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Impax Asset Management Group plc

Annual Report and Accounts 2015

CLEAR INVESTMENT

THE QUEEN'S AWARDS
FOR ENTERPRISE:
SUSTAINABLE DEVELOPMENT
2014

Our Mission

To produce superior investment returns for our clients by consistently applying specialist expertise, taking a long-term perspective and, as asset owners or managers, acting responsibly.

To provide excellent careers for those who work at Impax, ensuring a stimulating, supportive working culture underpinned by our Values.

To have a positive impact on our society and the environment, by helping mobilise capital to fund environmental improvement, and by supporting relevant charitable activity.

CONTENTS

Impax Asset Management is a leading investment firm, with assets under management and advice of approximately £3.0bn[1] primarily for institutional clients through both listed and private equity strategies.

Our investments are based on a strong conviction that population dynamics, resource scarcity, inadequate infrastructure and environmental constraints will profoundly shape global markets, creating investment risks and opportunities. We expect that these trends, reflecting the transition towards a more sustainable global economy, will drive earnings growth for well-positioned companies. Our proprietary investment framework identifies and calibrates the rising risks and expanding opportunities from this transition, and guides the search for investments that will deliver long-term outperformance.

We are a proud holder of a Queen's Award for Enterprise: Sustainable Development and numerous other investment management industry awards.

[1] As at 31 October 2015.

Financial performance

	2015	2014
Assets under management and advice	£2.8bn	£2.8bn
Revenue	£19.7m	£20.4m
Operating earnings[1]	£3.1m	£5.3m
Profit before tax	£5.1m	£3.5m
Shareholders' equity	£25.9m	£24.9m
Cash reserves	£19.3m	£17.2m
Seed investments	£7.0m	£10.2m
Dividend per share[2]	1.60p	1.40p
Special dividend per share[3]	0.5p	–

[1] Revenue less operating costs, excluding credits/charges related to legacy long-term incentive schemes
[2] 0.4p paid as interim dividend, 1.2p proposed final dividend
[3] Proposed

Strategic report

Chairman's statement

In spite of recent headwinds, we are seeing sustained high investor interest in the resource efficiency and environmental markets where Impax Asset Management focuses its investments.

Keith Falconer
Chairman

During the 12 months ending 30 September 2015 (the "Period"), equity market strength was followed by significant market volatility which created difficult conditions for investment managers. The worst of the financial crisis appears to be well behind us but investors now have two overarching concerns: the rate of economic growth over the medium term, particularly in developing markets, and the timing of the expected rise in interest rates in the US and UK.

In spite of recent headwinds, we are seeing sustained, high investor interest in the resource efficiency and environmental markets where Impax Asset Management focuses its investments. The drivers of these markets have never been more compelling, and we are seeing strong market growth in many areas. In particular, a positive outcome from the UN-sponsored global climate negotiations in Paris should be an effective catalyst for many of the sectors in which we invest.

During the Period, assets under discretionary and advisory management ("AUM") rose 2.5 per cent from £2.75 billion to £2.82 billion, inclusive of net inflows of £77 million, and notwithstanding the effect of a sharp market correction in September. During the first month of the new financial year we received £67 million of net inflows, and as at 31 October 2015, AUM had increased to £3.01 billion.

Over the year, we have made good progress across the business, with strong performance from our listed equity strategies and the further development of our renewable energy infrastructure strategy where we have commenced distribution to investors from our second fund and are implementing plans to raise new monies. The sustainable property business that we acquired in 2014 has advanced steadily over the Period and our efforts to mobilise additional capital are progressing.

RESULTS FOR THE YEAR

Revenue over the Period was £19.7 million (2014: £20.4 million) and profit before tax ("PBT") was £5.1 million (2014: £3.5 million). PBT benefitted from a £1.2 million reserve release due to the Company reaching agreement with HMRC in respect of the previously reported uncertainty around the taxation of historical share-based incentive schemes.

Operating earnings[1] for the Period were £3.1 million (2014: £5.3 million) and the associated operating margin was 15.8 per cent (2014: 26.1 per cent).

During the Period, we continued to implement a plan to scale up the business, incurring the cost of the additional team members and distribution resources to raise new monies in our real assets and listed equities businesses. At the same time, revenue from our private equity business declined in line with expectations as our second fund reached the end of its investment period. Following these developments, our private equity business is well positioned for future expansion.

The Board regards the most relevant measure of the year's earnings to be diluted earnings per share ("EPS"). On this basis, EPS was 3.13 pence (2014: 2.76 pence).

By the end of the Period, shareholders' equity had increased to £25.9 million (2014: £24.9 million) and cash reserves held by operating entities of the Group were £19.3 million (2014: £17.2 million). The Company remained debt free during the Period.

Operating cash flow for the Period was £3.8 million (2014: £6.0 million).

PROPOSED DIVIDEND FOR THE PERIOD

The Company is committed to a progressive dividend policy as a demonstration of commitment to increasing shareholder value. Following the payment of an interim dividend of 0.4 pence per share, the Board recommends a final dividend of 1.2 pence per share. If this is approved by shareholders, the aggregated dividend payment for the full year would be 1.6 pence per share, which would represent a 14 per cent increase over the dividend for the previous year (2014: 1.4 pence).

In addition, in light of the Company's healthy cash flow generation and strong prospects, the Board recommends a special dividend of 0.5 pence per share. In making this recommendation the Board is also cognisant of the removal of the potential liability to HMRC which has enabled the £1.2 million reserve release, and believes it is appropriate to distribute a portion of this to shareholders.

The dividend proposals will be submitted for formal approval by shareholders at the Annual General Meeting on 3 March 2016. If approved, the dividend will be paid on or around 11 March 2016. The record date for the payment of the proposed dividend will be 12 February 2016 and the ex-dividend date will be 11 February 2016.

BOARD

In July we announced that Mark White had stepped down from the Board in order to pursue other opportunities. Over the past seven years, Mark's experience and insights have been invaluable, and I would like to thank him for his dedication and significant contribution to steering Impax's successful development.

In July we also announced the appointment of Sally Bridgeland and Lindsey Brace Martinez as Non-Executive Directors. Sally has worked in the UK pensions sector for nearly 30 years and has a deep knowledge of governance, risk analysis, assessment and strategic planning. Lindsey brings extensive experience in investment advisory across a wide range of asset classes including natural resources and in sustainability strategies. Her knowledge of the US market will be invaluable as we continue to develop our business in the region.

SHARE MANAGEMENT

The Board intends to continue to buy back the Company's shares from time to time after due consideration of attractive alternative uses of the Company's cash resources. Shares purchased may be used to satisfy employee share-based award obligations, thus reducing the requirement to issue new shares.

During the Period the Company spent £1.2 million buying back 2.2 million of its own shares.

AWARDS

This year Impax was awarded the Socially Responsible Investment Award by the Financial Times Pension and Investment Provider Awards ("PIPA"), and was also named Best Environmental Fund Manager, and Best Specialist Fund Management Group by Investment Week.

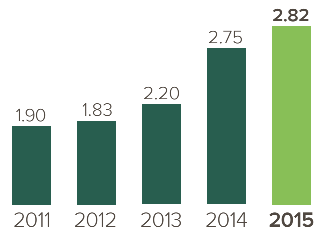
PROSPECTS

Looking ahead to 2016, economic weakness and market volatility appear set to continue and present further challenges for investors. The consequence of an escalation in the conflicts in the Middle East could also have a considerable impact on market confidence. Against this backdrop, Impax is well positioned to benefit from the rapidly developing interest in environmental and resource efficiency markets, and we continue to develop both our suite of products and our distribution and client service infrastructure. The Board believes that the Company will continue to scale its business model and build further shareholder value.

J Keith R Falconer
2 December 2015

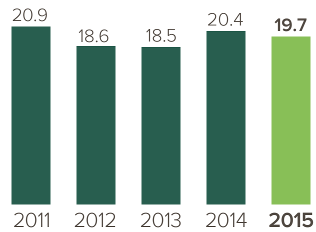
AUM (£bn)

£2.82bn



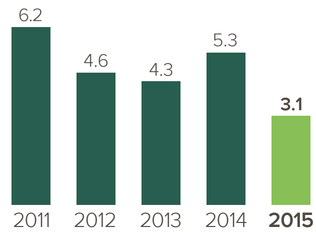
REVENUE (£m)

£19.7m



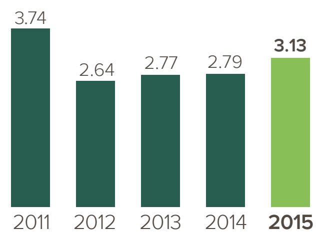
OPERATING EARNINGS (£m)

£3.1m



EARNINGS PER SHARE[2] (p)

3.13p

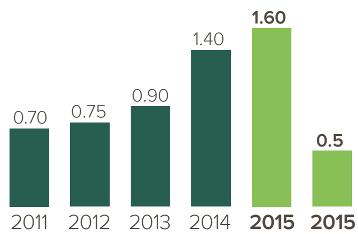


DIVIDEND (p)

1.60p

SPECIAL DIVIDEND (p)

0.5p



[1] Revenue less operating costs, excluding credits/charges related to legacy long-term incentive schemes

[2] For 2011-2014 adjusted to exclude the IFRS 2 charge for share schemes satisfied by primary shares, and to include the full effect of share buy backs and the dilutive effect of option schemes

Strategic report

Chief Executive's report

Environmental markets continue their rapid expansion, driven by intensifying urbanisation, water scarcity, food and energy security concerns and the growing recognition of the serious impact of climate change.

Ian Simm
Chief Executive

The Period has been one of robust investment performance and progress for Impax across both our listed equity and real asset strategies. Environmental and resource efficiency markets continue to deliver compelling returns as drivers strengthen and new catalysts for growth emerge.

With a highly attractive opportunity to build the firm, profits and cash flow in the Period have been impacted by two factors linked to Impax's growth plans. Fees from our second private equity fund dropped as expected at the end of its investment period in March 2015, and we increased our focus on selling the fund's assets. These events are necessary components of our pitch to investors to raise additional capital and build this division. At the same time, we have modestly increased our headcount in order to support our offering to new clients, in both listed equities and real assets.

MARKET DEVELOPMENTS

Environmental markets continue their rapid expansion, driven by intensifying urbanisation, water scarcity, food and energy security concerns and the growing recognition of the serious impact of climate change.

At the time of writing, the United Nations Inter-governmental Climate Change Conference is underway in Paris and, with emissions reduction pledges from the largest economic blocs there is mounting optimism for a successful outcome. In June, Pope Francis's Encyclical on Climate Change dominated the headlines, and in September Mark Carney, the Governor of the Bank of England, issued another warning to investors about the potential for climate change to have a severe impact on long-term investments.

Faced with increased risk linked to climate change, many investors are reviewing their asset allocation, and there is a resurgence of interest in the markets in which we invest. The fossil fuel divestment movement continues to gain momentum with some 450 major institutions holding investments valued at US$2.6 trillion committing to divest their coal, oil and gas holdings.

The oil price has remained depressed over the Period and we expect this to continue over the medium term. A low oil price has on balance proved positive for resource efficiency and environmental markets, particularly those with high transportation and/or logistics costs. Lower oil prices have also allowed governments of developing countries to reduce their spending on fuel subsidies and, in some cases, increase taxes on fossil fuels.

In the water sector, projects to desalinate sea water and recharge aquifers are being developed in response to severe drought, with California suffering its worst water shortages in 40 years. The best way to access this growth opportunity is by investing in companies that supply specialist hardware and also in consultancies that advise these businesses.

The recent Volkswagen scandal highlighted the tightening regulatory framework for lower vehicle emissions and the quest to make vehicles cleaner and more efficient. This is leading to numerous investment opportunities in the supply chain for companies focused on fuel efficiency, and testing vehicles in "real world" conditions.

While many investors have turned more negative on the medium-term prospects for China, we remain optimistic for the prospects for environmental markets there. Earlier this year, China published its Water Pollution Action Plan and announced a US$330 billion spend on improving the country's scarce and polluted water supplies. China was in the headlines again in June when it outlined the country's plans to reduce future carbon emissions, and next year it will publish its 13th Five Year Plan, setting out the government's targets and draft spending commitments up to the end of 2021. We expect further major investment in a wide range of pollution control and environmental improvements, providing a positive catalyst for many companies in our investment universe.

ASSETS UNDER MANAGEMENT AND FUND FLOWS

During the Period, we received net inflows of £171 million from BNP Paribas, our third-party distributor in Europe, and £31 million from Pax World in the US. However, following a change to its investment focus, the US private bank client that had hired us in 2013 decided to close its account, where assets had peaked (in November 2014) at US$208 million. There were small outflows from our Impax label listed funds and the value in sterling of our private equity funds fell slightly, predominantly due to foreign exchange effects.

As shown in Figure 1, the net inflows for the Period were £77 million.

INVESTMENT UPDATES

Listed Equity

All our listed equity strategies follow a high conviction, bottom-up, stock-picking approach. Our three strategies with AUM above US$1 billion, Leaders, Specialists and Water, all outperformed the MSCI All Countries World Index ("ACWI") over the Period. They have also all beaten the ACWI over three years, while Leaders and Water have reported higher returns than the ACWI over five years.

Sustainable Food strategy

Our Sustainable Food strategy was launched in April by BNP Paribas as the Parvest SMaRT Food Fund. The fund invests in companies across the value chain which have the highest governance standards and are also committed to addressing environmental issues created by the ever-increasing global demand for food.

Private Equity

Our private equity business has made sound progress. We are well advanced with the planned realisation of operating assets for our second fund, Impax New Energy Investors II ("NEF II" or "Fund 2"). After the Period end we announced an agreement to sell a portfolio of 206 MW wind assets in France and Germany to ERG Renew, the renewable energy subsidiary of the Italian multi-energy company ERG Group. The sale, which is part of our planned realisation of Fund 2's assets, demonstrates the success of our investment strategy of consolidating European renewable energy assets into portfolios with critical mass for sale to long-term owners. This summer we also announced the refinancing of our Polish onshore wind assets and agreed the sale of a 14 MW French windfarm to Swiss utility BKW. As assets in the Fund are sold, there has been a commensurate reduction in our management fee.

We have agreements in principle on the sale of three assets in our first private equity fund ("NEF I"), and the arbitration, which we commenced in 2011 with a group of investors against the Spanish Government on past retroactive tariff changes, has continued to progress.

Our plans to launch a third private equity infrastructure fund are now well advanced. The European Investment Bank ("EIB") has announced its proposed allocation of €50 million as a cornerstone investor, and we recently appointed BNP Paribas Investment Partners to act as the fund's placement agent.

Sale of French and German wind portfolio

After the Period end we announced the sale of 11 French and 6 German wind farms in the NEF II portfolio with an overall capacity of 206 MW to the Italian multi-energy company ERG Group. This sale demonstrates the success of our investment strategy of consolidating our European renewable energy assets into portfolios with critical mass for sale to long-term owners.

FIGURE 1. ASSETS UNDER MANAGEMENT AND ADVICE AND FUND FLOWS

	Impax label listed equity funds £m	Third-party listed equity funds and accounts £m	Private equity funds £m	Property funds £m	Total £m
Total AUM at 30 September 2014	511	1,867	354	22	2,755
Net (outflows)/inflows	(12)	110	(21)	–	77
Market movement and performance	(3)	14	(20)	–	(9)
Total AUM at 30 September 2015	**495**	**1,992**	**313**	**22**	**2,822**

Strategic report

Chief Executive's report
continued

Sustainable Property

We are excited by the opportunities to create value by improving the energy efficiency of commercial property in the UK where demand is increasingly driven by tightening regulation and interest from "knowledge industry" and public sector tenants.

Following the addition of a sustainable property business last year, our team has made good progress towards the letting and sale of the remaining asset in the portfolio, a prime office and retail space in the heart of Manchester's business district which has been refitted to high sustainability and energy efficiency standards. Plans for a second fund are on track with the appointment of an Advisory Board and engagement of EY's Real Estate Corporate Finance team as placement agent.

Quantifying green alpha

Green alpha is a relatively new concept but it is quickly becoming an important metric for investors in sustainable property. It can be defined as the proportion of the total returns from an individual property investment that can be attributed to sustainability and energy efficiency initiatives. We believe we are the first manager to devise a robust, replicable methodology at an asset level to meet investors' needs.

DISTRIBUTION

With clear evidence of the success of our investment approach across multiple geographies, we are seeing unprecedented investor interest in resource efficiency and environmental markets in both institutional and wholesale channels. Investors are particularly interested in ensuring that the companies they invest in have robust governance structures, and many are considering higher exposure to environmental and resource efficiency markets as a way of hedging environmental risks such as climate change.

This year we strengthened our distribution capability in the UK and this has led to enhanced engagement with UK investors and prospects. We are currently finalising a proposal to launch our (listed equity) Leaders strategy within our existing Irish UCITS umbrella structure. This strategy was established in March 2008 and now has over £500 million of assets from Continental European and US investors.

Our principal European distribution partner, BNP Paribas, continues to generate robust flows into our Leaders, Specialists and Water strategies, principally from Continental European investors.

In 2012 we acquired an experienced Food & Agriculture team and launched our Food & Agriculture strategy later that year. Since inception, the strategy has significantly outperformed its comparator peer group and by January 2016 will have a three year track record. In April BNP Paribas launched a sustainable food fund based on this strategy: early investor interest is most encouraging and the fund had assets of €62 million at the Period end.

Our North American mandate pipeline is also strong, with a number of new prospects, including large public plans, endowments and foundations. We have benefitted from net flows into the Pax World Global Environmental Markets fund (which follows our Leaders strategy), including investments by new institutional clients. After the period end we secured our first Canadian distribution client which is planning to launch a mutual fund based on our Leaders strategy in January 2016.

As we reported in the Interims, in January we seeded a global equity strategy comprising high quality companies providing solutions to global sustainability challenges. We are already seeing considerable client interest in this strategy and believe that over the medium term it will become an important product in our suite of listed equity vehicles.

PEOPLE

At the end of the Period our headcount was 67 full time equivalent staff compared to 61 at the same time last year. We believe we are fully staffed in most areas but may recruit to service new business in due course.

OUTLOOK

Economic growth is set to be slower and patchier over the coming year and equity markets are likely to remain volatile. Nevertheless, earnings delivery of environmental markets companies continues to be strong and valuations remain attractive relative to global equities.

As described in detail above, to make the most of Impax's opportunities, we are aiming to build our capabilities and marketing outreach while keeping a close eye on the associated impact on short-term profits and cash flow.
We remain one of the leading investment management brands targeting environmental and resource efficiency markets, and believe that the Company is well-positioned to deliver future value for shareholders.

Ian R Simm
2 December 2015

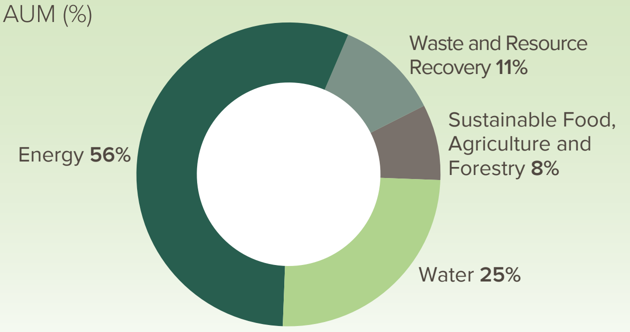
Investing globally in Resource Efficiency markets

The Resource Efficiency and Environmental markets in which we focus our investments are large, diverse and growing rapidly. The universe of companies in which we invest now comprises some 1,520 companies, with an aggregate market capitalisation of some $4 trillion.

FIGURE 2. RESOURCE EFFICIENCY AND ENVIRONMENTAL MARKETS

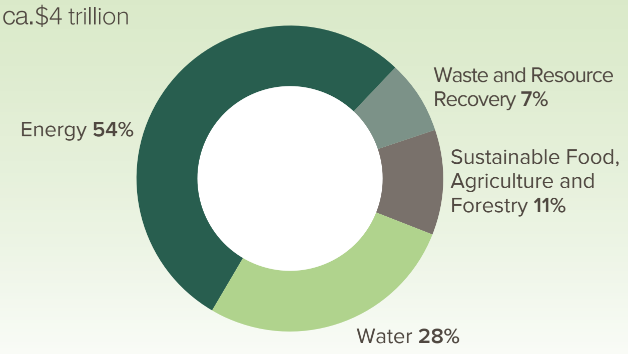
NUMBER OF COMPANIES BY SECTOR

AUM (%)



AGGREGATE MARKET CAP

ca.$4 trillion



The strong growth of these markets is driven by: the world's rising population and improving living standards – particularly in developing countries, a global infrastructure deficit, a finite supply of natural resources and the urgent need to solve increasing pollution issues.

In addition to these long-term drivers, we see numerous compelling catalysts for future growth.

FIGURE 3. COMPELLING CATALYSTS FOR CONTINUED RE-RATING

Water scarcity

- California: Worst US drought since 1950s
- Mandatory 25% reduction in urban water usage

Energy security

- Political unrest in oil-producing nations creates opportunities for alternatives
- US vehicle efficiency standards reducing demand for imported oil

Urbanisation

- Asian urban pollution creating political will to adopt new technologies
- China: Water Pollution Action Plan RMB4-5t trillion spend

Climate change

- Has moved from uncertainty to risk
- Positive outcome expected from Paris conference (Dec 15)
- China: to reduce carbon intensity of GDP by 60-65% by 2030

Strategic report

Paris climate change conference: investor expectations and investment opportunities

Since the 1990s, regulators have been seeking to develop a framework to lower global greenhouse gas emissions significantly. In 1997, 193 countries signed up to the Kyoto protocol but the commitments to this have now expired and the next round of UN global climate change talks (COP21) is being held in Paris this December. The objective of these negotiations is to achieve a legally binding and universal agreement on global emissions, from all nations. This will lead to a significant reduction in greenhouse gas emissions, in an attempt to ensure that the increase in global temperature is limited to CO_2 relative to pre-industrial levels.

In recent months we have seen some encouraging developments. The world's largest CO_2 polluters; the US and China, have very different ways of addressing their emissions limits, but have both come out with encouraging statements with regard to their domestic policy. The European Union has already confirmed an ambitious commitment, so the majority of the world's economy is, in principle, ready to sign up. In addition, many other countries are coming forward with their own statements or pledges to limit their emissions.

Many investors are now realising that the risk of owning fossil fuel assets is increasing quite considerably. A positive outcome from the Paris conference will increase the probability of additional, stricter global regulations on greenhouse gas emissions and restrictions on the burning of fossil fuels. This will mean that balance sheets of many of the oil, gas and certainly coal extractive companies are currently likely to be significantly overvalued. With this risk of overvaluation there is a strong rationale for investors to take some of this money invested in fossil fuels off the table and allocate to other assets.

CLIMATE CHANGE IS AN INVESTMENT RISK

However, some investors still remain wary of missing out from the returns from fossil fuel stocks, but we believe this could be a short-sighted view. Many of these stocks do still have a relatively high level of dividend payments, but such stocks can lose core value quickly; on average, the share prices of the stocks of leading coal companies have fallen by 90 per cent over three years. In contrast, there are up to 200 stocks with an aggregate value of nearly $1 trillion operating in the energy efficiency sector. This high tech, diverse sector is forecast to grow more rapidly than the economy. By reallocating to energy efficiency stocks investors maintain their exposure to energy while tapping into retail energy prices. These will inevitably rise in a world where CO_2 emissions are further constrained, while wholesale prices are likely to decline.

As we go to press, we await the outcome of the Paris climate talks. However, the consensus view is for some kind of positive outcome and for progress in the coming years. While the idea that there will be a global carbon price remains a long way off in the future, there are signs that in Europe, the United States and China there is quite likely to be some sort of regional or local carbon price that will impact regional economic activity and, over time, we would expect these prices to converge.

FIGURE 4. CARBON RISK AND A RATIONAL APPROACH TO FOSSIL FUEL DIVESTMENT

The risk of stranded assets

Burning all carbon reserves valued on company balance sheets would lead to global temperature rises that would make the planet uninhabitable.

Investment risk: climate change and regulation

It's not just about our changing weather patterns. Governments will most likely intervene to limit CO_2 emissions, eg through taxes.

Impact of a carbon tax

Taxes on fossil fuels will make extraction of many fossil fuels uneconomic, rendering them stranded and of no financial value.

Rational divestment and reallocation

Partial divestment and reallocation to renewables and energy efficency allows investors to maintain energy exposure.

Our approach and creating shareholder value

Strategy component	Our progress to date	Our plans for the future
Invest in high growth markets seeking price inefficiencies.	We have over 17 years' experience of exploiting investment opportunities in rapidly expanding resource effiency and environmental markets. We have partnered with FTSE and others to define the markets in which we invest.	Look selectively for new, related markets impacted by long-term trends.
Focus on scalable investment strategies where we can add value.	We have built a robust suite of six long only and two real assets strategies.	Concentrate our investment expertise on our current range of investment strategies, but are continually reviewing and looking to develop our range of strategies.
Build and extend a flexible distribution architecture.	Our marketing and client services teams in the UK and US are well established. We provide investment (sub) management services to several third parties with strong brands in particular channels.	Expand our direct marketing and client service teams selectively, in line with the growth of our business. Establish new partnerships provided these don't conflict with successful, existing relationships.
Attract and retain highly qualified individuals.	We have assembled an experienced team, which in aggregate holds equity interests in 25 per cent of the Company.	Our future success depends on the engagement, commitment and creativity of our people. We recognise that it is important that we continue to evolve our collegial and flexible culture. We are working to formalise our development programmes for all staff and ensure we have robust, long-term succession plans in place.
Balance tight cost control with the needs of an expanding business.	We have already invested to create a scalable platform for growth, including a core team, business systems and processes, and infrastructure. Over the past year we have advanced plans for two new real asset private equity funds, seeded a global equity opportunities fund and are developing other initatives in response to client demand.	Consider incremental investments to support business expansion, particularly in the areas of investment analysis, distribution, client service and regulatory compliance.

The strategic report on pages 1 to 13 of this document has been approved by the Board and signed on its behalf by:

Zack Wilson
Company Secretary
2 December 2015

Strategic report

Key risks

Impax has adopted an ongoing risk management framework taking into account the key principles of risk identification, risk measurement, risk mitigation, risk monitoring and reporting. Impax strives to achieve a balance between appropriate levels of risk and return and to ensure that the risks taken by the firm are appropriately managed.

Although the Board sets the overall business risk strategy and appetite, all staff are responsible for identifying, monitoring and reviewing risks across their team and the Group. 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.

The principal risks that the Group faces are described below. Further information on financial risk is given in note 26 to the financial statements.

Key risk	Description	How we manage the risk
REPUTATIONAL RISK	Reputational risk can arise from any of the key risks described below and relates to the Impax brand and relationships with our stakeholders.	Integrity and appropriate conduct are an integral part of the Impax culture and values. Our values are reviewed regularly and we are committed to maintaining an ethical culture across all our activities.
MARKET RISK	The Group's Listed Equity business charges management fees based on assets under management and advice and, accordingly, its revenue is exposed to market risk.	The Group operates a number of different strategies which themselves are diversified by geography and industry. The Group has a defined investment process that has to be followed. All investments are overseen by the Listed Equity Investment Committee.
	The Group seeds investments in its own Listed Equity funds in order to build a track record to market those funds more effectively. It 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 when 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.	The Group has a defined investment process that has to be followed. All investments are overseen by the Private Equity Investment Committee.
CURRENCY RISK	A significant percentage 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. A proportion of the Group's assets and liabilities is denominated in foreign currency. The Group also owns a small number of minor subsidiaries denominated in foreign currency.	For the year ended 30 September 2015, 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 is sufficient predictability over the income to allow for an effective and cost efficient hedge. Otherwise the Group converts foreign currency income to sterling as soon as practically possible after receipt.

Key risk	Description	How we manage the risk
LIQUIDITY RISK	Liquidity risk in relation to client portfolios is the risk that funds cannot be generated to meet redemptions or other obligations as they arise. Liquidity issues can arise as a result of market conditions or through holdings of illiquid investments.	We actively monitor the liquidity of individual stocks and will adjust fund holdings where necessary to ensure that we are able to meet fund redemptions.
	Liquidity risk also applies to the Group's own financial obligations.	The Group's approach to managing its own 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 12-month period. The Group's management and Board review these forecasts. As shown in note 20 to the financial statements, the Group has significant cash reserves.
CREDIT RISK	The Group is exposed to the risk of counterparty default. Our counterparties include banks and other institutions holding the Group's cash reserves.	The Group seeks to manage this risk by only depositing cash with institutions with high credit ratings and by allocating its cash holdings to at least four institutions at any time.
LEGAL, REGULATORY AND COMPLIANCE RISK	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 team.
PEOPLE RISK	The success of the Group depends on the support and experience of its key employees, and in particular the most senior 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. We also seek to put in place sustainable succession and development plans. The senior investment team has been stable since the Company's inception.
OPERATIONAL RISK	Operational risk arises in our investment management activities, distribution activities and in the operation of our IT and operations infrastructure.	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 "ISAE 3402" certification, for the 12 months ended 30 September 2015, 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 in the case of an emergency 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.

Strategic report

Our commitment to corporate responsibility

PEOPLE AND WORKPLACE

We are committed to the highest standards of responsible business practice. This is embedded in our culture and Values (see inside back cover), and we continually seek to improve our operations and positive impact.

COMMUNITY

Charities we support

Impax aims to support organisations that are aligned with our values. This year we chose to assist two charities that are dedicated to the environment and sustaining and developing the most efficient use of the world's finite natural resources.

Ashden
Sustainable solutions, better lives

We are now in our fourth year of partnership with Ashden and are proud supporters of the Impax Ashden Award for Energy Innovation. Ashden champions practical, local energy solutions that cut greenhouse gas emissions, protect the environment, reduce poverty and improve people's lives. Several staff are involved in the evaluation and judging of the award submissions, as well as ongoing mentoring and support work with previous award winners.

ClientEarth

We recently committed to support ClientEarth, a group of lawyers committed to protecting the environment through advocacy, litigation and research. ClientEarth works to ensure that laws are environmentally sound and rigorously enforced.

Charitable giving

In the UK Impax promotes tax efficient payroll giving for staff through the Charities Aid Foundation Give as You Earn scheme. In 2015 we maintained our Gold status. Our staff now support eight charities on a regular basis. Impax matches staff donations.

Volunteering programme

We encourage staff to play an active role in the community for the benefit of both our business and society. In 2015, we embarked on a Company volunteering programme, giving all staff the opportunity to participate in an environmental-related volunteering activity organised by the Company.

Impax volunteers at Brayards Estate in Peckham, south London

ENVIRONMENT

Measuring our impact

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 impacts of our operations are in energy consumption, water use, travel and materials use.

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. We implemented an Energy Management System for our UK operations in 2014 based on the ISO 14001 standard. Impax has reported its CO_2 emissions to the Carbon Disclosure Project since 2009.

For the Period, the Company's Scope 2 emissions[1] (energy consumption) were 836 kg CO_2 per capita (2014: 1,059 kg per capita) and Scope 3 emissions (air travel) were 1,355 kg CO_2 per capita (2014: 2,121 kg per capita). Our Scope 3 emissions fluctuate considerably year on year, depending on the level of travel required to support our overseas activities.

Our targets

We consider that greenhouse gas emissions from our air travel are the most significant environmental impact of our business. In setting a target to address this impact, we believe it is important to include the positive impact of our business activities; specifically, Impax's direct equity holdings in our private equity renewable infrastructure funds, which predominantly comprise European onshore wind farms.

These holdings have facilitated the avoidance of significantly more greenhouse gas emissions than the Company's business activities have produced during the year. During the Period, 2,031 tCO_2 were avoided through these holdings. In the future, as our business grows, we expect that both our air travel and our avoided greenhouse gas emissions will rise. Therefore, our target is to ensure our avoided CO_2 significantly exceeds our emissions. The amount of electricity generated that can be attributed to our investments varies year on year as wind farms are built and brought online. However, we have adopted a goal for our avoided emissions to exceed our actual emissions by more than five times when averaged over the life of the infrastructure funds. This year we significantly exceeded this target, and are on track to exceed it over the life of the current funds.

MARKETPLACE

Impax aspires to best practice across all aspects of the management of its listed and private equity investments. We take a long-term approach to investment management and employ a collegial, robust, repeatable investment process. Our focus on resource efficiency and environmental markets is based on our confidence that these high growth areas of the economy are the key to future sustainable economic growth, and are likely to deliver superior long-term performance.

[1] Calculated using DEFRA UK Electricity Scope 2 carbon conversion factor for 2015

New impact metrics

We aim to develop and apply insights on the markets in which we invest, and aim to set new standards for research, reporting and methodology, encouraging higher standards across the industry. We are committed to transparency and measurement. This year we announced two new measurement methodologies; green alpha for our sustainable property business (see page 6), and net environmental measurement for our Specialists strategy.

We have always believed that our Specialists strategy, which invests in companies which currently have more than 80% of their underlying revenue generated by sales of environmental products or services, has a positive environmental impact. Following extensive research and development of our methodology we can now assure investors that this strategy does indeed have a quantifiable net positive environmental impact. We believe it is the first listed equities fund to disclose a net carbon position and our methodology is breaking new ground in the field of positive impact investing.

We have published our rigorous methodology and we have received assurance of its efficacy from EY, a leading provider of climate change and sustainability services.

Investment advisers and discretionary managers can use these additional reporting metrics (see figure 5 below), to help clients seeking to decarbonise their portfolios, offset high emissions in alternative strategies, or simply to improve their understanding of the extent of the positive outcomes of their investment decision.

We are keen to hear the broader industry's comments and suggestions and look forward to seeing others reporting comparative metrics going forward.

ESG in our investment process

Environmental Social and Governance ("ESG") considerations are embedded within our rigorous investment processes for all our investments. For listed equity investments we have a ten step investment process and failure of a company to reach the required ESG score will prevent our investment.

Impax engages with investee companies and is committed to long-term engagement to improve practices and disclosure. During the Period Impax undertook 31 proactive ESG engagement initiatives (2014: 23). Our focus over the last year has been on the engagement of sustainable food companies and their practices, as well as US and Asian companies lacking comprehensive sustainability disclosures.

We view proxy voting as a key activity in the ongoing dialogue with companies in which we invest and it is often the catalyst for many of our governance engagements. 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 disclose a summary of our proxy voting activity on our website on a quarterly basis.

Participation and memberships

We are active members of trade and industry organisations that are dedicated to promoting investment in the environment and the more efficient use of natural resources. 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"), US Sustainable Investment and Finance Association ("USSIF"), Low Carbon Finance Group, UK Stewardship Code, the Association for Sustainable & Responsible Investment in Asia ("ASrIA") and the Global Impact Investing Network ("GINN").

FIGURE 5. NET ENVIRONMENTAL IMPACT MEASUREMENT FOR THE IMPAX SPECIALISTS STRATEGY[2]

CO_2

net CO_2 emissions avoided
1,101,000
tco_2

equivalent to taking
494,000
cars off the road for a year

total renewable electricity generated
550,000
MWh

equivalent to
130,000
households' electricity consumption

total water treated or provided
218,000
megalitres

equivalent to
1,324,000
households' annual water consumption

total materials recovered/ waste treated
523,000
tonnes

equivalent to
537,000
households' annual waste

[2] Based on most recently reported annual impact data for holdings as of 31/12/2014

Governance

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, Baillie Gifford Japan Trust, Asian Opportunities Absolute Return Fund, Asian Equity Special Opportunities 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.

Lindsey Brace Martinez
Non-Executive Director

Lindsey Brace Martinez was appointed Non-Executive Director of Impax Asset Management Group plc in July 2015. She is the President of StarPoint Advisors, LLC and has over 25 years of experience in investment advisory, natural resource investments, and management consulting. Lindsey served as a member of the executive team at Cambridge Associates and held multiple roles during her 15-year tenure including, Managing Director of Global Client Service and Relations and Head of Consulting for the firm. Prior to this, Lindsey worked for the Hancock Natural Resource Group and was a consultant at Booz, Allen. She currently serves on the Advisory Board for the Yale Center for Business and the Environment and is on the Investment Committee for the National Geographic Society.

Sally Bridgeland
Non-Executive Director

Sally Bridgeland was appointed Non-Executive Director of Impax Asset Management Group plc in July 2015. She is currently a non-executive director of Royal London and is a trustee of the Lloyds Bank No 1 and No 2 Pension Schemes, and NEST Corporation, having worked in the UK pensions industry for nearly 30 years. Originally qualifying as a Fellow of the Institute of Actuaries with consultants Bacon & Woodrow (now Aon Hewitt), she was CEO of the BP Pension Fund from 2007 to 2014. Sally held a number of voluntary roles with the actuarial profession and is currently Senior Warden of the Worshipful Company of Actuaries.

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.

Zack Wilson
Group General Counsel
& Company Secretary

Zack Wilson serves as Group General Counsel for Impax and is also Company Secretary. Prior is a Non-Executive Director of Impax Funds (Ireland) plc. Prior to joining Impax in 2011, he was director & 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 $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.

Governance

Senior management team

From left:
Ian Simm (biography on page 14), Charlie Ridge, Bruce Jenkyn-Jones, Peter Rossbach and David Richardson

Bruce Jenkyn-Jones
Managing Director for the Listed Equity business
Bruce Jenkyn-Jones is a Director of IAM[1] and IAIFM[2], and Managing Director for the Listed Equity business. He has 21 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).

David Richardson
Global Head of Marketing and Client Service
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.

Charlie Ridge
Chief Financial Officer
Charlie Ridge is a Director of IAM and IAIFM, and Chief Financial Officer of Impax Asset Management Group plc. Charlie has more than 26 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.

Peter Rossbach
Managing Director for the Private Equity team
Peter Rossbach is a Director of IAM and IAIFM, 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, and within the energy project finance teams at Catalyst Energy, Lowrey Lazard and Standard and Poor's utility debt ratings services. Peter holds a Bachelor's degree and a Master's in Public Policy from Harvard University.

[1] Impax Asset Management Ltd
[2] Impax Asset Management (AIFM) Ltd

Directors' report

For the year ended 30 September 2015

DIVIDENDS

The Directors propose a final dividend of 1.2p per share (2014: 1.1p) which together with the interim dividend of 0.4p per share (2014: 0.3p) already declared and paid, makes a total for the year ended 30 September 2015 of 1.6p per share (2014: 1.4p). The Directors also propose a special dividend of 0.5 pence per share. The final and special dividends will be submitted for formal approval at the Annual General Meeting. These financial statements do not reflect these dividends payable, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ended 30 September 2016.

The final dividend for the year ended 30 September 2014 was paid on 20 February 2015, being 1.1p per share. The trustees of the Impax Employee Benefit Trusts waived their rights to part of this dividend, leading to a total dividend payment of £1,231,000. The interim dividend of 0.4p for the year ended 30 September 2015 was paid on 26 June 2015 and totalled £445,000. These payments are reflected in the statement of changes in equity.

SHARES

The Impax Asset Management Group plc Employee Benefit Trust 2012 ("EBT 2012") made market purchases of 2,245,455 of the Company's shares during the year and satisfied option exercises in respect of 145,455 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 2015 and 30 September 2014 were:

	30 September 2015	30 September 2014
Keith Falconer[1]	**10,489,290**	10,489,290
Ian Simm[1]	**9,486,002**	9,486,261
Mark White[2]	**–**	400,000
Vince O'Brien	**110,000**	110,000
Guy de Froment	**–**	–
Sally Bridgeland[3]	**–**	–
Lindsey Brace Martinez[3]	**–**	–

[1] Includes vested shares within sub-funds of the Impax Group Employee Benefit Trust 2004 ("EBT 2004") from which the individual and their families may benefit
[2] Retired on 31 July 2015
[3] Appointed on 31 July 2015

There have been no changes to the above holdings since 30 September 2015.

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 over the Company's Ordinary Shares as shown in the table below.

Year granted	Options held at start of the year	Number of options granted	Options held at end of the year	Exercise price	Earliest exercise date[1]	Latest exercise date
2011	450,000	–	450,000	49.6p	31/12/14	31/12/17
2012	100,000	–	100,000	37.6p	31/12/15	31/12/18
2013	100,000	–	100,000	47.9p	31/12/16	31/12/19
2014	–	100,000	100,000	56.9p	31/12/17	31/12/20

[1] The options will only vest subject to continuous employment to these dates

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 2 December 2015:

	Number	Percentage
BNP Paribas Investment Partners	31,920,000	24.99
Impax Asset Management Group plc Employee Benefit Trust 2012	16,854,347	13.2
Keith Falconer[1]	10,489,290	8.2
Ian R Simm[1]	9,486,002	7.4
Rathbone Investment Managers	7,092,080	5.6
FIL Limited	6,544,333	5.12
Bruce Jenkyn-Jones[2]	6,220,000	4.9
DIAM Company	5,474,955	4.3

[1] Includes vested shares within sub-funds of the EBT 2004 from which the individual and their families may benefit
[2] Includes vested shares within sub-funds of the EBT 2004 from which the individual and his family may benefit and vested but unexercised options

In addition the EBT 2004 has a legal interest in a further 14,900,080 shares which have transferred to sub-funds from which individuals and their families may benefit and holds 1,438,273 shares directly.

Governance

Directors' report continued

For the year ended 30 September 2015

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 pages 10-11.

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.

AUDITORS

Each person who is a Director at the date of approval of this report confirms that so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware and the Director has taken all the steps that he or she ought to have taken as a Director in order to make himself aware of any relevant information and to establish the Company's auditors are aware of that information. This confirmation is given pursuant to section 418 of the Companies Act 2006 and should be interpreted in accordance therewith.

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 2015 were 29 (2014: 27).

By order of the Board

Zack Wilson
Company Secretary
2 December 2015

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

Corporate governance report

For the year ended 30 September 2015

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 consists of a Non-Executive Chairman, four Non-Executive Directors and the Chief Executive. Details of the current Board members are given on page 14 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, Vince O'Brien, to act as the Senior Independent Director. The Board considers that three of the Non-Executive Directors (Vince O'Brien, Sally Bridgeland and Lindsey Brace Martinez) are independent as envisaged by the Code (prior to 31 July 2015 two – Vince O'Brien and Mark White). 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 seven times in the year ended 30 September 2015 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 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 (the "Committee") is comprised of the following Non-Executive Directors: Vince O'Brien (Chairman), Sally Bridgeland (from 31 July 2015) and Guy de Froment. Mark White was also a member and the Chairman prior to his retirement on 31 July 2015. 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 the internal financial control procedures;
- making recommendations to the Board in relation to the appointment, reappointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor;
- 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 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 auditor, meeting the external auditor without the presence of management where considered necessary and receiving all reports directly from the external auditor; 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 5 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 are maintained, the Committee monitors the scope of all work performed.

Governance

Corporate governance report continued

For the year ended 30 September 2015

REMUNERATION COMMITTEE

The Remuneration Committee is comprised of the four Non-Executive Directors: Vince O'Brien (Chairman), Sally Bridgeland (from 31 July 2015), Lindsey Brace Martinez (from 31 July 2015) and Guy de Froment. Mark White was also a member prior to his retirement on 31 July 2015. 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 page 22.

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 pages 10-11.

During the year the Group set up an Internal Audit Function and appointed Grant Thornton to provide internal audit services.

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.

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 judgments 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.

Governance

Remuneration report

For the year ended 30 September 2015

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 2015 there are potentially three 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 Chief Executive and senior employees are eligible to receive awards under the Group's Employee Share Option Plan ("ESOP") and the Group's Restricted Share Plan ("RSS").

Options awards made under the 2015 ESOP will have an exercise price set at a 10 per cent premium to the average share price of the five business days following the announcement of results for the year ended 30 September 2015.

Under the 2015 RSS, shares awarded to employees are initially held by a nominee and they only gain unfettered access to the shares after a three, four and five year period (one third at each stage) subject to continued employment. During the period that the shares are held by the nominee, the employee will receive dividends and be able to vote on the shares but will not be able to sell them.

The 2015 ESOP and 2015 RSS awards have been approved by the Board and will be communicated to employees shortly after the announcement of results for the year ended 30 September 2015.

The Chief Executive and other employees also continue to benefit from share-based payment awards made under the previous share-based incentive plans (the EIA Extension, ESOP 2011-14 and RSS 2014) as more fully described in note 7 to the financial statements.

(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 £	2015 TOTAL £	2014 Total £
Keith Falconer	65,000	–	–	–	**65,000**	65,000
Ian Simm	224,760	6,646	–	185,000	**416,406**	452,160
Mark White[1]	25,000	–	–	–	**25,000**	30,000
Guy de Froment	30,000	–	–	–	**30,000**	30,000
Vince O'Brien	30,000	–	–	–	**30,000**	30,000
Sally Bridgeland[2]	5,000	–	–	–	**5,000**	–
Lindsey Brace Martinez[2]	5,340	–	–	–	**5,340**	–
	385,100	6,646	–	185,000	**576,746**	607,160

[1] Retired on 31 July 2015
[2] Appointed on 31 July 2015

During the year, Ian Simm was granted 100,000 options over the Company's shares under the 2014 Employee Share Option Plan. These options vest subject to him remaining employed on 31 December 2017 and have an exercise price of 56.9p.

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
2 December 2015

Financial statements

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 2015 set out on pages 25 to 55. 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 21, 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 2015 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 Strategic Report and 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.

Richard Hinton (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square, London
2 December 2015

Consolidated income statement

For the year ended 30 September 2015

	Notes	2015 £000	2014 £000
Revenue	4	**19,726**	20,359
Operating costs excluding legacy long-term incentive schemes	5	**(16,616)**	(15,039)
Credits/(charges) related to legacy long-term incentive schemes	8	**1,285**	(539)
Fair value gain/(loss) on investments	9	**615**	(1,460)
Investment income	10	**228**	207
Change in third-party interest in consolidated funds	11	**(101)**	7
Profit before taxation		**5,137**	3,535
Taxation	12	**(1,504)**	(279)
Profit after tax		**3,633**	3,256
Earnings per share			
Basic	13	**3.16p**	2.78p
Diluted	13	**3.13p**	2.76p
Dividends per share[1]	14	**2.1p**	1.4p

[1] Interim dividends paid and final and special dividends declared during the year

Consolidated statement of comprehensive income

For the year ended 30 September 2015

	2015 £000	2014 £000
Profit for the year	**3,633**	3,256
(Decrease)/increase in value of cash flow hedges	**(171)**	60
Tax on change in value of cash flow hedges	**38**	(14)
Exchange differences on translation of foreign operations	**(35)**	146
Total other comprehensive income	**(168)**	192
Total comprehensive income for the Period attributable to equity holders of the Parent Company	**3,465**	3,448

All amounts in other comprehensive income may be reclassified to income in the future.

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

The notes on pages 29 to 46 form part of these financial statements.

Financial statements

Consolidated statement of financial position

As at 30 September 2015
Company No: 03262305

	Notes	2015 £000	2015 £000	2014 £000	2014 £000
Assets					
Goodwill	15	**1,681**		1,665	
Intangible assets		**73**		107	
Property, plant and equipment	16	**185**		246	
Investments		**16**		16	
Total non-current assets			**1,955**		2,034
Trade and other receivables	17	**4,754**		3,097	
Derivative asset		**49**		178	
Investments	18	**7,419**		11,640	
Margin account		**177**		293	
Cash invested in money market funds and long-term deposit accounts	20	**17,153**		10,615	
Cash and cash equivalents	20	**2,364**		6,634	
Total current assets			**31,916**		32,457
Total assets			**33,871**		34,491
Equity and liabilities					
Ordinary Shares	23	**1,277**		1,277	
Share premium		**4,093**		4,093	
Exchange translation reserve		**(241)**		(206)	
Hedging reserve		**39**		172	
Retained earnings		**20,759**		19,523	
Total equity			**25,927**		24,859
Trade and other payables	21	**4,987**		6,536	
Third-party interest in consolidated funds	22	**144**		1,119	
Derivative liability		**74**		–	
Current tax liability		**305**		73	
Total current liabilities			**5,510**		7,728
Accruals		**197**		207	
Deferred tax liability	12	**2,237**		1,697	
Total non-current liabilities			**2,434**		1,904
Total equity and liabilities			**33,871**		34,491

Authorised for issue and approved by the Board on 2 December 2015. The notes on pages 29 to 46 form part of these financial statements.

Ian R Simm
Chief Executive

Consolidated statement of changes in equity

For the year ended 30 September 2015

	Note	Share capital £000	Share premium £000	Exchange translation reserve £000	Hedging reserve £000	Retained earnings £000	Total equity £000
Balance at 1 October 2013		1,277	4,093	(352)	126	17,800	22,944
Transactions with owners:							
Dividends paid	14	–	–	–	–	(1,338)	(1,338)
Acquisition of own shares		–	–	–	–	(619)	(619)
Award of shares on option exercise		–	–	–	–	47	47
Long-term incentive scheme charge		–	–	–	–	377	377
		–	–	–	–	(1,533)	(1,533)
Profit for the year		–	–	–	–	3,256	3,256
Other comprehensive income							
Cash flow hedge		–	–	–	60	–	60
Tax on cash flow hedge		–	–	–	(14)	–	(14)
Exchange differences on translation of foreign operations		–	–	146	–	–	146
		–	–	146	46	3,256	3,448
Balance at 30 September 2014		1,277	4,093	(206)	172	19,523	24,859
Transactions with owners:							
Dividends paid	14	–	–	–	–	(1,676)	(1,676)
Acquisition of own shares		–	–	–	–	(1,158)	(1,158)
Long-term incentive scheme charge		–	–	–	–	437	437
		–	–	–	–	(2,397)	(2,397)
Profit for the year		–	–	–	–	3,633	3,633
Other comprehensive income							
Cash flow hedge		–	–	–	(171)	–	(171)
Tax on cash flow hedge		–	–	–	38	–	38
Exchange differences on translation of foreign operations		–	–	(35)	–	–	(35)
		–	–	(35)	(133)	3,633	3,465
Balance at 30 September 2015		**1,277**	**4,093**	**(241)**	**39**	**20,759**	**25,927**

The notes on pages 29 to 46 form part of these financial statements.

Financial statements

Consolidated cash flow statement

For the year ended 30 September 2015

	2015 £000	2014 £000
Operating activities		
Profit before taxation	**5,137**	3,535
Adjustment for:		
Investment income	**(228)**	(207)
Depreciation and amortisation	**273**	326
Fair value (gains)/losses	**(615)**	1,460
Share-based payments	**437**	377
(Credit)/charges related to legacy long-term incentive schemes	**(1,285)**	539
Change in third-party interest in consolidated funds	**101**	(7)
Operating cash flows before movement in working capital	**3,820**	6,023
(Increase)/decrease in receivables	**(1,850)**	48
Decrease/(increase) in margin account	**117**	(107)
(Decrease) in payables	**(280)**	(178)
Cash generated from operations	**1,807**	5,786
Corporation tax paid	**(570)**	(96)
Net cash generated from operating activities	**1,237**	5,690
Investing activities		
Investment income received	**228**	207
Settlement of investment related hedges	**(359)**	(1,244)
Net redemptions made to Impax by unconsolidated Impax managed funds	**2,469**	1,171
Net investment disposals made by/(investments made by) consolidated funds[1]	**2,749**	(3,710)
(Increase)/decrease in cash held in money market funds and long-term deposit accounts[2]	**(6,538)**	2,257
Acquisition of property, plant and equipment and intangible assets	**(156)**	(61)
Net cash used in investing activities	**(1,607)**	(1,380)
Financing activities		
Dividends paid	**(1,676)**	(1,338)
Acquisition of own shares	**(1,158)**	(619)
Cash received on exercise of Impax share options	**–**	47
(Distributions made to)/investments made by third-party investors in consolidated funds[1]	**(1,067)**	554
Net cash generated from/(used in) financing activities	**(3,901)**	(1,356)
Net (decrease)/increase in cash and cash equivalents	**(4,271)**	2,954
Cash and cash equivalents at beginning of year	**6,634**	3,680
Effect of foreign exchange rate changes	**1**	–
Cash and cash equivalents at end of year	**2,364**	6,634

1 The Group consolidates certain funds which it manages, these represent cash flows of these funds
2 In the prior year these amounts were incorrectly shown as part of financing activities

Notes to the financial statements

For the year ended 30 September 2015

1 REPORTING ENTITY

Impax Asset Management Group plc (the "Company") is incorporated and domiciled in the UK and is listed on the Alternative Investment Market ("AIM"). These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group"). The Company's separate financial statements are shown on pages 47 to 55.

2 BASIS OF PREPARATION

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

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.

Details of the significant accounting policies adopted by the Group are shown in note 28.

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

3 USE OF JUDGEMENTS AND ESTIMATES

In preparing these financial statements management has made judgements and estimates that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates. Revisions to estimates are recognised prospectively. The most significant judgements and estimates are described below.

– Determining the value of unlisted investments (see note 18)
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 significant uncertainty. The methodology used is described in note 18.

– 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 (see note 7)
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 (see note 8)
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 (see note 12)
We record a share-based payment charge and associated NIC charges in the current year. Tax deductions in respect of these will only be available in future years when the relevant individual exercises options or when the Trustees of the Impax Employee Benefit Trust decide to move their shares out of the Trust and accordingly 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 or NIC becomes payable and the tax and NIC 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 (see note 15)
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 cash-generating units ("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.

Financial statements

Notes to the financial statements continued

For the year ended 30 September 2015

4 ANALYSIS OF REVENUE AND ASSETS

REVENUE

See accounting policy at note 28 (C) and note 28 (L)

The Group's main source of revenue is investment management and advisory fees. No performance fees were earned in the current or prior year. Management and advisory fees are generally based on an agreed percentage of the valuation of AUM for Listed Equity funds. For Private Equity and Property funds they are generally based on an agreed percentage of commitments made to the fund by investors during the fund's investment period and thereafter on the cost price of investments made and not exited.

Analysis of revenue by type of service:

	2015 £000	2014 £000
Investment management and advisory	19,078	18,907
Transaction fees	648	1,452
	19,726	20,359

Analysis of revenue by the location of customers:

	2015 £000	2014 £000
UK	10,006	11,602
Rest of the world	9,720	8,757
	19,726	20,359

Analysis of "Rest of the world" customer location:

	2015 £000	2014 £000
Ireland	1,282	1,261
France	3,645	2,726
Luxembourg	1,572	1,212
Netherlands	1,239	1,063
US	1,234	713
Other	748	1,782
	9,720	8,757

Revenue from three of the Group's customers individually represented more than 10 per cent of Group revenue (2014: two), equating to £4,387,000, £2,447,000 and £3,502,000 (2014: £3,529,000 and £5,474,000).

Revenue includes £19,293,000 (2014: £19,966,000) from related parties.

ASSETS

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

5 OPERATING COSTS

The Group's largest operating cost is staff costs. Other signficant costs include premises costs (rent payable on office building leases, rates, service charge), IT and telecommunications costs.

See accounting policy at note 28 (D) for leases and note 28 (E) for placement fees

	2015 £000	2014 £000
Staff costs	12,214	10,900
Premises costs	1,108	1,097
IT and communications	805	686
Depreciation and amortisation	273	326
Other costs	2,216	2,030
	16,616	15,039

Other costs includes £143,000 (2014: £133,000) paid to the Group's auditor which is analysed below:

	2015 £000	2014 £000
Audit of the Group's Parent Company and consolidated financial statements	43	42
Audit of subsidiary undertakings	48	48
Tax compliance	19	22
Other non-audit services	33	21
	143	133

6 STAFF COSTS AND EMPLOYEES

	2015 £000	2014 £000
Salaries and variable bonuses	**8,731**	8,185
Social security costs	**1,097**	1,015
Pensions	**356**	459
Share-based payment charge (see note 7)	**437**	377
Other staff costs	**1,593**	864
	12,214	10,900

Staff costs include salaries, a variable bonus and the associated social security cost (principally UK Employers' National Insurance), the cost of contributions made to employees' pension schemes and share-based payment charges. Further details of the Group's remuneration policies, including how the total variable bonus pool is determined, are provided in the remuneration report. Charges in respect of share-based payments are offset against the total cash bonus pool paid to employees.

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 £35,000 (2014: £226,000) were payable to the funds at the year end and are included in trade and other payables.
See accounting policy for pensions in note 28 (F)

Other staff costs include the cost of providing health and other insurances for staff, Non-Executive Directors' fees, contractor fees, recruitment fees and redundancy costs.

DIRECTORS AND KEY MANAGEMENT PERSONNEL
Details related to emoluments paid to Directors and Director's rights to share awards are included in the remuneration report.

Key management personnel are related parties and are defined as members of the Board and/or the Executive Committee. The remuneration of key management personnel during the year was £2,048,037 with £90,205 of share-based payments (2014: £2,055,123 with £77,709 of share-based payments).

EMPLOYEES
The average number of persons (excluding Non-Executive Directors and including temporary staff) employed during the year was 63 (2014: 56).

	2015 No.	2014 No.
Listed Equity	**22**	20
Private Equity	**12**	11
Marketing	**13**	12
Group	**16**	13
	63	56

7 SHARE-BASED PAYMENT CHARGES
See accounting policy at note 28 (G)
The total expense recognised for the year arising from share-based payment transactions was £437,000 (2014: £377,000). The charges arose in respect of the Group's Employee Share Option Plan and the Group's Restricted Share Scheme which are described below. Options are also outstanding in respect of the Group's Long Term Incentive Plan ("LTIP") which fully vested on 30 September 2012. Details of all outstanding options are provided at the end of this note.

2011, 2012, 2013, 2014 AND 2015 EMPLOYEE SHARE OPTION PLAN
Under this Plan options over the Group's shares were granted to employees in 2011, 2012, 2013 and 2014. Details of the options granted, along with their valuation and the inputs used in the valuation, are described in the table below. The valuation was determined using the Black-Scholes-Merton model.

	2011 ESOP	2012 ESOP	2013 ESOP	2014 ESOP	2015 ESOP
Options originally granted	5,000,000	3,000,000	3,056,000	3,704,000	**800,000**
Exercise price	49.6p	37.6p	47.9p/ 54.0p	56.9p	**52.8p**
In respect of services provided for period from	1 Oct 2010	1 Oct 2011	1 Oct 2012	1 Oct 2013	**1 Oct 2014**
Option value	9.1p	7.0p	8.3p	8.8p	**5.1p**
Weighted average share price on grant	45p	34.2p	43.5p	51.7p	**48p**
Expected volatility	35%	35%	35%	34%	**32%**
Weighted average option life	6.1yrs	6.1yrs	6.1yrs	6.1yrs	**5.1 yrs**
Expected dividend rate	1.00%	1.00%	2.00%	2.00%	**2.00%**
Risk free interest rate	1.68%	1.68%	1.54%	1.50%	**1.50%**

Financial statements

Notes to the financial statements continued

For the year ended 30 September 2015

7 SHARE-BASED PAYMENT CHARGES CONTINUED

The strike price of these options is set at a 10 per cent premium to the average market price of the Company's shares for the 30 business days (2015 ESOP: five days) following the announcement of the results for each of the respective preceding financial years. The options do not have performance conditions but do have a time vesting condition such that the options vest subject to continued employment on 31 December 2014 (2011 ESOP), 31 December 2015 (2012 ESOP), 31 December 2016 (2013 ESOP), 31 December 2017 (2014 ESOP) and 31 December 2017 (2015 ESOP).

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

RESTRICTED SHARE SCHEME

Under the 2014 plan awards of 1,250,000 restricted shares were made to certain employees in respect of services provided from 1 October 2013 and under the 2015 plan the Board has approved further awards of 3,140,000 shares to be made to certain employees in respect of services from 1 October 2014. Following grant the shares are held by a nominee for employees – who are then immediately entitled to receive dividends. After a period of three years the employees will be able to sell one third of the shares, after four years a further third and after five years the final third.

The fair value of the 2015 RSS awards has been determined as 47.3p and has been calculated using the Black-Scholes-Merton model with an adjustment to reflect that dividends are received during the vesting period. The assumptions used in the Black-Scholes-Merton model were the same as for the 2015 ESOP shown in the above table but assuming an exercise price of 0p and an option life equal to the vesting period.

The fair value of the 2014 RSS awards has been determined as 49.9p and was determined in the same way as for the 2015 RSS.

OPTIONS OUTSTANDING

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

	2015	Weighted average exercise price p
Options outstanding at 1 October 2014	15,083,955	31.5
Options granted during the year[1]	3,704,000	53.6
Options forfeited during the year	(1,100,000)	47.3
Options exercised during the year	(145,455)	1.0
Options expired during the year	–	n/a
Options outstanding at 30 September 2015	17,542,500	35.3
Options exercisable at 30 September 2015	9,182,500	24.8

[1] As noted above a further 800,000 options were approved for grant in December 2015

For the options outstanding at the end of the Period the exercise prices were nil or 1p for the LTIP, 49.6p for the ESOP 2011, 37.6p for the ESOP 2012, 47.9p/54.0p for the ESOP 2013 and 56.9p for the ESOP 2014 and the weighted average remaining contractual life was 3.99 years.

1,250,000 restricted shares were granted during the year. Of these, 500,000 were forfeited following the resignation of an employee. All of the remaining shares remain subject to restrictions.

8 CREDITS/(CHARGES) RELATED TO LEGACY LONG-TERM INCENTIVE SCHEMES

	2015 £000	2014 £000
EBT 2004 taxation	1,360	(223)
Advisory fees for EBT settlement	(90)	–
LTIP NIC credit/(charge)	5	(207)
LTIP additional payments credit/(charge)	10	(109)
	1,285	(539)

EBT 2004 TAXATION

The Impax Group Employee Benefit Trust 2004 ("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 Schemes in 2011 and prior years. Taxation of these schemes has been subject to uncertainty. In prior years the Group accrued for Employers National Insurance payments that would have been payable on the value of any assets transferred out of the Trust but did not recognise a deferred tax asset for the corporation tax deduction that would be available in the event the assets transferred out of the EBT were in the form of Impax shares. During the year the Group reached agreement with HMRC whereby it made a payment of £715,000 to HMRC in full settlement of income tax, National Insurance and corporation tax credits considered payable/due in respect of the awards. The EBT 2004 has agreed to pay the Company £894,000 in respect of this settlement. The credit of £1,360,000 is made up of the release of the amounts previously accrued for Employers National Insurance, payment of the £715,000 and the re-imbursement of the £894,000.

LONG-TERM INCENTIVE PLAN NIC CHARGE ("LTIP")

As described in note 7 the Group made option awards under the LTIP plan in 2011. These awards vested in 2012 but 4,540,000 remain outstanding at 30 September 2015. The Group pays Employers NIC when individuals exercise their options and accordingly accrues for the estimated amount that would be payable on exercise using the year end share price. The amount accrued therefore varies from period to period in line with the Group's share price with any adjustment recorded through the income statement.

LTIP ADDITIONAL PAYMENTS

Individuals receiving LTIP options are eligible for a retention or sale of 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 Employers NIC suffered by the Group on the exercise of the LTIP options.

9 FAIR VALUE GAIN/(LOSS) ON INVESTMENTS

Fair value gains/losses include those arising on the revaluation or sale of listed and unlisted investments held by the Group including those held by the Group's consolidated funds (see note 18) and any gains or losses arising on related hedge instruments held by the Group. £578,000 of the gains are realised (2014: £1,032,000 loss) and £37,000 are unrealised (2014: £428,000 loss).

10 INVESTMENT INCOME

See accounting policy at note 28 (H)

The Group earns bank interest as a result of holding cash in bank deposits. Other investment income includes interest received on cash held in money market funds and dividends received by the Group's consolidated funds.

	2015 £000	2014 £000
Bank interest	**111**	60
Other investment income	**117**	147
	228	207

11 THIRD-PARTY INVESTORS' SHARE OF CONSOLIDATED FUNDS

See accounting policy regarding consolidation at note 28 (A)

This charge removes the fair value gains or losses, other operating costs and investment income recorded in the Group's consolidated funds which are attributable to third-party investors in the funds.

12 TAXATION

See accounting policy at note 28 (I)

The Group is subject to taxation in the countries in which it operates (the UK, the US and Hong Kong) at the rates applicable in those countries. The total tax charge includes taxes payable for the reporting period (current tax) and also charges relating to taxes that will be payable in future years due to income or expenses being recognised in different periods for tax and accounting periods (deferred tax).

	2015 £000	2014 £000
(a) Analysis of charge for the year		
Current tax expense		
UK corporation tax	**101**	–
Foreign taxes	**164**	68
Adjustment in respect of prior years	**536**	17
Total current tax	**801**	85
Deferred tax expense/(credit)		
Charge for the year	**984**	203
Adjustment in respect of prior years	**(281)**	(9)
Total deferred tax	**703**	194
Total income tax expense	**1,504**	279

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12 TAXATION CONTINUED

(b) Factors affecting the tax charge for the year

With effect from 1 April 2015 the UK tax rate changed from 21 per cent to 20 per cent. The weighted average tax rate for the year is therefore 20.5 per cent. The tax assessment for the period is higher than this rate (2014: lower). The differences are explained below:

	2015 £000	2014 £000
Profit/(loss) before tax	**5,137**	3,535
Effective tax charge at 20.5% (2014: 22%)	**1,054**	778
Effects of:		
Non-deductible expenses and charges	**169**	40
Increase in tax deduction re share awards from share price increase	**–**	(241)
Tax effect of previously unrecognised tax losses	**–**	(61)
Adjustment in respect of prior years	**255**	8
Effect of higher tax rates in foreign jurisdictions	**48**	18
Exchange differences	**–**	(247)
Change in UK tax rates	**(22)**	(16)
Total income tax expense	**1,504**	279

(C) DEFERRED TAX

The deferred tax (liability) included in the consolidated statement of financial position is as follows:

	Accelerated capital allowances £000	Income not yet taxable £000	Share-based payment scheme £000	Other temporary differences £000	Total £000
As at 1 October 2013	37	(2,297)	763	(155)	(1,652)
Charge to equity	–	–	–	(13)	(13)
Exchange differences on consolidation	–	163	–	–	163
Credit/(charge) to the income statement	12	(369)	(253)	415	(195)
As at 30 September 2014	49	(2,503)	510	247	(1,697)
Credit/(charge) to equity	–	–	–	39	39
Exchange differences on consolidation	–	124	–	–	124
Credit/(charge) to the income statement	(8)	(557)	74	(212)	(703)
As at 30 September 2015	**41**	**(2,936)**	**584**	**74**	**(2,237)**

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the Company's future current tax charge accordingly and reduce the deferred tax asset/liability at 30 September 2015 (which has been calculated based on the rate of 20% substantively enacted at the statement of financial position date) by £228,000.

13 EARNINGS PER SHARE

Basic earnings per share ("EPS") is calculated by dividing the profit for the year attributable to the ordinary equity holder of the parent by the weighted average number of Ordinary Shares outstanding during the year, less the weighted average number of Own shares held. Own shares are held in Employee Benefit Trusts.

Diluted EPS includes an adjustment to reflect the dilutive impact of option awards and restricted share plan awards.

	Earnings for the year £000	Shares 000	Earnings per share
2015			
Basic	**3,633**	**115,133**	**3.16p**
Diluted	**3,633**	**115,909**	**3.13p**
2014			
Basic	3,256	117,314	2.78p
Diluted	3,256	117,773	2.76p

The weighted average number of shares is calculated as shown in the table below:

	2015 000	2014 000
Issued share capital	**127,749**	127,749
Less own shares held	**(12,616)**	(10,435)
Weighted average number of Ordinary Shares used in the calculation of basic EPS	**115,133**	117,314
Additional dilutive shares re share schemes	**10,090**	5,350
Adjustment to reflect option exercise proceeds and future service from employees receiving awards	**(9,314)**	(4,891)
Weighted average number of Ordinary Shares used in the calculation of diluted earnings per share	**115,909**	117,773

The basic and diluted earnings per share includes vested LTIP option shares on the basis that these have an inconsequential exercise price (1p or 0p).

In the prior year an adjusted earnings and earnings per share were shown. These have not been shown as they are not materially different from IFRS earnings per share.

14 DIVIDENDS

Dividends are recognised as a reduction in equity in the period in which they are paid or, in the case of final dividends, when they are approved by shareholders. The reduction in equity in the year therefore comprises the prior year final dividend and the current year interim dividend.

DIVIDENDS DECLARED/PROPOSED IN RESPECT OF THE YEAR

	2015 pence	2014 pence
Interim dividend declared per share	**0.4**	0.3
Special dividend proposed per share	**0.5**	–
Final dividend proposed per share	**1.2**	1.1
Total	**2.1**	1.4

The proposed final dividend of 1.2p and the special dividend will be submitted for formal approval at the Annual General Meeting to be held on 3 March 2016. Based on the number of shares in issue at the year end and excluding own shares held the total amount payable would be £1,927,000.

DIVIDENDS PAID IN THE YEAR

	2015 £000	2014 £000
Prior year final dividend – 1.1p, 0.9p	**1,231**	1,004
Interim dividend – 0.4p, 0.3p	**445**	334
	1,676	1,338

15 GOODWILL

See accounting policy at note 28 (J)

	Goodwill £000
Cost	
At 1 October 2013	1,629
Additions	36
At 30 September 2014	1,665
Additions	16
At 30 September 2015	**1,681**

The goodwill balance within the Group at 1 October 2013 was £1,629,000 and arose from the acquisition of Impax Capital Limited on 18 June 2001. The goodwill arose in the Listed Equity operating segment.

The addition to goodwill in 2014 resulted from the acquisition of a property fund from Climate Change Capital Limited. The addition for 2015 represents an adjustment to this goodwill. The total goodwill arising on this acquisition of £52,000 is therefore attributed to the Property operating segment.

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

The Group has determined the recoverable amount of its 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 2016, which was approved by the Directors in October 2015 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 for each CGU (based on an aggregation of flows by product) and a post tax discount rate of 10.5 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.

There has been no impairment of goodwill to date, and 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.

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16 PROPERTY, PLANT AND EQUIPMENT

See accounting policy at note 28 (K)

Property, plant and equipment mainly represents the costs of fitting out the Group's leased London office (Leasehold improvements) and office furniture and computers (Fixtures, fitting and equipment).

	Leasehold improvements £000	Fixtures, fittings and equipment £000	Total £000
Cost			
As at 1 October 2013	669	528	1,197
Additions	–	33	33
Disposals	–	(38)	(38)
As at 30 September 2014	669	523	1,192
Additions	44	70	114
As at 30 September 2015	**713**	**593**	**1,306**
Accumulated depreciation			
As at 1 October 2013	317	424	741
Charge for the year	156	87	243
Disposals	–	(38)	(38)
As at 30 September 2014	473	473	946
Charge for the year	136	39	175
As at 30 September 2015	**609**	**512**	**1,121**
Net book value			
As at 30 September 2015	**104**	**81**	**185**
As at 30 September 2014	196	50	246
As at 30 September 2013	352	104	456

17 TRADE AND OTHER RECEIVABLES

See accounting policy at note 28 (L)

	2015 £000	2014 £000
Trade receivables	**313**	432
Taxation and other social security	**–**	15
Other receivables	**1,390**	197
Prepayments and accrued income	**3,051**	2,453
	4,754	3,097

Accrued income relates to accrued management fees and arises where bills are raised in arrears. It is based on the latest available information and therefore involves a degree of estimation related to the valuation of underlying AUM.

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

	2015 £000	2014 £000
Not past due	**123**	302
Past due but not impaired:		
1-30 days	**46**	119
31-60 days	**117**	11
61-90 days	**27**	–
More than 90 days	**–**	–
	313	432

All outstanding amounts listed above have been received at the date of this report. There were no amounts that were impaired at the reporting date.

£3,258,000 of trade and other receivables and accrued income were due from related parties (2014: £2,371,000) in respect of investment management services. £894,000, included in other receivables, was due from non-consolidated sub-funds of the EBT 2004 (2014: £nil).

18 CURRENT ASSET INVESTMENTS

See accounting policy at note 28 (M)

The Group makes seed investments into its own Listed Equity funds and also invests in its Private Equity funds. Where the funds are consolidated the underlying investments are shown in the table below as part of Listed investments. Investments made in unconsolidated funds are shown as part of Unlisted investments. Further details of when funds are consolidated are described in note 28 (A). Details of the actual investments made are provided in the below table.

	Unlisted investments £000	Listed investments £000	Total £000
At 1 October 2013	6,624	2,712	9,336
Additions	638	5,263	5,901
Fair value movements	(261)	88	(173)
Repayments/disposals	(1,809)	(1,553)	(3,362)
Foreign exchange	–	(62)	(62)
At 30 September 2014	5,192	6,448	11,640
Additions	124	5,092	5,216
Fair value movements	606	210	816
Repayments/disposals	(2,593)	(7,841)	(10,434)
Foreign exchange	–	181	181
At 30 September 2015	**3,329**	**4,090**	**7,419**

LISTED INVESTMENTS

IMPAX GLOBAL EQUITY OPPORTUNITIES FUND (CONSOLIDATED)

On 23 December 2014 the Group launched the Impax Global Equity Opportunities fund ("IGEO") and invested from its own resources £2,000,000 in the fund. IGEO invests in listed equities using the Group's Global Equity Strategy. The Group's investment represented more than 50 per cent of IGEO's Net Asset Value ("NAV") from the date of launch to 30 September 2015 and the fund has been consolidated throughout this period.

IMPAX FOOD AND AGRICULTURE FUND (CONSOLIDATED)

On 1 December 2012 the Group launched the Impax Food and Agricuture 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 2015 and has been consolidated throughout this period with its underlying investments included in listed equities in the table above.

IMPAX FUNDAMENTAL LONG-TERM OPPORTUNITIES IN WATER FUND (CONSOLIDATED)

On 31 January 2014 the Group launched the Impax Fundamental Long-Term Opportunities in Water Fund LP ("IFLOW") and invested from its own resources $5,000,000 (£3,016,000) into the fund. IFLOW invested in listed equities using the Group's Water Strategy. During year ended 30 September 2015 the Group and third-party investors redeemed all of their investments in the fund. The Group's investment represented more than 50 per cent of IFLOW's NAV from the date of launch to the date of the last redemption and has been consolidated throughout this period with its underlying investments included in listed equities in the table above.

IMPAX GLOBAL RESOURCE OPTIMIZATION FUND ("IGRO") (NOT CONSOLIDATED)

In December 2011 the Group launched the Impax Green Markets Fund LP and invested, from its cash reserves, $5,000,000 into the fund. The Fund's name was subsequently changed to the Impax Global Resource Optimization Fund ("IGRO"). IGRO invests in listed equities using the Group's Environmental Specialists Strategy. In prior years the Group redeemed $3,000,000 of its investment and in the current year a further $3,894,000 to exit the fund fully. The Group's share of the NAV of the fund was such that consolidation was not required throughout the period covered by this report.

UNLISTED INVESTMENTS

PRIVATE EQUITY FUNDS (NOT CONSOLIDATED)

The Group has invested in its private equity funds, Impax New Energy Investors LP and Impax New Energy Investors II LP ("INEI" and "INEI II"). The investments represent 3.76% and 1.14% respectively of these funds. Further details of the Group's commitments to these partnerships are disclosed in note 25.

The fair value of the investments in INEI II is calculated using either the discounted cash flow method, the cost of investment or agreed sale prices. The key assumptions for the discounted cash flow valuations of the investments, 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 before taxation and net assets of £10,000. A 1 per cent reduction in the discount rate would result in a corresponding increase of £11,000 in profit before taxation and net assets.

The INEI I investment, which is recorded at a fair value of £637,000, consists mainly of investments in Spanish solar farms (accounting for 78 per cent of the partnership's valuation) which are reliant on tariff subsidies. The fair value of this investment was determined using a discounted cash flow approach, or agreed sale prices. These investments have been adversely impacted by the significant retroactive reforms of the Spanish energy markets and covenants for loans held by the investment have been breached. The partnership is still in negotiations with the relevant banks to restructure the loans and is also in the process of pursuing a claim for compensation from the Spanish government. In the event that the banks take possession of the assets and the claims for compensation are unsuccessful the investment would be impaired by £426,000.

The unlisted investments include £2,941,000 in related parties of the Group (2014: £4,830,000).

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18 CURRENT ASSET INVESTMENTS CONTINUED

HIERARCHICAL CLASSIFICATION OF INVESTMENTS

The hierarchical classification of the investments as considered by IFRS 13 *Financial Instruments: Disclosures* is shown below.

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
At 30 September 2014	8,756	–	2,884	11,640
Additions	5,092	–	124	5,216
Fair value movements	495	–	321	816
Repayments/disposals	(10,434)	–	–	(10,434)
Foreign exchange	181	–	–	181
At 30 September 2015	**4,090**	**–**	**3,329**	**7,419**

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

MARKET RISK AND INVESTMENT HEDGES

See accounting policy for derivatives at note 28 (N)

The investment in the IGEO and IFAF 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 2014 exposed to equity market price risk were the Group's holdings in the IFLOW, IGRO and IFAF funds.

19 INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES

See accounting policy at note 28 (A) and note 28 (U)

The Group's interest in structured entities is reflected in the Group's AUM. The Group is exposed to movements in AUM of structured entities through potential loss of fee income as a result of client withdrawals or market falls. Outflows from funds are dependent on market sentiment, asset performance and investor considerations. Further information on these risks can be found in the strategic review. Considering the potential for changes in AUM of structured entities, management has determined that the Group's unconsolidated structured entities include segregated mandates and pooled funds vehicles. Disclosure of the Group's exposure to unconsolidated structured entities has been made on this basis.

At 30 September 2015 AUM managed within unconsolidated structured entities was £2.7 million and within consolidated structured entities was £4.3 million.

£18,781,000 in revenue was earned from unconsolidated structured entities.

The total exposure to unconsolidated structured entities in the statement of financial position is shown in the table below:

	2015 £000
Management fees receivable (including accrued income)	**2,412**
Investments	**2,941**
	5,353

The main risk the Group faces from its interest in unconsolidated structured entities is decreases in the value of seed capital investments. Details on this are provided in note 18.

20 CASH AND CASH EQUIVALENTS AND CASH INVESTED IN MONEY MARKET FUNDS AND LONG-TERM DEPOSITS

See accounting policy for cash at note 28 (O)

Cash and cash equivalents under IFRS does not include deposits in money market funds and cash held in deposits with more than an original maturity of three months. The Group however considers its total cash reserves to include these amounts. Cash held by consolidated funds is not available to the Group so is not included in cash reserves. A reconciliation is shown below:

	2015 £000	2014 £000
Cash and cash equivalents	**2,364**	6,634
Cash invested in money market funds and long-term deposit accounts	**17,153**	10,615
Less cash and cash equivalents held by consolidated funds	**(193)**	(74)
Cash reserves	**19,324**	17,175

The Group is exposed to interest rate risk on the above balances as interest income fluctuates according to the prevailing interest rates. The average interest rate on the cash balances during the year was 0.6 per cent (2014: 0.4 per cent). A 0.5 per cent increase in interest rates would have increased Group profit after tax by £93,000 (2014: £75,000). An equal change in the opposite direction would have decreased profit after tax by £93,000 (2014: £75,000).

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 (with Standard & Poor's credit ratings of A-2, A-1 and A-2 respectively) and the remainder in money market funds managed by BlackRock and Goldman Sachs (Standard & Poor's credit rating of AAA).

21 TRADE AND OTHER PAYABLES

See accounting policy at note 28 (P)

	2015 £000	2014 £000
Trade payables	**50**	75
Taxation and other social security	**385**	1,554
Other payables	**293**	197
Accruals	**4,259**	4,710
	4,987	6,536

The most significant accruals at the year end relate to bonuses and Employers National Insurance on share schemes.

22 THIRD-PARTY INTEREST IN CONSOLIDATED FUNDS

	2015 £000	2014 £000
At fair value	**144**	1,119

Third-party interest is representative of the net assets of the consolidated funds IFAF, IGEO and IFLOW which are not attributable to the Group. As described in note 18, IFAF and IGEO are subsidiaries of the Group and their net assets and operating results are consolidated into the Group's results at year end. At 30 September 2015 the Group's interest in IFAF was 95.0 per cent (2014: 81.1 per cent), and the Group's interest in IGEO was 98.6 per cent (2014: nil). This balance is classified as Level 1 for the hierarchical classification purposes of IFRS 13.

23 ORDINARY SHARES

See accounting policy at note 28 (Q)

Issued and fully paid	2015 £000	2014 £000
127,749,098 Ordinary Shares of 1p each	**1,277**	1,277

24 OWN SHARES

See accounting policy at note 28 (R)

	Own shares Number	Own shares £000
At 1 October 2013	20,239,769	6,331
Satisfaction of option exercises	(5,310,940)	(1,806)
EBT 2012 purchases	1,263,791	619
At 30 September 2014	16,192,620	5,144
Satisfaction of option exercises	(145,455)	(511)
EBT 2012 purchases	2,245,455	1,158
At 30 September 2015	**18,292,620**	**5,791**

Included within own shares are 1,750,000 shares held in a nominee account on behalf of the 2014 Restricted Share Scheme as detailed in note 7.

25 FINANCIAL COMMITMENTS

At 30 September 2015 the Group had outstanding commitments to invest up to €203,000 (2014: €1,014,000) into its private equity fund – Impax New Energy Inestors LP. This amount could be called on in the period to 19 August 2016.

At 30 September 2015 the Group also had outstanding commitments to invest up to €1,260,000 (2014: €1,433,000) into its second private equity fund – Impax New Energy Investors II LP. This amount could be called on in the period to 22 March 2020.

At 30 September 2015 the Group had commitments under non-cancellable operating leases as follows:

	Offices		Other	
	2015 £000	2014 £000	2015 £000	2014 £000
Within one year	**352**	440	**10**	15
Between one and two years	**75**	101	**10**	1
Between two and five years	**–**	–	**30**	–
	427	541	**50**	16

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26 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. Further consideration of credit risk in respect of cash holdings is provided in note 20.

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. The Group is also exposed to credit risk on trade receivables, representing investment management fees due. An analysis of the aging of these is provided in note 17.

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 euros and US dollars. The Group's foreign exchange risk arises from income received in these currencies, together with a exposure to expenses in foreign currencies, principally US dollars.

The strategy of the Group for the year ended 30 September 2015 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 2015, February and July 2016. The fair value of these instruments at 30 September 2015 was £49,000 which is recognised in equity. £172,000 was reclassified from equity to the income statement during the year on maturity of the hedges.

The Group's exposure to foreign exchange rate risk, including that arising from consolidated funds, at 30 September 2015 was:

	EUR/GBP £000	USD/GBP £000	Other/GBP £000	EUR/USD £000	Other/USD £000
Assets					
Non-current asset investments	16	–	–	–	–
Current asset investments	3,606	2,119	1,694	–	–
Trade and other receivables	1,758	317	155	–	–
Cash and cash equivalents	76	442	1	–	–
	5,456	**2,878**	**1,850**	**–**	**–**
Liabilities					
Trade and other payables	4,340	797	95	–	–
Third-party interest in consolidated funds	27	57	61	–	–
	4,367	**854**	**156**	**–**	**–**
Net exposure	**1,089**	**2,024**	**1,694**	**–**	**–**

The Group's exposure to foreign exchange rate risk at 30 September 2014 was:

	EUR/GBP £000	USD/GBP £000	Other/GBP £000	EUR/USD £000	Other/USD £000
Assets					
Non-current asset investments	16	–	–	–	–
Current asset investments	3,202	5,947	1,525	355	611
Trade and other receivables	1,337	301	89	–	–
Cash and cash equivalents	6	216	2	–	–
	4,561	6,464	1,616	355	611
Liabilities					
Trade and other payables	46	86	20	–	–
Third-party interest in consolidated funds	130	555	277	58	100
	176	641	297	58	100
Net exposure	**4,385**	**5,823**	**1,319**	**297**	**511**

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 opposite).

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 2015 £000	Post-tax profit 2014 £000
Translation of significant foreign assets and liabilities		
GBP strengthens against the USD, up 5%	**(80)**	(223)
GBP weakens against the USD, down 5%	**80**	223
GBP strengthens against the EUR, up 5%	**(43)**	(168)
GBP weakens against the EUR, down 5%	**43**	168

LIQUIDITY RISK AND REGULATORY CAPITAL REQUIREMENTS

Liquidity risk is the risk that the Group does not have sufficient financial resources to meet its obligations when they fall due or will have to do so at a cost. The Group monitors its liquidity risk using cash flow forecasts taking into account the commitments made to its private equity funds (see note 25) 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 2015, the Group had cash and cash equivalents and cash in money market funds and long-term deposit accounts of £19,517,000. This is £14,530,000 in excess of trade and other payables. The Group, in addition, had other current assets of £12,399,000.

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 are the Group's investment in its managed funds. See note 18 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 2015	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	–	–	–	2,364	–
Cash held in money market funds and long-term deposits	–	–	–	17,153	–
Trade and other receivables	–	–	–	1,703	–
Investments	16	3,329	4,090	–	–
Total financial assets	**16**	**3,329**	**4,090**	**21,220**	**–**
Financial liabilities					
Trade and other payables	–	–	–	–	342
Third-party interest in consolidated funds	–	144	–	–	–
Total financial liabilities	**–**	**144**	**–**	**–**	**342**

[1] FVTPL = Fair value through profit and loss

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26 FINANCIAL RISK MANAGEMENT CONTINUED

30 September 2014	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	–	–	–	6,634	–
Cash held in money market funds and long-term deposits	–	–	–	10,615	–
Trade and other receivables	–	–	–	629	
Investments	16	5,251	6,389	–	–
Total financial assets	16	5,251	6,389	17,878	–
Financial liabilities					
Trade and other payables	–	–	–	–	272
Third-party interest in consolidated funds	–	1,119	–	–	–
Total financial liabilities	–	1,119	–	–	272

[1] FVTPL = Fair value through profit and loss

27 RELATED PARTY TRANSACTIONS

Impax New Energy Investors LP, Impax New Energy Investors II LP, Impax New Energy Investors II-B LP, Impax New Energy Investors SCA, Impax Carried Interest Partners LP, Impax Carried Interest Partners II LP, Impax Fundamental Long-Term Opportunities in Water Fund LP, Impax Climate Properties Fund LP and Impax Global Resource Optimization Fund LP and entities controlled by these funds are related parties of the Group by virtue of subsidiaries being the General Partners to these funds. The Group earns management fees from these entities.

BNP Paribas Investment Partners is a related party of the Group by virtue of owning a 24.99% equity holding. The Group sub-manages certain funds for BNP for which it earns fees.

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

Fees earnt from the above related parties have been disclosed in note 4 and amounts receivable are disclosed in note 17. The Group also invests in certain funds that it manages which is disclosed in note 18.

The transactions with the EBT 2004, described in note 8 and note 17, are also considered to be related party transactions.

28 ACCOUNTING POLICIES

(A) BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. All intra-Group transactions and balances are eliminated in full on consolidation.

Subsidiaries are those entities, including investment funds, over which the Group has control. The Group is deemed to have control if it is exposed to, or has rights to, variable returns from involvement with the entity and has the ability to affect those returns through its power over the entity.

The entities included in the consolidation may vary year on year due to restructuring of the Group (including acquisition and disposals) and the level of investments made in investment funds (see below).

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.

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.

INVESTMENT FUNDS AND STRUCTURED ENTITIES

The Group acts as a fund manager to investment funds that are considered to be structured entities under IFRS. Structured entities are entities that have been designed so that voting or similar rights are not the dominant factor in deciding which party has control: for example, when any voting rights relate to administrative tasks only and the relevant activities of the entity are directed by means of contractual arrangements. The Group has interests in structured entities as a result of the management of these investment funds.

Where the Group holds a direct interest in an investment fund it manages, the interest is accounted for either as a consolidated structured entity or as a financial asset, depending on whether the Group has control over the fund or not. Control is determined in accordance with IFRS 10, based on an assessment of the level of power and aggregate economic interest that the Group has over the fund, relative to third-party investors. Power is normally conveyed to the Group through the existence of an investment management agreement and/or other contractual arrangements. Aggregate economic interest is a measure of the Group's exposure to variable returns in the fund through a combination of direct interest, carried interest and expected management fees (including performance fees).

The Group concludes that it acts as a principal when the power it has over the fund is deemed to be exercised for self-benefit, considering the level of aggregate economic exposure in the fund and the assessed strength of third-party investors' kick-out rights. The Group concludes that it acts as an agent when the power it has over the fund is deemed to be exercised for the benefit of third-party investors. The Group concludes that it has control and, therefore, will consolidate a fund as if it were a subsidiary where the Group acts as a principal. If the Group concludes that it does not have control over the fund, the Group accounts for its interest in the fund as a financial asset.

In cases where investment funds are consolidated the third-party interest is recorded as a financial liability. The consolidation has no net effect on the income statement. The treatment continues until the Group loses control as defined by IFRS.

Details of consolidated funds that are recorded as a financial asset are provided in note 18.

(B) FOREIGN CURRENCY

(i) FUNCTIONAL AND PRESENTATIONAL CURRENCY

The financial information of each of the Group's entities are initially recorded in the currency of the primary economic environment in which the entity operates (the "functional currency"). This is mainly sterling but for some entities it is the euro and the US dollar. The consolidated financial statements are presented in sterling, which is both the Company's functional and presentational currency as well as the currency in which the majority of the Group's revenue streams, assets and liabilities are recorded.

(ii) TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency 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. Foreign currency gains or losses resulting from the settlement of such transactions and their translation at year end rates are recorded in the income statement.

(iii) CONSOLIDATION

On consolidation, the results and financial position of all Group entities that have a functional currency different from sterling (the "presentational currency") are translated into sterling as follows:

- assets and liabilities are translated at the closing rate at the date of the statement of financial position;
- income and expenses are translated at the average exchange rate for the year; and
- any resulting exchange differences are recognised as a separate component of the statement of financial position date.

(C) REVENUE

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

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

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

(D) LEASES

Rental payments on operating leases are charged to the income statement on a straight-line basis over the lease term. The Group has no finance leases.

(E) 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. Such charges are included in other costs in note 5 – operating costs.

(F) PENSIONS

Pension contributions made to defined contribution schemes by the Group are charged to the consolidated income statement as they become payable.

(G) SHARE-BASED PAYMENTS

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

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Notes to the financial statements continued

For the year ended 30 September 2015

28 ACCOUNTING POLICIES CONTINUED

(H) INVESTMENT INCOME

Interest income is accrued on a time basis by reference to the principal outstanding and the interest rate applicable. Other investment income is recognised when the right to receive payment is established.

(I) TAXATION

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

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

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.

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

(J) 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.

(K) 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

(L) 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.

(M) 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 transaction costs are recognised in the income statement. 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.

(N) DERIVATIVES

The Group uses foreign exchange contracts as a hedge against 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 (disclosed as derivative asset or liability) on the statement of financial position. In instances where the hedge accounting criteria is met changes in the fair value are recorded in other comprehensive income. The amounts recognised in other comprehensive income are reclassified to income when the hedged item (such as the relevant foreign exhange income) is recorded.

The Group also uses forward derivative contracts to hedge the market risk on investments made. These are also recorded at their fair value in the statement of financial position with any changes recorded in the income statement as part of fair value gains and losses.

(O) CASH AND CASH EQUIVALENTS
Cash and cash equivalents comprise cash on hand and short-term deposits with an original maturity period of three months or less.

(P) TRADE AND OTHER PAYABLES
Trade and other payables are initially recognised at cost and subsequently remeasured at amortised cost using the effective interest rate method. Accruals are based on the latest information and therefore require a degree of estimation.

(Q) ORDINARY SHARES
Ordinary Shares issued by the Group are recorded at the proceeds received, net of direct issue costs.

(R) OWN SHARES
Company shares held by the Group's Employee Benefit Trusts are deducted from shareholders' funds and classified as own shares until such time as they vest unconditionally to participating employees and their families.

(S) 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 is treated as a revaluation increase. Impairment losses relating to goodwill are not reversed.

(T) SEGMENTAL INFORMATION
The Group has three operating segments: "Listed Equity", "Private Equity" and "Property". The results of these segments have been aggregated into a single reportable segment (see note 4) 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.

(U) INTERESTS IN UNCONSOLIDATED STRUCTURED ENTITIES
The Group classifies the following investment funds as unconsolidated structured entities:
- Segregated mandates and pooled funds managed where the Group does not hold any direct interest. In this case, the Group considers that its aggregate economic exposure is insignificant, and, in relation to segregated mandates, the third-party investor has the practical ability to remove the Group from acting as fund manager, without cause. As a result, the Group concludes that it acts as an agent for third-party investors.
- Pooled funds managed by the Group where the Group holds a direct interest, for example seed capital investments, and the Group's aggregate economic exposure in the fund relative to third-party investors is less than 20 per cent (ie the threshold established by the Group for determining agent versus principal classification). As a result, the Group concludes that it is an agent for third-party investors and, therefore, accounts for its beneficial interest in the fund as a financial asset. The disclosure of the AUM in respect of consolidated and unconsolidated structured entities is provided in note 19 and note 22.

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Notes to the financial statements continued

For the year ended 30 September 2015

29 NEW ACCOUNTING STANDARDS

NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED DURING THE YEAR

The following new standards were adopted with effect from 1 October 2014:
– *IFRS 10 Consolidated Financial Statements* redefines the concept of control for consolidation purposes to relate it to whether the investor has exercisable power over an investee and consequently has exposure or rights to variable returns. Consolidation procedures remain unchanged. The key judgemental items in respect of this standard relate to whether funds which the Group manages and invests in should be consolidated. Management have reviewed each of these arrangements and concluded that the level of ownership and other rights did not imply control under IFRS 10 for those entities previously not consolidated. Furthermore, management concluded that the Company is not an Investment Entitiy as defined by IFRS 10. Accordingly, the adoption of this standard has not led to additional entities being consolidated and there has been no impact on the financial statements.

– *IFRS 12 Disclosure of Interests in Other Entities* requires certain additional disclosures to be made which are included in note 19.

NEW STANDARDS NOT YET ADOPTED

The following new standards and amendments issued have not been early adopted. The Group is currently assessing their impact on its consolidated financial statements.
– *IFRS 9 Financial instruments* was originally issued in November 2009, and the finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition, was issued in July 2014. IFRS 9 replaces the classification and measurement models for financial instruments in IAS 39 with three classification categories: amortised cost, fair value through profit or loss and fair value through other comprehensive income. Under IFRS 9, the Group's business model and the contractual cash flows arising from its investments in financial instruments will determine the appropriate classification. All equity investments within the scope of IFRS 9 are to be measured at fair value, with gains or losses reported either in the statement of comprehensive income or, by election, through other comprehensive income. However, where fair value gains and losses are recorded through other comprehensive income there will no longer be a requirement to transfer gains or losses to the statement of comprehensive income on impairment or disposal. In addition, IFRS 9 introduces an expected loss model for the assessment of impairment. The current model under IAS 39 (incurred loss model) requires the Group to recognise impairment losses when there is objective evidence that an asset is impaired. Under the expected loss model, impairment losses are recorded if there is an expectation of credit losses, even in the absence of a default event. The Group does not anticipate that this will have a material impact on its results. IFRS 9 is effective for annual periods beginning on or after 1 January 2018 and has yet to be endorsed for use in the EU.

– *IFRS 15 Revenue from Contracts with Customers* deals with revenue recognition and establishes a single, principles-based model to be applied to all contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts and related interpretations. The standard provides guidance on topics such as the point at which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. IFRS 15 is effective for annual periods beginning on or after 1 January 2018 and has yet to be endorsed for use in the EU.

No other standards or interpretations issued and not yet effective are expected to have an impact on the Group's consolidated financial statements.

Company statement of financial position

As at 30 September 2015
Company No: 03262305

	Notes	2015 £000	2015 £000	2014 £000	2014 £000
Assets					
Property, plant and equipment	31	178		238	
Investments	32	18,738		19,375	
Deferred tax asset	36	70		294	
Total non-current assets			18,986		19,907
Trade and other receivables	33	2,848		1,434	
Investments	34	2,941		4,889	
Margin account		175		294	
Cash invested in money market funds		1,120		3,614	
Cash and cash equivalents		1,513		2,419	
Total current assets			8,597		12,650
Total assets			27,583		32,557
Equity and liabilities					
Ordinary Shares	23	1,277		1,277	
Share premium		4,093		4,093	
Retained earnings		17,165		17,278	
Total equity			22,535		22,648
Liabilities					
Trade and other payables	35	5,048		9,909	
Total current liabilities			5,048		9,909
Total equity and liabilities			27,583		32,557

Authorised for issue and approved by the Board on 2 December 2015. The notes on pages 50 to 55 form part of these financial statements.

Ian R Simm
Chief Executive

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Company statement of changes in equity

For the year ended 30 September 2015

	Note	Share capital £000	Share premium £000	Retained earnings £000	Total £000
As at 1 October 2013		1,277	4,093	15,747	21,117
Profit for the year		–	–	3,064	3,064
Transactions with owners					
Dividends paid	14	–	–	(1,338)	(1,338)
Own shares acquired		–	–	(619)	(619)
Award of shares on option exercise		–	–	47	47
Long-term incentive scheme charge		–	–	377	377
		–	–	(1,533)	(1,533)
As at 30 September 2014		1,277	4,093	17,278	22,648
Profit for the year		–	–	2,284	2,284
Transactions with owners					
Dividends paid	14	–	–	(1,676)	(1,676)
Own shares acquired	24	–	–	(1,158)	(1,158)
Long-term incentive scheme charge		–	–	437	437
		–	–	(2,397)	(2,397)
As at 30 September 2015		**1,277**	**4,093**	**17,165**	**22,535**

The notes on pages 50 to 55 form part of these financial statements.

Company statement of cash flows

For the year ended 30 September 2015

	2015 £000	2014 £000
Operating activities:		
Profit before taxation	2,795	3,012
Adjustments for:		
Investment income	(1,009)	(4,317)
Depreciation of property, plant and equipment	171	237
Fair value movements in investments	(161)	1,446
Share-based payment	56	57
Operating cash flows before movement in working capital	1,852	435
(Increase) in receivables	(1,414)	(577)
Decrease/(increase) in margin account	119	(103)
(Decrease)/increase in payables	(5,148)	4,686
Cash generated from operations	(4,591)	4,441
Corporation tax	–	–
Net cash (used by)/generated from operating activities	(4,591)	4,441
Investing activities:		
Interest received	9	18
Dividend received	1,000	4,300
Repayments from/proceeds on sale of investments	5,610	–
Investments made into Impax managed funds	(2,124)	(4,346)
Settlement of investment related hedges	(359)	(1,244)
Decrease/(increase) in cash held in money market funds[1]	2,494	(1,008)
Purchase of property, plant and equipment	(111)	(28)
Net cash (used in)/generated from investing activities	6,519	(2,308)
Financing activities:		
Dividends paid	(1,676)	(1,338)
Acquisition of own shares	(1,158)	(619)
Cash received on exercise of Impax share options	–	47
Net cash (used in)/generated from financing activities	(2,834)	(1,910)
Net (decrease)/increase in cash and cash equivalents	(906)	223
Cash and cash equivalents at beginning of year	2,419	2,196
Cash and cash equivalents at end of year	1,513	2,419

[1] In the prior year these amounts were incorrectly shown as part of financing activities

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Notes to the Company financial statements

For the year ended 30 September 2015

30 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 32 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 £2,285,000 (2014: £3,064,000).

31 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements £000	Fixtures, fittings and equipment £000	Total £000
Cost			
As at 1 October 2013	664	502	1,166
Additions	–	28	28
Disposals	–	(38)	(38)
As at 30 September 2014	664	492	1,156
Additions	44	67	111
As at 30 September 2015	**708**	**559**	**1,267**
Depreciation			
As at 1 October 2013	312	407	719
Charge for the year	157	80	237
Disposals	–	(38)	(38)
As at 30 September 2014	469	449	918
Charge for the year	136	35	171
As at 30 September 2015	**605**	**484**	**1,089**
Net book value			
As at 30 September 2015	**103**	**75**	**178**
As at 30 September 2014	195	43	238
As at 30 September 2013	352	95	447

32 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 2013	17	13,522	13,539
Additions	–	5,517	5,517
Capital contribution	–	319	319
At 30 September 2014	17	19,358	19,375
Additions	–	2,000	2,000
Capital contribution	–	381	381
Disposals/repayment of invested capital	(1)	(3,017)	(3,018)
At 30 September 2015	**16**	**18,722**	**18,738**

The subsidiary undertakings are:

	Country of incorporation	Proportion of ordinary capital held	Nature of business
Impax Asset Management Limited[1]	UK	100%	Fund management
Impax Asset Management (AIFM) Limited[1]	UK	100%	Fund management
INEI I GP (UK) LLP	UK	100%	General partner to private equity fund
INEI II GP (UK) LLP	UK	100%	General partner to private equity fund
Climate Property (GP) Limited	UK	100%	General partner to property fund
Impax Carried Interest Partner (GP) Limited	UK	100%	General partner to private equity fund
Impax Carried Interest Partner II (GP) Limited	UK	100%	General partner to private equity fund
Impax Global Resource Optimization Fund (GP) Limited	UK	100%	General partner to listed equity fund
Impax Flow (GP) Limited	UK	100%	General partner to listed equity fund
Impax US Holdings Limited	UK	100%	Holding company
Impax New Energy Investors (GP) Limited	UK	100%	Holding company
Impax New Energy Investors II (GP) Limited	UK	100%	Holding company
Impax Capital Limited	UK	100%	Dormant
Impax New Energy Investors Management SARL	Luxembourg	100%	General partner to private equity fund
Kern USA Inc	USA	100%	Holding company for legacy US oil assets
Impax Asset Management (Hong Kong) Ltd[2]	Hong Kong	100%	Fund management
Impax Asset Management (US) LLC	USA	100%	Fund management
Impax Food and Agriculture Fund	Ireland	95.0%	Investment Fund
Impax Global Equity Opportunities Fund	Ireland	98.6%	Investment Fund

[1] FCA regulated
[2] Hong Kong SFC regulated

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:

	2015 £000	2014 £000
Interest in shares	**8,443**	9,460
Capital contribution	**10,279**	9,898
	18,722	19,358

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.

33 TRADE AND OTHER RECEIVABLES

	2015 £000	2014 £000
Amounts owed by Group undertakings	**1,108**	1,075
Taxation and other social security	**304**	65
Other receivables	**1,095**	106
Prepayments and accrued income	**341**	188
	2,848	1,434
Due:		
After one year	**–**	–
Within one year	**2,848**	1,434
	2,848	1,434

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Notes to the Company financial statements continued

For the year ended 30 September 2015

34 CURRENT ASSET INVESTMENTS

	Investments £000
At 1 October 2013	6,262
Additions	638
Fair value movements	(202)
Repayments/disposals	(1,809)
At 30 September 2014	4,889
Additions	124
Fair value movements	521
Repayments/disposals	(2,593)
At 30 September 2015	**2,941**

35 TRADE AND OTHER PAYABLES

	2015 £000	2014 £000
Trade payables	**18**	31
Amounts owed to Group undertakings	**3,892**	8,231
Taxation and other social security	**9**	759
Other payables	**138**	56
Accruals and deferred income	**991**	832
	5,048	9,909

36 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
As at 30 September 2014	49	(54)	239	60	294
Credit/(charge) to the income statement	(8)	(86)	(84)	(46)	(224)
As at 30 September 2015	**41**	**(140)**	**155**	**14**	**70**

Reductions in the UK corporation tax rate from 23 per cent to 21 per cent (effective from 1 April 2014) and 20 per cent (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19 per cent (effective from 1 April 2017) and to 18 per cent (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the Company's future current tax charge accordingly and reduce the deferred tax asset at 30 September 2015 (which has been calculated based on the rate of 20 per cent substantively enacted at the statement of financial position date) by £13,000.

37 FINANCIAL COMMITMENTS

The Company has committed to invest up to €3,756,000 into Impax New Energy Investors LP. At 30 September 2015 the outstanding commitment was €203,000 (2014: €1,014,000) which could be called on in the period to 19 August 2016.

The Group has committed to invest up to €3,298,000 into Impax New Energy Investors II LP. At 30 September 2015 the outstanding commitment was €1,260,000 (2014: €1,433,000) which could be called on in the period to 22 March 2020.

At 30 September 2015 the Company had commitments under non-cancellable operating leases as follows:

	Offices		Other	
	2015 £000	2014 £000	**2015 £000**	2014 £000
Within one year	**352**	440	**10**	15
Between one and two years	**75**	101	**10**	1
Between two and five years	**–**	–	**30**	–
	427	541	**50**	16

38 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-2), and the remainder in 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's activities are principally conducted in sterling, euros and US dollars. 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 2015 was:

	EUR/GBP £000	USD/GBP £000
Assets		
Non-current asset investments	22	–
Current asset investments	2,941	–
	2,963	**–**
Liabilities		
Trade and other payables	–	–
	–	–
Net exposure	**2,963**	**–**

The Company's exposure to foreign currency exchange rate risk at 30 September 2014 was:

	EUR/GBP £000	USD/GBP £000
Assets		
Non-current asset investments	23	–
Current asset investments	2,522	2,367
	2,545	2,367
Liabilities		
Trade and other payables	–	325
	–	325
Net exposure	2,545	2,042

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	
	2015 £000	2014 £000
Translation of significant foreign assets and liabilities		
GBP strengthens against the USD, up 5%	**–**	(80)
GBP weakens against the USD, down 5%	**–**	80
GBP strengthens against the EUR, up 5%	**(186)**	(163)
GBP weakens against the EUR, down 5%	**186**	163

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Notes to the Company financial statements continued

For the year ended 30 September 2015

38 FINANCIAL RISK MANAGEMENT CONTINUED

LIQUIDITY RISK

Liquidity risk is the risk that the Company does not have sufficient financial resources to meets its obligations when they fall due or will have to do so at cost. The Company can request to borrow cash through intra-Group 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 £2,633,000 (2014: £6,033,000) 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 is 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 2015	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Current investments	–	–	2,941	2,941

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

30 September 2014	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Current investments	2,367	–	2,522	4,889

The Company had no financial liabilities for 2015 or 2014.

FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

30 September 2015	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	–	–	1,513	–
Cash held in money market funds	–	–	1,120	–
Trade and other receivables	–	–	1,095	–
Investments	–	2,941	–	–
Total financial assets	**–**	**2,941**	**3,728**	**–**
Financial liabilities				
Trade and other payables	–	–	–	(157)
Total financial liabilities	**–**	**–**	**–**	**(157)**

30 September 2014	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	–	–	2,419	–
Cash held in money market funds	–	–	3,614	–
Trade and other receivables	–	–	106	–
Investments	–	4,889	–	–
Total financial assets	–	4,889	6,139	–
Financial liabilities				
Trade and other payables	–	–	–	(87)
Total financial liabilities	–	–	–	(87)

[1] FVPTL = Fair value through profit and loss

Financial statements

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 3 March 2016 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 2015 together with the Directors' report and the auditor's report on those accounts.
2. To elect Lindsey Brace Martinez as a Director.
3. To elect Sally Bridgeland as a Director.
4. To re-elect Ian R Simm as a Director.
5. To re-elect Vince O'Brien as a Director.
6. To reappoint KPMG LLP as auditor of the Company.
7. To authorise the Directors to fix the remuneration of the auditor.
8. To declare a final dividend in respect of the financial year ended 30 September 2015 of 1.2 pence per Ordinary Share payable to the holders of Ordinary Shares on the register of members at the close of business on 12 February 2016.
9. To declare a special dividend of 0.5 pence per Ordinary Share payable to the holders of Ordinary Shares in the register of members at the close of business on 12 February 2016.

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions, resolution 10 of which will be proposed as an ordinary resolution and resolutions 11 and 12 of which will be proposed as special resolutions:

10. 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 2017) 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.

11. THAT, subject to the passing of resolution 10 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 10 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 11(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.

12. 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
9 December 2015

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, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF by 11.00am on 1 March 2016. 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 1 March 2016 (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.

Financial statements

Officers and advisers

DIRECTORS
J Keith R Falconer (Chairman)
Ian R Simm (Chief Executive)
Guy de Froment (Non-Executive)
Vincent O'Brien (Non-Executive)
Sally Bridgeland (Non-Executive)
Lindsey Brace Martinez (Non-Executive)

SECRETARY
Zack Wilson

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Norfolk House
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AUDITOR
KPMG LLP
15 Canada Square
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E14 5GL

BANKERS
The Royal Bank of Scotland Group plc
3rd Floor
280 Bishopsgate
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REGISTRARS
Capita Asset Services
The Registry
34 Beckenham Road
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NOMINATED ADVISER AND BROKER
Peel Hunt
Moor House
120 London Wall
London
EC2Y 5ET

SOLICITORS
Stephenson Harwood LLP
1 Finsbury Circus
London
EC2M 7SH

Our Values

COMMITMENT TO OUR CLIENTS:

The interests of our clients are our priority.
We work in partnership with our clients. We endeavour to deliver on their specific investment objectives through hard work, understanding, integrity, discretion, transparency and clear communication.

COMMITMENT TO OUR STAFF:

We recognise that our colleagues' skills, experience and commitment are both our greatest assets and the cornerstone of our business.
We seek to attract and retain the best people for each specific role and to foster a supportive and empowering working culture.
We believe that the diversity of our team and the promotion of equal opportunity are key to enhancing our success.

COMMITMENT TO PURSUING SUCCESSFUL INVESTMENT STRATEGIES:

We invest for the long term.

We employ a robust, repeatable investment process.
Our investment decisions are based on strong teamwork.
Our focus on resource efficiency and environmental markets is based on our confidence that these high growth areas of the economy are the key to future sustainable economic growth and are likely to deliver superior performance.
We believe that a thorough approach to the management of risk, including environmental and social risks, will enhance long-term investment returns. We seek to focus our investment in companies with strong governance.

COMMITMENT TO RESPONSIBLE CITIZENSHIP:

We aspire to the highest standards of corporate responsibility in the communities in which we work and invest.

We are committed to minimising our direct impact on the environment through the effective management of energy and resources.

We aim to be an active member of trade and industry organisations that are dedicated to promoting investment in the environment and the more efficient use of natural resources. We support charities and encourage our staff to volunteer with organisations that are also involved in these areas and where we can have a measurable impact.

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