Impax Asset Management Group plc
Results for the year ended 30 September 2013

London, 28 November 2013 - Impax Asset Management Group plc ("Impax" or the "Company"), the AIM quoted investment manager focused on environmental markets and related resource efficiency sectors, today reports its final audited results for the year ended 30 September 2013 (the "Period").

Financial Performance

- Assets under management ("AUM") at year end: £2.2 billion (2012: £1.8 billion)
- Revenue: £18.5 million (2012: £18.6 million)
- Profit before tax: £3.4 million[i] (2012: £(4.7) million[i])
- Cash reserves: £16.5 million (2012: £19.3 million)
- Seed investments: £8.9 million (2012: £6.3 million).

Dividend

- Board recommending an increased dividend of 0.90 pence per share (2012: 0.75 pence per share) and initiation of an interim dividend for the year ending 30 September 2014.

Business Performance

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

Keith Falconer, Chairman, commented:

"Investor interest in the resource efficiency sectors continues to build, providing further opportunity for us to promote our services around the world."

"The Board now believes the Company is in a position to be able to support both a higher annual dividend as well as the initiation of an interim dividend commencing in 2014. The Board's policy is to grow future dividends progressively in line with our view of business performance."

Ian Simm, Chief Executive, commented:

"Impax's investment performance remains strong relative to global markets, sector benchmarks and the peer group. The steps we have taken to extend our distribution network are producing results, and the Company is well positioned for further expansion."

[i] Includes £0.2 million (2012: £8.7 million) of charges associated with the Company's historical share schemes.

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Chairman's Statement

For the Year Ended 30 September 2013

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

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

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

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

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

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

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

Results for the Year

Revenue over the 12 months to 30 September 2013 was £18.5 million (2012: £18.6 million). Operating earnings[1] for the year were £4.3 million (2012: £4.6 million) and the associated operating margin was 23.5 per cent (2012: 24.5 per cent). The slight fall in profits compared to the previous financial year was principally due to the incremental costs of our investments in distribution capability.

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

The Board regards the most relevant measure of the year's earnings to be diluted earnings per share ("EPS"). On this basis, EPS increased to 2.77 pence (adjusted[2]) (2012: 2.64 pence (adjusted[2])), a modest fall in PBT excluding EIA share scheme charges being more than offset by the impact of share buybacks during the period and favourable tax effects.

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

Operating cash flow for the Period was £4.9 million (2012: £5.2 million). As previously reported, during the Period the Company invested £2.0 million to seed a Food & Agriculture Fund and spent £2.4 million buying back 6.8 million of its own shares.

Sustainable Investor of the Year Award

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

New Dividend Policy and Proposed Dividend for the Period

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

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

17 February 2014. The record date for the payment of the proposed dividend will be 24 January 2014 and the ex-dividend date will be 22 January 2014.

Nominated Adviser and Broker

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

Remuneration

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

Prospects

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

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

J Keith R Falconer

27 November 2013

[1] *Revenue less operating costs excluding £0.2 million (2012 £8.7 million) charges due to EIA share schemes*

[2] *adjusted to exclude the IFRS2 charge for share schemes satisfied by primary shares, and to include the full effect of share buybacks and the dilutive effect of option schemes.*

Chief Executive's Report

For the Year Ended 30 September 2013

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

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

Sector Developments and Performance

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

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

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

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

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

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

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

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

Assets under management and fund flows

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

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

Investment Performance

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

Listed Equity

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

Our Leaders strategy which invests across the market cap range in companies providing solutions to resource scarcity, returned 31.5 per cent[1] over the Period compared to 17.4 per cent[2] for the MSCI All Country World Index ("ACWI"). Over the last 5 years this strategy has returned 74.0 per cent[1] while the MSCI ACWI rose 59.6 per cent[2] and the relevant sector comparator, the FTSE Environmental Opportunities All Share Index, returned 75.8 per cent[3].

Our Specialists strategy which invests in small and mid-cap stocks returned 31.0 per cent[1] over the Period. "Specialists" has the longest track record of our strategies: over the last ten years (to 30 September 2013), it has returned 182.1 per cent[1] while the MSCI ACWI and the FTSE ET50 indices rose 118.6 per cent[2] and 95.0 per cent[3] respectively.

The Water strategy, which will reach its fifth anniversary in January 2014, has retained its position as the top performing fund in its peer group, returning 25.9 per cent[1] over the Period. Since inception to 30 September 2013 the strategy returned 94.4 per cent[1] compared to 65.8 per cent[2] for the MSCI ACWI and 83.8 per cent[3] for the FTSE EO Water Technology Index.

Over the Period the Asia-Pacific Strategy returned 21.7 per cent[1] against the MSCI AC Asia Pacific Ex Japan and the FTSE Environmental Asia Pacific with Japan Custom Index[4] which rose 6.8 per cent[2] and 16.3 per cent[3] respectively.

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

Private Equity

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

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

Distribution

We have been very encouraged by the increased interest in our capabilities and track record from institutional investors, investment consultants and fund distributors.

Although Impax remains "investment management led", we continue to develop a range of routes to market.

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

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

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

Infrastructure and Support

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

Outlook

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

In the present environment, when it appears that many asset prices are unsustainably inflated, to avoid being heavily punished in any correction, investment managers must increasingly focus on the underlying quality of their portfolios, and in particular the prospects for rising earnings.

In this context, the companies that Impax is targeting are consistently delivering stronger earnings than their peers in other parts of the economy, and their public statements generally point to further improvement in 2014 and beyond.

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

Ian R Simm

27 November 2013

In line with market standards the strategy returns[1] are calculated including the dividends reinvested, net of withholding taxes, gross of management fee and are represented in GBP; the returns for the MSCI ACWI[2] are net calculated including the dividends reinvested, net of withholding taxes. (Source: FactSet). FTSE indices[3] are total return calculated including the dividends reinvested gross of withholding taxes. [4]FTSE Environmental Asia Pacific with Japan Custom Index is a custom made benchmark made up of 80% FTSE Environmental Opportunities Asia Pacific ex Japan and 20% FTSE EO Japan which is rebalanced monthly.

IMPAX ASSET MANAGEMENT GROUP PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2013

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

IMPAX ASSET MANAGEMENT GROUP PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2013

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

IMPAX ASSET MANAGEMENT GROUP PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Share capital	Share premium	Exchange translation reserve	Hedging reserve	Retained earnings	Total Equity
	£000	£000	£000	£000	£000	£000
Balance at 1 October 2011	1,156	78	(136)	158	20,244	21,500
Dividends paid	-	-	-	-	(759)	(759)
Shares acquired by Treasury	-	-	-	-	(1,479)	(1,479)
Long-term incentive scheme charge	-	-	-	-	8,081	8,081
Tax benefit on long-term incentive schemes	-	-	-	-	178	178
Cashflow hedge	-	-	-	(210)	-	(210)
Tax benefit on cashflow hedge	-	-	-	54	-	54
Exchange differences on translation of foreign operations	-	-	(271)	-	-	(271)
3rd party interest's share of exchange differences on translation of foreign operations	-	-	124	-	-	124
(Loss) for the year	-	-	-	-	(4,649)	(4,649)
Balance at 30 September 2012	1,156	78	(283)	2	21,616	22,569
Dividends paid	-	-	-	-	(816)	(816)
Issue of shares to EBT 2012	121	4,015	-	-	(4,136)	-
Shares acquired by Treasury and EBT 2012	-	-	-	-	(2,397)	(2,397)
Award of shares on option exercise	-	-	-	-	41	41
Long-term incentive scheme charge	-	-	-	-	515	515
Tax benefit on long-term incentive schemes	-	-	-	-	20	20
Cashflow hedge	-	-	-	158	-	158
Tax on cashflow hedge	-	-	-	(34)		(34)
Exchange differences on translation of foreign operations	-	-	55	-	-	55
3rd party interest's share of exchange differences on translation of foreign operations	-	-	(124)	-	-	(124)
Profit for the year	-	-	-	-	**2,957**	**2,957**
Balance at 30 September 2013	**1,277**	**4,093**	**(352)**	**126**	**17,800**	**22,944**

IMPAX ASSET MANAGEMENT GROUP PLC
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2013

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

NOTES

1. REVENUE

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

Analysis of revenue by type of service:

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

Analysis of revenue by the location of customers:

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

Analysis of 'Rest of the world' customer location:

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

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

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

2. OPERATING COSTS

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

3. SHARE BASED PAYMENT CHARGES AND OTHER LONG TERM INCENTIVE SCHEME CHARGES

Share based payment charges

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

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

The awards allocated to the EBT 2004 sub-fund for Ian Simm and his family ceased to be subject to revocation due to Ian Simm's continued employment by the Company on 30 September 2012.
LTIP options have a 1p or nil exercise price and have vested to individuals who remained employed on 30 September 2012 or in respect of one individual only 15 January 2013. They are exercisable over a period from 1 October 2012 to 31 December 2020.

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

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

2009 Share Option Plan

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

2011, 2012 and 2013 Employee Share Option Plan
5,000,000 options over the Company's shares were granted in November 2011 under the 2011 Employee Share Option Plan ("2011 ESOP") and 3,000,000 options were granted in November 2012 under the 2012 Employee Share Option Plan ("2012 ESOP") to certain employees in respect of services provided from 1 October 2010 (2011 ESOP) or 1 October 2011 (2012 ESOP). The strike price of these options was set at a 10% premium to the average market price of the Company's shares for the 30 business days following the announcement of the results for each of the respective preceding financial year. The options do not have performance conditions but do have a time vesting condition such that the options vest subject to continued employment on 31 December 2014 (2011 ESOP) and 31 December 2015 (2012 ESOP).

In November 2013, the Board approved the grant of 3,000,000 options under the 2013 Employee Share Option Plan ("2013 ESOP") to certain employees in respect of services provided from 1 October 2012. The strike price of the options will be set at a 10% premium to the average market price of the Company's shares for the 30 business days following the announcement of the results for the year ended 30 September 2013. The options will not have performance conditions but do have a time vesting condition such that the options vest subject to continued employment on 31 December 2016. The employees will be notified of the key terms and conditions of these awards shortly after the announcement of results for the year ended 30 September 2013.

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

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

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

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

* 2013 ESOP figures for weighted average share price is estimated using the year end share price

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

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

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

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

For the options outstanding at the end of the period the exercise prices were nil or 1p for the LTIP, 37.6 for the ESOP 2011 and 49.6p for the ESOP2012 and the weighted average remaining contractual life was 5.9 years.

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

Other charges related to EIA schemes

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

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

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

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

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

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

4. EMPLOYMENT COSTS

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

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

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

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

5. INVESTMENT INCOME

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

6. TAXATION

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

(b) Factors affecting the tax charge for the year

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

	2013	2012
	£000	£000
Profit/(Loss) before tax	**3,354**	(4,735)

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

(c) Deferred Tax

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

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

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

7. EARNINGS AND EARNINGS PER SHARE

Adjusted earnings

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

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

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

Adjusted earnings per share

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

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

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

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

IFRS earnings per share

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

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

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

** Since there is a loss after tax for the period there are no dilutive shares*

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

8. DIVIDEND

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

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

9. CURRENT ASSET INVESTMENTS

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

Listed investments

Impax Global Resource Optimization Fund ("IGRO")

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 invests in listed equities using the Group's Environmental Specialists Strategy. The Group's investment represented more than 50% of IGRO's NAV from the date of launch to 1 December 2012 and accordingly the IGRO has been consolidated until this date with its underlying investments included in listed investments in the table above. Thereafter the Group's investment in the fund is included in Unlisted investments, although its underlying investments are listed and the fund is valued based on the market value of those investments.

Impax Food and Agriculture Fund

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

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

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

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

Unlisted investments
The unlisted investments principally represent the Group's investment in its private equity funds, Impax New Energy Investors LP and Impax New Energy Investors II LP ("INEI" and "INEI II").

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

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

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

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

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

Cash reserves:

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

Cash and cash equivalents includes the following:

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

11. ORDINARY SHARES

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

12. OWN SHARES AND TREASURY SHARES

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

13. ACCOUNTING POLICIES

Basis of accounting

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

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

The financial statements have been prepared under the historical cost convention, with the exception of the revaluation of certain investments.