



KPMG Inc
4 Christiaan Barnard Street, Cape Town
City Centre, Cape Town, 8000,
PO Box 4609, Cape Town, 8001, South Africa
Telephone +27 (0)21 408 7000
Fax +27 (0)21 408 7100
Docex 102 Cape Town
Web <http://www.kpmg.co.za/>

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 2022 and the 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, the notes to the condensed consolidated financial statements and the annexure to the condensed consolidated financial statements.

Directors' responsibility for the condensed consolidated financial statements

The directors are responsible for the preparation and 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 to the 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 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, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* (ISRE 2410). 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 evaluate the evidence obtained.



*Independent auditor's review report on the condensed consolidated financial statements
17 May 2022*

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 2022 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 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', is written over a light blue horizontal line.

Per GS Kolbé
Chartered Accountant (SA)
Registered Auditor
Director

17 May 2022

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2022

	Notes	2022 £'m	2021 £'m
Revenue	2	795.1	755.9
Commission expense		<u>(131.2)</u>	<u>(130.8)</u>
Net revenue		<u>663.9</u>	<u>625.1</u>
Operating expenses	3	(416.3)	(425.0)
Share of profit from associates		0.4	0.6
Net gain on investments and other income	4	<u>4.3</u>	<u>10.9</u>
Operating profit		252.3	211.6
Interest income	5	3.9	2.4
Interest expense	5	<u>(4.0)</u>	<u>(3.9)</u>
Profit before tax and exceptional items		252.2	210.1
Exceptional items			
Gain on disposal of subsidiaries	6(a)	14.9	-
Financial impact of group restructures	6(b)	<u>-</u>	<u>(6.0)</u>
Profit before tax		267.1	204.1
Tax expense	7	<u>(61.8)</u>	<u>(49.5)</u>
Profit after tax		205.3	154.6
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Net remeasurements on pension fund obligation		0.5	1.1
Tax effect of items that will not be reclassified to profit or loss		1.3	(0.1)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign subsidiaries		9.1	5.1
Exchange differences on translation of related assets and liabilities classified as held for sale		-	0.3
Exchange differences transferred to profit or loss		<u>0.3</u>	<u>-</u>
Other comprehensive income for the year		11.2	6.4
Total comprehensive income for the year		<u>216.5</u>	<u>161.0</u>
Profit attributable to:			
Shareholders		205.3	154.4
Non-controlling interests		<u>-</u>	<u>0.2</u>
Profit for the year		<u>205.3</u>	<u>154.6</u>
Total comprehensive income attributable to:			
Shareholders		216.5	160.8
Non-controlling interests		<u>-</u>	<u>0.2</u>
Total comprehensive income for the year		<u>216.5</u>	<u>161.0</u>
Earnings per share (pence)			
Basic	8(a)	22.6	16.9
Diluted	8(a)	22.4	16.8

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2022

	Notes	2022 £'m	2021 £'m
Assets			
Investments	10	9.2	5.5
Investment in associates		0.9	0.7
Property and equipment		26.6	30.7
Right-of-use assets	11	83.1	90.3
Deferred tax assets		28.1	24.8
Other receivables		3.3	3.0
Total non-current assets		<u>151.2</u>	<u>155.0</u>
Investments	10	61.9	76.8
Linked investments backing policyholder funds	12	10,785.9	9,063.9
Income tax recoverable		10.4	5.9
Trade and other receivables		266.1	253.3
Cash and cash equivalents	13	406.6	337.5
		<u>11,530.9</u>	<u>9,737.4</u>
Assets classified as held for sale		-	12.2
Total current assets		<u>11,530.9</u>	<u>9,749.6</u>
Total assets		<u><u>11,682.1</u></u>	<u><u>9,904.6</u></u>
Liabilities			
Other liabilities	14	30.2	39.6
Lease liabilities	11	99.5	106.1
Pension fund obligation		0.1	0.7
Deferred tax liabilities		30.4	29.0
Total non-current liabilities		<u>160.2</u>	<u>175.4</u>
Policyholder investment contract liabilities	12	10,769.9	9,033.6
Other liabilities	14	34.9	40.0
Lease liabilities	11	9.9	4.3
Trade and other payables	15	354.4	381.6
Income tax payable		11.2	8.8
		<u>11,180.3</u>	<u>9,468.3</u>
Liabilities classified as held for sale		-	7.6
Total current liabilities		<u>11,180.3</u>	<u>9,475.9</u>
Equity			
Share capital	16(a)	441.2	441.2
Own share reserve	16(b)	(35.7)	(19.5)
Other reserves	16(c)	(317.3)	(338.4)
Retained earnings		253.3	169.9
Shareholders' equity excluding non-controlling interests		<u>341.5</u>	<u>253.2</u>
Non-controlling interests		0.1	0.1
Total equity		<u>341.6</u>	<u>253.3</u>
Total equity and liabilities		<u><u>11,682.1</u></u>	<u><u>9,904.6</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2022

	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
2022								
1 April 2021		441.2	(19.5)	(338.4)	169.9	253.2	0.1	253.3
Profit for the year		-	-	-	205.3	205.3	-	205.3
Other comprehensive income		-	-	9.4	1.8	11.2	-	11.2
Total comprehensive income		-	-	9.4	207.1	216.5	-	216.5
Transactions with shareholders								
Share-based payment amortisations related to Ninety One share scheme	16(c)	-	-	12.1	-	12.1	-	12.1
Own shares purchased	16(b)	-	(16.7)	-	-	(16.7)	-	(16.7)
Vesting and release of share awards	16(b),(c)	-	0.5	(0.4)	-	0.1	-	0.1
Dividends paid	9	-	-	-	(123.7)	(123.7)	-	(123.7)
Total transactions with shareholders		-	(16.2)	11.7	(123.7)	(128.2)	-	(128.2)
31 March 2022		<u>441.2</u>	<u>(35.7)</u>	<u>(317.3)</u>	<u>253.3</u>	<u>341.5</u>	<u>0.1</u>	<u>341.6</u>
2021								
1 April 2020		441.2	(9.9)	(351.6)	71.0	150.7	0.4	151.1
Profit for the year		-	-	-	154.4	154.4	0.2	154.6
Other comprehensive income		-	-	5.4	1.0	6.4	-	6.4
Total comprehensive income		-	-	5.4	155.4	160.8	0.2	161.0
Transactions with shareholders								
Share-based payment amortisations related to Ninety One share scheme	16(c)	-	-	7.8	-	7.8	-	7.8
Own shares purchased	16(b)	-	(9.6)	-	-	(9.6)	-	(9.6)
Vesting and release of share awards	16(b),(c)	-	-	-	-	-	-	-
Repurchase of non-controlling interests		-	-	-	(1.2)	(1.2)	(0.1)	(1.3)
Dividends paid	9	-	-	-	(53.9)	(53.9)	(0.1)	(54.0)
Total transactions with shareholders		-	(9.6)	7.8	(55.1)	(56.9)	(0.2)	(57.1)
Other movement		-	-	-	(1.4)	(1.4)	(0.3)	(1.7)
31 March 2021		<u>441.2</u>	<u>(19.5)</u>	<u>(338.4)</u>	<u>169.9</u>	<u>253.2</u>	<u>0.1</u>	<u>253.3</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

	Notes	2022 £'m	2021 £'m
Cash flows from operations - shareholders		241.5	268.6
Cash flows from operations - policyholders		481.0	238.7
Cash flows from operations	18(a)	<u>722.5</u>	<u>507.3</u>
Interest received	5	3.9	2.4
Interest paid in respect of lease liabilities		(1.7)	(1.2)
Other interest paid	5	(0.2)	(0.2)
Contributions to pension fund obligation		(0.2)	-
Income tax paid		(69.7)	(48.9)
Net cash flows from operating activities		<u>654.6</u>	<u>459.4</u>
Cash flows from investing activities			
Net disposal of investments		12.9	8.6
Disposal of subsidiaries, net of cash disposed		17.7	-
Distributions received from associates		0.7	-
Additions to property and equipment		(1.4)	(19.4)
Net acquisition of linked investments backing policyholder funds		(423.0)	(397.9)
Net cash flows from investing activities		<u>(393.1)</u>	<u>(408.7)</u>
Cash flows from financing activities			
Principal elements of lease payments		(5.3)	(4.0)
Payment for acquisition of subsidiary's interests in non-controlling interests		-	(1.3)
Purchase of own shares	16(b)	(16.7)	(9.6)
Dividends paid	9	(123.7)	(54.0)
Net cash flows from financing activities		<u>(145.7)</u>	<u>(68.9)</u>
Cash and cash equivalents at 1 April		447.0	436.6
Net change in cash and cash equivalents		115.8	(18.2)
Effect of foreign exchange rate changes		7.5	28.6
Cash and cash equivalents at 31 March		<u>570.3</u>	<u>447.0</u>
Cash and cash equivalents at 31 March consist of:			
Cash and cash equivalents available for use by the Group	13	406.6	337.5
Cash and cash equivalents presented within other assets			
Cash and cash equivalents presented within linked investments backing policyholder funds	12	163.7	106.0
Cash and cash equivalents presented within assets classified as held for sale		-	3.5
Cash and cash equivalents at 31 March		<u>570.3</u>	<u>447.0</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

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 is listed on the London and Johannesburg Stock Exchanges.

1 Basis of preparation

The condensed consolidated financial statements for the year ended 31 March 2022 have been prepared in accordance with:

- the JSE Limited's Listings Requirements and the requirements of the Companies Act of South Africa;
- UK-adopted international accounting standards 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 and significant judgements and estimates applied in the preparation of the condensed consolidated financial statements which are in terms of IFRS and consistent with those applied for the year ended 31 March 2021; 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 which have been presented on a fair value basis.

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. All values are rounded to the nearest million ("£'m"), unless otherwise indicated.

The presentation of profit or loss and other comprehensive income has been changed in the current period to combine a separate income statement and statement of other comprehensive income into a single statement of comprehensive income. The purpose of the change is to improve the readability of the condensed consolidated financial statements.

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.

This provisional announcement does not constitute the Group's full consolidated financial statements for the year ended 31 March 2022. The Group's full consolidated financial statements will be approved by the board of directors, reported on by the auditors and published in June 2022. Accordingly, the financial information for the year ended 31 March 2022 is presented unaudited in this preliminary announcement to satisfy UK reporting requirements and is presented as 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 2022 or 2021. The financial information for 2021 is derived from the UK statutory accounts for 2021 which have been delivered to the UK's registrar of companies. The auditor has reported on the 2021 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 2022 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 and taking into account its current financial position and the principal and emerging risks facing the business, including the impacts of the events and market conditions arising from

the war in Ukraine have had on the Group's financial performance. The board of directors have performed a going concern assessment 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 maintain sufficient resources to enable it to continue operating 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.

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.

		2022	2021
	Notes	£'m	£'m
Revenue from external clients			
United Kingdom		554.4	530.0
South Africa		167.5	168.4
Rest of the world		<u>73.2</u>	<u>57.5</u>
Total		<u>795.1</u>	<u>755.9</u>

Performance fees included in revenue above		<u>31.1</u>	<u>45.4</u>
--	--	-------------	-------------

Non-current assets			
United Kingdom		80.8	89.0
South Africa		5.9	6.8
Rest of the world		<u>23.9</u>	<u>25.9</u>
Total		<u>110.6</u>	<u>121.7</u>

		2022	2021
		£'m	£'m
3 Operating expenses			
Staff expenses	3(a)	276.4	284.4
Deferred employee benefit gains		3.3	15.3
Depreciation of right-of-use assets	18(a)	9.7	11.5
Depreciation of property and equipment	18(a)	5.3	5.1
Auditors' remuneration		1.8	1.8
Other administrative expenses		<u>119.8</u>	<u>106.9</u>
		<u>416.3</u>	<u>425.0</u>

		2022	2021
		£'m	£'m
3(a)	Staff expenses		
	Salaries, wages and other related costs	235.4	249.0
	Share-based payment expenses related to Investec share plans	0.6	1.0
	Share-based payment expenses related to Ninety One share scheme	12.1	7.8
	Social security costs	19.0	16.9
	Pension costs	9.3	9.7
		<u>276.4</u>	<u>284.4</u>
		2022	2021
		£'m	£'m
4	Net gain on investments and other income		
	Net gain on investments	18(a) 1.2	15.6
	Foreign exchange gain/(loss)	1.2	(6.3)
	Other income	1.9	1.6
		<u>4.3</u>	<u>10.9</u>
		2022	2021
		£'m	£'m
5	Interest income/(expense)		
	Interest income from bank deposits and money market funds	<u>3.9</u>	<u>2.4</u>
	Interest expense on lease liabilities	18(b) (3.8)	(3.7)
	Other interest expense	<u>(0.2)</u>	<u>(0.2)</u>
	Interest expense	<u>(4.0)</u>	<u>(3.9)</u>
	Net interest expense	18(a) <u>(0.1)</u>	<u>(1.5)</u>
6	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. Exceptional items are set out as below:		
6(a)	Gain on disposal of subsidiaries		
	On 30 April 2021, the Group completed the sale of Silica for a total cash consideration (net of direct expenditures) of R388.3 million (equivalent to £19.5 million). The carrying value of net identifiable assets disposed amounted to £4.6 million, resulting in a pre-tax gain on disposal of £14.9 million recognised within exceptional items in the condensed consolidated statement of comprehensive income for the year ended 31 March 2022. Prior to the completion of the sale, assets and liabilities of Silica were classified as held for sale.		
6(b)	Financial impact of group restructures		
	Costs incurred in separating from Investec, during 2021, of £6.0 million mainly relate to the demerger expenses including rebranding expenses.		
		2022	2021
		£'m	£'m
7	Tax expense		
	Current tax - current year	62.5	49.6
	Current tax - adjustment for prior years	0.3	(0.5)
	Current tax expense	<u>62.8</u>	<u>49.1</u>
	Deferred tax - current year	1.0	(0.1)
	Deferred tax - adjustment for prior years	0.2	0.5
	Deferred tax - change in corporate tax rate	<u>(2.2)</u>	-
	Deferred tax (credit)/expense	<u>(1.0)</u>	<u>0.4</u>
		<u>61.8</u>	<u>49.5</u>

The UK corporation tax rate for 2022 was 19% (2021: 19%). An increase in the UK corporation tax rate to 25% from April 2023 was announced by the UK Government in the Spring Budget 2020. The rate increase was substantively enacted in May 2021. Furthermore, a reduction in the South Africa corporate income tax rate to 27% from the year of assessment ending on or after 31 March 2023 was announced on 1 February 2021 and substantively enacted in the annual National Budget on 23 February 2022. Deferred tax balances in the UK and South Africa at 31 March 2022 were therefore revalued using these substantively enacted tax rates accordingly.

The tax charge in the year is higher (2021: higher) than the standard rate of corporate tax in the UK and the differences are explained below:

	2022	2021
	%	%
Reconciliation of effective tax rate		
Effective rate of taxation	23.1	24.3
Tax effect of non-deductible expenses	(0.2)	(0.4)
Effect on deferred tax balances resulting from a change in tax rates	0.7	-
Adjustment to tax charge in respect of prior year	-	(0.8)
Tax effect of utilisation of tax losses	-	0.1
Tax on gain on disposal of subsidiaries	(0.5)	-
Effect of different tax rates applicable in foreign jurisdictions	(4.1)	(4.2)
United Kingdom standard tax rate	<u>19.0</u>	<u>19.0</u>

8 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.

8(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 ("EBTs").

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.

	2022	2021
	£'m	£'m
Profit attributable to ordinary shareholders	<u>205.3</u>	<u>154.4</u>

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 Millions	Number of shares Millions
Weighted average number of ordinary shares for the purpose of calculating basic EPS	907.8	912.7
Effect of dilutive potential shares - share awards	<u>9.9</u>	<u>4.1</u>
Weighted average number of ordinary shares for the purpose of calculating diluted EPS	<u>917.7</u>	<u>916.8</u>
Basic EPS (pence)	22.6	16.9
Diluted EPS (pence)	22.4	16.8

8(b) Headline earnings and diluted headline earnings per share

The Group is required to calculate headline earnings per share ("HEPS") in accordance with the 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:

	2022 £'m	2021 £'m
Profit attributable to ordinary shareholders	205.3	154.4
Share of profit from associates	(0.4)	(0.6)
Gain on disposal of subsidiaries	(14.9)	(0.2)
Loss on disposal of property and equipment	-	0.4
Tax impact on adjusting items	4.1	-
Headline earnings	<u>194.1</u>	<u>154.0</u>
	Number of shares Millions	Number of shares Millions
Weighted average number of ordinary shares for the purpose of calculating basic EPS (note 8(a))	907.8	912.7
Weighted average number of ordinary shares for the purpose of calculating diluted EPS (note 8(a))	917.7	916.8
HEPS (pence)	21.4	16.9
Diluted HEPS (pence)	21.1	16.8

	2022		2021	
	Pence per share	£'m	Pence per share	£'m
9 Dividends				
Ordinary dividends				
Prior year's final dividend paid	6.7	60.8	-	-
Interim dividend paid	6.9	62.9	5.9	53.9
Total dividends attributable to ordinary shareholders	<u>13.6</u>	<u>123.7</u>	<u>5.9</u>	<u>53.9</u>

The prior year's final dividends are not comparable to the current year, as the financial year 2020 final dividends were accelerated to be paid to Investec ahead of the demerger.

On 17 May 2022, the Board recommended a final dividend for the year ended 31 March 2022 of 7.7 pence per ordinary share, an estimated £71.0 million in total. The dividend is expected to be paid on 5 August 2022 to ordinary shareholders on the registers at the close of business on 15 July 2022.

	2022 £'m	2021 £'m
10 Investments		
Non-current		
Investments in unlisted investment vehicles	3.5	5.5
Other investments	5.7	-
	<u>9.2</u>	<u>5.5</u>
Current		
Deferred compensation investments	59.2	73.7
Seed investments	2.7	3.1
	<u>61.9</u>	<u>76.8</u>

11 Leases

	2022	2021
	£'m	£'m
Right-of-use assets		
Office premises	<u>83.1</u>	<u>90.3</u>

Additions to right-of-use assets during the year ended 31 March 2022 were £2.4 million (2021: £14.1 million).

Lease liabilities		
Current	9.9	4.3
Non-current	<u>99.5</u>	<u>106.1</u>
	<u>109.4</u>	<u>110.4</u>

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:

	2022		2021	
	Present value of the minimum lease payments £'m	Total minimum lease payments £'m	Present value of the minimum lease payments £'m	Total minimum lease payments £'m
Within one year	9.9	13.4	4.3	7.4
Between one and five years	36.6	47.0	35.5	47.7
Over five years	<u>62.9</u>	<u>70.4</u>	<u>70.6</u>	<u>80.0</u>
	<u>109.4</u>	<u>130.8</u>	<u>110.4</u>	<u>135.1</u>

The total cash outflow for leases during the year ended 31 March 2022 was £7.0 million (2021: £5.2 million).

12 Linked investments backing policyholder funds and policyholder investment contract liabilities

	2022	2021
	£'m	£'m
Linked investments backing policyholder funds		
Quoted investments at fair value		
Equities	1,064.5	807.8
Interest-bearing stocks, debentures and other loans	1,897.8	1,602.5
Derivatives	<u>10.7</u>	<u>1.4</u>
	<u>2,973.0</u>	<u>2,411.7</u>
Unquoted investments at fair value		
Collective investment schemes	4,396.7	3,676.6
Mutual funds	2,294.2	1,905.7
Equities	0.5	9.9
Interest-bearing stocks, debentures and other loans	952.0	953.0
Derivatives	5.8	1.0
Cash and cash equivalents	<u>163.7</u>	<u>106.0</u>
	<u>7,812.9</u>	<u>6,652.2</u>
	<u>10,785.9</u>	<u>9,063.9</u>

Movement of linked investments backing policyholder funds is presented as follows:

	2022 £'m	2021 £'m
At 1 April	9,063.9	6,988.5
Net fair value gains on linked investments backing policyholder funds	478.5	1,190.2
Net acquisition of linked investments backing policyholder funds	423.0	397.9
Net movement in cash and cash equivalents within linked investments backing policyholder funds	57.7	(136.1)
Exchange adjustment	762.8	623.4
At 31 March	<u>10,785.9</u>	<u>9,063.9</u>

Policyholder investment contract liabilities

Movement of policyholder investment contract liabilities is presented as follow:

At 1 April	9,033.6	7,002.8
Investment income on linked investments backing policyholder funds	366.8	345.8
Net fair value gains on linked investments backing policyholder funds	478.5	1,190.2
Investment and administration expenses	(35.0)	(26.6)
Income tax expense - policyholders' funds	(4.6)	(26.9)
Surplus transferred to shareholders	(33.1)	(27.5)
Net fair value change on policyholder investment contract liabilities	<u>772.6</u>	<u>1,455.0</u>
Contributions	2,796.8	1,012.1
Withdrawals	(2,594.7)	(1,058.9)
Exchange adjustment	761.6	622.6
At 31 March	<u>10,769.9</u>	<u>9,033.6</u>

	2022 £'m	2021 £'m
13 Cash and cash equivalents		
Cash at bank and on hand	265.3	185.1
Money market funds	141.3	152.4
	<u>406.6</u>	<u>337.5</u>

Cash balances within linked investments backing policyholder funds of £163.7 million (2021: £106.0 million) as set out in note 12 are not included as they are not available for use by the Group.

	2022 £'m	2021 £'m
14 Other liabilities		
Non-current		
Deferred compensation liabilities	28.6	39.2
Other liabilities	1.6	0.4
	<u>30.2</u>	<u>39.6</u>
Current		
Deferred compensation liabilities	34.9	40.0
	<u>65.1</u>	<u>79.6</u>

Deferred compensation liabilities include applicable employer tax.

	2022 £'m	2021 £'m
15 Trade and other payables		
Employee related payables	165.3	161.8
Trade payables	188.8	219.3
Amounts payable to Investec	0.3	0.5
	<u>354.4</u>	<u>381.6</u>

16 Share capital and other reserves

16(a) Share capital

	Number of shares Millions	Nominal value £'m
Ninety One plc		
Ordinary shares of £0.0001 each, issued, allotted and fully paid	622.6	0.1
Special shares of £0.0001 each, issued, allotted and fully paid:		
Special converting shares	300.1	-
UK DAS share	*	-
UK DAN share	*	-
Special voting share	*	-
Special rights share	*	-
Ninety One plc balance at 31 March 2022 and 2021		<u>0.1</u>
Ninety One Limited		
Ordinary shares with no par value, issued, allotted and fully paid	300.1	441.1
Special shares with no par value, issued, allotted and fully paid:		
Special converting shares	622.6	-
SA DAS share	*	-
SA DAN share	*	-
Special voting share	*	-
Special rights share	*	-
Ninety One Limited balance at 31 March 2022 and 2021		<u>441.1</u>
Total ordinary shares in issue and share capital at 31 March 2022 and 2021	<u>922.7</u>	<u>441.2</u>

* Represents one share

16(b) Own share reserve

The Group established the EBTs for the purpose of purchasing the Group's shares and satisfying the share-based payment awards granted to employees. Movements in the own shares reserve during the year were as follows:

	2022		2021	
	Number of shares Millions	£'m	Number of shares Millions	£'m
At 1 April	11.0	19.5	6.4	9.9
Own shares purchased	6.8	16.7	4.6	9.6
Own shares released	(0.2)	(0.5)	-	-
At 31 March	<u>17.6</u>	<u>35.7</u>	<u>11.0</u>	<u>19.5</u>

16(c) Other reserves

The following tables show the movements in other reserves during the year:

	Distributable reserve £'m	Merger reserve £'m	DLC reserve £'m	Share- based payments reserve £'m	Foreign currency translation reserve £'m	Total £'m
1 April 2021	732.2	183.0	(1,236.5)	12.5	(29.6)	(338.4)
Exchange differences on translation of foreign subsidiaries	-	-	-	-	9.1	9.1
Exchange differences transferred to profit or loss	-	-	-	-	0.3	0.3
Share-based payment amortisations	-	-	-	12.1	-	12.1
Vesting and release of share awards	-	-	-	(0.4)	-	(0.4)
31 March 2022	<u>732.2</u>	<u>183.0</u>	<u>(1,236.5)</u>	<u>24.2</u>	<u>(20.2)</u>	<u>(317.3)</u>
1 April 2020	732.2	183.0	(1,236.5)	4.7	(35.0)	(351.6)
Exchange differences on translation of 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 amortisations	-	-	-	7.8	-	7.8
31 March 2021	<u>732.2</u>	<u>183.0</u>	<u>(1,236.5)</u>	<u>12.5</u>	<u>(29.6)</u>	<u>(338.4)</u>

17 Fair value of financial instruments

The fair values of all financial instruments are substantially similar to carrying values reflected in the condensed consolidated 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 condensed consolidated 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:

	Notes	Level 1 £'m	Level 2 £'m	Level 3 £'m	Total £'m
2022					
Deferred compensation investments	10	59.2	-	-	59.2
Seed investments	10	2.7	-	-	2.7
Unlisted investment vehicles	10	-	-	3.5	3.5
Other investments	10	-	5.7	-	5.7
Investments backing policyholder funds	12	2,973.0	7,749.0	63.9	10,785.9
Policyholder investment contract liabilities	12	<u>(2,973.0)</u>	<u>(7,733.0)</u>	<u>(63.9)</u>	<u>(10,769.9)</u>
		<u>61.9</u>	<u>21.7</u>	<u>3.5</u>	<u>87.1</u>
2021					
Deferred compensation investments	10	73.7	-	-	73.7
Seed investments	10	3.1	-	-	3.1
Unlisted investment vehicles	10	-	-	5.5	5.5
Investments backing policyholder funds	12	2,411.7	6,583.1	69.1	9,063.9
Policyholder investment contract liabilities	12	<u>(2,411.7)</u>	<u>(6,552.8)</u>	<u>(69.1)</u>	<u>(9,033.6)</u>
		<u>76.8</u>	<u>30.3</u>	<u>5.5</u>	<u>112.6</u>

During the years ended 31 March 2022 and 2021, 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. (2021: investment in Ninety One Africa Private Equity Fund 2 L.P. and Lango Real Estate 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 where the principal input in their valuation (i.e. credit spreads) are 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. All of the investment risk associated with these assets is borne by policyholders and the value of these assets is exactly matched by a corresponding liability due to policyholders. The Group bears no risk from a change in the market value of these assets except to the extent that it has an impact on management fees earned.

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

	2022	2021
	£'m	£'m
At 1 April	5.5	4.8
(Disposal)/purchase of investments	(1.3)	0.4
Unrealised (loss)/gain on investments ¹	(0.7)	0.3
At 31 March	3.5	5.5

¹ Unrealised (loss)/gain on investments is included in the net gain on investments in note 4.

18 Notes to the condensed consolidated statement of cash flows

18(a) Reconciliation of cash flows from operations

	Notes	2022	2021
		£'m	£'m
Profit before tax		267.1	204.1
Adjusted for:			
Net gain on investments	4	(1.2)	(15.6)
Depreciation of property and equipment	3	5.3	5.1
Depreciation of right-of-use assets	3	9.7	11.5
Net interest expense	5	0.1	1.5
Net loss of pension fund		0.1	0.1
Net fair value gains on linked investments backing policyholder funds		(478.5)	(1,190.2)
Net fair value change on policyholder investment contract liabilities		772.5	1,455.0
Net contributions received from/(withdrawn by) policyholders		202.1	(46.8)
Loss on disposal of property and equipment		-	0.4
Gain on disposal of subsidiaries	6	(14.9)	-
Share of profit from associates		(0.4)	(0.6)
Gain on partial disposal of associate		-	(0.2)
Share-based payment amortisations related to Ninety One share scheme	16(c)	12.1	7.8
Working capital changes:			
Trade and other receivables		(13.1)	(3.7)
Assets classified as held for sale		12.2	(8.7)
Trade and other payables		(27.6)	77.3
Other liabilities		(15.4)	2.7
Liabilities classified as held for sale		(7.6)	7.6
Cash flows from operations		722.5	507.3

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

18(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.

		Lease liabilities	
		2022	2021
		£'m	£'m
At 1 April		110.4	101.6
Changes from cash flows:			
Payment of lease liabilities		(7.0)	(5.2)
Other changes:			
Additions and remeasurements of lease liabilities		0.8	13.8
Interest expense	5	3.8	3.7
Transfer to liabilities classified as held for sale		-	(0.7)
		108.0	113.2
Exchange adjustments		1.4	(2.8)
At 31 March		109.4	110.4

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 2021. No new significant related party transactions arose during the year.

20 Events after the reporting date

Other than the dividend recommended by the Board presented in note 9, no event was noted after the reporting date that would require disclosures in or adjustments to the condensed consolidated financial statements.

Annexure to the condensed consolidated financial statements

Condensed consolidated statement of financial position (including policyholder figures)

	2022			2021		
	Policy-holders £'m	Share-holders £'m	Total £'m	Policy-holders £'m	Share-holders £'m	Total £'m
Assets						
Investments	-	9.2	9.2	-	5.5	5.5
Investment in associates	-	0.9	0.9	-	0.7	0.7
Property and equipment	-	26.6	26.6	-	30.7	30.7
Right-of-use assets	-	83.1	83.1	-	90.3	90.3
Deferred tax assets	-	28.1	28.1	-	24.8	24.8
Other receivables	-	3.3	3.3	-	3.0	3.0
Total non-current assets	-	151.2	151.2	-	155.0	155.0
Investments	-	61.9	61.9	-	76.8	76.8
Linked investments backing policyholder funds	10,785.9	-	10,785.9	9,063.9	-	9,063.9
Income tax recoverable	-	10.4	10.4	-	5.9	5.9
Trade and other receivables	66.7	199.4	266.1	51.0	202.3	253.3
Cash and cash equivalents	-	406.6	406.6	-	337.5	337.5
Assets classified as held for sale	-	-	-	-	12.2	12.2
Total current assets	10,852.6	678.3	11,530.9	9,114.9	634.7	9,749.6
Total assets	10,852.6	829.5	11,682.1	9,114.9	789.7	9,904.6
Liabilities						
Other liabilities	-	30.2	30.2	-	39.6	39.6
Lease liabilities	-	99.5	99.5	-	106.1	106.1
Pension fund obligation	-	0.1	0.1	-	0.7	0.7
Deferred tax liabilities	30.0	0.4	30.4	28.8	0.2	29.0
Total non-current liabilities	30.0	130.2	160.2	28.8	146.6	175.4
Policyholder investment contract liabilities	10,769.9	-	10,769.9	9,033.6	-	9,033.6
Other liabilities	-	34.9	34.9	-	40.0	40.0
Lease liabilities	-	9.9	9.9	-	4.3	4.3
Trade and other payables	52.5	301.9	354.4	51.9	329.7	381.6
Income tax payable	0.2	11.0	11.2	0.6	8.2	8.8
Liabilities classified as held for sale	-	-	-	-	7.6	7.6
Total current liabilities	10,822.6	357.7	11,180.3	9,086.1	389.8	9,475.9
Equity						
Share capital	-	441.2	441.2	-	441.2	441.2
Own share reserve	-	(35.7)	(35.7)	-	(19.5)	(19.5)
Other reserves	-	(317.3)	(317.3)	-	(338.4)	(338.4)
Retained earnings	-	253.3	253.3	-	169.9	169.9
Shareholders' equity excluding non-controlling interests	-	341.5	341.5	-	253.2	253.2
Non-controlling interests	-	0.1	0.1	-	0.1	0.1
Total equity	-	341.6	341.6	-	253.3	253.3
Total equity and liabilities	10,852.6	829.5	11,682.1	9,114.9	789.7	9,904.6

Condensed consolidated statement of cash flows (including policyholder figures)

	2022			2021		
	Policy- holders £'m	Share- holders £'m	Total £'m	Policy- holders £'m	Share- holders £'m	Total £'m
Cash flows from operating activities						
Profit before tax	-	267.1	267.1	-	204.1	204.1
Adjusted for:						
Net gain on investments	-	(1.2)	(1.2)	-	(15.6)	(15.6)
Depreciation of property and equipment	-	5.3	5.3	-	5.1	5.1
Depreciation of right-of-use assets	-	9.7	9.7	-	11.5	11.5
Net interest expense	-	0.1	0.1	-	1.5	1.5
Net loss of pension fund	-	0.1	0.1	-	0.1	0.1
Net fair value gains on linked investments backing policyholder funds	(478.5)	-	(478.5)	(1,190.2)	-	(1,190.2)
Net fair value change on policyholder investment contract liabilities	772.5	-	772.5	1,455.0	-	1,455.0
Net contributions received from/(withdrawn by) policyholders	202.1	-	202.1	(46.8)	-	(46.8)
Loss on disposal of property and equipment	-	-	-	-	0.4	0.4
Gain on disposal of subsidiaries	-	(14.9)	(14.9)	-	-	-
Gain on partial disposal of associate	-	-	-	-	(0.2)	(0.2)
Share of profit from associates	-	(0.4)	(0.4)	-	(0.6)	(0.6)
Share-based payments amortisations related to Ninety One share scheme	-	12.1	12.1	-	7.8	7.8
Working capital changes:						
Trade and other receivables	(15.7)	2.6	(13.1)	16.2	(19.9)	(3.7)
Assets classified as held for sale	-	12.2	12.2	-	(8.7)	(8.7)
Trade and other payables	0.6	(28.2)	(27.6)	4.5	72.8	77.3
Other liabilities	-	(15.4)	(15.4)	-	2.7	2.7
Liabilities classified as held for sale	-	(7.6)	(7.6)	-	7.6	7.6
Cash flows from operations	481.0	241.5	722.5	238.7	268.6	507.3
Interest received	-	3.9	3.9	-	2.4	2.4
Interest paid in respect of lease liabilities	-	(1.7)	(1.7)	-	(1.2)	(1.2)
Other interest paid	-	(0.2)	(0.2)	-	(0.2)	(0.2)
Contributions to pension fund obligation	-	(0.2)	(0.2)	-	-	-
Income tax paid	-	(69.7)	(69.7)	-	(48.9)	(48.9)
Net cash flows from operating activities	481.0	173.6	654.6	238.7	220.7	459.4
Cash flows from investing activities						
Net disposal of investments	-	12.9	12.9	-	8.6	8.6
Additions to property and equipment	-	(1.4)	(1.4)	-	(19.4)	(19.4)
Distributions received from associates	-	0.7	0.7	-	-	-
Disposal of subsidiaries, net of cash disposed	-	17.7	17.7	-	-	-
Net acquisition of linked investments backing policyholder funds	(423.0)	-	(423.0)	(397.9)	-	(397.9)
Net cash flows from investing activities	(423.0)	29.9	(393.1)	(397.9)	(10.8)	(408.7)
Cash flows from financing activities						
Payment for acquisition of subsidiary's interests in non-controlling interests	-	-	-	-	(1.3)	(1.3)
Principal elements of lease payments	-	(5.3)	(5.3)	-	(4.0)	(4.0)
Purchase of own shares	-	(16.7)	(16.7)	-	(9.6)	(9.6)
Dividends paid	-	(123.7)	(123.7)	-	(54.0)	(54.0)
Net cash flows from financing activities	-	(145.7)	(145.7)	-	(68.9)	(68.9)
Cash and cash equivalents at 1 April	106.0	341.0	447.0	242.1	194.5	436.6
Net change in cash and cash equivalents	58.0	57.8	115.8	(159.2)	141.0	(18.2)
Effect of foreign exchange rate changes	(0.3)	7.8	7.5	23.1	5.5	28.6
Cash and cash equivalents at 31 March	163.7	406.6	570.3	106.0	341.0	447.0