	503
Net exposure	2,675	2,618

The following tables demonstrate the estimated impact on Group post-tax profit and net assets and Company post-tax profit and net assets caused by a 5 per cent movement in the exchange rate used to revalue significant foreign assets and liabilities, assuming all other variables are held constant. Post-tax profit either increases or (decreases).

	Post-tax profit	
	2013 £000	2012 £000
Translation of significant foreign assets and liabilities		
GBP strengthens against the US$, up 5%	(115)	(31)
GBP weakens against the US$, down 5%	115	31
GBP strengthens against the EUR, up 5%	(142)	(32)
GBP weakens against the EUR, down 5%	142	32

Liquidity Risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meets it obligations when they fall due or will have to do so at cost. The Company can request to borrow cash through intragroup loans to maintain sufficient liquidity.

Interest Rate Risk

At the reporting date the Company's cash and cash equivalents, including bank overdrafts and cash held in money market deposits balance of £4,802,000 (2012: £9,594,000) were its only financial instruments subject to variable interest rate risk. The impact of 0.5 per cent increase or decrease in interest rate on the post tax profit is not material to the Company.

Market Pricing Risk

The Company has made investments in its own managed funds and the value of these investments are subject to equity market risk.

Fair Values of Financial Assets and Liabilities

The Directors consider there to be no difference between the carrying value of the Group's financial assets and liabilities and their fair value.

The hierarchical classification of financial assets and liabilities measured at fair value are as follows:

30 September 2013	**Level 1 £000**	**Level 2 £000**	**Level 3 £000**	**Total £000**
Current investments	**3,939**	**–**	**2,323**	**6,262**

There were no movements between any of the levels in the year.

30 September 2012	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Current investments	–	–	2,665	2,665

The Company had no financial liabilities for 2013 or 2012.

Financial assets and liabilities by category

30 September 2013	**Available for sale £000**	**FVTPL[1] – designated on initial recognition £000**	**Loans and receivables £000**	**Financial liabilities measured at amortised cost £000**
Financial assets				
Cash and cash equivalents	**–**	**–**	**2,196**	**–**
Cash held in money market funds	**–**	**–**	**2,606**	**–**
Trade and other receivables	**–**	**–**	**55**	**–**
Investments	**–**	**6,262**	**–**	**–**
Total financial assets	**–**	**6,262**	**4,857**	**–**
Financial liabilities				
Trade and other payables	**–**	**–**	**–**	**(51)**
Total financial liabilities	**–**	**–**	**–**	**(51)**

[1] FVPTL = Fair value through profit and loss.

33 Financial Risk Management continued

30 September 2012	Available for sale £000	FVTPL – designated on initial recognition £000	Loans and receivables £000	Financial liabilities measured at amortised cost £000
Financial assets				
Cash and cash equivalents	–	–	16	–
Cash held in money market funds	–	–	9,594	–
Trade and other receivables	–	–	79	–
Investments	17	2,665	–	–
Total financial assets	17	2,665	9,689	–
Financial liabilities				
Bank overdraft	–	–	–	(33)
Trade and other payables	–	–	–	(537)
Total financial liabilities	–	–	–	(570)

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Impax Asset Management Group plc ("the Company") will be held at the offices of the Company, Norfolk House, 31 St James's Square, London SW1Y 4JR at 11.00am on 10 February 2014 for the following purposes:

As Ordinary Business
To consider and, if thought fit, pass the following resolutions which will be proposed as ordinary resolutions:

1. To receive and adopt the Company's annual accounts for the financial year ended 30 September 2013 together with the Directors' Report and the Auditor's Report on those accounts.
2. To re-elect J Keith R Falconer as a Director.
3. To accept the resignation of KPMG Audit Plc as auditor of the Company and approve the appointment of KPMG LLP as auditor of the Company.
4. To authorise the Directors to fix the remuneration of the auditor.
5. To declare a final dividend in respect of the financial year ended 30 September 2013 of 0.9 pence per Ordinary Share payable to the holders of Ordinary Shares on the register of members at the close of business on 24 January 2014.

As Special Business
To consider and, if thought fit, pass the following resolutions, resolution 6 of which will be proposed as an ordinary resolution and resolutions 7 and 8 of which will be proposed as special resolutions:

6. THAT, in substitution for any subsisting authorities to the extent unused, the Directors of the Company be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 ("the Act"), to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company:

   (a) up to an aggregate nominal amount of £425,830.32 (such amount to be reduced by the nominal amount of any equity securities allotted pursuant to the authority in paragraph (b) below in excess of £425,830.32; and
   (b) comprising equity securities (as defined by section 560 of the Act) up to an aggregate nominal amount of £851,660.65 (such amount to be reduced by the nominal amount of any shares allotted or rights granted pursuant to the authority in paragraph (a) above) in connection with an offer by way of a rights issue:
      (i) to holders of Ordinary Shares in proportion (as nearly as may be practicable) to their respective holdings; and
      (ii) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

   but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange,

   provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the conclusion of the Company's next annual general meeting (or, if earlier, close of business on 30 April 2015) except that the Company may at any time before such expiry make any offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or convert securities into shares in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

7. THAT, subject to the passing of resolution 6 above, the Directors of the Company be and are hereby empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash, pursuant to the authority conferred by resolution 6 above or by way of a sale of treasury shares, as if section 561 of the Act did not apply to any such allotment or sale, provided that the power conferred by this resolution shall be limited to:

   (a) the allotment or sale of equity securities, either in connection with an issue or offer of equity securities (including, without limitation, under a rights issue, open offer or similar arrangement) to holders of equity securities in proportion (as nearly as may be practicable) to their respective holdings of equity securities, subject only to such exclusions or other arrangements as the Directors of the Company may consider necessary or expedient to deal with any treasury shares, fractional entitlements or legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange in any territory; and
   (b) the allotment or sale (otherwise than pursuant to resolution 7(a)) of equity securities up to an aggregate nominal value of £127,749.09.

   The power conferred by this resolution shall expire (unless previously renewed, revoked or varied by the Company in general meeting) at the conclusion of the Company's next annual general meeting, except that the Company may at any time before such expiry make any offer or agreement which would or might require equity securities to be allotted or sold after such expiry and the Directors of the Company may allot or sell equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

8. THAT the Company be and is generally authorised for the purposes of section 701 of the Act to make one or more market purchases (within the meaning of section 693(4) of the Act) of its Ordinary Shares of 1 pence each provided that:

   (a) the maximum aggregate number of Ordinary Shares that may be purchased is 12,774,909;
   (b) the minimum price which may be paid for each Ordinary Share is 1 pence;
   (c) the maximum price which may be paid for each Ordinary Share is not more than 105 per cent. of the average of the middle market quotations for an Ordinary Share taken from the London Stock Exchange for the five business days immediately preceding the day of purchase; and
   (d) unless previously renewed, varied or revoked, the authority conferred by this resolution shall expire at the conclusion of the Company's next annual general meeting save that the Company may make a contract or contracts to purchase Ordinary Shares under the authority conferred by this resolution prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts.

By order of the Board

Zack Wilson
Company Secretary
6 December 2013

Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote in his or her stead. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to any one share. A proxy need not be a member of the Company. A form of proxy is enclosed for use of members. Completion and return of a form of proxy or CREST Proxy Instruction (as described in note 4) will not preclude a member from attending and voting in person at the meeting should he or she so decide. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy. If you appoint a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

2. To be valid, the form of proxy and the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of such power of authority) must be deposited at the offices of Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU by 11.00am on 6 February 2014. To change your proxy instructions simply submit a new proxy appointment using the methods set out above and in the notes to the form of proxy. Note that the cut-off time for receipt of proxy appointments also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

3. To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered in the Register of Members at 6.00pm on 6 February 2014 (or, in the event of any adjournment, 6.00pm on the date which is two days before the time of the adjourned meeting).

4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Capita Asset Services (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) of the Uncertificated Securities Regulations 2001.

Officers and Advisers

Directors
J Keith R Falconer (Chairman)
Ian R Simm (Chief Executive)
Guy de Froment (Non-Executive)
Vincent O'Brien (Non-Executive)
Mark B E White (Non-Executive)

Secretary
Zack Wilson

Registered Office
Norfolk House
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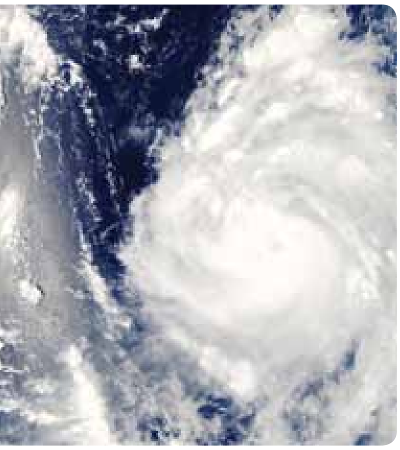


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