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## **Independent auditor's review report on the condensed consolidated financial statements**

### **To the shareholders of Ninety One Limited**

We have reviewed the condensed consolidated financial statements of Ninety One Limited contained in the accompanying provisional report, which comprise the condensed consolidated statement of financial position at 31 March 2021 and the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the year then ended, selected explanatory notes and the annexure to the condensed consolidated financial statements.

### ***Director's responsibility for the condensed consolidated financial statements***

The directors are responsible for the preparation and fair presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in note 1(a) to the condensed consolidated financial statements, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410 which applies to a review of historical information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluating the evidence obtained.



*Independent auditor's review report on the condensed consolidated financial statements*  
19 May 2021

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of Ninety One Limited for the year ended 31 March 2021, are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in note 1(a) to the financial statements and the requirements of the Companies Act of South Africa.

KPMG Inc.

A handwritten signature in black ink, appearing to read 'GS Kolbé'.

Per GS Kolbé  
Chartered Accountant (SA)  
Registered Auditor  
Director

19 May 2021

# CONDENSED CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2021

	Notes	2021 £'m	2020 £'m
Revenue	2	<u>755.9</u>	<u>761.0</u>
Commission expense		<u>(130.8)</u>	<u>(151.1)</u>
<b>Net revenue</b>		<u><b>625.1</b></u>	<u>609.9</u>
<b>Operating expenses</b>	3	<b>(425.0)</b>	(413.4)
Net gain/(loss) on investments		15.6	(4.2)
Foreign exchange (loss)/gain		(6.3)	2.1
Share of profit from associates		0.6	-
Other income		1.6	0.2
<b>Operating profit</b>		<u><b>211.6</b></u>	<u>194.6</u>
Net interest (expense)/income	4	<u>(1.5)</u>	<u>1.7</u>
<b>Profit before tax and exceptional items</b>		<u><b>210.1</b></u>	<u>196.3</u>
<b>Exceptional items</b>			
Financial impact of group restructures	18(a)	(6.0)	(10.9)
Ninety One share scheme implementation	18(b)	-	13.1
<b>Profit before tax</b>		<u><b>204.1</b></u>	<u>198.5</u>
Tax expense	5	<u>(49.5)</u>	<u>(42.5)</u>
<b>Profit after tax</b>		<u><b>154.6</b></u>	<u>156.0</u>
<b>Profit attributable to:</b>			
Shareholders		154.4	155.4
Non-controlling interests		0.2	0.6
		<u><u><b>154.6</b></u></u>	<u><u>156.0</u></u>
<b>Earnings per share (pence)</b>			
Basic	6(a)	16.9	16.8
Diluted	6(a)	16.8	16.8

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2021

	2021	2020
	£'m	£'m
<b>Profit after tax</b>	<u>154.6</u>	<u>156.0</u>
<b>Other comprehensive income/(loss) for the year</b>		
Items that will not be reclassified to profit or loss:		
Net remeasurements on pension fund obligation	1.1	(1.8)
Deferred tax on revaluation of pension fund obligation	(0.2)	0.4
Deferred tax on share options vested	0.1	0.1
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign subsidiaries	5.1	(10.2)
Exchange differences on translation of related assets and liabilities classified as held for sale	0.3	-
<b>Other comprehensive income/(loss) for the year</b>	<u>6.4</u>	<u>(11.5)</u>
<b>Total comprehensive income for the year</b>	<u><u>161.0</u></u>	<u><u>144.5</u></u>
<b>Total comprehensive income attributable to:</b>		
Shareholders	160.8	143.9
Non-controlling interests	0.2	0.6
	<u><u>161.0</u></u>	<u><u>144.5</u></u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2021

	Notes	2021 £'m	2020 £'m
<b>Assets</b>			
Investments	8	5.5	4.8
Investment in associates		0.7	0.3
Property and equipment		30.7	18.0
Right-of-use assets	14	90.3	90.7
Deferred tax assets		24.8	25.2
Other receivables		3.0	6.2
<b>Total non-current assets</b>		<b>155.0</b>	<b>145.2</b>
Investments	8	76.8	72.3
Linked investments backing policyholder funds	7	9,063.9	6,988.5
Income tax recoverable		5.9	4.4
Trade and other receivables		253.3	246.4
Cash and cash equivalents	9	337.5	194.5
		<b>9,737.4</b>	<b>7,506.1</b>
Assets classified as held for sale	15	12.2	-
<b>Total current assets</b>		<b>9,749.6</b>	<b>7,506.1</b>
<b>Total assets</b>		<b>9,904.6</b>	<b>7,651.3</b>
<b>Liabilities</b>			
Other liabilities	12	39.6	39.3
Lease liabilities	14	106.1	98.9
Pension fund obligation		0.7	1.8
Deferred tax liabilities		29.0	5.7
<b>Total non-current liabilities</b>		<b>175.4</b>	<b>145.7</b>
Policyholder investment contract liabilities	11	9,033.6	7,002.8
Other liabilities	12	40.0	37.6
Lease liabilities	14	4.3	2.7
Trade and other payables	13	381.6	304.3
Income tax payable		8.8	7.1
		<b>9,468.3</b>	<b>7,354.5</b>
Liabilities classified as held for sale	15	7.6	-
<b>Total current liabilities</b>		<b>9,475.9</b>	<b>7,354.5</b>
<b>Equity</b>			
Share capital	10(a)	441.2	441.2
Own share reserve	10(b)	(19.5)	(9.9)
Other reserves	10(c)	(338.4)	(351.6)
Retained earnings		169.9	71.0
Shareholders' equity excluding non-controlling interests		253.2	150.7
Non-controlling interests		0.1	0.4
<b>Total equity</b>		<b>253.3</b>	<b>151.1</b>
<b>Total equity and liabilities</b>		<b>9,904.6</b>	<b>7,651.3</b>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2021

	Notes	Share capital £'m	Own share reserve £'m	Total other reserves £'m	Retained earnings £'m	Total shareholders' equity £'m	Non-controlling interests £'m	Total equity £'m
<b>1 April 2020</b>		<b>441.2</b>	<b>(9.9)</b>	<b>(351.6)</b>	<b>71.0</b>	<b>150.7</b>	<b>0.4</b>	<b>151.1</b>
Profit for the year		-	-	-	154.4	154.4	0.2	154.6
Other comprehensive income		-	-	5.4	1.0	6.4	-	6.4
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>5.4</b>	<b>155.4</b>	<b>160.8</b>	<b>0.2</b>	<b>161.0</b>
<b>Transactions with shareholders of the Group</b>								
Share-based payment transactions related to Ninety One share scheme	10(c)(iv)	-	-	7.8	-	7.8	-	7.8
Own shares purchased	10(b)	-	(9.6)	-	-	(9.6)	-	(9.6)
Dividends paid	10(d)	-	-	-	(53.9)	(53.9)	(0.1)	(54.0)
<b>Total transactions with shareholders of the Group</b>		<b>-</b>	<b>(9.6)</b>	<b>7.8</b>	<b>(53.9)</b>	<b>(55.7)</b>	<b>(0.1)</b>	<b>(55.8)</b>
Repurchase of non-controlling interests		-	-	-	(1.2)	(1.2)	(0.1)	(1.3)
Other movement		-	-	-	(1.4)	(1.4)	(0.3)	(1.7)
<b>31 March 2021</b>		<b>441.2</b>	<b>(19.5)</b>	<b>(338.4)</b>	<b>169.9</b>	<b>253.2</b>	<b>0.1</b>	<b>253.3</b>
<b>1 April 2019</b>		<b>441.2</b>	<b>-</b>	<b>(346.1)</b>	<b>100.0</b>	<b>195.1</b>	<b>0.6</b>	<b>195.7</b>
Profit for the year		-	-	-	155.4	155.4	0.6	156.0
Other comprehensive loss		-	-	(10.2)	(1.3)	(11.5)	-	(11.5)
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>(10.2)</b>	<b>154.1</b>	<b>143.9</b>	<b>0.6</b>	<b>144.5</b>
<b>Transactions with shareholders of the Group</b>								
Share-based payment transactions related to Ninety One share scheme	10(c)(iv)	-	-	4.7	-	4.7	-	4.7
Own shares purchased	10(b)	-	(9.9)	-	-	(9.9)	-	(9.9)
Dividends paid	10(d)	-	-	-	(183.1)	(183.1)	(0.8)	(183.9)
<b>Total transactions with shareholders of the Group</b>		<b>-</b>	<b>(9.9)</b>	<b>4.7</b>	<b>(183.1)</b>	<b>(188.3)</b>	<b>(0.8)</b>	<b>(189.1)</b>
Repurchase of non-controlling interests		-	-	-	-	-	-	-
Other movement		-	-	-	-	-	-	-
<b>31 March 2020</b>		<b>441.2</b>	<b>(9.9)</b>	<b>(351.6)</b>	<b>71.0</b>	<b>150.7</b>	<b>0.4</b>	<b>151.1</b>

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2021

	Notes	2021 £'m	2020 £'m
Cash flows from operations – shareholders		268.6	196.4
Cash flows from operations – policyholders		238.7	667.5
<b>Cash flows from operations</b>	17(a)	<b>507.3</b>	<b>863.9</b>
Interest received		2.4	4.8
Interest paid in respect of lease liabilities		(1.2)	(0.6)
Other interest paid		(0.2)	(0.1)
Income tax paid		(48.9)	(54.4)
<b>Net cash flows from operating activities</b>		<b>459.4</b>	<b>813.6</b>
<b>Cash flows from investing activities</b>			
Net disposal/(acquisition) of investments		8.6	(3.6)
Additions to property and equipment		(19.4)	(13.4)
Net acquisition of linked investments backing policyholder funds <sup>1</sup>	7	(397.9)	(568.3)
<b>Net cash flows from investing activities<sup>1</sup></b>		<b>(408.7)</b>	<b>(585.3)</b>
<b>Cash flows from financing activities</b>			
Principal elements of lease payments		(4.0)	(5.7)
Payment for acquisition of subsidiary's interests in non-controlling interests		(1.3)	-
Purchase of own shares	10(b)	(9.6)	(9.9)
Dividends paid		(54.0)	(183.9)
<b>Net cash flows from financing activities</b>		<b>(68.9)</b>	<b>(199.5)</b>
Cash and cash equivalents at beginning of year <sup>1</sup>		436.6	424.6
Net change in cash and cash equivalents <sup>1</sup>		(18.2)	28.8
Effect of foreign exchange rate changes		28.6	(16.8)
<b>Cash and cash equivalents at end of year<sup>1</sup></b>		<b>447.0</b>	<b>436.6</b>
<b>Cash and cash equivalents at end of year consist of:</b>			
Cash and cash equivalents available for use by the Group	9	337.5	194.5
<b>Cash and cash equivalents presented within other assets</b>			
Cash and cash equivalents presented within linked investments backing policyholder funds <sup>1</sup>	7	106.0	242.1
Cash and cash equivalents presented within assets classified as held for sale	15	3.5	-
<b>Cash and cash equivalents at end of year<sup>1</sup></b>		<b>447.0</b>	<b>436.6</b>

<sup>1</sup> The comparative amounts have been re-presented to now include within the condensed consolidated statement of cash flows, the cash and cash equivalents which are included within the linked investments backing policyholder funds as set out in note 7.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

## General information

Ninety One operates as a dual-listed company ("DLC") under a DLC structure. The DLC structure comprises Ninety One plc, a public company incorporated in England and Wales under the UK Companies Act 2006 and Ninety One Limited, a public company incorporated in South Africa under the South African Companies Act 71 of 2008. Under the DLC structure, Ninety One plc and Ninety One Limited, together with their direct and indirect subsidiaries, effectively form a single economic enterprise (the "Group") in which the economic and voting rights of ordinary shareholders of the companies are maintained in equilibrium relative to each other. The Group, previously the asset management business of Investec (the "Ninety One Business"), was demerged from Investec on 13 March 2020 (the "Date of Demerger") and listed on the London and Johannesburg Stock Exchanges on 16 March 2020 (the "Admission Date"). Investec has retained a minority stake in the Group.

## 1(a) Basis of preparation

The condensed consolidated financial statements for the year ended 31 March 2021 have been prepared in accordance with:

- the JSE Limited's Listings Requirements and the requirements of the Companies Act of South Africa;
- the framework concepts and the measurement and recognition requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 in the UK and International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, and with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") (collectively "IFRS") since the latter is identical in all material respects;
- the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting;
- the accounting policies applied to the condensed consolidated financial statements are in terms of IFRS and are consistent with those applied for the year ended 31 March 2020; and
- the requirements in UK Listing Rule R 9.7A with regards the preparation of preliminary statements of annual results.

The condensed consolidated financial statements have been prepared on the historical cost basis with the exception of linked investments backing policyholder funds, policyholder investment contract liabilities, investments and the pension fund obligation.

The presentation currency of the Group is Pounds Sterling ("£"), being the functional currency of Ninety One plc. The functional currency of Ninety One Limited is South African Rand ("R"). All values are rounded to the nearest million ("£m"), unless otherwise indicated.

Foreign operations are subsidiaries and interests in associated undertakings of the Group, the activities of which are based in a functional currency other than that of the reporting entity. The functional currency of an entity is determined based on the primary economic environment in which the entity operates. Foreign currency transactions are translated into the functional currency of the entity in which the transactions arise, based on rates of exchange ruling at the date of the transactions.

The insertion of Ninety One plc and Ninety One Limited as the ultimate holding companies of the Group via a share-for-share exchange with the original stakeholders of the Ninety One Business (the "Demerger Transactions") constitute "transactions under common control" in which merger accounting is applied. Accordingly, the condensed consolidated financial statements are prepared as if the Group had already existed before the start of the earliest period presented.

This provisional announcement does not constitute the Group's full consolidated financial statements for the year ended 31 March 2021. The Group's full consolidated financial statements will be approved by the board of directors, reported on by the auditors and published in June 2021. Accordingly, the financial information for the year ended 31 March 2021 is presented unaudited in this preliminary announcement to satisfy UK reporting requirements and is presented reviewed in this provisional announcement to satisfy the JSE Limited Listings Requirements in South Africa.

The preliminary announcement also does not constitute Ninety One plc's statutory accounts in the UK for the years ended 31 March 2021 or 2020. The financial information for 2020 is derived from the UK statutory accounts for 2020 which have been delivered to the UK's registrar of companies. The auditor has reported on the 2020 accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The UK statutory accounts for 2021 will be finalised on the basis of the financial information presented by the directors in this preliminary announcement and will be delivered to the UK's registrar of companies in due course.

## Going concern

The board of directors have considered the resilience of the Group, taking into account its current financial position, the principal risks facing the business and the impacts that the COVID-19 pandemic and its associated events has had on the Group. The board of directors have considered the impact of the pandemic by applying various stressed scenarios, including plausible downside assumptions, about the impact on assets under management, profitability of the Group and known commitments. All scenarios show that the Group would continue to operate profitably for a period of at least 12 months from the date of the release of these results. The condensed consolidated financial statements have therefore been prepared on a going concern basis.

## 1(b) Basis of consolidation

Ninety One plc and Ninety One Limited operate under a DLC structure as a result of legally binding agreements that were executed at the Date of Demerger. The effect of the DLC structure is that Ninety One plc and Ninety One Limited and their direct and indirect subsidiaries and associates operate together as a single economic entity, with neither assuming a dominant role and accordingly are reported as a single reporting entity under IFRS. IFRS does not specifically provide guidance on how to account for such structures and hence judgement is required in applying the consolidation principles set out in IFRS 10. The board of directors of Ninety One plc and Ninety One Limited, having assessed the legal agreements referred to above and the requirements of IFRS 10, have concluded that the Group's consolidated financial statements represent the consolidation of the assets, liabilities and the results of Ninety One plc and Ninety One Limited and their direct and indirect subsidiaries and associates. Subsidiaries are those entities controlled by the Group.

Subsidiaries are consolidated from the date the Group obtains control and are excluded from consolidation from the date which the Group loses control.

The Group also uses judgement to determine whether its interests in investment funds and trusts constitute controlling interests. The Group has interests in funds through its role as fund manager and through its proprietary investments in funds. In conducting the assessment, the Group considers substantive contractual rights as well as de facto control. De facto control of an entity may arise from circumstances where the Group does not have more than 50% of the voting power but it has the practical ability to direct the relevant activities of the entity. If the Group has the ability to direct the relevant activities of the entity and is also exposed to variable returns of the entity, they are consolidated after considering the magnitude of, and variability associated with, the Group's economic interest relative to the returns expected from the activities of the entity. Economic interest includes management fees and performance fees received from the entity, rights to the profits or distributions as well as the obligation to absorb losses of the entity.

On consolidation, the results and financial position of foreign operations are translated into the presentation currency of the Group, as follows:

- assets and liabilities for the condensed consolidated statements of financial position presented are translated at the closing rate at the reporting date;
- income and expense items are translated at exchange rates ruling at the date of the transactions;
- all resulting exchange differences are recognised in other comprehensive income (foreign currency translation reserve), which is recognised in profit or loss within the condensed consolidated statement of comprehensive income on disposal of the foreign operation; and
- cash flow items are translated at the exchange rates ruling at the date of the transactions.

All intra-group balances, income and expenses arising from transactions between companies belonging to the Group were eliminated when preparing the condensed consolidated financial statements. In addition, the investments of the holding companies in the Group were eliminated against the equity of the respective subsidiaries. The share capital of the Group is an aggregation of the share capitals of Ninety One plc and Ninety One Limited.

## 2 Segmental reporting

Revenue primarily consists of management fees and performance fees derived from investment management activities. As an integrated global investment manager, the Group operates a single-segment investment management business. All financial, business and strategic decisions are made centrally by the chief operating decision maker (the "CODM") of the Group. The CODM is the chief executive officer of the Group from time to time. Reporting provided to the CODM is on an aggregated basis which is used for evaluating the Group's performance and the allocation of resources. The CODM monitors operating profit for the purpose of making decisions about resource allocation and performance assessment. Revenue is disaggregated by geographic location of contractual entities, as this best depicts how the nature, amount, timing and uncertainty of the Group's revenue and cash flows are affected by economic factors. Revenue is generated from a diversified customer base and the Group has no single customer that it relies on. Non-current assets other than financial instruments and deferred tax assets are allocated based on where the assets are physically located.

	2021 £'m	2020 £'m
<b>Revenue from external clients</b>		
United Kingdom and Other	581.0	597.4
Southern Africa	174.9	163.6
Total	<u>755.9</u>	<u>761.0</u>
Performance fees included in revenue above	<u>45.4</u>	<u>21.5</u>
<b>Non-current assets</b>		
United Kingdom and Other	114.6	104.0
Southern Africa	7.1	5.0
Total	<u>121.7</u>	<u>109.0</u>

	2021 £'m	2020 £'m
<b>3 Operating expenses</b>		
Staff costs (Note 3(a))	284.4	272.0
Deferred employee benefit gains	15.3	1.2
Depreciation of right-of-use assets (note 14b)	11.5	10.7
Depreciation of property and equipment	5.1	2.5
Auditors' remuneration	1.8	1.5
Other administrative expenses	106.9	125.5
	<u>425.0</u>	<u>413.4</u>

	2021 £'m	2020 £'m
<b>3(a) Staff costs</b>		
Salaries, wages and other related costs	249.0	243.8
Share-based payment expenses related to Investec Share Plans	1.0	1.2
Share-based payment expenses related to the Ninety One share scheme	7.8	-
Social security costs	16.9	17.8
Pension costs	9.7	9.2
	<u>284.4</u>	<u>272.0</u>

Staff costs excluded the share-based payments expenses related to the Ninety One share scheme for the year ended 31 March 2020 which were included in exceptional items. Including these, the total staff costs for year ended 31 March 2020 were £258.9 million.

	2021 £'m	2020 £'m
<b>4 Net interest (expense)/income</b>		
Interest income	2.4	4.8
Interest expense on lease liabilities	(3.7)	(3.0)
Other interest expense	(0.2)	(0.1)
	<u>(1.5)</u>	<u>1.7</u>

Interest income consists of interest on financial assets measured at amortised cost.

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	2021	2020
	£'m	£'m
<b>5 Tax expense</b>		
Current tax - current year	49.6	43.6
Current tax - adjustment for prior years	(0.5)	(0.2)
<b>Current tax expense</b>	<b>49.1</b>	<b>43.4</b>
Deferred tax - current year	(0.1)	0.5
Deferred tax - adjustment for prior years	0.5	(0.3)
Deferred tax - change in corporate tax rate	-	(1.1)
<b>Deferred tax expense/(credit)</b>	<b>0.4</b>	<b>(0.9)</b>
	<b>49.5</b>	<b>42.5</b>

The UK corporate tax rate for 2021 was 19% (2020: 19%). The tax charge in the year is higher (2020: higher) than the standard rate of corporate tax in the UK and the differences are explained below:

	2021	2020
	%	%
<b>Reconciliation of effective tax rate</b>		
Effective rate of taxation	24.3	21.4
Tax effect of non-deductible expenses	(0.4)	(0.3)
Effect on deferred tax balances resulting from a change in tax rate	-	0.6
Adjustment to tax charge in respect of prior year	(0.8)	0.2
Tax effect of utilisation of tax losses	0.1	-
Effect of different tax rates applicable in foreign jurisdictions	(4.2)	(2.9)
<b>United Kingdom standard tax rate</b>	<b>19.0</b>	<b>19.0</b>

## 6 Earnings per share

The Group calculates earnings per share ("EPS") on a number of different bases in accordance with IFRS and prevailing South African requirements.

### 6(a) Basic and diluted earnings per share

The calculations of basic and diluted EPS are based on IAS 33 Earnings per share; details are shown as below:

Basic EPS is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, excluding own shares held by the Ninety One Employee Benefit Trusts.

Diluted EPS is calculated by dividing the profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of ordinary shares that would be issued on the conversion of all the potentially dilutive shares into ordinary shares.

	2021	2020
	£'m	£'m
Profits attributable to ordinary shareholders	154.4	155.4

The table below summarises the calculation of the weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share:

	Number of shares	Number of shares
Weighted average number of ordinary shares		
Ordinary shares in issue	922,714,076	922,714,076
Less: Own shares held by the Ninety One Employee Benefit Trusts	(10,036,744)	(262,276)
Weighted average number of ordinary shares for the purpose of calculating basic EPS	912,677,332	922,451,800
Effect of dilutive potential shares – share awards	4,109,493	-
Weighted average number of ordinary shares for the purpose of calculating diluted EPS	916,786,825	922,451,800
EPS (pence)		
Basic	16.9	16.8
Diluted	16.8	16.8

## 6(b) Headline earnings per share

The Group is required to calculate headline earnings per share ("HEPS") in accordance with JSE Listings Requirements, determined by reference to circular 1/2021 "Headline Earnings" issued by the South African Institute of Chartered Accountants.

The table below reconciles the profits attributable to ordinary shareholders to headline earnings and summarises the calculation of basic and diluted HEPS:

	2021 £'m	2020 £'m
Profits attributable to ordinary shareholders	154.4	155.4
Share of profit of associates	(0.6)	(0.2)
Gain on partial disposal of associate	(0.2)	-
Loss on disposal of property and equipment	0.4	-
Headline earnings and diluted headline earnings	<u>154.0</u>	<u>155.2</u>
	<b>Number of shares</b>	<b>Number of shares</b>
Weighted average number of ordinary shares for the purpose of calculating basic EPS (note 6(a))	<b>912,677,332</b>	922,451,800
Weighted average number of ordinary shares for the purpose of calculating diluted EPS (note 6(a))	<b>916,786,825</b>	922,451,800
HEPS (pence)	<b>16.9</b>	16.8
Diluted HEPS (pence)	<b>16.8</b>	16.8
	<b>2021 £'m</b>	<b>2020 £'m</b>
<b>7 Linked investments backing policyholder funds</b>		
Quoted investments at fair value		
Equities	807.8	412.3
Interest-bearing stocks, debentures and other loans	1,602.5	1,429.5
Derivatives	1.4	(30.9)
	<u>2,411.7</u>	<u>1,810.9</u>
Unquoted investments at fair value		
Collective investment schemes	3,676.6	2,886.4
Mutual funds	1,905.7	1,233.9
Equities	9.9	4.5
Interest-bearing stocks, debentures and other loans	953.0	824.2
Derivatives	1.0	(13.5)
Cash and cash equivalents	106.0	242.1
	<u>6,652.2</u>	<u>5,177.6</u>
	<u>9,063.9</u>	<u>6,988.5</u>
<b>Opening balance</b>	<b>6,988.5</b>	8,173.7
Net fair value gains/(losses) on linked investments backing policyholder funds	1,190.2	(588.7)
Net acquisition of linked investments backing policyholder funds	397.9	568.3
Net movement in cash and cash equivalents within linked investments backing policyholder funds	(136.1)	86.6
Exchange adjustment	623.4	(1,251.4)
<b>Closing balance</b>	<u><b>9,063.9</b></u>	<u>6,988.5</u>

	2021	2020
	£'m	£'m
<b>8 Investments</b>		
<b>Non-current</b>		
Investments in unlisted investment vehicles	<u>5.5</u>	<u>4.8</u>
<b>Current</b>		
Deferred compensation investments	73.7	70.6
Investments in pooled vehicles	<u>3.1</u>	<u>1.7</u>
	<u><u>76.8</u></u>	<u><u>72.3</u></u>

Investments are initially recognised at fair value and subsequently measured at fair value through profit or loss in accordance with IFRS 9.

	2021	2020
	£'m	£'m
<b>9 Cash and cash equivalents</b>		
Cash at bank and on hand	185.1	152.0
Money Market Funds	<u>152.4</u>	<u>42.5</u>
	<u><u>337.5</u></u>	<u><u>194.5</u></u>

Cash balances within linked investments backing policyholder funds are not included as they are not due to the Group.

## 10 Share capital, other reserves and dividends

### 10(a) Share capital

Ordinary shares are classified as equity instruments when there is no contractual obligation to deliver cash or other assets to another entity. The value of the Group's share capital consists of the number of ordinary shares in issue in Ninety One plc and Ninety One Limited multiplied by their nominal value.

The tables below provide details of the share capital of Ninety One plc and Ninety One Limited.

Ninety One plc	Number of shares	Nominal value £'m
Ordinary shares of £0.0001 each, issued, allotted and fully paid <sup>1</sup>	622,624,622	0.1
Special shares of £0.0001 each, issued, allotted and fully paid <sup>2</sup> :		
Special converting shares	300,089,454	-
UK DAS Share	1	-
UK DAN Share	1	-
Special voting share	1	-
Special rights share	1	-
<b>Ninety One plc balance at 31 March 2021 and 2020</b>		<u><u>0.1</u></u>

On the Date of Demerger, Ninety One plc acquired the net assets of Ninety One UK Limited (previously Investec Asset Management Limited), the former holding company of the Ninety One Business in the UK, from Investec, and Forty Two Point Two for a consideration of £915.3 million. The transfer was effected by the issue of 622,624,621 ordinary shares by Ninety One plc, with the balance giving rise to the share premium of £732.2 million and a merger reserve of £183.0 million, being the differences between the nominal value of shares issued and the consideration of the acquired net assets of Ninety One UK Limited. Share premium was subsequently transferred to distributable reserve by means of the reduction of share capital.

<b>Ninety One Limited</b>	<b>Number of shares</b>	<b>Nominal value £'m</b>
Ordinary shares with no par value, issued, allotted and fully paid <sup>1</sup>	<b>300,089,454</b>	<b>441.1</b>
Special shares with no par value, issued, allotted and fully paid <sup>2</sup> :		
Special converting shares	<b>622,624,622</b>	-
SA DAS Share	<b>1</b>	-
SA DAN Share	<b>1</b>	-
Special voting share	<b>1</b>	-
Special rights share	<b>1</b>	-
<b>Ninety One Limited balance at 31 March 2021 and 2020</b>		<b>441.1</b>

On the Date of Demerger, Ninety One Limited acquired the net assets of Ninety One Africa Proprietary Limited (previously Investec Asset Management Holding Proprietary Limited), the former holding company of the Ninety One Business in Southern Africa, from Investec and Forty Two Point Two for a consideration of £441.1 million. The transfer was effected by the issue of 300,089,454 ordinary shares by Ninety One Limited.

	<b>Number of shares</b>	<b>Nominal value £'m</b>
<b>Total ordinary shares in issue and share capital at 31 March 2021 and 2020</b>	<b>922,714,076</b>	<b>441.2</b>

<sup>1</sup> All ordinary shares in issue rank pari passu and carry the same voting rights and entitlement to receive dividends and other distributions declared or paid by the Group. Ninety One Limited is authorised to issue one billion ordinary shares with no par value.

<sup>2</sup> Special shares will not have any rights to vote, except on a resolution either to vary the rights attached to such share or on a winding-up of Ninety One plc or Ninety One Limited, nor any right to receive any dividend, other distribution or repayment of capital by Ninety One plc or Ninety One Limited.

#### 10(b) Own share reserve

The Group established the employee benefit trusts ("EBTs") for the purpose of purchasing the Group's shares and satisfying the share-based payment awards granted to employees. The EBTs are funded and operated by the relevant entity of the Group and hold shares that have not vested unconditionally to employees of the Group. The EBTs are consolidated into the Group's condensed consolidated financial statements, with any Ninety One shares held by the EBTs classified as own shares deducted from equity of the Group's condensed consolidated statement of financial position. These shares are recorded at cost, and no gain or loss is recognised in the Group's condensed consolidated income statement on the purchase, sale, issue or cancellation of these shares.

Movements in the own shares reserve during the year were as follows:

	<b>2021 £'m</b>	<b>2020 £'m</b>
<b>Opening balance</b>	<b>(9.9)</b>	-
Own shares purchased	<b>(9.6)</b>	(9.9)
<b>Closing balance</b>	<b>(19.5)</b>	(9.9)

During the year ended 31 March 2021, 4.6 million ordinary shares (2020: 6.4 million) were purchased by the EBTs. At 31 March 2021, 11.0 million ordinary shares (2020: 6.4 million) were held as own shares within the EBTs for the purpose of satisfying share awards obligations to employees.

## 10(c) Other reserves

The following table shows the movements in other reserves during the year:

	Distributable reserve	Merger reserve	DLC reserve	Share- based payment reserve	Foreign currency translation reserve	Total
	£'m	£'m	£'m	£'m	£'m	£'m
	(i)	(ii)	(iii)	(iv)	(v)	
<b>At 1 April 2020</b>	<b>732.2</b>	<b>183.0</b>	<b>(1,236.5)</b>	<b>4.7</b>	<b>(35.0)</b>	<b>(351.6)</b>
Exchange differences on translating foreign subsidiaries	-	-	-	-	5.1	5.1
Exchange differences on translation of related assets and liabilities classified as held for sale	-	-	-	-	0.3	0.3
Share-based payment transactions	-	-	-	7.8	-	7.8
<b>At 31 March 2021</b>	<b>732.2</b>	<b>183.0</b>	<b>(1,236.5)</b>	<b>12.5</b>	<b>(29.6)</b>	<b>(338.4)</b>
<b>At 1 April 2019</b>	<b>732.2</b>	<b>183.0</b>	<b>(1,236.5)</b>	<b>-</b>	<b>(24.8)</b>	<b>(346.1)</b>
Exchange differences on translating foreign subsidiaries	-	-	-	-	(10.2)	(10.2)
Exchange differences on translation of related assets and liabilities classified as held for sale	-	-	-	-	-	-
Share-based payment transactions	-	-	-	4.7	-	4.7
<b>At 31 March 2020</b>	<b>732.2</b>	<b>183.0</b>	<b>(1,236.5)</b>	<b>4.7</b>	<b>(35.0)</b>	<b>(351.6)</b>

### (i) Distributable reserve

The share premium amounting to £732.2 million arising from the Demerger transactions described in note 10(a), being the premium of shares issued by Ninety One plc to Investec plc shareholders in exchange for the 80 percent stake in Ninety One UK Limited, was subsequently transferred to a distributable reserve by effecting a court approved reduction of capital, reducing its share premium account in order to create a distributable reserve for future distributions.

### (ii) Merger reserve

The merger reserve of £183.0 million is a legally created reserve that represents the premium of shares issued by Ninety One plc to Forty Two Point Two in exchange for its 20 percent (less one share) stake in Ninety One UK Limited. This transaction attracted merger relief under section 612 of the Companies Act 2006.

### (iii) DLC reserve

The DLC reserve of £1,236.5 million is an accounting reserve in equity to reflect the difference between the consideration for the acquired net assets of Ninety One UK Limited and Ninety One Africa Proprietary Limited (i.e. value of shares issued by Ninety One plc and Ninety One Limited) amounting to £1,356.4 million and the share capital and share premium of Ninety One UK Limited and Ninety One Africa Proprietary Limited amounting to £119.9 million.

### (iv) Share-based payment reserve

The share-based payment reserve of £12.5 million (2020: £4.7 million) comprises the fair value of share awards granted which are yet to be exercised. The amount will be reversed to the own share reserve when the related awards are forfeited or vested and transferred to employees.

### (v) Foreign currency translation reserve

The foreign currency translation reserve of £29.6 million (2020: £35.0 million) represents the exchange differences arising from the translation of the financial statements of foreign subsidiaries.

#### 10(d) Dividends

Dividends are distributions of profit to holders of the Group's share capital and as a result are recognised as a deduction in equity. Dividends are recognised only when they are paid or approved by the shareholders of the Group. The table below shows the total dividends paid during the year.

	2021		2020	
	Pence per share	£'m	Pence per share	£'m
<b>Ordinary dividends</b>				
Prior year's final dividend paid	-	-	7.0	64.7
Interim dividend paid	5.9	53.9	7.0	64.6
Dividend paid prior to the Demerger	-	-	5.8	53.8
<b>Total dividends attributable to ordinary shareholders</b>	<b>5.9</b>	<b>53.9</b>	<b>19.8</b>	<b>183.1</b>

Dividend per share is calculated by dividing dividends paid by the number of shares in issue. The prior year dividends are not comparable to the current year dividends as they were paid to shareholders when Ninety One was part of Investec and included a third dividend related to the distribution of profits prior to the Date of Demerger.

On 19 May 2021, the Board recommended a final dividend for the year ended 31 March 2021 of 6.7 pence per ordinary share, an estimated £61.7 million in total. The dividend is expected to be paid on 12 August 2021 to ordinary shareholders on the registers at the close of business on 23 July 2021.

<b>11</b>	<b>Policyholder investment contract liabilities</b>	<b>2021</b>	<b>2020</b>
		<b>£'m</b>	<b>£'m</b>
	Opening balance	7,002.8	8,190.9
	Investment income on linked investments backing policyholder funds	345.8	452.9
	Net fair value gains/(losses) on linked investments backing policyholder funds	1,190.2	(588.7)
	Investment and administration expenses	(26.6)	(27.6)
	Income tax (expense)/credit - policyholders' funds	(26.9)	4.5
	Surplus transferred to shareholders	(27.5)	(28.3)
	Net fair value change on policyholder investment contract liabilities	1,455.0	(187.2)
	Contributions	1,012.1	975.1
	Withdrawals	(1,058.9)	(722.1)
	Exchange adjustment	622.6	(1,253.9)
		<b>9,033.6</b>	<b>7,002.8</b>
<b>12</b>	<b>Other liabilities</b>	<b>2021</b>	<b>2020</b>
		<b>£'m</b>	<b>£'m</b>
	<b>Non-current</b>		
	Deferred compensation liabilities	39.2	39.3
	Other liabilities	0.4	-
		<b>39.6</b>	<b>39.3</b>
	<b>Current</b>		
	Deferred compensation liabilities	40.0	37.6
		<b>79.6</b>	<b>76.9</b>

Deferred compensation liabilities include applicable employer tax.

<b>13</b>	<b>Trade and other payables</b>	<b>2021</b>	<b>2020</b>
		<b>£'m</b>	<b>£'m</b>
	Employee related payables	<b>161.8</b>	145.4
	Trade payables	<b>219.3</b>	158.1
	Amounts payable to Investec	<b>0.5</b>	0.8
		<b>381.6</b>	<b>304.3</b>

**14 Leases**

<b>14(a)</b>	<b>Amounts recognised in the condensed consolidated statement of financial position</b>	<b>2021</b>	<b>2020</b>
		<b>£'m</b>	<b>£'m</b>
	<b>Right-of-use assets</b>		
	Office premises	<b>90.3</b>	90.7

Additions to the right-of-use assets during the year ended 31 March 2021 were £14.1 million (2020: £19.2 million).

**Lease liabilities**

Current	<b>4.3</b>	2.7
Non-current	<b>106.1</b>	98.9
	<b>110.4</b>	<b>101.6</b>

Calculation of leased assets and liabilities requires the use of both estimation and judgement. The determination of the lease term for each lease involves the Group assessing any extension and termination options, the enforceability of such options, and judging whether it is reasonably certain that they will be exercised. Several of the Group's leases contain such clauses. For each lease, a conclusion was reached on the overall likelihood of the option being exercised.

In addition, the identification of an appropriate discount rate to use in the calculation of the lease liability involves both estimation and judgement. Where the lease's implicit rate is not readily determinable, an incremental borrowing rate must be calculated by the Group. The discount rate used has a direct effect on the size of the lease liability capitalised, however, assessment showed that a change in discount rate is unlikely to have a material impact on the Group.

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current reporting period:

	<b>2021</b>		<b>2020</b>	
	<b>Present value of the minimum lease payments</b>	<b>Total minimum lease payments</b>	<b>Present value of the minimum lease payments</b>	<b>Total minimum lease payments</b>
	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>
Within one year	<b>4.3</b>	<b>7.4</b>	2.7	2.8
Between one and five years	<b>35.5</b>	<b>47.7</b>	20.2	35.4
Over five years	<b>70.6</b>	<b>80.0</b>	78.7	90.7
	<b>110.4</b>	<b>135.1</b>	101.6	128.9

<b>14(b)</b>	<b>Amount recognised in the condensed consolidated income statement</b>	<b>2021</b>	<b>2020</b>
		<b>£'m</b>	<b>£'m</b>
	Depreciation charge of right-of-use assets	<b>11.5</b>	10.7
	Interest expense on lease liabilities	<b>3.7</b>	3.0

The total cash outflow for leases during the year ended 31 March 2021 was £5.2 million (2020: £5.7 million).

## 15 Assets and liabilities classified as held for sale

Assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered through a sales transaction rather than through continuing use. This condition is regarded as having been met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year of the date of classification. Assets and liabilities held for sale are presented separately in the condensed consolidated statement of financial position.

Assets and liabilities (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and their fair value less costs to sell. When an asset (or disposal group) ceases to be classified as held for sale, the individual assets and liabilities cease to be shown separately in the statement of financial position at the end of the period in which the classification changes. Comparatives are not restated.

### Disposal of subsidiaries

On 25 September 2020, the Group entered into an agreement with a third party on the proposed sale of the Group's transfer agency business in South Africa consisting of Silica Holdings Proprietary Limited and its direct and indirect subsidiaries (collectively "Silica"). The transaction is expected to be completed within one year of the date of the agreement. Consequently, the following assets and liabilities of Silica are classified as held for sale at 31 March 2021:

	2021 £'m
<b>Assets classified as held for sale</b>	
Property and equipment	1.4
Investments	1.8
Right-of-use assets	0.6
Deferred tax assets	0.8
Cash and cash equivalents	3.5
Trade and other receivables	4.1
	<u>12.2</u>
<b>Liabilities classified as held for sale</b>	
Trade and other payables	5.6
Lease liabilities	0.7
Other liabilities	1.3
	<u>7.6</u>

## 16 Fair value of financial instruments

The fair values of all financial instruments are substantially similar to carrying values reflected in the statement of financial position as they are short term in nature, subject to variable, market-related interest rates or stated at fair value in the statement of financial position. The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques where one or more significant inputs are unobservable.

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

		Level 1 £'m	Level 2 £'m	Level 3 £'m	Total £'m
<b>At 31 March 2021</b>	Notes				
Deferred compensation investments	8	73.7	-	-	73.7
Investments in pooled vehicles	8	3.1	-	-	3.1
Unlisted investment vehicle	8	-	-	5.5	5.5
Investments backing policyholder funds	7	2,411.7	6,583.1	69.1	9,063.9
Policyholder investment contract liabilities	11	(2,411.7)	(6,552.8)	(69.1)	(9,033.6)
		<u>76.8</u>	<u>30.3</u>	<u>5.5</u>	<u>112.6</u>

	Notes	Level 1 £'m	Level 2 £'m	Level 3 £'m	Total £'m
<b>At 31 March 2020</b>					
Deferred compensation investments	8	70.6	-	-	70.6
Investments in pooled vehicles	8	1.7	-	-	1.7
Unlisted investment vehicle	8	-	-	4.8	4.8
Investments backing policyholder funds	7	1,810.9	5,137.3	40.3	6,988.5
Policyholder investment contract liabilities	11	(1,810.9)	(5,151.6)	(40.3)	(7,002.8)
		<u>72.3</u>	<u>(14.3)</u>	<u>4.8</u>	<u>62.8</u>

During the years ended 2021 and 2020, there were no transfers between level 1 and level 2, or transfers into or out of level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

#### Information about Level 3 fair value measurements

Unlisted investment vehicles represent the Group's investment in Ninety One Africa Private Equity Fund 2 L.P. (formerly Investec Africa Private Equity Fund 2 L.P.) and investment in Lango Real Estate Limited (formerly Growthpoint Investec African Properties Limited). The input used in measuring its fair value is the audited net asset value of the underlying investment which is calculated by the General Partner.

Investments backing policyholder funds/policyholder investment contract liabilities include derivatives that are not actively traded and the principal input in their valuation (i.e. credit spreads) is unobservable. Accordingly, an alternative valuation methodology has been applied being either an EBITDA multiple or expected cost recovery. A sensitivity analysis has not been presented as the "stressing" of the significant unobservable inputs applied in the valuation does not have a material impact on the condensed consolidated financial statements.

The movements during the year in the balance of the level 3 fair value measurements are as follows:

	2021 £'m	2020 £'m
Opening balance	4.8	5.3
Purchase of investments	0.4	2.8
Unrealised gain/(loss) on investments	0.3	(3.3)
Closing balance	<u>5.5</u>	<u>4.8</u>

## 17 Notes to the condensed consolidated statement of cash flows

### 17(a) Reconciliation of cash flows from operations

	Notes	2021 £'m	2020 £'m
<b>Profit before tax</b>		<b>204.1</b>	<b>198.5</b>
<b>Adjusted for:</b>			
Net (gain)/loss on investments		(15.6)	4.2
Depreciation of property and equipment	3	5.1	2.5
Depreciation of right-of-use assets	14(b)	11.5	10.7
Net interest expense/(income)	4	1.5	(1.7)
Net loss of pension fund		0.1	0.1
Net fair value (gains)/losses on linked investments backing policyholder funds	7	(1,190.2)	588.7
Net fair value change on policyholder investment contract liabilities	11	1,455.0	(187.2)
Net (withdrawals by)/contributions received from policyholders		(46.8)	253.0
Loss on disposal of property and equipment		0.4	-
Share of profit from associates		(0.6)	(0.2)
Gain on partial disposal of associate		(0.2)	-
Share-based payment amortisations related to Ninety One share scheme		7.8	4.7

*GSK*

	2021	2020
	£'m	£'m
<b>Working capital changes:</b>		
Trade and other receivables	(3.7)	(5.0)
Assets classified as held for sale	(8.7)	-
Trade and other payables	77.3	(3.6)
Deferred income	-	(0.2)
Other liabilities	2.7	(0.6)
Liabilities classified as held for sale	7.6	-
<b>Cash flows from operations</b>	<b>507.3</b>	<b>863.9</b>

Refer to the Annexure to the condensed consolidated financial statements for the split of shareholder and policyholder cash flows.

#### 17(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the condensed consolidated statement of cash flows as cash flows from financing activities.

	<b>Lease liabilities</b>	
	2021	2020
	£'m	£'m
<b>Opening balance</b>	<b>101.6</b>	-
Impact on initial application of IFRS 16	-	88.6
<b>Changes from cash flows:</b>		
Payment of lease liabilities	(5.2)	(5.7)
<b>Other changes:</b>		
Net change in lease liabilities from entering into new leases	13.8	16.2
Interest expense	3.7	3.0
Transfer to liabilities classified as held for sale	(0.7)	-
	<b>113.2</b>	102.1
Exchange adjustments	(2.8)	(0.5)
<b>Closing balance</b>	<b>110.4</b>	<b>101.6</b>

#### 18 Exceptional items

Exceptional items are defined as significant items of income or expense arising from events or transactions that are not expected to recur frequently or regularly. Such items have been separately presented to enable a better understanding of the Group's operating performance. This presentation involves judgement to identify the items that satisfy the requirements in accordance with IFRS. Exceptional items are set out as below:

##### 18(a) Financial impact of group restructures

Costs incurred in separating from Investec of £6.0 million (2020: £10.9 million) mainly relate to the demerger expenses including rebranding expenses (2020: rebranding and network migration).

##### 18(b) Ninety One share scheme implementation

The Group established two new long term incentive plans and a UK tax advantaged share incentive plan with effect from the Admission Date. Before the Date of Demerger, the Ninety One Business operated a bonus deferral arrangement where a portion of selected employees' annual bonuses are deferred into investment funds managed by the Ninety One Business. The Ninety One share schemes are intended to complement this arrangement and allow for a portion of the annual bonus to be deferred into an award under the Ninety One share scheme.

Due to the terms attaching to these incentive plans, previously expensed bonus deferral costs for relevant employees are fully reversed and replaced by costs of the new long term incentive plans over their vesting period. The net impact of reversing costs related to the deferred bonus arrangement into the Ninety One share scheme in March 2020 is set out as below:

	2020
	£'m
Reversal of costs related to the deferred bonus arrangement	18.3
Recognition of share-based payment expenses and other related costs for the Ninety One share scheme	(5.2)
	<u>13.1</u>

After the first year implementation in March 2020, the above reversal of costs and share-based payment expenses related to the deferred bonus arrangement become part of the usual staff cost for the year ended 31 March 2021, and therefore they are no longer classified as exceptional items.

#### 19 Related party transactions

Related party transactions for the year are similar to those disclosed in the Group's annual financial statements for the year ended 31 March 2020. No new significant related party transactions arose during the year.

#### 20 Events after the reporting date

Subsequent to the year end, on 30 April 2021 (the "Closing Date"), the Group completed the sale of Silica for a total cash consideration of R422.1 million (equivalent to £21.1 million) which was fully settled on 3 May 2021. Silica was deconsolidated from the Group effective from the Closing Date as the Group ceased to have control over Silica. The Group recognised an after-tax profit on disposal of £11.1 million.

# ANNEXURE TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Condensed consolidated statement of financial position (including policyholder figures)

	2021			2020		
	Policyholders £'m	Shareholders £'m	Total £'m	Policyholders £'m	Shareholders £'m	Total £'m
<b>Assets</b>						
Investments	-	5.5	5.5	-	4.8	4.8
Investment in associates	-	0.7	0.7	-	0.3	0.3
Property and equipment	-	30.7	30.7	-	18.0	18.0
Right-of-use assets	-	90.3	90.3	-	90.7	90.7
Deferred tax assets	-	24.8	24.8	-	25.2	25.2
Other receivables	-	3.0	3.0	-	6.2	6.2
<b>Total non-current assets</b>	-	155.0	155.0	-	145.2	145.2
Investments	-	76.8	76.8	-	72.3	72.3
Linked investments backing policyholder funds	9,063.9	-	9,063.9	6,988.5	-	6,988.5
Income tax recoverable	-	5.9	5.9	0.1	4.3	4.4
Trade and other receivables	51.0	202.3	253.3	67.2	179.2	246.4
Cash and cash equivalents	-	337.5	337.5	-	194.5	194.5
Assets classified as held for sale	-	12.2	12.2	-	-	-
<b>Total current assets</b>	9,114.9	634.7	9,749.6	7,055.8	450.3	7,506.1
<b>Total assets</b>	9,114.9	789.7	9,904.6	7,055.8	595.5	7,651.3
<b>Liabilities</b>						
Other liabilities	-	39.6	39.6	-	39.3	39.3
Lease liabilities	-	106.1	106.1	-	98.9	98.9
Pension fund obligation	-	0.7	0.7	-	1.8	1.8
Deferred tax liabilities	28.8	0.2	29.0	5.6	0.1	5.7
<b>Total non-current liabilities</b>	28.8	146.6	175.4	5.6	140.1	145.7
Policyholder investment contract liabilities	9,033.6	-	9,033.6	7,002.8	-	7,002.8
Other liabilities	-	40.0	40.0	-	37.6	37.6
Lease liabilities	-	4.3	4.3	-	2.7	2.7
Trade and other payables	51.9	329.7	381.6	47.4	256.9	304.3
Income tax payable	0.6	8.2	8.8	-	7.1	7.1
Liabilities classified as held for sale	-	7.6	7.6	-	-	-
<b>Total current liabilities</b>	9,086.1	389.8	9,475.9	7,050.2	304.3	7,354.5
<b>Equity</b>						
Share capital	-	441.2	441.2	-	441.2	441.2
Own share reserve	-	(19.5)	(19.5)	-	(9.9)	(9.9)
Other reserves	-	(338.4)	(338.4)	-	(351.6)	(351.6)
Retained earnings	-	169.9	169.9	-	71.0	71.0
Shareholders' equity excluding non-controlling interests	-	253.2	253.2	-	150.7	150.7
Non-controlling interests	-	0.1	0.1	-	0.4	0.4
<b>Total equity</b>	-	253.3	253.3	-	151.1	151.1
<b>Total equity and liabilities</b>	9,114.9	789.7	9,904.6	7,055.8	595.5	7,651.3

Condensed consolidated statement of cash flows (including policyholder figures)

	2021			2020		
	Policyholders £'m	Shareholders £'m	Total £'m	Policyholders £'m	Shareholders £'m	Total £'m
<b>Cash flows from operating activities</b>						
<b>Profit before tax</b>	-	204.1	204.1	-	198.5	198.5
Adjusted for:						
Net (gain)/loss on investments	-	(15.6)	(15.6)	-	4.2	4.2
Depreciation of property and equipment	-	5.1	5.1	-	2.5	2.5
Depreciation of right-of-use assets	-	11.5	11.5	-	10.7	10.7
Net interest expense/(income)	-	1.5	1.5	-	(1.7)	(1.7)
Net loss of pension fund	-	0.1	0.1	-	0.1	0.1
Net fair value (gains)/losses on linked investments backing policyholder funds	(1,190.2)	-	(1,190.2)	588.7	-	588.7
Net fair value change on policyholder investment contract liabilities	1,455.0	-	1,455.0	(187.2)	-	(187.2)
Net (withdrawals by)/contributions received from policyholders	(46.8)	-	(46.8)	253.0	-	253.0
Loss on disposal of property and equipment	-	0.4	0.4	-	-	-
Share of profit from associates	-	(0.6)	(0.6)	-	(0.2)	(0.2)
Gain on partial disposal of associate	-	(0.2)	(0.2)	-	-	-
Share-based payment amortisations related to Ninety One share scheme	-	7.8	7.8	-	4.7	4.7
Working capital changes:						
Trade and other receivables	16.2	(19.9)	(3.7)	(6.8)	1.8	(5.0)
Assets classified as held for sale	-	(8.7)	(8.7)	-	-	-
Trade and other payables	4.5	72.8	77.3	19.8	(23.4)	(3.6)
Deferred income	-	-	-	-	(0.2)	(0.2)
Other liabilities	-	2.7	2.7	-	(0.6)	(0.6)
Liabilities classified as held for sale	-	7.6	7.6	-	-	-
<b>Cash flows from operations</b>	<b>238.7</b>	<b>268.6</b>	<b>507.3</b>	<b>667.5</b>	<b>196.4</b>	<b>863.9</b>
Interest received	-	2.4	2.4	-	4.8	4.8
Interest paid in respect of lease liabilities	-	(1.2)	(1.2)	-	(0.6)	(0.6)
Other interest paid	-	(0.2)	(0.2)	-	(0.1)	(0.1)
Income tax paid	-	(48.9)	(48.9)	-	(54.4)	(54.4)
<b>Net cash flows from operating activities</b>	<b>238.7</b>	<b>220.7</b>	<b>459.4</b>	<b>667.5</b>	<b>146.1</b>	<b>813.6</b>
<b>Cash flows from investing activities</b>						
Net disposal/(acquisition) of investments	-	8.6	8.6	-	(3.6)	(3.6)
Additions to property and equipment	-	(19.4)	(19.4)	-	(13.4)	(13.4)
Net acquisition of linked investments backing policyholder funds	(397.9)	-	(397.9)	(568.3)	-	(568.3)
<b>Net cash flows from investing activities</b>	<b>(397.9)</b>	<b>(10.8)</b>	<b>(408.7)</b>	<b>(568.3)</b>	<b>(17.0)</b>	<b>(585.3)</b>

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	2021			2020		
	Policyholders £'m	Shareholders £'m	Total £'m	Policyholders £'m	Shareholders £'m	Total £'m
<b>Cash flows from financing activities</b>						
Payment for acquisition of subsidiary's interests in non-controlling interests	-	(1.3)	(1.3)	-	-	-
Principal elements of lease payments	-	(4.0)	(4.0)	-	(5.7)	(5.7)
Purchase of own shares	-	(9.6)	(9.6)	-	(9.9)	(9.9)
Dividends paid	-	(54.0)	(54.0)	-	(183.9)	(183.9)
<b>Net cash flows from financing activities</b>	<b>-</b>	<b>(68.9)</b>	<b>(68.9)</b>	<b>-</b>	<b>(199.5)</b>	<b>(199.5)</b>
Cash and cash equivalents at beginning of year	242.1	194.5	436.6	155.4	269.2	424.6
Net change in cash and cash equivalents	(159.2)	141.0	(18.2)	99.2	(70.4)	28.8
Effect of foreign exchange rate changes	23.1	5.5	28.6	(12.5)	(4.3)	(16.8)
<b>Cash and cash equivalents at end of year</b>	<b>106.0</b>	<b>341.0</b>	<b>447.0</b>	<b>242.1</b>	<b>194.5</b>	<b>436.6</b>