Ninety One plc
Incorporated in England and Wales
Registration number 12245293
Date of registration: 4 October 2019
LSE share code: N91
JSE share code: N91
ISIN: GB00BJHPLV88

Ninety One Limited
Incorporated in the Republic of South Africa
Registration number 2019/526481/06
Date of registration: 18 October 2019
JSE share code: NY1
ISIN: ZAE000282356

Results for the year ended 31 March 2021

Highlights

- Strong performance in a challenging year.
- Assets under management ("AUM") increased 27% to £130.9 billion; average AUM increased by 1% to £119.9 billion.
- Net outflows of £0.2 billion.
- Excellent firm-wide investment performance with three-year outperformance at 82%.
- Profit before tax increased 3% to £204.1 million. Adjusted operating profit increased 9% to £206.2 million.
- Basic earnings per share increased 1% to 16.9p and adjusted earnings per share increased 6% to 17.0p.
- Proposed final dividend of 6.7p per share, resulting in a full year dividend of 12.6p per share.
- Staff shareholding increased to 23%.

	Full year 2021	Full year 2020	Change %
Assets under management (£'bn)	**130.9**	103.4	27
Net flows (£'bn)	**(0.2)**	6.0	n.m.
Average assets under management (£'bn)	**119.9**	118.3	1
Profit before tax (£'m)	**204.1**	198.5	3
Adjusted operating profit (£'m)	**206.2**	189.9	9
Basic earnings per share (p)	**16.9**	16.8	1
Basic headline earnings per share (p)	**16.9**	16.8	1
Adjusted earnings per share (p)	**17.0**	16.1	6
Adjusted operating profit margin	**34.2%**	32.3%	
Dividend per share (p)	**12.6**	n.a.	

Note: Please refer to explanations and definitions, including alternative performance measures, on pages 13 to 15.

Hendrik du Toit, Founder and Chief Executive Officer, commented:

"We thank our clients for their support during this challenging year and over the thirty years that we have been in business. We congratulate our people for their sterling efforts in challenging conditions. Their hard work and the support of our clients have allowed us to report record AUM and profits. Without the support of our broad stakeholder base and our shareholders in particular, this would not have been possible.

Although the past year was the 30th year that we have been in business, it was also a year of firsts; our first full year as a listed company, our first full year operating under the Ninety One brand, and the first time the world has come face-to-face with a pandemic of this magnitude. The year was characterised by a resurgence in investment performance at Ninety One due to the discipline and professionalism of our investment teams. Flow momentum has improved in the second half and we enter the new financial year with a strong pipeline. Nevertheless, we are disappointed that we have not achieved net inflows over the full reporting period.

We are acutely aware that the communities we serve continue to be heavily impacted by the consequences of the pandemic.

The pandemic has also accelerated change. The quest for sustainability has become central to our industry. We applaud this and we are ready to play our role in the pursuit for a net zero world. We believe that our purpose of investing for a better tomorrow is now more relevant than ever and we remain excited by the long-term growth opportunities for Ninety One."

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Investor presentation

A presentation to investors and financial analysts will be made via live webcast at 9.00 am (UK time) on 19 May 2021. The webcast link is available at https://ninetyone.com/full-year-results-webcast. Registration for this event is required (password: NinetyOneFY21).

A copy of the presentation will be made available on the Company's website at https://ninetyone.com/full-year-results-2021 after 8am (UK time) on 19 May 2021.

Forward-looking statements

This announcement does not constitute or form part of any offer, advice, recommendation, invitation or inducement to any person to underwrite, subscribe for or otherwise acquire or dispose of securities in Ninety One plc and its subsidiaries or Ninety One Limited and its subsidiaries (together, "Ninety One"), nor should it be construed as legal, tax, financial, investment or accounting advice.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements contained in the announcement reflect Ninety One's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to Ninety One's business, results of operations, financial position, liquidity, prospects, growth and strategies. Forward-looking statements speak only as of the date of this announcement.

Except as required by any applicable law or regulation, Ninety One expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this announcement or any other forward-looking statements it may make whether as a result of new information, future developments or otherwise.

About Ninety One

Ninety One is an independent investment manager, founded in South Africa in 1991. It operates and invests globally and offers a range of active strategies to its global client base. Ninety One is listed on the London and Johannesburg Stock Exchanges.

CHIEF EXECUTIVE OFFICER'S REVIEW

The past financial year was a year of firsts for Ninety One. This period will be remembered for the first global pandemic in over a century. At the start of the 2020 calendar year, COVID-19 spread across the world with devastating consequences. For Ninety One it was our first full year as a listed company. You may recall that we floated our business on the London and Johannesburg Stock Exchanges on 16th March 2020 in the eye of the storm. This was also the first full year in which we operated under the Ninety One brand after 29 years as Investec Asset Management and where most, and at times all, of our staff worked away from the office for protracted periods of time. It was indeed the first year in which we served most of our clients remotely and primarily via digital communication. Finally, the past year proved the robustness and resilience of our business model. Most importantly, the people of Ninety One rose to the challenges of this extraordinary year. We navigated change in the operating landscape and consistent with our culture, cared about our clients, colleagues and the communities we serve. Our purpose of investing for a better tomorrow motivated us. We pursued this by attempting to build a better firm, find ways to invest better and contribute to a better world.

When we introduced the Ninety One brand to the world, we used the tag line "investing for a world of change". Thinking about, coping with and navigating change to the benefit of our clients is what we are about. Even though we could never have anticipated the full extent of the changes that unfolded over the past year, our readiness to embrace change was extremely helpful during this period. At Ninety One we engage and negotiate change with open minds but from a stable footing and solid foundations. Our strong culture, organisational stability, people-centricity, talent friendliness and strategic clarity help us to stay focused on the challenges and opportunities facing us in a calm and rational manner.

The year commenced with treacherous market conditions. Strong support from central banks and the widening of narrow markets gave way to significant rotations in market performance. Asset owners re-commenced their allocations and opportunities were created for capable and competitive active investment managers.

For us, the 2021 financial year turned out better than we expected at the outset. It was a record year in AUM, revenue and profit terms. Our adjusted operating profit increased to £206.2 million (2020: £189.9 million). Investment performance recovered significantly and the business functioned well while adapting to the changed conditions. The new brand was well received by our clients and we made significant progress on the sustainability front by engaging widely on the importance of this topic in the world today. We are disappointed not to have achieved net inflows for the year, instead generating net outflows of £197 million (2020: net inflows £6.0 billion). However, we have turned around the flow momentum in the second half of the year and entered the new financial year with a healthy pipeline of new business. The Board is proposing a final dividend of 6.7p per share (2020: n.a.), taking the full dividend to 12.6p per share, in line with our stated dividend policy and while maintaining a strong balance sheet.

People and culture

These results could not have been achieved without the dedication and professionalism of the people who work at Ninety One. Our unique owner culture creates a context within which a diverse group of talented individuals can thrive in a team context. Over the past year we have been able to compete effectively for new talent, while retaining our best people. This context creates alignment of interests among our people but also with stakeholders. This alignment is further enhanced by the growing ownership of the firm by those who work in it. Over the past year, the people of Ninety One have increased their stake in the firm to 23% (31 March 2020: 21%). As owners, we are driven by our desire for long-term success. That is why it was very easy for us to declare at the beginning of the pandemic that we would safeguard the jobs of our people during the 2020 calendar year. This promise was obviously subject to meeting our performance standards. We furloughed no one and took no government help, thereby retaining our independence to the full.

This environment creates the space for competitive long-term investment performance and excellent client service. Ninety One is all about people and culture. This underpins our people-centric, talent-friendly, organic and capital-light business model.

Strategy and opportunities

Our strategy, as articulated a year ago at listing, remains unchanged.

Our belief in the long-term opportunity for high-quality active investment management is unwavering. Over the past year the risk appetite of investors fluctuated but we believe the long-term demand for, and active exposure to, risk assets will continue to grow as the world economy expands over time, the global population keeps on growing and wealth creation continues.

Our capability set remains relevant and attractive to capture this opportunity with adequate diversity to suit varying client needs and future client demand. Overall, we have balanced the need for focus and simplification with adequate revenue and client diversification. As ever, we continued to evolve our offering to retain market relevance and during the past year we made substantial investments in the expansion of our credit and multi-asset platforms. The results of these investments will be seen in the years to come. Notwithstanding all this, we continued to focus on delivering the investment performance our clients expect.

During the pandemic we have been reminded about the value of strong domestic market positions and our longstanding client relationships. South Africa was a star performer. The UK could have done better and we took action by injecting fresh leadership. We believe in the potential of our business in the Americas and we also see significant opportunities in Asia Pacific and remain committed to our chosen niches in Europe.

We have also worked hard to develop the leadership cadre and talent pools across the business. In spite of being forced to conduct many of our interactions virtually in the last year, our culture remains intact, healthy and vital. The concepts of talent density and the importance of building a truly intergenerational firm are uppermost in our minds.

Finally, we are pleased to report that we have made significant progress across the organisation in putting sustainability at the core of our business through our three-dimensional sustainability framework of Invest, Advocate and Inhabit. Looking ahead, we intend to become signatories of the Net Zero Asset Managers Initiative which supports investing that is aligned with the goal of net zero emissions by 2050 or sooner. However, we believe in sustainability with substance and so we will use our framework to work towards a practical transition pathway which is fair and inclusive rather than a singular focus on reducing portfolio carbon by excluding high-emitting countries and companies from our portfolios without considering the consequences. Investors should contribute to a practical transition path for the world towards a lower carbon, and ultimately net zero, economy through responsible ownership and sensible pricing of risk. Reducing carbon in portfolios will not necessarily lead to a low or zero carbon world. Therefore, we have prioritised climate in our sustainability efforts while remaining mindful of the broader goal of sustainable development over the long term.

Outlook

Although we are satisfied with the results, we are never content. At Ninety One we always strive to be better. There is a great deal of work to do in the coming years, because ours is an ambitious organisation with a long-term mindset. It is our intention to continue on our well-established organic growth path. For us it is not about size, it is about the pursuit of excellence and the creation of an enduring organisation which serves its stakeholders to the highest possible standards.

Noting that equity markets are at, or near, all-time highs and long-term interest rates remain at historic lows and are expected to rise in due course, we need to strike a note of caution. In the context of prevailing market conditions and our significant investment performance turnaround, we look ahead to the future with confidence and relish the chance to work towards a continued positive outcome for our stakeholders. Although fee pressure and scrutiny remain, we believe there are still ample opportunities for active managers who execute well. Our pipeline is building and we look forward to improvements in flow momentum.

We remain committed to our people-centric, talent-friendly, organic and capital-light business model with significant employee ownership. Although cost-conscious, we will continue to invest in our future via the cost line, as we have done in the past. We will work hard to contribute to a more sustainable economic model for humanity through our activities, not only as a business but as an investor of third-party capital. As long-term investors, sustainability should be at the centre of what we do.

We would like to take this opportunity to thank all our stakeholders for their support during this pivotal year. This is our 30th year in business and we owe a debt of gratitude to the people who have been instrumental in building this special business, many of whom remain with the firm. We could not have done this without the support of our clients, shareholders and the communities in which we operate.

OPERATING REVIEW

Assets under management

Our AUM increased 27% to £130.9 billion (31 March 2020: £103.4 billion), driven by significant positive market movements. This was largely caused by the market recovery following the initial downward market impact at the start of the financial year. The market and foreign exchange impact added £27.7 billion (2020: negative £14.0 billion) to AUM.

AUM by asset class

£ million	31 March 2021	31 March 2020[1]	Change %
Equities	**62,676**	47,606	32
Fixed income	**34,008**	28,009	21
Multi-asset	**22,384**	18,261	23
Alternatives	**3,543**	3,312	7
South African fund platform	**8,303**	6,218	34
Total	**130,914**	103,406	27

Note: (1) During the second quarter of H1 2021, AUM totalling approximately £2.5 billion was reclassified across asset classes. This was done to better reflect our Alternatives asset class, which now predominantly consists of alternative credit strategies. Therefore, the figures presented above for 31 March 2020 are on the same reclassified basis. Prior to reclassification, AUM as at 31 March 2020 was: Equities £45,824 million, fixed income £30,495 million and alternatives £2,608 million; multi-asset and South African fund platform were unaffected by the reclassifications.

Our AUM remained well diversified across asset classes. The mix of AUM remained broadly unchanged from the prior year. In spite of a mixed net flow picture across asset classes, the positive impact of markets and foreign exchange increased the overall AUM in all asset classes (and the South African fund platform) compared with the prior year.

AUM by Client Group

£ million	31 March 2021	31 March 2020	Change %
United Kingdom	**26,272**	21,922	20
Africa	**47,632**	35,963	32
Europe	**16,791**	14,479	16
Americas	**16,032**	13,649	17
Asia Pacific	**24,187**	17,393	39
Total	**130,914**	103,406	27

The AUM of the business remains well-diversified by Client Group, representing the global nature of our client base. The positive impact of markets and foreign exchange increased AUM in all regions compared with the prior year.

AUM by client type

£ million	31 March 2021	31 March 2020	Change %
Advisor	**42,266**	33,422	26
Institutional	**88,648**	69,984	27
Total	**130,914**	103,406	27

The split of AUM between the institutional and advisor channels remained consistent with the prior year. This reflects the strong and stable relationships with our clients and our focus on growing and deepening our reach in both channels. Notwithstanding a mixed net flows picture for advisor and institutional clients, AUM by each client type increased due to markets and foreign exchange, compared with the prior year.

Net flows

We achieved marginal net outflows of £0.2 billion (2020: net inflows of £6.0 billion).

Net flows by asset class

£ million	31 March 2021	31 March 2020[1]
Equities	**(3,225)**	2,510

Fixed income	**3,586**	2,370
Multi-asset	**(674)**	751
Alternatives	**(153)**	200
South African fund platform	**269**	217
Total	**(197)**	6,048

Note: (1) Due to the AUM reclassifications described above, the net flow figures presented above for the twelve months to 31 March 2020 are on the same reclassified basis. Prior to reclassification, net flows for the twelve months to 31 March 2020, were: Equities £2,435 million, fixed income £2,537 million and alternatives £108 million; multi-asset and South African fund platform were unaffected by the reclassifications.

There were positive net flows into fixed income driven by various areas including total return and blended strategies, as well as strong net inflows into cash strategies. Although total net flows from equities were negative, the underlying movements were varied with strong net inflows into some of our global equity and sustainability strategies, which were offset by net outflows from some other global and Asian equity strategies. Net outflows in multi-asset were largely from total return and income strategies, while outflows in alternatives were mainly driven from African credit strategies.

Net flows by Client Group

£ million	31 March 2021	31 March 2020
United Kingdom	**(1,484)**	2.342
Africa	**1,707**	1,835
Europe	**(170)**	1,549
Americas	**(653)**	256
Asia Pacific	**403**	66
Total	**(197)**	6,048

Africa, followed by Asia Pacific, were the main drivers of inflows this year. These net inflows were largely from fixed income and then, to a lesser extent, multi-asset strategies. The UK suffered overall net outflows driven mainly from multi-asset and UK equity strategies, which overrode the substantial net inflows into our sustainability strategies. Net outflows from the Americas were driven by a higher level of redemptions from Latin American clients, particularly out of Asian equity strategies. Europe's healthy net inflows into credit strategies was countered by net outflows from fixed income and multi-asset strategies.

Net flows by client type

£ million	31 March 2021	31 March 2020
Advisor	**1,522**	2,382
Institutional	**(1,719)**	3,666
Total	**(197)**	6,048

There were advisor client net inflows into all asset classes and all Client Groups (with the exception of alternatives and Europe respectively). Equities and fixed income drove the majority of advisor net inflows and Africa represented the most significant component, with positive net flows from all asset classes. Institutional net flows were strong in fixed income but negative across all other asset classes, particularly equities. Institutional net outflows from equities were primarily driven by UK redemptions from certain global and regional strategies and secondly by significant Latin American client withdrawals from Asian equity strategies.

Investment performance

Firm-wide investment performance

During the financial year 2021, short- and longer-term firm-wide investment performance improved significantly. Our one- and three-year outperformance stood at 80% and 82% respectively (31 March 2020: 39% and 55% respectively). Over five and ten years, our investment performance was strong at 83% and 89% respectively (31 March 2020: 56% and 79% respectively), demonstrating our ability to generate good outcomes for our clients over the medium to long term.

	1 Year	3 Year	5 Year	10 Year	Since inception
Outperformance	80%	82%	83%	89%	85%
Underperformance	20%	18%	17%	11%	15%

Note: Firm-wide outperformance (underperformance) is calculated as the sum of the total market values for individual portfolios that have positive active returns (negative active returns) on a gross basis expressed as a percentage of total AUM. Our percentage of firm outperformance is reported on the basis of current AUM and therefore does not include terminated funds. Total AUM excludes double-counting of pooled products and third party assets administered on our South African fund platform. Benchmarks used for the above analysis include cash, peer group averages, inflation and market indices as specified in client mandates or fund prospectuses. For all periods shown, market values are as at the period end date.

Mutual fund investment performance

During the financial year 2021, Ninety One's mutual fund investment performance saw some decline compared to the prior year. On a three-year basis, the mutual fund performance remained broadly unchanged, with 51% of mutual funds in the first or second quartile (31 March 2020: 52%). However, on a one- and five-year basis, 43% and 50% of mutual funds were in the first or second quartiles respectively (31 March 2020: 51% and 62% respectively).

	1 Year	3 Year	5 Year	10 Year
First quartile	23%	29%	22%	45%
Second quartile	20%	22%	28%	14%
Third quartile	18%	24%	26%	36%
Fourth quartile	39%	24%	23%	5%

Note: Mutual fund performance and ranking as per Morningstar data using primary share classes, as defined by Morningstar, net of fees to 31 March 2021. Peer group universes are either IA, Morningstar Categories or ASISA sectors as classified by Morningstar. Cash or cash-equivalent funds are excluded from the table. Mutual fund performance weighted by AUM. Percentages may not add up to 100% due to rounding.

FINANCIAL REVIEW

Financial results[1]

£ million (unless stated otherwise)	Full year 2021	Full year 2020	Change %
Closing AUM (£ billion)	**130.9**	103.4	27
Net flows (£ billion)	**(0.2)**	6.0	n.m.
Average AUM (£ billion)	**119.9**	118.3	1
Management fees	**561.0**	**565.7**	(1)
Performance fees	**45.4**	**21.5**	111
Foreign exchange (loss)/gain	**(6.3)**	**2.1**	n.m.
Other income/(loss)	**3.4**	**(1.3)**	n.m.
Adjusted operating revenue	**603.5**	**588.0**	3
Adjusted operating expenses	**(397.3)**	**(398.1)**	(0)
Adjusted operating profit	**206.2**	189.9	9
Adjusted net interest income	**2.2**	**4.5**	(51)
Silica profit	**1.7**	**1.9**	(11)
Profit before tax and exceptional items	**210.1**	196.3	7
Exceptional items			
Ninety One share scheme implementation	**-**	**13.1**	n.m.

Other exceptional items	**(6.0)**	(10.9)	(45)
Profit before tax	**204.1**	198.5	3
Tax expense	**(49.5)**	(42.5)	16
Profit after tax	**154.6**	156.0	(1)
Average fee rate (bps)	**46.8**	47.8	n.m.
Adjusted operating profit margin	**34.2%**	32.3%	n.m.
Full-time employees	**1,174**	1,165	1

Note: Please refer to explanations and definitions, including alternative performance measures, on pages 13 to 15.

Adjusted operating profit increased 9% to £206.2 million (2020: £189.9 million). Adjusted operating profit margin of 34.2% increased on the comparative period (2020: 32.3%), principally due to higher performance fees earned and COVID-19 related expense savings. Profit before tax and exceptional items increased 7% to £210.1 million (2020: £196.3 million).

Assets under management

Ninety One saw net outflows of £0.2 billion (2020: net inflows £6.0 billion). Total AUM increased by 27% to £130.9 billion (31 March 2020: £103.4 billion), supported by positive market movements. The market and foreign exchange impact for the period was positive £27.7 billion (2020: negative £14.0 billion).

The average AUM increased 1% to £119.9 billion (2020: £118.3 billion), reflecting lower AUM for a large portion of the financial year.

Adjusted operating revenue

Management fees decreased 1% to £561.0 million (2020: £565.7 million), against a 1% increase in average AUM. The average management fee rate reduced 1.0 bp to 46.8bps (2020: 47.8bps) mainly reflecting a higher weighting of lower fee portfolios.

Performance fees increased to £45.4 million (2020: £21.5 million) reflecting relative investment outperformance in a selection of strategies, particularly in South African equities.

Foreign exchange losses of £6.3 million (2020: gains of £2.1 million) were mainly due to US dollar asset translations where pounds sterling strengthened against the US dollar. The year-end exchange rate moved from 1.23 in 2020 to 1.38 in 2021.

Other income of £3.4 million was higher compared to the comparative period (2020: losses of £1.3 million), due to an increase in items such as research and development credits and seed capital (including private equity) mark-to-market revaluations.

Adjusted operating expenses

Adjusted operating expenses marginally decreased to £397.3 million (2020: £398.1 million), largely driven by a reduction in travel and promotional expenses and mostly offset by an increase in staff expenses. The decrease in travel and promotional costs is linked to COVID-19 imposed restrictions which resulted in minimal business travel and fewer client events in the year.

Staff expenses

Ninety One is a people business, and staff expenses represent the largest portion of the expense base. Total staff expenses (excluding Silica and the deferred employee benefit scheme) increased 5% to £271.3 million (2020: £258.8 million), driven by an average headcount increase of 2% to 1,168 (2020: 1,148) along with inflation and market-related adjustments.

Over 50% of staff expenses are variable and fluctuate in line with adjusted operating profit, ensuring alignment with financial performance.

Non-staff expenses

Non-staff expenses decreased 10% to £126.0 million (2020: £139.3 million). This largely reflects the significant savings on travel and promotional costs in the period. Client and retail fund administration expenses reduced mainly due to the impact of the weaker South African rand on South African based costs. Systems expenses increased in line with the continued investment to support long-term growth. Accommodation costs were relatively flat following the completion of the move to a new office building in London. The end of the duplicate rental expenses was offset by moves to new and more expensive offices in Hong Kong and New York.

Adjusted net interest income

Adjusted net interest income decreased to £2.2 million (2020: £4.5 million) as a result of lower interest rates. Adjusted net interest income excludes interest expense on lease liabilities of £3.7 million (2020: £3.0 million), which has been included in adjusted operating expenses. Interest expense on lease liabilities increased due to the aforementioned new office rentals in Hong Kong and New York.

Silica

Silica was our transfer agency business in South Africa. Silica profits were not material to Ninety One, as they were typically reinvested into Silica's core operational platforms.

During the year, we took a strategic decision to dispose of Silica, further simplifying the Ninety One business. The sale, which completed on 30 April 2021, will allow Silica to work with a strong and strategically-aligned partner. Ninety One recognised an after-tax profit on disposal of £11.1 million. Ninety One remains a client of Silica.

Exceptional items

Other exceptional items of £6.0 million (2020: £10.9 million) are expenses related to the demerger from Investec in March 2020, and the subsequent listing on the London and Johannesburg Stock Exchanges. These demerger expenses related mainly to promotional and rebranding activities in the current year and will not continue beyond this financial year. In the prior year, income of £13.1 million was included in exceptional items due to the net impact of implementing a new share scheme. As previously communicated, the current year's share scheme implementation costs are immaterial and are included in staff expenses.

Profit before tax

Profit before tax increased 3% to £204.1 million (2020: £198.5 million), while adjusted operating profit increased 9% to £206.2 million (2020: £189.9 million).

Effective tax rate

The effective tax rate for the twelve months to 31 March 2021 was 24.3% (2020: 21.4%) against a headline UK corporation tax rate of 19.0% (2020: 19.0%) and a headline South Africa corporation tax rate of 28.0% (2020: 28.0%). The increase in the effective tax rate was largely due to a higher proportion of profits being made in South Africa, as well as the removal of the reducing effect of deferred tax adjustments in the year to 31 March 2020, following the reversal of the previously announced reduction in UK corporation tax rate. The announced tax rate changes in both the UK and South Africa have not been substantively enacted and therefore have not impacted the current year.

Earnings per share ("EPS")

£ million (unless stated otherwise)	Full year 2021	Full year 2020	Change %
Profit after tax	**154.6**	156.0	(1)
Profit attributable to non-controlling interests	**(0.2)**	(0.6)	(67)
Profit attributable to ordinary shareholders	**154.4**	155.4	(1)
Ninety One share scheme implementation	**-**	(13.1)	n.m.
Exceptional items	**6.0**	10.9	(45)
Gain on disposal of associate	**(0.2)**	-	-
Adjusted net interest income	**(2.2)**	(4.5)	(51)
Silica profit	**(1.7)**	(1.9)	(11)

Tax on adjusting items	**0.2**	2.0	(90)
Adjusted earnings attributable to ordinary shareholders	**156.5**	148.8	5

Weighted average number of ordinary shares (m) - basic	**912.7**	922.5	(1)
Weighted average number of ordinary shares (m) - diluted	**916.8**	922.5	(1)
Number of ordinary shares (m)	**922.7**	922.7	-
Earnings per share (p)			
- Basic	**16.9**	16.8	1
- Diluted	**16.8**	16.8	-
Headline earnings per share (p)			
- Basic	**16.9**	16.8	1
- Diluted	**16.8**	16.8	-
Adjusted earnings per share (p)	**17.0**	16.1	6

Note: (1) Please refer to explanations and definitions, including alternative performance measures, on pages 13 to 15.

Basic earnings per share ("Basic EPS") and basic headline EPS ("Basic HEPS") increased 1% to 16.9p (2020: 16.8p). Diluted EPS and diluted HEPS were flat at 16.8p (2020: 16.8p). There was no change in the number of shares in issue. The impact of the investment in own shares held by Ninety One as part of the new Ninety One share scheme had a small impact on the weighted average number of ordinary shares.

Adjusted EPS grew 6% to 17.0p (2020: 16.1 p), broadly consistent with the growth in adjusted operating profit and more reflective of the core operating performance of Ninety One.

Summary balance sheet

		31 March 2021	
£ million	**Policyholders**	**Shareholders**	**Total IFRS**
Non-current assets	**-**	**155.0**	**155.0**
Current assets			
Linked investments backing policyholder funds	**9,063.9**	**-**	**9,063.9**
Cash and cash equivalents	**-**	**337.5**	**337.5**
Other current assets	**51.0**	**297.2**	**348.2**
Total current assets	**9,114.9**	**634.7**	**9,749.6**
Total assets	**9,114.9**	**789.7**	**9,904.6**
Non-current liabilities	**28.8**	**146.6**	**175.4**
Current liabilities			
Policyholder investment contract liabilities	**9,033.6**	**-**	**9,033.6**
Other current liabilities	**52.5**	**389.8**	**442.3**
Total current liabilities	**9,086.1**	**389.8**	**9,475.9**
Total liabilities	**9,114.9**	**536.4**	**9,651.3**
Equity	**-**	**253.3**	**253.3**

Total equity and liabilities	**9,114.9**	**789.7**	**9,904.6**

		31 March 2020	
£ million	**Policyholders**	**Shareholders**	**Total IFRS**
Non-current assets	-	145.2	145.2
Current assets			
Linked investments backing policyholder funds	6,988.5	-	6,988.5
Cash and cash equivalents	-	194.5	194.5
Other current assets	67.3	255.8	323.1
Total current assets	7,055.8	450.3	7,506.1
Total assets	7,055.8	595.5	7,651.3
Non-current liabilities	5.6	140.1	145.7
Current liabilities			
Policyholder investment contract liabilities	7,002.8	-	7,002.8
Other current liabilities	47.4	304.3	351.7
Total current liabilities	7050.2	304.3	7,354.5
Total liabilities	7,055.8	444.4	7,500.2
Equity	-	151.1	151.1
Total equity and liabilities	7,055.8	595.5	7,651.3

Ninety One undertakes Investment-linked insurance business through one of its South African entities, Ninety One Assurance, and does not take on any insurance risk in respect of such business. The policyholders hold units in a pooled portfolio of assets via linked policies issued by the insurance entity. The assets are beneficially held by the insurance entity and the assets are reflected on its statement of financial position. Due to the nature of a linked policy, Ninety One's liability to the policyholders is equal to the market value of the assets underlying the policies, less applicable taxation. The increase in policyholder assets is largely due to foreign exchange gains and improved markets. The commentary below only covers the shareholders' amounts.

Total assets increased to £789.7 million (31 March 2020: £595.5 million), largely due to cash and cash equivalents which increased to £337.5 million (31 March 2020: £194.5 million). The cash and cash equivalent balance was lower last year due to the settlement of dividends ahead of the year end following the demerger from Investec.

Ninety One has limited seed investments. Seed capital for mutual funds was £3.1 million (31 March 2020: £1.7 million) and co-investments in private equity and real estate funds totalled £8.2 million (31 March 2020: £9.3 million).

Total liabilities increased to £536.4 million (31 March 2020: £444.4 million). There is no debt financing on the balance sheet.

Equity increased to £253.3 million (31 March 2020: £151.1 million), reflecting the profits for the year, net of the payment of the interim dividend.

During the prior year, Ninety One established employee benefit trusts for the purpose of purchasing shares and satisfying the share-based payment awards granted to employees. Throughout the year, 4.6 million shares were purchased through these trusts, resulting in a total of 11.0 million shares, representing 1.2% of Ninety One's 922.7 million total shares in issue.

Capital and regulatory position(1)

£ million	31 March 2021	31 March 2020
Equity	**253.3**	151.1
Non-qualifying assets(2)	**(13.3)**	(12.7)

Qualifying capital	**240.0**	138.4
Dividends proposed	**(61.7)**	-
Estimated regulatory requirement	**(104.4)**	(94.4)
Estimated capital surplus	**73.9**	**44.0**

Notes:

(1) The above table represents the amalgamated position across Ninety One plc and its subsidiaries and Ninety One Limited and its subsidiaries, which for regulatory capital purposes are separate groups. Both groups had an estimated capital surplus at 31 March 2021 and 31 March 2020.
(2) Non-qualifying assets comprise assets that are not available to meet regulatory requirements.

Estimated regulatory capital increased to £104.4 million (31 March 2020: £94.4 million). This provides Ninety One with an expected capital surplus of £73.9 million (31 March 2020: £44.0 million), which is consistent with our commitment to a capital-light balance sheet, whilst maintaining a reasonable buffer. The capital requirements for all Ninety One companies are monitored throughout the year.

Dividends

The Board has considered the resilience of the balance sheet. In line with the stated dividend policy, the Board has recommended a final dividend of 6.7 pence per share. Of this, 4.4 pence per share represents 50% of profit after tax and 2.3 pence per share represents after-tax earnings after ensuring we have sufficient capital to meet current or expected changes in the regulatory capital requirements and investment needs, as well as a reasonable buffer to protect against fluctuations in those requirements. If approved at the AGM, the final dividend will be paid on 12 August 2021 to shareholders included on the share registers on 23 July 2021 and will result in a full-year dividend of 12.6 pence per share.

There are no plans to increase the current number of shares in issue.

Liquidity

Ninety One maintains a healthy liquidity position, which comprises cash and cash equivalents of £337.5 million (31 March 2020: £194.5 million). Ninety One maintains a consistent liquidity management model, with liquidity requirements monitored carefully against its existing and longer-term obligations. To meet the daily requirements of the business and to mitigate its credit exposure, Ninety One diversifies its cash and cash equivalents across a range of suitably credit-rated corporate banks and money funds.

Alternative performance measures

Ninety One uses non-IFRS measures to reflect the manner in which management monitors and assesses the financial performance of Ninety One. In particular, they exclude Silica as it is not core to Ninety One's asset management activities and as at 30 April 2021 has been divested. These non-IFRS measures are considered additional disclosures and in no case are intended to replace the financial information prepared in accordance with the basis of preparation detailed in the consolidated financial statements. Moreover, the way in which Ninety One defines and calculates these measures may differ from the way in which these or similar measures are calculated by other entities. Accordingly, they may not be comparable to measures used by other entities in Ninety One's industry.

These non-IFRS measures are considered to be pro forma financial information for the purpose of the JSE Listings Requirements and are the responsibility of Ninety One's Board. Due to their nature, they may not fairly present the issuer's financial position, changes in equity, results of operations or cash flows. The non-IFRS financial information has been prepared with reference to JSE Guidance Letter: Presentation of pro forma financial information dated 4 March 2010 and in accordance with paragraphs 8.15 to 8.33 in the JSE Listings Requirements, the Revised SAICA Guide on Pro forma Financial Information (issued September 2014) and International Standard on Assurance Engagement ("ISAE") 3420 – Assurance Engagements to Report on the Compilation of Pro forma Financial Information included in a Prospectus, to the extent applicable given the Non-IFRS Financial Information's nature. This pro forma financial information has been reported on by KPMG Inc in terms of ISAE 3420 and their unmodified report is available for inspection on the Ninety One website (www.ninetyone.com).

These non-IFRS measures, including reconciliations to their nearest consolidated financial statements equivalents, are as follows:

£ million	Full year 2021	Full year 2020
Net revenue	625.1	609.9

Adjustments		
Silica third-party revenue	(18.9)	(21.2)
Foreign exchange (loss)/gain	(6.3)	2.1
Net gain/(loss) on investments	15.6	(4.2)
Deferred employee benefit scheme (gain)/loss	(14.2)	1.0
Share of profit from associates	0.6	-
Other income	1.6	0.2
Rounding	-	0.2
Adjusted operating revenue	**603.5**	588.0
Of which management fees	561.0	565.7
Of which performance fees	45.4	21.5
Of which foreign exchange (loss)/gain	(6.3)	2.1
Of which other income/(loss)	3.4	(1.3)

£ million	Full year 2021	Full year 2020
Operating expenses	425.0	413.4
Adjustments		
Silica net expenses	(17.2)	(19.4)
Deferred employee benefit scheme (gain)/loss	(14.2)	1.0
Interest expense on lease liabilities	3.7	3.0
Rounding	-	0.1
Adjusted operating expenses	**397.3**	398.1

£ million	Full year 2021	Full year 2020
Adjusted operating revenue	603.5	588.0
Adjusted operating expenses	(397.3)	(398.1)
Adjusted operating profit	**206.2**	189.9
Adjusted operating profit margin	**34.2%**	32.3%

£ million	Full year 2021	Full year 2020
Net interest (expense)/income	(1.5)	1.7
Adjustments		
Silica interest income	-	(0.1)
Interest expense on lease liabilities	3.7	3.0
Other interest expense	-	(0.1)
Adjusted net interest income	**2.2**	4.5

Foreign currency

The financial information is prepared in British pound sterling. The results of operations and the financial condition of individual companies are reported in the local currencies of the countries in which they are domiciled, including South African rand and US dollar. These results are then translated into pounds sterling at the applicable foreign currency exchange rates for inclusion in the condensed consolidated financial statements. The following table sets out the movement in the relevant exchange rates against pounds sterling for the twelve months ended 31 March 2020 and 2021.

	31 March 2021		31 March 2020	
	Year end	Average	Year end	Average
South African rand	20.39	21.35	22.16	18.78
US dollar	1.38	1.31	1.23	1.27

DEFINITIONS

Adjusted earnings per share: Profit attributable to ordinary shareholders, adjusted to remove non-operating items, divided by the number of ordinary shares in issue at the end of the year

Adjusted net interest income: Calculated as net interest income less interest income arising from Silica operations, interest expenses from lease liabilities for office premises, and other interest expense

Adjusted operating expenses: Calculated as operating expenses less Silica net expenses and deferred employee benefit scheme movements, but including interest expense on lease liabilities

Adjusted operating profit: Calculated as adjusted operating revenue less adjusted operating expenses

Adjusted operating profit margin: Calculated as adjusted operating profit divided by adjusted operating revenue

Adjusted operating revenue: Calculated as net revenue, less Silica third-party revenue and adjusted for foreign exchange gains/losses, deferred employee benefit scheme movements, net gain/(loss) on investments and other items

ASISA: Association for Savings and Investment South Africa

Assets under management (AUM): The aggregate assets managed on behalf of clients. For some private markets' investments, the aggregate value of assets managed is based on committed funds by clients; this is changed to the lower of committed funds and net asset value, in line with the fee basis. Where cross investment occurs, assets and flows are identified, and the duplication is removed. AUM excludes assets administered for third-party clients by Silica

Average AUM: Calculated as a 13-point average of opening AUM for the year, and the month end AUM for each of the subsequent 12 months

Average exchange rate: Calculated as the average of the daily closing spot exchange rates in the relevant period

Average fee rate: Management fees divided by average AUM (annualised for non-twelve month periods), expressed in basis points

Basic earnings per share (Basic EPS): Profit after tax attributable to ordinary shareholders divided by the weighted average number of ordinary shares outstanding during the period, excluding own shares held by Ninety One share schemes

Diluted earnings per share: Profit for the period attributable to ordinary shareholders divided by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of ordinary shares that would be issued on the conversion of all the potentially dilutive shares into ordinary shares

Headline earnings per share (HEPS): Ninety One is required to calculate 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

IA: The Investment Association (UK)

JSE: Johannesburg Stock Exchange, the exchange operated by the JSE Limited, a public company incorporated and registered in South Africa, under the Financial Markets Act

LSE: London Stock Exchange, the securities exchange operated by the London Stock Exchange plc under the Financial Services and Markets Act 2000, as amended

Net flows: The increase in AUM received from clients, less the decrease in AUM withdrawn by clients, during a given period. Where cross investment occurs, assets and flows are identified, and the duplication is removed

Net revenue: Represents revenue in accordance with IFRS, less commission expense

Non-operating items: Include exceptional items, adjusted net interest income, Silica profit and tax on adjusting items

Review report

The condensed consolidated financial statements, which comprise the condensed consolidated statement of financial position at 31 March 2021 and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the year then ended and the notes to such condensed consolidated financial statements, and the annexure to the condensed consolidated financial statements, have been reviewed by KPMG Inc., in accordance with the requirements of the Companies Act of South Africa, who expressed an unmodified review conclusion. The auditor's report does not necessarily report on all of the information contained in these financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report together with the accompanying financial information from the company's registered office.

Preparation of condensed consolidated financial statements

These condensed consolidated financial statements have been prepared by management under the supervision of the Financial Director, Kim McFarland CA(SA). The board of directors take full responsibility for the preparation of the condensed consolidated financial statements.

On behalf of the board of directors

Hendrik du Toit	**Kim McFarland**
Chief Executive Officer	Finance Director
19 May 2021	19 May 2021

CONDENSED CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2021

	Notes	**2021 £'m**	2020 £'m
Revenue	2	**755.9**	761.0
Commission expense		**(130.8)**	(151.1)
Net revenue		**625.1**	609.9
Operating expenses	3	**(425.0)**	(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
Operating profit		**211.6**	194.6
Net interest (expense)/income	4	**(1.5)**	1.7
Profit before tax and exceptional items		**210.1**	196.3
Exceptional items			
Financial impact of group restructures	18(a)	**(6.0)**	(10.9)
Ninety One share scheme implementation	18(b)	**-**	13.1
Profit before tax		**204.1**	198.5

	Notes	2021	2020
Tax expense	5	**(49.5)**	(42.5)
Profit after tax		**154.6**	156.0
Profit attributable to:			
Shareholders		**154.4**	155.4
Non-controlling interests		**0.2**	0.6
		154.6	156.0
Earnings per share (pence)			
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 £'m	2020 £'m
Profit after tax	**154.6**	156.0
Other comprehensive income/(loss) for the year		
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**	-
Other comprehensive income/(loss) for the year	**6.4**	(11.5)
Total comprehensive income for the year	**161.0**	144.5
Total comprehensive income attributable to:		
Shareholders	**160.8**	143.9
Non-controlling interests	**0.2**	0.6
	161.0	144.5

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2021

	Notes	2021 £'m	2020 £'m
Assets			
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

Total non-current assets		**155.0**	145.2
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
		9,737.4	7,506.1
Assets classified as held for sale	15	**12.2**	-
Total current assets		**9,749.6**	7,506.1
Total assets		**9,904.6**	7,651.3
Liabilities			
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
Total non-current liabilities		**175.4**	145.7
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
		9,468.3	7,354.5
Liabilities classified as held for sale	15	**7.6**	-
Total current liabilities		**9,475.9**	7,354.5
Equity			
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
Total equity		**253.3**	151.1
Total equity and liabilities		**9,904.6**	7,651.3

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
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 of the Group								
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)**
Total transactions with shareholders of the Group		**-**	**(9.6)**	**7.8**	**(53.9)**	**(55.7)**	**(0.1)**	**(55.8)**
Repurchase of non-controlling interests		**-**	**-**	**-**	**(1.2)**	**(1.2)**	**(0.1)**	**(1.3)**
Other movement		**-**	**-**	**-**	**(1.4)**	**(1.4)**	**(0.3)**	**(1.7)**
31 March 2021		**441.2**	**(19.5)**	**(338.4)**	**169.9**	**253.2**	**0.1**	**253.3**
1 April 2019		441.2	-	(346.1)	100.0	195.1	0.6	195.7
Profit for the year		-	-	-	155.4	155.4	0.6	156.0
Other comprehensive loss		-	-	(10.2)	(1.3)	(11.5)	-	(11.5)
Total comprehensive income		-	-	(10.2)	154.1	143.9	0.6	144.5
Transactions with shareholders of the Group								
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)
Total transactions with shareholders of the Group		-	(9.9)	4.7	(183.1)	(188.3)	(0.8)	(189.1)
Repurchase of non-controlling interests		-	-	-	-	-	-	-
Other movement		-	-	-	-	-	-	-
31 March 2020		441.2	(9.9)	(351.6)	71.0	150.7	0.4	151.1

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
Cash flows from operations	17(a)	**507.3**	863.9
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)
Net cash flows from operating activities		**459.4**	813.6
Cash flows from investing activities			
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[1]	7	**(397.9)**	(568.3)

Net cash flows from investing activities[1]		**(408.7)**	(585.3)
Cash flows from financing activities			
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)
Net cash flows from financing activities		**(68.9)**	(199.5)
Cash and cash equivalents at beginning of year[1]		**436.6**	424.6
Net change in cash and cash equivalents[1]		**(18.2)**	28.8
Effect of foreign exchange rate changes		**28.6**	(16.8)
Cash and cash equivalents at end of year[1]		**447.0**	436.6
Cash and cash equivalents at end of year consist of:			
Cash and cash equivalents available for use by the Group	9	**337.5**	194.5
Cash and cash equivalents presented within other assets			
Cash and cash equivalents presented within linked investments backing policyholder funds[1]	7	**106.0**	242.1
Cash and cash equivalents presented within assets classified as held for sale	15	**3.5**	-
Cash and cash equivalents at end of year[1]		**447.0**	436.6

[1] 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	2020
	£'m	£'m
Revenue from external clients		
United Kingdom and Other	**581.0**	597.4
Southern Africa	**174.9**	163.6
Total	**755.9**	761.0
Performance fees included in revenue above	**45.4**	21.5
Non-current assets		
United Kingdom and Other	**114.6**	104.0
Southern Africa	**7.1**	5.0
Total	**121.7**	109.0

	2021	2020
3 Operating expenses	**£'m**	£'m
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
	425.0	413.4

	2021	2020
3(a) Staff costs	**£'m**	£'m
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
	284.4	272.0

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

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

	2021	2020
5 Tax expense	**£'m**	£'m
Current tax - current year	**49.6**	43.6
Current tax - adjustment for prior years	**(0.5)**	(0.2)
Current tax expense	**49.1**	43.4
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)
Deferred tax expense/(credit)	**0.4**	(0.9)
	49.5	42.5

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
Reconciliation of effective tax rate	**%**	%
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)
United Kingdom standard tax rate	**19.0**	19.0

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 £'m	2020 £'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:

Weighted average number of ordinary shares	Number of shares	Number of 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	**154.0**	155.2

	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of calculating basic EPS (note 6(a))	**912,677,332**	922,451,800
Weighted average number of ordinary shares for the purpose of calculating diluted EPS (note 6(a))	**916,786,825**	922,451,800

HEPS (pence)	**16.9**	16.8
Diluted HEPS (pence)	**16.8**	16.8

7 Linked investments backing policyholder funds

	2021 £'m	2020 £'m
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)
	2,411.7	1,810.9
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
	6,652.2	5,177.6
	9,063.9	6,988.5

Opening balance	**6,988.5**	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)
Closing balance	**9,063.9**	6,988.5

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

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

	2021	2020
9 Cash and cash equivalents	**£'m**	£'m
Cash at bank and on hand	**185.1**	152.0
Money Market Funds	**152.4**	42.5
	337.5	194.5

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[1]	**622,624,622**	**0.1**
Special shares of £0.0001 each, issued, allotted and fully paid[2]:		
Special converting shares	**300,089,454**	-
UK DAS Share	**1**	-
UK DAN Share	**1**	-
Special voting share	**1**	-
Special rights share	**1**	-
Ninety One plc balance at 31 March 2021 and 2020		**0.1**

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.

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

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.

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

[1] 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.

[2] 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:

	2021	2020
	£'m	£'m
Opening balance	**(9.9)**	-
Own shares purchased	**(9.6)**	(9.9)
Closing balance	**(19.5)**	(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)	
At 1 April 2020	**732.2**	**183.0**	**(1,236.5)**	**4.7**	**(35.0)**	**(351.6)**
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**
At 31 March 2021	**732.2**	**183.0**	**(1,236.5)**	**12.5**	**(29.6)**	**(338.4)**
At 1 April 2019	732.2	183.0	(1,236.5)	-	(24.8)	(346.1)
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
At 31 March 2020	732.2	183.0	(1,236.5)	4.7	(35.0)	(351.6)

(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	
Ordinary dividends	**Pence per share**	**£'m**	Pence per share	£'m
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
Total dividends attributable to ordinary shareholders	**5.9**	**53.9**	19.8	183.1

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.

11 Policyholder investment contract liabilities	**2021**	2020
	£'m	£'m
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)
	9,033.6	7,002.8

12 Other liabilities	**2021 £'m**	2020 £'m
Non-current		
Deferred compensation liabilities	**39.2**	39.3
Other liabilities	**0.4**	-
	39.6	39.3
Current		
Deferred compensation liabilities	**40.0**	37.6
	79.6	76.9

Deferred compensation liabilities include applicable employer tax.

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

14 Leases

14(a) Amounts recognised in the condensed consolidated statement of financial position	**2021 £'m**	2020 £'m
Right-of-use assets		
Office premises	**90.3**	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	**4.3**	2.7
Non-current	**106.1**	98.9
	110.4	101.6

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:

	2021		2020	
	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	**4.3**	**7.4**	2.7	2.8
Between one and five years	**35.5**	**47.7**	20.2	35.4
Over five years	**70.6**	**80.0**	78.7	90.7
	110.4	**135.1**	101.6	128.9

14(b) Amount recognised in the condensed consolidated income statement	**2021**	2020
	£'m	£'m
Depreciation charge of right-of-use assets	**11.5**	10.7
Interest expense on lease liabilities	**3.7**	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
Assets classified as held for sale	
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**
	12.2
Liabilities classified as held for sale	
Trade and other payables	**5.6**
Lease liabilities	**0.7**

Other liabilities	**1.3**
	7.6

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:

	Notes	**Level 1 £'m**	**Level 2 £'m**	**Level 3 £'m**	**Total £'m**
At 31 March 2021					
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)**
		76.8	**30.3**	**5.5**	**112.6**

	Notes	**Level 1 £'m**	**Level 2 £'m**	**Level 3 £'m**	**Total £'m**
At 31 March 2020					
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)
		72.3	(14.3)	4.8	62.8

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	**5.5**	4.8

17 Notes to the condensed consolidated statement of cash flows

17(a) Reconciliation of cash flows from operations

	Notes	2021 £'m	2020 £'m
Profit before tax		**204.1**	198.5
Adjusted for:			
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

	2021 £'m	2020 £'m
Working capital changes:		
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**	-
Cash flows from operations	**507.3**	863.9

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.

	Lease liabilities	
	2021 £'m	2020 £'m
Opening balance	**101.6**	-
Impact on initial application of IFRS 16	**-**	88.6
Changes from cash flows:		
Payment of lease liabilities	**(5.2)**	(5.7)
Other changes:		
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)**	-
	113.2	102.1
Exchange adjustments	**(2.8)**	(0.5)
Closing balance	**110.4**	101.6

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)
	13.1

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
Assets						
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
Total non-current assets	-	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	-	-	-
Total current assets	9,114.9	634.7	9,749.6	7,055.8	450.3	7,506.1
Total assets	9,114.9	789.7	9,904.6	7,055.8	595.5	7,651.3
Liabilities						
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
Total non-current liabilities	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	-	-	-
Total current liabilities	9,086.1	389.8	9,475.9	7,050.2	304.3	7,354.5
Equity						
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
Total equity	-	253.3	253.3	-	151.1	151.1
Total equity and liabilities	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
Cash flows from operating activities						
Profit before tax	-	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	-	-	-
Cash flows from operations	238.7	268.6	507.3	667.5	196.4	863.9
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)
Net cash flows from operating activities	238.7	220.7	459.4	667.5	146.1	813.6
Cash flows from investing activities						
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)
Net cash flows from investing activities	(397.9)	(10.8)	(408.7)	(568.3)	(17.0)	(585.3)

	2021			2020		
	Policyholders £'m	Shareholders £'m	Total £'m	Policyholders £'m	Shareholders £'m	Total £'m
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	-	(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)
Net cash flows from financing activities	-	(68.9)	(68.9)	-	(199.5)	(199.5)
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)
Cash and cash equivalents at end of year	**106.0**	**341.0**	**447.0**	242.1	194.5	436.6

SHAREHOLDER INFORMATION AND DIVIDEND ANNOUNCEMENT

In terms of the DLC structure, Ninety One plc shareholders registered on the United Kingdom share register may receive all or part of their dividend entitlements through dividends declared and paid by Ninety One plc on their ordinary shares and/or through dividends declared and paid on the SA DAN share issued by Ninety One Limited.

Ninety One plc shareholders registered on the South African branch register may receive all or part of their dividend entitlements through dividends declared and paid by Ninety One plc on their ordinary shares and/or through dividends declared and paid on the SA DAS share issued by Ninety One Limited.

Ninety One plc dividend announcement

Notice is hereby given that a gross final dividend of 6.7 pence per ordinary share has been recommended by the Board from income reserves in respect of the financial year ended 31 March 2021. The final dividend will be paid on 12 August 2021 to shareholders recorded in the shareholders' registers of the company on close of business 23 July 2021.

Ninety One plc shareholders registered on the United Kingdom share register, will receive their dividend payment by Ninety One plc of 6.7 pence per ordinary share.

Ninety One plc shareholders registered on the South African branch register, will receive their dividend payment by Ninety One Limited, on the SA DAS share, equivalent to 6.7 pence per ordinary share.

The relevant dates for the payment of dividend are as follows:

Last day to trade cum-dividend	
On the Johannesburg Stock Exchange ("JSE")	Tuesday, 20 July 2021
On the London Stock Exchange ("LSE")	Wednesday, 21 July 2021
Shares commence trading ex-dividend	
On the JSE	Wednesday, 21 July 2021
On the LSE	Thursday, 22 July 2021
Record date (on the JSE and LSE)	Friday, 23 July 2021
Payment date (on the JSE and LSE)	Thursday, 12 August 2021

Share certificates on the South African branch register may not be dematerialised or rematerialised between Wednesday, 21 July 2021 and Friday, 23 July 2021, both dates inclusive, nor may transfers between the United Kingdom share register and the South African branch register take place between Wednesday, 21 July 2021 and Friday, 23 July 2021, both dates inclusive.

Additional information for Ninety One shareholders registered on the South African branch register

- The final dividend paid by Ninety One plc to shareholders registered on the South African branch register is a local payment derived from funds sourced in South Africa.
- Shareholders registered on the South African branch register are advised that the distribution of 6.70000 pence, equivalent to a gross dividend of 133.00000 cents per share, has been arrived at using the Rand/Pound Sterling average buy/sell forward rate, as determined at 11:00 (SA time) on Tuesday, 18 May 2021.
- Ninety One plc United Kingdom tax reference number: 623 59652 16053.
- The issued ordinary share capital of Ninety One plc is 622,624,622 ordinary shares.
- The dividend paid by Ninety One plc to South African resident shareholders registered on the South African branch register and the dividend paid by Ninety One Limited to Ninety One plc shareholders on the SA DAS share are subject to South African Dividend Tax ("Dividend Tax") of 20% (subject to any available exemptions as legislated).
- Shareholders registered on the South African branch register who are exempt from paying the Dividend Tax will receive a net dividend of 133.00000 cents per share, paid by Ninety One Limited on the SA DAS share.
- Shareholders registered on the South African branch register who are not exempt from paying the Dividend Tax will receive a net dividend of 106.40000 cents per share (gross dividend of 133.00000 cents per share less Dividend Tax of 26.60000 cents per share) paid by Ninety One Limited on the SA DAS share.

By order of the board

Paula Watts

Company Secretary

19 May 2021

Ninety One Limited dividend announcement

Notice is hereby given that a gross final dividend of 133.0 cents per ordinary share has been recommended by the Board from income reserves in respect of the financial year ended 31 March 2021. The final dividend will be paid on 12 August 2021 to shareholders recorded in the shareholders' register of the company on close of business 23 July 2021.

The relevant dates for the payment of dividend are as follows:

Last day to trade cum-dividend	Tuesday, 20 July 2021
Shares commence trading ex-dividend	Wednesday, 21 July 2021
Record date	Friday, 23 July 2021
Payment date	Thursday, 12 August 2021

The final gross dividend of 133.0 cents per ordinary share has been determined by converting the Ninety One plc distribution of 6.7 pence per ordinary share into Rands using the Rand/Pound Sterling average buy/sell forward rate at 11:00 (SA time) on Tuesday, 18 May 2021.

Share certificates may not be dematerialised or rematerialised between Wednesday, 21 July 2021 and Friday, 23 July 2021, both dates inclusive.

Additional information to take note of:

- The final dividend paid by Ninety One Limited to shareholders registered on the South African register is a local payment derived from funds sourced in South Africa.
- Ninety One Limited South African tax reference number: 9661 9311 71.
- The issued ordinary share capital of Ninety One Limited is 300,089,454 ordinary shares.
- The dividend paid by Ninety One Limited is subject to South African Dividend Tax ("Dividend Tax") of 20% (subject to any available exemptions as legislated).
- Shareholders who are exempt from paying the Dividend Tax will receive a net dividend of 133.00000 cents per ordinary share.
- Shareholders who are not exempt from paying the Dividend Tax will receive a net dividend of 106.40000 cents per ordinary share (gross dividend of 133.00000 cents per ordinary share less Dividend Tax of 26.60000 cents per ordinary share).

By order of the board

Ninety One Africa Proprietary Limited

Company Secretary

19 May 2021