Impax Asset Management Group plc
Results for the year ended 30 September 2014

London, 27 November 2014 - 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 final audited results for the year ending 30 September 2014 (the "Period").

Financial Performance

- Assets under management ("AUM") at year end: £2.8 billion (2013: £2.2 billion)
- Revenue: £20.4 million (2013: £18.5 million)
- Operating Earnings[1] : £5.3 million (2013: £4.3 million)
- Profit before tax[2]: £3.5 million (2013: £3.4 million)
- Shareholders' equity £24.9 million (2013: £22.9 million)

Dividend

- Proposed final dividend of 1.1 pence per share (2013: 0.9 pence), augmenting the interim dividend of 0.3 pence per share (2013: zero)

Business Update

- Encouraging business development in the United States
- High level of inflows into the Water Strategy
- Strong mandate pipeline
- Addition of Sustainable Property capability
- Queen's Award for Enterprise: Sustainable Development

Keith Falconer, Chairman, commented:
"It is pleasing to report several milestones this year: the addition of a sustainable property capability in response to strong investor demand for this real asset class, a 25 per cent growth in our AUM, and the Company's Queen's Award for Enterprise: Sustainable Development."

"In line with the Company's progressive dividend policy, the Board is proposing an increased final dividend, which if approved, would raise the dividend payout over the year by 56% compared to 2013."

Ian Simm, Chief Executive, added:
"At a time of growing concern about the prospects for global economic growth, investors are increasingly attracted to environmental and resource efficiency markets. The drivers of these markets continue to gather momentum with further news on climate change policy and the development of new technologies and stricter regulations."

"Our mandate pipeline is particularly encouraging and we are confident that the plan to build on our strong foundations will create further value for shareholders."

[1] Revenue less operating costs excluding £0.5 million (2013: £0.2 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.

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Chairman's statement

At a time when investors are seeking to direct capital to markets with strong growth prospects and/or anomalous valuations, Impax's Target Markets are particularly attractive.

When I last reported to shareholders in November 2013, there were tangible signs of a sustained recovery in the global economy and investor sentiment was strengthening. Twelve months on, signals from central banks and major corporations are more mixed, and investor caution has increased. Nevertheless, prospects for resource efficiency and environmental markets, where Impax focuses its expertise ("Target Markets"), remain healthy, and the company has delivered significant growth in assets and operating profit.

During the Company's financial year from 1 October 2013 to 30 September 2014 (the "Period"), assets under discretionary and advisory management ("AUM") rose 25 per cent from £2.20 billion to £2.75 billion. As at 31 October 2014, AUM had increased further to £2.89 billion.

The case for investing in our Target Markets has strengthened considerably in the past year. Water has once again attracted attention as policymakers announced measures to address the chronic drought in the western United States; meanwhile, extreme rainfall has affected many countries, particularly the UK, prompting the need for improved flood defences and stormwater management. Although the price of oil has recently fallen, demand for energy efficiency products and services continues to build, underpinned by the long term regulatory frameworks and related investment programmes, for example in the automobile sector. Similarly, capital flows to provide new energy efficient transportation and basic needs infrastructure in emerging markets have remained buoyant.

At a time when investors are seeking to direct capital to markets with strong growth prospects and/or anomalous valuations, Impax's Target Markets are particularly attractive in this respect, and we have been able to attract a record level of inflows into our listed equity products and strategies, notably from continental Europe and the US. We have also made good progress in further extending our capabilities in "real assets" with the acquisition in July of a team with investment expertise in improving the sustainability of commercial property.

Results for the year

Revenue for the Period was £20.4 million (2013: £18.5 million). Operating earnings[1] for the year were £5.3 million (2013: £4.3 million) and the associated operating margin was 26.1 per cent (2013: 23.5 per cent).

Profit before tax ("PBT") for the year was £3.5 million (2013: £3.4 million). PBT included a £0.5 million employer's National Insurance charge related to the Company's legacy Employee Incentive Arrangement ("EIA") arising from an increase in the Company's share price and £1.5 million of fair value losses on the Group's investments. Fair value losses mainly comprise a write down, as stated in the Company's Interim Report, of the Company's holding in its first private equity fund reflecting regulatory changes in Spain, and net losses in the Period related to index future hedges for the Company's seed investments in listed equity funds.

Diluted earnings per share was 2.79 pence (adjusted[2]) (2013: 2.77 pence (adjusted[2]).

As of 30 September 2014, cash reserves held by operating entities of the Group were £17.2 million (2013: £16.5 million), seed investments were £10.2 million (2013: £8.5 million) and shareholders' equity had increased to £24.9 million (2013: £22.9 million). The Company remained debt free during the Period.

Operating cash flow for the Period was £6.0 million (2013: £4.9 million). During the Period the Company spent £0.6 million buying back 1.2 million of its own shares.

Queen's Award for Enterprise: Sustainable Development

In the Interim Report, we announced that Impax had been honoured to receive the prestigious Queen's Award for Enterprise: Sustainable Development. This award recognises Impax's long, successful track record, our thought leadership in categorising resource efficiency markets, our contribution to facilitating the flow of capital to sustainable development projects and the achievements of our corporate responsibility and sustainability programmes. I would like to thank everyone who works at Impax on this tremendous achievement.

Proposed dividend for the Period

The Company is committed to a progressive dividend policy as a demonstration of commitment to increasing shareholder value. This year, the Company initiated the payment of an interim dividend of 0.3 pence per share, which was paid in June.

Given the encouraging progress this year, the Board recommends a final dividend of 1.1 pence per share. If approved by shareholders, the aggregated dividend payment for the full year would be 1.4 pence per share, which would represent a 56% per cent increase over the dividend for the previous year (2013: 0.9 pence).

The dividend proposal will be submitted for formal approval by shareholders at the Annual General Meeting on 4th February 2015. If approved, the dividend will be paid on or around 20th February 2015. The record date for the payment of the proposed dividend will be 23rd January 2015 and the ex-dividend date will be 22nd January 2015.

Remuneration and share management

In accordance with the Company's remuneration policy, during the Period the Board granted 2.7 million ESOP options to management and staff in respect of their performance for the year ended 30 September 2014. The strike price was set at 47.9 pence and the options will vest on 31 December 2016.

Following a review of remuneration policy, the Remuneration Committee has decided to continue the practice of capping aggregate variable remuneration ("Variable Remuneration") across the Company at 45 per cent of operating earnings and variable remuneration. Cash bonuses payable in any year (grossed up by applicable employer's National Insurance) are equal to the Variable Remuneration less the fair value charge arising from employee share-based incentive schemes. The Company will continue to aim to pay market-median salaries.

Awards under the Company's Employee Share Option Plan ("ESOP") will cease in January 2015 with the grant of 3.7 million options. The Board continues to believe that equity incentives are an effective means to align interests between staff and shareholders, and following the success of the ESOP has decided to put in place a new Restricted Share Scheme ("RSS") under which modest amounts of shares are to be awarded to high performing staff. The RSS will initially run in parallel with the ESOP, with the award of 1.25 million Restricted Shares made in respect of individuals' performance for the Period. The RSS will then become the principal scheme for the award of share-based incentives.

The Board intends to continue to buy back the Company's shares from time to time after due consideration of attractive alternatives 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.

Prospects

Since the end of the Period, economic indicators have continued to reflect an uncertain business climate, and investor sentiment is fragile. Nevertheless, interest in Impax's Target Markets has remained high, and our pipeline of new business indicates that we can continue to build our client base and value for shareholders.

J Keith R Falconer

26 November 2014

[1] *Revenue less operating costs excluding £0.5 million (2013 £0.2 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

Since Impax's interim statement, volatility has returned to financial markets as investors have compared the impact of increased geopolitical tension and weak economic growth prospects on the one hand against the potential benefits of low energy prices and the likelihood of effective intervention by central banks on the other. Nevertheless, Impax's prospects have continued to strengthen, providing reassurance that the Company is well positioned to deliver attractive returns to current and potential future clients.

Market developments and performance

The drivers behind resource efficiency and environmental markets maintained momentum during the Period, with further news on climate change policy, the development of new technologies and stricter regulations.

Over the past year we have witnessed severe heatwaves and drought in Australia and California, snow in Vietnam and the return of the polar vortex to North America. While the UK endured its wettest winter in 250 years, temperatures in parts of Russia and the Arctic have been 10 degrees centigrade above normal. This has coincided with a discernible shift in investors' expectations that policy makers around the world would take material action to address climate change. In particular, the United States and China have recently joined the European Union in announcing further commitments to limiting greenhouse gas ("GHG") emissions, and optimism is building that the next major climate change conference, which is set for December 2015 in Paris, could lead to agreement on binding targets.

Although the extreme weather and policy interventions associated with climate change are likely to impact many sectors, portfolios with significant allocations to fossil fuels carry the highest risk. Mark Carney, the governor of the Bank of England, recently reiterated his warning that the owners of some fossil fuel assets may not be able to burn all of their reserves if the world is to avoid catastrophic climate change, and called for investors to consider the implications of this analysis. Over the past twelve months, many endowments, public sector investors and religious institutions have committed to reduce or sell out of their fossil fuel holdings, with Stanford University, the Rockefeller Brothers Fund and the World Council of Churches being among the highest profile investors to take this step.

Full divestment is a major decision, and not one that most investors can or should make in haste. However, for those investors inclined to reduce their exposure to fossil fuels, several of Impax's strategies offer exposure to (retail) energy prices through companies active in renewable energy and energy efficiency markets while reducing the risk of adverse policy changes.

Our investment universe continues to expand as advances in technologies that improve the efficiency of resource use become commercially successful. Particularly interesting developments include improved motors and systems for hybrid vehicles. We believe vehicle hybridisation offers more compelling investment prospects than electric vehicles, which are likely to remain a niche market in the near term. We are also witnessing increasing technological sophistication in energy efficiency markets, for example in power network efficiency, including batteries, standby generators, smart metering and demand response systems and related software.

Around the world, regulators have continued to implement stringent environmental regulations. For example, in June the US Environmental Protection Agency announced a series of state-by-state GHG emission reduction targets for existing power plants, targeting a 30 per cent reduction in national CO_2 emissions from the power sector by 2030 compared to 2005 levels. In China, the government announced a US$330 billion investment programme to tackle pollution of its scarce water resources, with the aim of improving the water quality by up to 50 per cent through investments in waste water treatment systems.

The demand for clean water will inevitably outstrip supply unless substantial long term commitments are made to improving water infrastructure and maximising the effective use of water, for example in agricultural irrigation. Calendar 2013 was the driest year on record in California, the most hydrologically altered region of the planet, while this summer many farmers have destroyed vast areas of perennial crops such as almonds simply because there is no water available for irrigation. Currently, the water value chain offers many compelling investment opportunities, for example companies that are set to benefit from the steady, long-term growth of the US construction industry and in the clean-up of water used for fracking. Developments in desalination technologies and water re-use in the drought affected states of the US are also presenting interesting investment prospects.

Notwithstanding the strong fundamentals, stocks active in Impax's Target Markets were sold off in the second half of the Period as investors switched into sectors with more defensive characteristics. In the six months to 31 March 2014, the FTSE Environmental Opportunities All Share Index ("EOAS") rose by 6.8 per cent, compared to 5.4 per cent for the MSCI AC World Index ("ACWI"); however, by 30 September 2014 the one year numbers for the EOAS and ACWI indices were 7.3 and 11.2 per cent respectively. Over the five years to 30 September 2014, the two indices had increased by 59.7 and 59.4 per cent respectively.

Assets under management and fund flows

During the Period we received record net inflows of £466 million into the Listed Equity funds that we manage or advise. The majority of inflows were from continental European and US investors into our third party listed equity funds, and our mandate pipeline from these regions remains promising. The value in Sterling of our private equity funds fell slightly due to foreign exchange effects, while we added ca. £22 million by acquiring a mandate to run a fund in the Property sector as set out below.

Assets under Management and Fund Flows

AUM movement Year to 30 September 2014	Impax label listed equity funds £m	Third party listed equity funds and accounts £m	Private equity funds £m	Property funds	Total £m
Total AUM at 30 September 2013	503	1,314	380	-	2,197
Net inflows	(17)	483	-	22	489
Market movement and performance	24	70	(26)	-	69
Total AUM at 30 September 2014	**511**	**1,867**	**354**	**22**	**2,755**

Investment performance

Listed Equity

Impax has some fifteen years of investing in global resource efficiency equity markets, following a high conviction, bottom-up, stock-picking approach to portfolio construction. We currently manage five distinct long-only investment strategies, covering global small and mid-cap, global all cap and more specialised strategies focusing on resource efficiency and environmental markets in Water, Asia-Pacific and Food & Agriculture.

Although our listed equity strategies were considerably ahead of global markets during 2013 and beat the MSCI ACWI during the first half of the Period, the second half sell off in resource efficiency and environmental markets stocks impacted annual performance. Reassuringly, over the same time period our target companies generally delivered on earnings expectations.

Our "small and mid-cap" Specialists strategy returned 5.0 per cent[1] over the Period, compared to 11.2 per cent for the MSCI ACWI. Nevertheless, over the ten years to 30 September 2014, Specialists returned 166.6 per cent[1] while the MSCI ACWI rose 102.8 per cent[2].

Our "all cap" Leaders strategy had similar performance, returning 5.4% per cent[1] over the Period. Between inception in March 2008 and the end of the Period, Leaders has returned 66.4%[1], outperforming ACWI which has returned 60.2 per cent.

The Water strategy returned 9.3 per cent[1] over the Period. Over the period between inception in January 2009 and 30 September 2014, this strategy returned 112.6 per cent[1] compared to 84.4 per cent[2] for the MSCI ACWI.

During the Period our Asia-Pacific strategy returned 22.5 per cent[1], a strong performance versus the MSCI AC Asia Pacific Ex Japan Index which rose 5.8 per cent[2].

Food and agriculture stocks generally had a challenging year, and our strategy, which is approaching its second anniversary, returned 0.4% over the Period.

Private Equity

Our private equity business has made further progress. Impax New Energy Investors II ("NEF II") now has over 370 Megawatts ("MW") of wind projects in operation or construction across Europe and some 20MW of solar assets operating in Italy. During the Period, NEF II invested in further projects in Ireland, Finland, Germany and Italy, with a sizeable commitment to onshore wind projects; the fund retains a material pipeline, both in these countries and in France, for construction in 2015 and beyond. At the end of the Period, the fund was 73 per cent invested or committed.

The assets held by Impax New Energy Investors I LP ("NEF I") continue to operate in line with or ahead of expectations. However, in June 2014, as part of a sequence of adverse regulatory changes, the Spanish Government announced some further amendments, which are expected to represent the final changes to the legislation governing the revenue received by this fund's assets. We remain focused on cost cutting and debt restructuring for these assets, while continuing to pursue our complex arbitration case against the Spanish Government alongside other major investors in the Spanish solar sector

Distribution

As previously reported, Impax pursues different routes to market in each region in order to balance cost effective and scalable distribution with demanding growth targets. In Continental Europe, our key distribution partners are ASN Bank, which is based in the Netherlands, and BNP Paribas Investment Partners ("BNPP"), which promotes our Specialists, Leaders and Water strategies. A notable success during the Period was the BNP Paribas Aqua fund whose net assets increased by 62 per cent to £591 million. The BNPP team has also developed and sold a structured product based on the Aqua portfolio in the French and Italian markets, which generates solid revenues at minimal cost. Our Leaders strategy also benefitted from robust long term performance and had net inflows of £85.5 million over the period.

In the UK, Impax Environmental Markets plc, our flagship client, boasts a strong ten year track record and is well positioned as one of the leading closed end resource efficiency funds. In addition to our UCITS platform of funds, which is domiciled in Ireland, we continue to sub-manage the Old Mutual Global Investors Ethical Fund.

Our client base in the US has developed rapidly over the last twelve months, and AUM have increased by some 220 per cent, reaching £248 million by the end of the Period. The principal contributors to this growth were the Pax World Global Environmental Markets fund, which follows our Leaders strategy and a new advisory mandate from a large American private bank, which reached £116 million by 30 September. We have also had further flows into our US private funds, including a commitment from a leading US endowment which was made after the end of the Period. We have an encouraging mandate pipeline from investors in the region.

Business development – new property investment business

In order to respond to current and anticipated future client demand, we continue to search for new additions to our product range. Of particular interest in the current investment climate is "real assets", which can offer investors low correlation to equities and bonds, protection against inflation and the potential for predictable income.

In July 2014 we announced the addition of a new asset class with the acquisition of a business investing in the commercial property sector. This comprised the management responsibility for the Climate Property Fund LP, which is in the latter stages of exiting its successful portfolio, and a two person team of experienced investment professionals.

Increasingly strict building regulations are driving demand for commercial property to be built or refurbished to exacting environmental standards, and sustainable buildings typically attract premium rents. Sustainable property appeals to many investors looking to generate higher returns or "green alpha", and to invest in an effectively future-proofed property portfolio. At a time of sustained investor interest in the property sector and increasing evidence that strong environmental performance can be a material driver of valuation, we believe that this business is highly complementary to our current product range, and we are exploring opportunities to raise additional assets for the team to manage.

Infrastructure and support

At the end of the Period our headcount was 61 full time equivalent staff compared to 57 at the same time last year. Staff numbers in our existing business areas continue to be stable; in addition to the two members of the property investment team, we expanded our client service capability in the US, including a marketing professional in the Portland, Oregon office which we opened in May, to service our growing client base and development prospects on the US West Coast. We do not anticipate significant headcount expansion in the near term, but may need a small number of additional staff to service new business in due course.

Regulatory environment

We continue to monitor the evolving requirements of global financial services regulation closely. Further to the requirements of the Alternative Investment Fund Managers Directive, during the Period we submitted our application for authorisation as an Alternative Investment Fund Manager ("AIFM") to the Financial Conduct Authority ("FCA"). In July we received full scope authorisation from the FCA to act as an AIFM for our clients.

Outlook

Last November I suggested that "investors may look back on 2013 as the high point of cheap money", and that, at a time of inflated asset prices, investment managers needed to pay particular attention to the quality of company earnings. One year on, with the possible exception of the US, most national or regional economies have yet to demonstrate that signs of recovery are robust, while corporate earnings are fragile in many areas.

Against this backdrop, it is encouraging that the companies targeted for investment by Impax are generally reporting solid results and an improving outlook, and investor interest in resource efficiency and environmental markets is growing.

We plan to build further on the Company's strong foundations, ensuring that our staff remain excited by the opportunities we can offer, our clients remain pleased with the service we provide, and conversations with prospective clients continue to develop.

Ian R Simm

26 November 2014

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).

IMPAX ASSET MANAGEMENT GROUP PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2014

	2014 £000	2013 £000
Revenue	20,359	18,463
Operating costs	(15,039)	(14,124)
Share based payment charge for EIA extension scheme	-	(280)
Other charges related to EIA schemes	(539)	111
Fair value loss on investments	(1,460)	(947)
Change in third party interest in consolidated funds	7	(32)
Investment income	207	163
Profit before taxation	3,535	3,354
Taxation	(279)	(397)
Profit for the year	3,256	2,957
Other comprehensive income		
Tax benefit on long-term incentive schemes	-	20
Increase in value of cash flow hedges	60	158
Tax on change in value of cash flow hedges	(14)	(34)
Exchange differences on translation of foreign operations	146	55
3rd party interest share of exchange differences on translation of foreign operations	-	(124)
Total other comprehensive income	192	75
Total comprehensive income for the period attributable to equity holders of the Parent Company	3,448	3,032
Basic earnings per share	2.78p	2.44p
Diluted earnings per share	2.76p	2.44p

IMPAX ASSET MANAGEMENT GROUP PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2014

	2014		2013	
	£000	£000	£000	£000
Assets				
Goodwill	1,665		1,629	
Intangible assets	107		95	
Property, plant and equipment	246		456	
Investments	16		17	
Total non-current assets		2,034		2,197
Trade and other receivables	3,097		3,145	
Derivative asset	178		159	
Investments	11,640		9,336	
Current tax asset	-		19	
Margin account	293		186	
Cash invested in money market funds and long-term deposit accounts	10,615		12,873	
Cash and cash equivalents	6,634		3,680	
Total current assets		32,457		29,398
Total assets		34,491		31,595
Equity and Liabilities				
Ordinary shares	1,277		1,277	
Share premium	4,093		4,093	
Exchange translation reserve	(206)		(352)	
Hedging reserve	172		126	
Retained earnings	19,523		17,800	
Total equity		24,859		22,944
Trade and other payables	6,536		5,948	
Third party interest in consolidated funds	1,119		549	
Current tax liability	73		103	
Total current liabilities		7,728		6,600
Accruals	207		399	
Deferred tax liability	1,697		1,652	
Total non-current liabilities		1,904		2,051
Total equity and liabilities		34,491		31,595

IMPAX ASSET MANAGEMENT GROUP PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Share capital	Share premium	Exchange translation reserve	Hedging reserve	Retained earnings	Total Equity
	£000	£000	£000	£000	£000	£000
Balance at 1 October 2012	1,156	78	(283)	2	21,616	22,569
Transactions with owners:						
Dividends paid	-	-	-	-	(816)	(816)
Issue of shares to EBT 2012	121	4,015	-	-	(4,136)	-
Shares acquired by Treasury and EBIT 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
	121	4,015	-	-	(6,773)	(2,637)
Profit for the year	-	-	-	-	2,957	2,957
Other comprehensive income						
Cash flow hedge	-	-	-	158	-	158
Tax on cash flow 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)
	-	-	(69)	124	2,957	3,012
Balance at 30 September 2013	1,277	4,093	(352)	126	17,800	22,944
Transactions with owners:						
Dividends paid	-	-	-	-	(1,338)	(1,338)
Shares acquired by Treasury and EBT 2012	-	-	-	-	(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**

IMPAX ASSET MANAGEMENT GROUP PLC
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2014

	2014 £000	2013 £000
Operating Activities:		
Profit before taxation	3,535	3,354
Adjustments for:		
Investment income	(207)	(163)
Depreciation of property, plant & equipment	243	275
Amortisation of intangible assets	83	65
Fair value losses	1,460	947
Share-based payment	377	472
Other charges related to EIA schemes	539	(111)
Change in third party interest in consolidated funds	(7)	32
Operating cash flows before movement in working capital	6,023	4,871
Decrease/(Increase) in receivables	48	(338)
(Increase) in margin account	(107)	(31)
Decrease in payables	(178)	(567)
Cash generated from operations	5,786	3,935
Corporation tax (paid)	(96)	(54)
Net cash generated from operating activities	5,690	3,881
Investing activities:		
Investment income received	207	163
Settlement of investment related hedges	(1,244)	(1,115)
Proceeds on sale/redemption of investments	1,809	47
Purchase of investments held by the consolidated funds	(5,263)	(3,099)
Sale of investments held by the consolidated funds	1,553	612
Purchase of investments	(638)	(496)
Purchase of intangible assets	(28)	(14)
Purchase of property, plant & equipment	(33)	(28)
Net cash used in investing activities	(3,637)	(3,930)
Financing activities:		
Dividends paid	(1,338)	(816)
Impax shares acquired by Treasury/EBT 2012	(619)	(2,853)
Cash received on exercise of Impax share options	47	41
Decrease in cash held in money market funds and long term deposit accounts	2,257	1,222
Investment by third party into consolidated funds	554	559
Net cash generated from /(used in) financing activities	901	(1,847)
Net increase/(decrease) in cash and cash equivalents	2,954	(1,896)
Cash and cash equivalents at beginning of year	3,680	5,577
Effect of foreign exchange rate changes	-	(1)
Cash and cash equivalents at end of year	6,634	3,680

NOTES

1. REVENUE

The Group has three reportable segments: "Listed Equity", "Private Equity" and "Property". 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:

	2014 £000	2013 £000
Investment management	**18,514**	17,769
Transaction fees	**1,452**	449
Advisory fees	**393**	245
	20,359	18,463

Analysis of revenue by the location of customers:

	2014 £000	2013 £000
UK	**11,602**	12,741
Rest of the world	**8,757**	5,722
	20,359	18,463

Analysis of 'Rest of the world' customer location:

	2014 £000	2013 £000
Ireland	**1,261**	969
France	**2,726**	1,636
Luxembourg	**1,212**	1,189
Netherlands	**1,063**	850
US	**713**	242
Other	**1,782**	836
	8,757	5,722

Revenue from two of the Group's customers individually represented more than 10% of Group revenue (2013: three), equating to £3,529,000 and £5,474,000 (2013: £2,062,000, £3,380,000 and £5,289,000).

Revenue includes £19,966,000 (2013: £18,218,000) from related parties.

2. OPERATING COSTS

	2014	2013
	£000	£000
Wages and salaries, social security and pension costs and variable bonuses	9,659	9,103
Share-based payment charge	377	192
Other staff costs including contractors and Non-Executive Directors' fees	864	693
Depreciation of property, fixtures and equipment	243	275
Amortisation of intangible assets	83	65
Auditor's remuneration – subsidiary undertakings audit fees	48	38
Auditor's remuneration – parent company audit fees	42	40
Auditor's remuneration – tax compliance	22	14
Auditor's remuneration – other	21	31
Premises related	1,097	1,020
Travel	267	238
Information technology and communications	686	654
Other costs	1,630	1,761
	15,039	14,124

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") agreed to allocate 4 million Ordinary Shares to a sub-fund of the EBT 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 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.

2011, 2012, 2013 and 2014 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"), 3,000,000 options were granted in November 2012 under the 2012 Employee Share Option Plan ("2012 ESOP") and 3,056,000 options were granted in November 2013 under the 2013 Employee Share Option Plan ("2013 ESOP") to certain employees in respect of services provided from 1 October 2010 (2011 ESOP) or 1 October 2011 (2012 ESOP), or 1 October 2012 (2013 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), 31 December 2015 (2012 ESOP) and 31 December 2016 (2013 ESOP).

In November 2014, the Board approved the grant of 3,704,000 options under the 2014 Employee Share Option Plan ("2014 ESOP") to certain employees in respect of services provided from 1 October 2013. 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 2014. 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 2017. 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 2014.

2014 Restricted Share Scheme
In November 2014 the Board also approved the award of 1,250,000 shares under the 2014 Restricted Share Scheme ("2014 RSS") to certain employees in respect of services provided from 1 October 2013. The Shares will be held by a nominee for employees - they will receive dividends on the shares but will not be allowed to sell the shares. After a period of three years the employees will be gain unfettered access to one third of the shares, after four years a further third and after five years the final third.

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 fair value of the RSS awards is deemed to equal the market price of the shares awarded on the date of grant.

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

	2014	Weighted average exercise price p
Options outstanding at the start of the year	18,128,895	20.3
Options granted during the year*	3,056,000	48.7
Options forfeited during the year	(790,000)	45.8
Options exercised during the year	(5,310,940)	1.0
Options expired during the year	-	NA
Options outstanding at the end of the year	15,083,955	31.5
Options exercisable at the end of the year	4,642,500	0.6

* As noted above a further 3,704,000 options were approved for grant in November 2014.

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 and 47.9p/54.0p for the ESOP 2013 and the weighted average remaining contractual life was 4.7 years.

The total expense recognised for the year arising from share-based payment transactions was £377,000 (2013: £472,000).

Other charges related to EIA schemes

	2014 £000	2013 £000
EIA NIC charge/(credit)	223	(7)
EIA Extension NIC charge/(credit)	207	(19)
Additional payments charge/(credit)	109	(85)
	539	(111)

EIA NIC charge
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. 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 pays Employers NIC when individuals exercise their share options and accordingly accrues for the estimated amount that would be payable on exercise of these options 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.

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.

4. EMPLOYMENT COSTS

	2014	2013
	£000	£000
Wages, salaries and variable bonuses	8,185	7,766
Social security costs	1,015	931
Pensions	459	406
	9,659	9,103

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 £226,000 (2013: £224,000) 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 (2013: 56).

	2014	2013
	No.	No.
Listed Equity	20	22
Private Equity	11	12
Marketing	12	9
Group	13	13
	56	56

Key management personnel are defined as members of the Board and/or the Executive Committee. The remuneration of key management personnel during the year was £2,055,123 with £77,709 of share-based payments (2013: £1,711,314 with £325,197 of share-based payments).

5. INVESTMENT INCOME

	2014 £000	2013 £000
Bank interest	60	96
Other investment income	147	67
	207	163

6. TAXATION

	2014 £000	2013 £000
(a) Analysis of charge for the year		
Current tax expense:		
UK corporation tax	-	20
Foreign taxes	68	124
Adjustment in respect of prior years	17	(5)
Total current tax	85	139
Deferred tax expense:		
Charge/(credit) for the year	203	142
Adjustment in respect of prior years	(9)	116
Total deferred tax	194	258
Total income tax expense	279	397

(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 22% (2013: lower). The differences are explained below:

	2014 £000	2013 £000
Profit/(Loss) before tax	3,535	3,354
Effective tax charge at 22% (2013: 23.5%)	778	788
Effects of:		
Non-deductible expenses and charges	40	235
Non-taxable income	-	(16)
Increase in tax deduction re share awards from share price increase	(241)	-
Tax effect of previously unrecognised tax losses	(61)	(267)
Adjustment in respect of previous years	8	111
Effect of higher tax rates in foreign jurisdictions	18	10
Exchange differences	(247)	(147)
Change in UK tax rates	(16)	(317)
Total income tax expense	279	397

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

	Accelerated capital allowances	Other temporary differences	Income not yet taxable	Share based payment scheme	Total
	£000	£000	£000	£000	£000
As at 1 October 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)
Charge to equity	**-**	**(13)**	**-**	**-**	**(13)**
Exchange differences on consolidation	**-**	**-**	**163**	**-**	**163**
Credit/(Charge) to the income statement	**12**	**415**	**(369)**	**(253)**	**(195)**
As at 30 September 2014	**49**	**247**	**(2,503)**	**510**	**(1,697)**

If and when the EBT Trustee agrees to transfer assets held in the EBT 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 £1,623,000. The Group also has nil capital losses carried forward (2013: £235,000).

7. EARNINGS AND EARNINGS PER SHARE

Adjusted earnings

In order to better reflect the underlying economic performance of the Group, an adjusted earnings has 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 and the exercising of options over the Company's shares.

	2014	2013
	£000	£000
Earnings	**3,256**	2,957
Share-based payment charge	**-**	280
Tax benefit on long-term incentive scheme included in other comprehensive income	**-**	20
Adjusted earnings	**3,256**	3,257

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

Adjusted earnings per share

	Adjusted earnings for the year £000	Shares '000	Earnings per share
2014			
Basic adjusted	3,256	116,199	2.80p
Diluted adjusted	3,256	116,658	2.79p
2013			
Basic adjusted	3,257	117,463	2.77p
Diluted adjusted	3,257	117,463	2.77p

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 and RSS share schemes is calculated in the same way as for IFRS earnings per share.

	2014 '000	2013 '000
Shares in issue	127,749	127,749
Shares held in Treasury or EBT (excluding those held to satisfy awards under the EIA Extension)	(11,550)	(10,286)
Number of shares used in the calculation of basic adjusted earnings per share	116,199	117,463
Dilutive effect of ESOP and RSS share schemes	459	-
Number of shares used in the calculation of diluted adjusted earnings per share	116,658	117,463

IFRS earnings per share

	Earnings for the year £000	Shares '000	Earnings per share
2014			
Basic	3,256	117,314	2.78p
Diluted	3,256	117,773	2.76p
2013			
Basic	2,957	121,318	2.44p
Diluted	2,957	121,318	2.44p

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:

	2014 '000	2013 '000
Weighted average number of Ordinary Shares used in the calculation of basic earnings per share	117,314	121,318
Additional dilutive shares re share schemes	5,350	-
Adjustment to reflect option exercise proceeds and future service from employees receiving awards	(4,891)	-
Weighted average number of Ordinary Shares used in the calculation of diluted earnings per share	117,773	121,318

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

8. DIVIDEND

The Directors propose a dividend of 1.1p per share for the year ended 30 September 2014 (2013: 0.90p per share). This, combined with the interim dividend of 0.30p (2013: nil) which was paid on 20 June 2014 gives a total dividend for the year of 1.40p (2013: 0.90p). The dividend will be submitted for formal approval at the Annual General Meeting to be held on 4 February 2015. 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 2015.

The dividend for the year ended 30 September 2013 was paid on 17 February 2013, being 0.90p per share. The Trustees of the EBT waived their rights to part of this dividend, leading to a total dividend payment of £1,004,000. This payment is reflected in the Statement of Changes in Equity.

9. CURRENT ASSET INVESTMENTS

	Unlisted investments	Listed investments	Total
	£000	£000	£000
At 1 October 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
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**

Listed investments

Impax Fundamental Long-term Opportunities in Water Fund

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 into the fund. IFLOW invests in listed equities using the Group's Water Strategy. The Group's investment represented more than 50% of IFLOW's NAV from the date of launch to 30 September 2014 and accordingly has been consolidated throughout this period with its underlying investments included in listed equities in the table above.

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.

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 2014 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.

Unlisted investments
The unlisted investments principally comprise 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 cash flow method. The key assumptions 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 cash flows would result in a decrease in profit from operations and net assets of £127,000. A 1% reduction in the discount rate would result in a corresponding increase of £136,000 in profit from operations and net assets.

The INEI I investment, which is recorded at a fair value of £708,000, consists mainly of investments in Spanish solar farms (accounting for 78% 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. 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 £504,000.
The unlisted investments include £4,830,000 in related parties of the Group (2013: £6,261,000).

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:

	2014	2013
	£000	£000
Cash and cash equivalents	6,560	3,620
Cash invested in money market funds and long term deposit accounts	10,615	12,873
	17,175	16,493

Cash and cash equivalents includes the following:

	2014	2013
	£000	£000
Cash at bank and in hand		
- Held by operating entities of the Group	6,560	3,620
- Held by the consolidated funds	74	60
	6,634	3,680

11. ORDINARY SHARES

Issued and fully paid	2014 Number	2014 £000	2013 Number	2013 £000
Ordinary shares of 1p each				
At 1 October	127,749,098	1,277	115,582,431	1,156
Issue of shares to EBT 2012	-	-	12,166,667	121
At 30 September	127,749,098	1,277	127,749,098	1,277

12. OWN SHARES AND TREASURY SHARES

	Treasury shares Number	Treasury shares £000	Own shares Number	Own shares £000
At 1 October 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
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

13. ACCOUNTING POLICIES

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

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

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